Developing a socially inclusive management framework for sustainable social security in South Africa: The case of the Eastern Cape Province

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DECLARATION

I, **Maxwell Haurovi**, solemnly declare that, this thesis entitled, **Developing a socially inclusive management framework for sustainable social security in South Africa: The case of the Eastern Cape Province** is my own original work and all sources used or cited have been duly acknowledged by means of complete references, and that this thesis has not been submitted in part or its entirety by me or any other person for degree purposes at this or any other institution.



Signature

18 November 2016

Date

DEDICATION

In loving memory of my late mother Sostina (1948-2015) who played a crucial part in raising and imparting the values of love, steadfastness and diligence in me. I would have loved her to witness this great milestone in my life. May her loving soul rest in eternal peace.

This one is for you mama.

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One can pay back a loan of gold, but one dies forever indebted to those who are kind- Malayan Proverb

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ACRONYMS AND ABBREVIATIONS

ACHPR	African Charter on Human and Peoples' Rights
ACRWC	African Charter on the Rights and Welfare of the Child
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
ATM	Automated Teller Machine
AU	African Union
BPC	Beneficio de Prestacao Contunia
BRICS	Brazil, Russia, India, China and South Africa
CDW	Community Development Worker
CEDAW	Convention on Elimination of Discrimination Against Women
CEO	Chief Executive Officer
CERD	Convention on Elimination of Racial Discrimination
CFSR	Charter for Fundamental Social Rights
CPS	Cash Paymaster Services
CRC	Convention on the Rights of the Child
CSG	Child Support Grant
DG	Disability Grant
DHA	Department of Home Affairs
DoE	Department of Education
DoH	Department of Health
DSD	Department of Social Development
ECA	Economic Commission of Africa
ECDC	Eastern Cape Development Corporation
ECNGOC	Eastern Cape Non-Governmental Organisations Coalition
ECSECC	Eastern Cape Socio-Economic Consultative Council
EPF	Employees' Provident Fund
EPFO	Employees' Provident Fund Organisation
EPS	Employees' Pension Scheme
EPWP	Expanded Public Works Programme
ESIC	Employees' State Insurance Corporation
FCG	Foster Care Grant
GDP	Gross Domestic Product

GEAR	Growth, Employment and Redistribution
GIA	Grant in Aid
HIV	Human Immunodeficiency Virus
ICESCR	International Convention on Economic, Social and Cultural Rights
ICT	Information and Communication Technology
ID	Identity Document
IGR	Inter-Governmental Relations
ILO	International Labour Organisation
IMF	International Monetary Fund
LED	Local Economic Development
MDG	Millennium Development Goal
MIS	Management Information System
MLSGS	Minimum Living Standards Guarantee Scheme
NDB	New Development Bank
NDP	National Development Plan
NGO	Non-Governmental Organisation
NPAI	New Public Administration Initiative
NPC	National Planning Commission
NPM	New Public Management
NREGS	National Rural Employment Guarantee Scheme
NRPP	New Rural Pension Programme
NSSF	National Social Security Fund
NSSI	National Social Security Institute
NWU	North-West University
NWURERC	North-West University Research Ethics Regulatory Committee
OAG	Old Age Grant
OECD	Organisation for Economic Cooperation and Development
OTP	Office of the Premier
OVC	Orphans and Vulnerable Children
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PAYGO	Pay As You Go
PFRDA	Pension Fund Regulatory and Development Authority

PIN	Personal Identification Number
POSDCORB	Planning, Organising, Staffing, Directing, Coordinating, Reporting and Budgeting
PPP	Public-Private Partnership
PSR	Provedencia Social Rural
RDP	Reconstruction and Development Programme
RO	Research Objective
RQ	Research Question
RSA	Republic of South Africa
SADC	Southern African Development Community
SAHRC	South African Human Rights Commission
SAPS	South African Police Service
SAQA	South African Qualifications Authority
SARB	South African Reserve Bank
SARS	South African Revenue Service
SASSA	South African Social Security Agency
SDG	Sustainable Development Goal
SOCPEN	Social Pension
SOE	State Owned Enterprise
StatsSA	Statistics South Africa
TQM	Total Quality Management
UDHR	Universal Declaration of Human Rights
UEPS	Universal Electronic Payment System
UN	United Nations
UNDP	United Nations Development Programme
USA	United States of America
USSD	Unstructured Supplementary Service Data
WVG	War Veteran Grant

ABSTRACT

The social contract serves as a tacit agreement between the state and its citizens, with the citizens abiding by the statutes of their government in return for the provision of public services. This contract has a critical implication on the role that governments play in promoting the sustainable socio-economic development of their societies. In the same vein, eradicating socio-economic challenges such as poverty and inequality require government-led interventions. As a developmental state, the Republic of South Africa has various pro-poor social development policies giving effect to wedging a sustained assault on poverty and inequality. One such policy is the provision of various fiscally funded social security grants. Despite the robust statutory provisions towards promoting access to social grants, there remain some deserving poor people who are, for varying reasons, socially excluded. Such people bear the vicious force of poverty and inequality due to the inability of the social safety net to offer them a reliable shield and refuge, thereby perpetually keeping them impoverished.

Social inclusion of the poor has become the Achilles heel of the SASSA particularly in the Eastern Cape Province, one of the poorest provinces in the Republic. Hampering the prospects of social inclusion in the Province are challenges linked to *inter alia*, the absence of community poverty profiles, poor sub-contracting arrangements and social grant fraud. In this regard therefore, the study sought to improve the managing of fiscally funded social security by developing a socially inclusive framework for the Republic of South Africa. The study utilised a qualitative research paradigm where a literature study, semi-structured interviews and questionnaires were used to gather data. The study also discussed social security management cases from the BRICS bloc to derive best practices for social inclusion in the local context. Based on this, the study proposes a framework and makes complimentary recommendations for the adoption of interventions including the improvement of oversight arrangements and intergovernmental relations to build a socially inclusive management system.

Key words: social exclusion, social grants, socially inclusive management framework, poverty, inequality, efficiency, economy, social security, socio-economic development, developmental state, New Public Management, poverty alleviation, fiscally funded.

CHAPTER ONE
INTRODUCTION AND GENERAL ORIENTATION

1.1. INTRODUCTION AND BACKGROUND

As a democratic developmental state, the Republic of South Africa prides itself in having one of the most advanced constitutional democracies in the world. Guided by the Constitution of the Republic of South Africa (1996), the South African democracy, born on the 27th of April 1994 after a protracted struggle to end the apartheid regime, has made great strides in promote equality and the socio-economic redistribution of wealth (Cook, 2013:7). Soon after the dawn of the era of participative democracy, the ruling African National Congress (ANC) used the Reconstruction and Development Programme (RDP) as its socio-economic blueprint towards the progressive promotion of socio-economic development in all sectors of the economy (Davids, Theron & Maphunye, 2005:18). Above all, the Constitution of the Republic of South Africa (1996) promotes equal rights for all citizens, regardless of race, gender or any other arbitrary characteristic. Chapter II of the Constitution of the Republic of South Africa (1996) is the Bill of Rights which *inter alia*, promotes equality of all citizens before the law (Section 9) and accords all people the inalienable right to social security and social protection (Section 27) (RSA, 1996).

The foundational origin of social security in the Republic of South Africa is premised on Section 27(1)(c) of the Constitution of the Republic of South Africa (1996) which declares that, “everyone has the right to have access to social security, including, if they are unable to support themselves and their dependants, appropriate social assistance” (RSA, 1996:11). Additionally, the Constitution of the Republic of South Africa (1996) mandates the state to ensure that such rights are sufficiently met through Section 27(2) which obligates the state to, “take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights” (RSA, 1996:11). In this regard, the Republic of South Africa has a well-designed social security system through which the government ensures that the young, poor, aged, disabled, orphaned and war veterans have unparalleled access to the respective social assistance grants which they are legally entitled to.

Although the general public has raised grievances about the amounts received for the various fiscally funded social security grants and a person's relative ability to earn a decent living from these grants (Budlender & Lund, 2011:941), the social security system has been instrumental in alleviating poverty, especially amongst the vulnerable groups in present-day South African society (Patel, 2012:117). In this regard therefore, the government of the Republic of South Africa continues to fulfil its commitment to fighting poverty and inequality through fiscally funded social assistance and protection. To this end, the 2014/15 budget indicated that spending on social grants was set to increase from R118 billion in the 2013/14 financial year to R145 billion in the 2016/17 financial year, with a cumulative total expenditure of R410 billion on social grants for the period starting from 2014 to 2016. Also, the number of people eligible for social grants was forecasted to reach 16.5 million in the 2016/17 financial year (Gordhan, 2014:15). The purpose of the study is to develop a socially inclusive management framework for sustainable social security in the Republic of South Africa, based on a case study of the Eastern Cape Province. A general background of the study area is crucial for the study to factually and gradually develop such a framework.

As a quasi-federal system, the government in the Republic of South Africa as outlined in Chapter III of the Constitution of the Republic of South Africa (RSA, 1996), is structurally comprised of three autonomous, interdependent and interrelated spheres *viz*, national, provincial and local. Specifically, the Republic has a single national government, nine provinces and 278 municipalities that make up the local sphere of government. The study now provides a discussion of the Eastern Cape context in term of its geographic and socio-economic characteristics. Geologically, the Eastern Cape Province is the second largest of the Republic's nine provinces taking a total of 13.9% of the land mass (Makiwane & Chimere-Dan, 2010:36; Eastern Cape Development Corporation (ECDC), 2014:3). Yawa (2016:5) mentions the Province as having a population of 6.6 million people, accounting for 12% of the national population of the Republic but socio-economically contributing a paltry 7.5% to the Gross Domestic Product (GDP).

Since the dawn of democracy in 1994, the Eastern Cape Province has been ranked as the poorest of the nine provinces due to its low GDP and Human Development

Index (Perret, 2001:5; ECDC, 2014:3). Seekings and Nattrass (2015:2) attribute the poverty in the Province to be historical in nature with over two thirds of the Province living in poverty in 1995 soon after gaining freedom. On the same note, Makiwane and Chimere-Dan (2010:125) echo the same sentiments on poverty prevalence in the Province, when they mention that most social indicators show that the Province is the poorest region in the Republic and its socio-economic profile reflects the adverse impacts of historic policies and entrenched patterns of privilege and deprivation.

The challenge of poverty in the Eastern Cape Province is also compounded by skills scarcity and rampant corruption pervading the Province's Public Service (Manyaka & Sebola, 2013:80). Being a predominantly a rural Province, high unemployment has crippled the socio-economic prospects of the Province and its inhabitants with figures showing distribution rates for unemployment across the various ethnicities standing at 60.6% for Blacks, 7.3% for Whites, 37.1% for Coloureds and 16.3% for Asians (ECDC, 2014:3). Consequently, such a distribution of unemployment create inequalities across the different races in the Province (Eastern Cape Non-Governmental Organisations Coalition (ECNGOC), 2013:3). A total of 64% of the population earns less than R9600 per annum (less than US$25 per week). Moreover, individuals and households are most likely to invest the meagre resources at their disposal on voluntary informal social security schemes such as burial societies to cater for funerals because of the high prevalence rate of the Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS) in the Eastern Cape Province (ECNGOC, 2013:3).

In principle, the Republic of South Africa has realised an average of 3.3% growth in its GDP for the two decades leading to 2014, a trend which has not, however, been harnessed through the socio-economic empowerment of the majority, who remain affected by poverty and inequality (Chikozho, 2016:110). In the same vein, Westaway (2012:116) offers insights into the dire situation of the Province, by giving the following socio-economic indicators:

(i) 32% of households lived on less than US$1/day;

(ii) 12.1% of households had no source of income;

(iii) 25% of households had a monthly income of R400 or less;

(iv) 73% of rural people in the live on less that R300 per month; and

(v) the average rural income stood at R255 month.

Further to the lack of socio-economic opportunities in the Province which has been attributed to the poverty prevalence rates shown in the preceding listed indicators, there is also an issue of a widening gap between urban and rural standards of living. The significant gap between rural and urban levels of development in the Province shows the Nelson Mandela and Buffalo City Metropolitan municipalities accounting for a cumulative two thirds of the Province's GDP, with the remainder shared across the other six predominantly rural district municipalities (Eastern Cape Socio-Economic Consultative Council (ECSECC), 2012:44). As mentioned previously, a key challenge to the socio-economic development prospects in the Province is posed by prevalence rates of the HIV and AIDS. Statistically therefore, Shisana, Rehle, Simbayi, Zuma, Jooste, Zungu, Labadarios and Onoya (2014:37) note that the prevalence rate of the pandemic in the Province stood at 12.2% of the provincial population in 2012. Notably also, the Buffalo City Metropolitan Municipality is the most affected by the pandemic due to its high share of the overall provincial prevalence of HIV and AIDS (Shisana *et al*., 2014:49)

In addition, the prevalence of the pandemic has had an inevitable effect on mortality rates in the Province. For instance, in 2006, AIDS accounted for 64% of all deaths in the economically active group provincially *viz*, the 15-49 years age group (ECSECC, 2012:45). Furthermore, the national and provincial governments are grappling with the challenge of eradicating the imbalanced distribution of economic resources brought about by apartheid era practices of racially biased socio-economic development. Also, the poverty and inequality have been exacerbated by the high levels of unemployment and illiteracy in some parts of the Province which has a ripple effect on the nationwide socio-economic interventions and programmes being implemented by the government in a bid to address and redress these social ills in a sustainable manner (Magombeyi, Taigbenu & Barron, 2013:7).

In the rural parts of the Province, particularly the former homeland of Transkei, a third of households are female-headed, most of whom are elderly and aged over 65 years (ECNGOC, 2013:2). Moreover, the Province suffers from a visible lack of productive

economic activity, which leads to the majority of the population depending on social grants and remittances. These remittances come from the economically active family members who have migrated into other wealthier provinces in search of the proverbial greener pastures (Westaway, 2012:117). Statistically, from the 6.6 million inhabitants domiciled in the Eastern Cape Province, almost half, that is, 2.7 million are enrolled and receiving fiscally funded social security (Yawa, 2016:2), the most common grant being the Child Support Grant (CSG) (ECNGOC, 2013:3). Such gloomy realities show the bleak future that the Province faces mainly due to poverty and inequality.

As shown by the preceding statistical synopsis, the Eastern Cape Province requires socio-economic initiatives and programmes aimed at addressing as well as redressing poverty and equality. Social development policy interventions such as the system of social assistance and protection where various qualifying citizens periodically receive different types of social grants are aimed at addressing poverty and improving the livelihoods of citizens. In a democratic developmental state, fiscally funded social security is a key feature of how state-led socio-economic development can be duly established and sustained. Augmented by global bodies such as the United Nations (UN), who collectively have made great strides to collectively fight global poverty, most of which is found in African countries, the Republic of South Africa is making positive progress towards effectively winning the war on poverty (United Nations Development Programme (UNDP), 2003:81).

Furthermore, the UN, through its Sustainable Development Goals (SDGs) mandated member states to build equal societies through sustainable development by way of *inter alia*, globally halving the proportion of people living on less than US$1.25 per day and achieving productive employment for all (UN, 2015:2). Of critical importance among the SDGs are the first (reducing poverty) and tenth (reducing inequalities). These SDGs were adopted against the background of 836 million people across the world still living in poverty, while one in every five people in the developing world lives on less than US$1.25 per day (UN, 2015:1). During the ascension and adoption of the SDGs on 15 September 2015, the UN General Assembly noted that income inequality in the developing world, including in the Republic of South Africa, had fallen by 11% between 1990 and 2010. This was encouraging progress and achievement of the

Millennium Development Goals (MDGs) although more has to be done with respect to effectively alleviating and eradicating poverty.

The 2008 mid-term UNDP reports showed that African countries have made some progress in poverty reduction in line with the MDGs. Subsequent to the MDGs, the SGDs pursue a robust sustainable development agenda hinged upon fighting poverty and inequality in modern society (UN, 2015:2). The SGDs aim to address challenges such as employment creation, a key intervention that has a causal effect on poverty especially among the economically active group of the population (Anyanwu, 2013:1; Altman, Mokomane & Wright, 2014:348). In the Republic of South Africa, for instance, the government has to focus on ensuring universal socio-economic development towards a better life for all through interventions aimed at addressing unemployment, poverty and inequality (Govender, Barnes & Pieper, 2010:335).

Overall, the study seeks to develop a socially inclusive management framework for sustainable social security in the Republic of South Africa based on the case study of the Eastern Cape Province. To this effect therefore, this chapter as the prologue to the study, covers introductory remarks, the study orientation and background, statement of the problem, research questions as well as study objectives, significance, limitations and research methodology employed in the study. Chapter One also offers a structural layout of the entire thesis. Principally, the overarching objective of this chapter is to build a foundation upon which the remainder of the study rests.

The section that follows provides the orientation and states the research problem.

1.2. ORIENTATION AND PROBLEM STATEMENT

This section offers a precise conceptualisation of the developmental state and the problem statement. It is crucial to link the effective management of social security to the characteristic features of a democratic developmental state to establish a strong foundation from which the socially inclusive management framework for sustainable fiscally funded social security can be developed. This is covered in the contemporary section. Foremost, sustainable management has become an enabling tool for effective socio-economic development (McKenzie, 2004:17). Foremost, the phrase sustainable

management is a compound of words sustainability and management. The concept of sustainability can be described as, “meeting the needs of today without compromising the ability of future generations to fully meet their own needs” (Sen, 2013:8), while management is also defined as, “the process of planning, organising, leading and controlling scarce resources of the organisation towards achieving the organisation’s mission and goals as productively as possible” (Smit, Cronje, Brevis & Vrba, 2011:8). From the preceding conceptualisation hence, pro-poor socio-economic initiatives and programmes and interventions of the government should be sustainably managed, to attain the intended development goals.

From another angle, sustainable management can be viewed as synonymous with sustainable development. Sustainable development implies development that enables a government to meet the needs of present generations without compromising the ability of future generations to meet their own needs (Sen, 2013:8; Imran, Alam & Beaumont, 2014:135; Blewitt, 2015:9). In the context of the study, sustainability is a pillar on which the socially inclusive management framework rests, as is evident specifically in Chapter Six of the thesis. As a starting point, the managing of fiscally funded social security should cater to both the current and future needs of the society through an effective and efficient management culture that ensures the economic use of government resources, predominantly taxpayers’ funds with which the government is entrusted. Moreover, the management of fiscally funded social security should be designed in a manner that smoothens the implementation of the government’s social development initiatives and gives greater value for money to the citizens who are voters-cum-taxpayers. In practice therefore, social development is part of a democratic developmental state, and the study stresses on developing of a socially inclusive management framework that is premised on the attaining of universal socio-economic development.

As argued in the preceding section, social development should be sustainable, and such a goal can be achieved when, “the formal and informal processes, systems, structures, and relationships involved in promoting it actively partake and support the capacity of current and future generations to create healthy and liveable communities” (McKenzie, 2004:18). Therefore, addressing poverty and inequality becomes part of

the effort to establish socially sustainable communities in the societies where people live, work and raise families. Further to this, socially sustainable communities are, “equitable, diverse, connected and democratic” and provide a decent living standard (McKenzie, 2004:18). It follows then that, social sustainability is social development with longevity and efficacy. In a democratic developmental state such as the Republic of South Africa, both economic and social development have to be concurrently promoted towards universally attaining quality living standards for all, regardless of race, gender, political affiliation or creed. The interrelations between social inclusivity and developmental states are addressed later in this discussion.

Overall, a democratic developmental state is generally a state whose social, economic and political components function in a synergised fashion towards the progressive realisation of a better life for all its citizens. Nzewi and Kuye (2007:196) mention that democratic developmental states stem from the realisation that less advanced nations require artificial means to address the gap separating the rich and the poor as seen in advanced nations, therefore making the state an catalytic proxy of development, taking the obligation of championing socio-economic development. This implies that states that are less developed have to take the initiative to improve the socio-economic conditions of their citizens. In addition, this conceptualisation of a developmental state shows that state-led socio-economic development has become the norm in the contemporary world. At this juncture, the study delves into the definitional perspectives of a developmental state.

Van Dijk and Croucamp (2007:665) explain that, the democratic developmental state is punctuated by a scenario where the political apparatus have assured that vital aspects such as power, autonomy and capacity are centralised as a way of reaching developmental goals. Implicitly, the key focus of the developmental state is to, “either direct or enable the attainment of sustainable socio-economic growth” (Van Dijk & Croucamp, 2007:665). Consequently hence, the developmental state assumes a paternalistic role in championing socio-economic development. In addition, in a developmental state, the responsibility for development is solely placed on the state which should create a conducive environment for establishing institutional as well as infrastructural effectiveness and efficiency (Van Dijk & Croucamp, 2007:668).

The study deduces that a democratic developmental state moves away from a *laissez-faire* state into an active neo-liberal and interventionist kind of state punctuated by an earned legitimacy and embedded autonomy. Besides the brief synthesis of the characterisation of a developmental state provided this far, Fritz and Menocal (2006:6) list democratic developmental states as having:

(i) the political will to national prosperity goals;
(ii) a zeal to actively foster economic development;
(iii) an emphasis on state capacity and embedded autonomy;
(iv) state legitimacy derived from state accomplishments and performance; and
(v) a daily work environment that is meritocratic, infused by a strong *esprit de corps*.

Based on the features listed above, one can infer that a system where management processes are based on merit is more likely to succeed in realising its goals since it minimises favouritism, nepotism and bias. In the same vein hence, the efficacy of the democratic developmental state depends on the consistent presence of a meritocratic bureaucratic apparatus that further has a strong sense of corporate identity (Meyns & Musamba, 2010:18). Additionally, embedded autonomy greatly depends on shared responsibility. Such a responsibility involves an advanced bureaucratic apparatus which has an intervening capacity built on experience and a relatively organised set of private role players who can take part in the effective implementation of policies and programmes advancing socio-economic development (Meyns & Musamba, 2010:18). Therefore, a democratic developmental state emphasises on state-led initiatives while concurrently valuing the relative importance of role-players such as private sector stakeholders.

In connection with the preceding, Nzewi and Kuye (2007:199) write that democratic developmental states are inherently development conscious, whose socio-economic development is enriched by political commitment and a competent bureaucracy driven by the state political and economic structures. Overall, democratic developmental states are intimately involved in both the macro and micro economic planning of enabling policies to grow their economies. History shows successful developmental states have a culture of advancing their economies at a faster pace than regulatory

states, which utilise regulations to manage and control their development (Marwala, 2009:2). Inferring the preceding synthesis of discussions to the local context, the adoption of the developmental state route by the Republic of South Africa saw it shun privatisation and focus on state-led socio-economic development (Tseola, 2012:62). Additionally, the Republic of South Africa has created state institutions, public sector agencies and parastatals that catalyse social-economic development in the wake of the need to redress and address the disparities of the past (Edigheji, 2010:23).

In the context of the Republic of South Africa, the state had an arduous task to achieve socio-economic development and equality from the onset since the current democratic dispensation had to grapple with the disparities caused by the apartheid regime, which had different models of development for Whites and non-Whites. Edigheji (2010:24) writes that, "given the imperative to redress colonialism and apartheid legacies, the Republic of South Africa needed strategic planning to ensure policy coherence and coordination and effective allocation of resources in order to meet its developmental needs". Moreover, the developmental state debate concerning the Republic of South Africa has revolved around its democratisation qualities together with the upholding of public participation, political pluralism and fostering of accountability in the planning and implementation of socio-economic development programmes (Tseola, 2012:62). Although the debate on whether the Republic makes a 'jigsaw fit' to the developmental state model characteristically rages on, there is consensus on its possession of key features of a developmental state. These features include *inter alia*, political pluralism, state legitimacy, an entrenched public participation culture, embedded autonomy and public accountability (Meyns & Musamba, 2010:18).

Putting the preceding synthesis of discussions into perspective, the existence of the South African developmental state has been plagued by a myriad of challenges in recent history. Such challenges have manifested as rising poverty, unemployment and inequality among the citizens. In addition, the policies aimed at alleviating poverty and inequality has, in some instances, stalled or been deficient (Seekings & Nattrass, 2015:255). These polices such as social development strategies aimed at providing social relief for citizens through fiscally funded social assistance have been confronted by the challenge of social exclusion and an absence of a streamlined implementation

framework (Pauw & Mncube, 2007:21). An in-depth discussion of the implications of the problem of social exclusion in the context of the study follows later in this section. The escalation of the problem of social exclusion in the Republic of South Africa, and particularly the Eastern Cape Province, has been attributed to the weak social grants management system, which has seen numerous modifications in the manner in which fiscally funded social security is administered over the years (Makiwane & Chimere-Dan, 2010:138).

Democractic developmental states are, as argued this far, characterised with the utilisation of state autonomy in the implementation of state-led socio-economic interventions targeting the creation of liveable societies. As such, fiscally funded social security is a key apparatus which the government of the Republic of South Africa uses to redress and address the social development needs of its societies. Furthermore, social security goes hand-in-hand with the nature of democratic developmental states since the less fortunate individuals in society need fiscally funded assistance to help them cope with social ills such as unemployment, poverty, bereavement, deaths, accidents and destitution. In a constitutional democracy like the Republic of South Africa's, fiscally funded social security has arguably been the pinnacle of promotion of socio-economic rights of citizens as enshrined in Section 27 of the Constitution of the Republic of South Africa (RSA, 1996).

Denial of access to fiscally funded social security is regarded as a form of unfair discrimination against those affected as described in Section 9 of the Constitution of the Republic of South Africa (RSA, 1996). Additionally, the democratic rights of citizens to social security should be legally enforced by the government through *inter alia*, the enactment of enabling statutes and policies like the Social Assistance Act (No. 9 of 2004), the establishment of an effective management framework for fiscally funded social security as well as the constant and consistent monitoring and evaluation of social security implementation programmes. Such track and trace initiatives would consistently ensure the redressing of inaccuracies, the timeous correction of variances and remedial action in cases of social exclusion. Overall, in post-colonial Africa, fiscally funded social security is of critical importance for the realisation of the socio-economic development goals of a developmental state, where it is statutorily enshrined as a

democratic right of every citizen, one in that the government should progressively promote.

In a bid to improve access to fiscally funded social security, the government of the Republic of South Africa has implemented pro-poor socio-economic interventions aimed at fighting poverty and inequality. A case in point was during the 2012/2013 financial year when the SASSA, the public service agency responsible for managing social security in the Republic, conducted a social grant reregistration exercise aimed at improving the management of social grants in the entire Republic. Encouragingly, the social grant re-enrolment exercise resulted in an improvement of the administrative procedures which made the system more efficient and effective. The introduction of an improved social security grant payment system lowered the cost of administration (Gordhan, 2014:15). In addition, Gordhan (2014:15) notes of an aggregate of one million invalid social grant beneficiaries who were removed from the system after the exercise. Also, the enrolment process for social security grants has been augmented by the addition of an extra layer of security features through biometric and voice verification. In fiscal terms, the reregistration has managed to save a total of R2 billion of the national fiscal budget (Ensor, 2014:2).

Measures such as social grant reregistration were aimed at finding lasting solutions to issues surrounding ‘ghost’ grant recipients and some unscrupulous activities that end up swindling the intended and deserving recipients of grants (Gordhan, 2014:14). In spite of these measures aimed at closing loopholes in the social grant administration and management process, a considerable segment of deserving poor and vulnerable citizens in the Eastern Cape Province are socially excluded for a plethora of reasons *inter alia*, the strict and arduous means-testing and eligibility criteria for them to qualify and enrol for social grants, lack of access to vital information on fiscally funded social assistance caused by the remoteness of their locations or abject poverty (Pauw & Mncube, 2007:17). The responsible authorities are also using a partially fragmented and less inclusive framework to manage social assistance, one that is vulnerable to social exclusion and which for this reason leads to stagnant social development in a developmental state, therefore escalating social exclusion (Neves, Samson, Van Niekerk, Hlatshwayo & Du Toit, 2009:22).

Means-testing is defined as, “mechanisms for identifying people, either individuals or households, as poor” (Qingyue, Beibei & Liying, 2010:3). Such mechanisms may include the processes for defining criteria for identifying poor people; criteria used to identify poor people; and processes used for assessing which people meet such criteria (Qingyue *et al*., 2010:3). The Free Dictionary (2014:1) defines means-testing as an investigation into the socio-economic status or financial well-being of a person to determine their eligibility for some form of financial aid. Although means-testing serves as a qualification criteria for receiving of social security grants, it has led to social exclusion of some citizens in the Eastern Cape Province, which has become a ‘thorn in the flesh’ with regard to the social development of the Province towards the universal sustainable development of the South African democratic developmental state (Makiwane & Chimere-Dan, 2010:132).

Fighting poverty and addressing socio-economic inequality has become the Achilles heel of the government agencies involved in the implementation of socio-economic development policy programmes in the Province. Moreover, the success of such strategies is hugely affected by the exclusionary nature of the current social security management framework. Since the problem of social exclusion has become a constituent component of the statement of the study problem, the following section specifically unpacks and discusses this phenomenon.

Silver (2007:1) views social exclusion as, “being a dynamic process that precludes an individual from fully participating in the normatively prescribed activities of a given society”. Social exclusion also denies its victims access to information, resources, sociability, recognition and identity thus eroding self-respect and reducing capabilities of such individuals to achieve their personal development goals (Silver, 2007:2). For Babajanian and Hagen-Zanker (2012:2) social exclusion constitutes various kinds of socio-economic disadvantage caused by factors such as, “inadequate income, poor healthcare, geographic location and cultural identification”. Munck (2005:22) in turn conceptualises social exclusion as the dynamic process of being partially or fully eliminated from the vital socio-economic or cultural systems which define one’s integration into a particular society. Social exclusion can also be the result of a person belonging to a certain ethnic class as mentioned by the Oxford Dictionary (2014a:1),

which explains social exclusion as, “exclusion from the prevailing social system and its rights and privileges, typically as a result of poverty or the fact of belonging to a minority social group”.

Moreover, an individual is socially excluded if they are geographically domiciled in a community but for reasons which are *ultra vires*, cannot duly partake in the numerous normal activities of citizens in that society with which they would identify themselves (Burchardt, Le Grand & Piachaud, 1999:230). From another angle, social exclusion is an interplay of a different factors with the cumulative consequence of denial of unhindered access to certain individuals or groups, of an opportunity to partake in the vital socio-economic life of their community, resulting not only in, “diminished material and non-material quality of life, but also in tempered life chances, choices and reduced citizenship” (Kenyon, Lyons & Rafferty, 2002:208).

The study therefore deduces that social exclusion has inhumane connotations, such as the stripping of an individual’s dignity, their ability to partake in daily activities, coping with social ills, shocks and surprises causing them to be practically detached from mainstream life in any particular society. The study further argues that, social exclusion has direct ripple effects on the excluded since they lack a proper standard of living. Such ripple effects include the inability to nourish themselves in a dignified manner, broken family lines, substance use or abuse and inability to access other intertwined rights such as education and healthcare which they are entitled to fully and equally enjoy.

Besides social exclusion and its repercussions, an additional challenge confronting the Eastern Cape Province in its quest to improve the quality of life and standards of living of its inhabitants is the absence of a watertight management framework and system for social security. As revealed in the preceding arguments, the social security grant reregistration exercise championed by the SASSA was a measure to help improve the management of social security in the Republic South Africa (Gordhan, 2014:15). However, the snail’s pace at which policy resolutions are being implemented in the Province is cause for great concern. Compounding the situation is the fact that the Province is mainly rural and the citizens’ attitude, access to information and the

relative dedication of the public officials have been found wanting (ECNGOC, 2013:5). In view of these problems, the study develops a socially inclusive management framework for sustainable social security in the Province and the Republic in general, to contribute to mainstreamed social grant system in a developmental state.

In the light of the preceding discussions, the research problem revolves around the inability of the current social security management framework to sustainably improve the livelihoods of the people of the Eastern Cape Province. This inability has led to social exclusion and sometimes coupled with an underutilisation of public funds while poverty and inequality continue to escalate. Additionally, the study seeks to do justice to the social development dimension of the democratic developmental state, since most contemporary studies have had a notable bias towards the economic aspect of the democratic developmental state although both social and economic development are universal characteristics of a developmental state. Therefore, the study seeks to develop a socially inclusive social security management framework for the sustainable social development of the Province.

In an effort to gather ample theoretical and empirical evidence to aid the resolving of the identified problem, the study now provides the research questions and objectives in the sections that follow.

1.3. RESEARCH QUESTIONS

Taking cognisance of the nature of the study, the research problem identified in the preceding arguments and the situation within which the social security system in the Eastern Cape Province finds itself, the study gathers theoretical and empirical data towards sufficiently answering the following research questions:

(i) Which theoretical frameworks guide social security in the Republic of South Africa as a democratic developmental state?

(ii) What is the statutory and regulatory framework supporting social security in a democratic developmental state such as the Republic of South Africa?

(iii) What are the management challenges affecting the social inclusion by the social security system of a democratic developmental state with reference to the Eastern Cape Province of the Republic of South Africa?

(iv) Which international best practices can serve as leading examples towards an effective and efficient social security management framework devoid of social exclusion in a democratic developmental state?

(v) What socially inclusive management framework applicable to a democratic developmental state can be developed to improve the manner in which social security programmes are being managed in the Eastern Cape Province and the Republic of South Africa in general?

1.4. RESEARCH OBJECTIVES

The overarching objective of the study is to develop a socially inclusive management framework for the improvement of fiscally funded social security in the Eastern Cape Province specifically, and the Republic of South Africa as a democratic developmental state. In this regard, the ensuing research objectives are to:

(i) Describe the applicable theoretical frameworks which guide social security with reference to the Republic of South Africa as a developmental state.

(ii) Discuss the statutory and regulatory framework supporting social security in a developmental state with reference to the Republic of South Africa.

(iii) Explain the management challenges affecting the social inclusion in the social security system of a democratic developmental state with reference to the Eastern Cape Province of the Republic of South Africa.

(iv) Describe international best practices which can serve as leading examples towards an effective and efficient social security management framework devoid of social exclusion in the developmental state.

(v) Explore a socially inclusive management framework applicable to the democratic developmental state, which can be developed to help improve the manner in which social security programmes are being managed in the Eastern Cape Province of the Republic of South Africa.

In principle, social science studies seek to solve an identified problem as highlighted in Sections 1.1 and 1.2 of the thesis. There are various aspects that constitute the significance of the study as discussed in the section that follows.

1.5. SIGNIFICANCE OF THE STUDY

In principle, the significance of a study is directly proportionate to its influence on the expansion of an existing body of knowledge or public policy practice. The significance of a study also identifies the various stakeholders who are going to derive benefits from the study and its findings. Most social scientists tend to aim towards transforming socio-economic policy especially with regard to policy implementation, monitoring and evaluation. In light of the preceding, the study concurrently seeks to transform policy implementation and to expand the existing body of scholarly knowledge. Overall, the development of a socially inclusive framework for the sustainable management of social security aims to improve the efficacy of social assistance in alleviating and eradicating poverty. Moreover, the study significantly improves the fiscally funded social security management framework the Eastern Cape Province and the Republic of South Africa by exploring and recommending reforms that would make the social security management framework socially inclusive.

Various stakeholders and consumers of public services will derive substantial benefits from the empirical study. Such stakeholders encompass the poor, disadvantaged, vulnerable, children, old, women and disabled, all of whom have been suffering from social exclusion caused by the existence of a porous social security management system which is not robust in terms of its management. Social security management transformation also helps in the establishment of a globally competitive democratic, developmental state whose citizens are shielded against misfortunes that manifest in the form of poverty, inequality, squalor, disability, bereavement, unemployment and destitution, thereby improving the standards of living and the quality of life of all citizens in the Republic.

Numerous studies have been conducted in the field of fiscally funded social security, social welfare and the developmental state. The study strives to enrich the existing body of scholarship by specifically doing justice to the social development dimension of the democratic, developmental state, which has been partly neglected because researchers tend to concentrate on the economic aspect related to developmental states. Lastly, the theoretical dimension of the developmental state is still evolving and the study significantly contributes towards developing a robust theoretical framework

for the discipline of Public Administration. Such a theoretical framework improves the grounding of future scholarship on expanding the existing body of scholarship and knowledge on the social development dimension of the democratic developmental state, thereby leading to improved policymaking and implementation premised on a continuous improvement principle.

Specifically, the expansion of the social development dimension of the developmental state is realised through the interplay between the New Public Management (NPM) theoretical orientation, as detailed in Chapter Two of the thesis, literature and empirical evidence in a qualitative research paradigm as discussed in the sections that follow.

The Chapter now provides a snapshot of the central theoretical framework of the study in the section that follows. Notably, an in-depth discussion of the theoretical framework guiding the developing of a socially inclusive management framework for sustainable social security in the Republic of South Africa is covered in Chapter Two of the thesis.

1.6. CENTRAL THEORETICAL STATEMENTS

The ultimate obsolescence of the ancient Weberian model of bureaucratic public sector management has undeniably given rise to the more customer-oriented New Public Management (NPM). NPM is aimed at giving the public sector customer (the citizen) a greater value for money. In an effort to construct a well-developed, relevant, rich theoretical framework, the study utilises the NPM approach to public management in the development of a socially inclusive management framework for sustainable social security management in the Eastern Cape Province. As such, the study offers a preliminary look at the meaning and implications of the NPM paradigm to public management before delving into how the theoretical approach is applied in the study.

At the dawn of the 21st century, traditional approaches to public management have been lambasted for being deep-rooted in bureaucracy, red tape, delays and rigidity (Esau, 2006:48), which had a bottlenecking effect on the efficacy of the public service. Therefore, the necessity of incorporating private sector inspired concepts of customer care and service quality into the public service is the backbone of the NPM approach to public sector management. Basheka (2012:55) acknowledges some definitions that

view NPM as an amalgamation of splitting mechanistic ancient-type bureaucracies into leaner, more fragmented public service organisations, encouraging both internal and external competition between public service agencies and private firms, and utilising economic incentives to encourage performance and service quality. Similarly so, Maserumule (2013:86) notes that NPM is driven by the belief that large state bureaucracies are naturally defective and wasteful, while privately managed markets or economies are more efficient in providing services.

Furthermore, Maserumule (2013:486) identifies the key features of the NPM paradigm as *inter alia*, a borrowing of private sector management practices, focussing on entrepreneurial leadership for public service entities, emphasising on input and output control, the disaggregation of public services to their most basic units and focusing on the control of their (unit) costs and the growth of the use of markets and competition as the key model for delivering public services. De Vries and Nemec (2013:16) posit that 21st century governments were faced with surmounting pressure to reform due to the pace of globalisation and free markets. Therefore, it was critical for governments to duly adopt reforms aimed at improved efficiency, effectiveness and economy in the public service while giving the citizens a greater value for money (Tseola, 2012:62). Locally, NPM was regarded as an administrative agenda encompassing privatisation, deregulation and the re-conceptualisation of the appropriate role of a government or state managing the economy (Louw, 2012:93).

Informed by the White Paper on Transforming Public Service Delivery (1997) and a wider global trend in the adoption of public sector aligned reforms, NPM is aligned to the eight *Batho Pele* (people first) principles which act as the pillars for public services provision. These principles include value for money, quality service standards and transparency aimed at building a people-centred service rendering culture (RSA, 1997a). In substantiating NPM, Hope and Chikulo (2000:27) list the following as push factors which made governments shun bureaucracy and adopt the NPM approach to public service management:

(i) too large and expansive public sectors;
(ii) a demand by the citizens for quality public goods and services;
(iii) a quest for individual growth and job satisfaction by public servants;

(iv) use of modern day technologies to increase public service efficiency; and
(v) a general demise of centrally planned economies which underlined the poor performance of governments globally.

In laymen's terms, NPM was borne out of the need to improve service rendering to levels that would convince the people that the public sector entities are as good (if not better than) private sector organisations in terms of the quality standards for public commodities, job opportunities, job security, value for money, quality assurance and efficacy. NPM therefore empowers states and governments to take a leading role in determining how their people live their daily lives, raise their families and meet their daily needs. Overall NPM aims at building and sustaining an equal society.

Cameron (2009:912) denotes NPM as a fusion of two diverse streams of ideas, which are, business-type managerialism borrowed from the private sector and a form of institutional economics derived from the Public Choice Theory. In this view, NPM can be seen as a hybrid system of the public sector where there is a fusion of both the natural duty of the state to grow and develop the economy and private sector practices linked to profit, economics and Total Quality Management (TQM). In a democratic developmental state such as the Republic of South Africa, NPM has been perceived to be an approach to public management which promotes the 3Es of successful public service management *viz*, efficiency, economy and effectiveness (Tseola, 2012:62). Succinctly, NPM advocates for a move towards cost efficacy, maximisation of socio-economic development and an emphasis on constant quality improvement of public commodities.

Public Administration scholars such as Naidoo (2008:584) recognise the significant influence that NPM in shifting public organisations away from traditional bureaucratic functioning since it is more quality driven than its predecessor. NPM reforms therefore brought the de-bureaucratisation of rigid mechanistic public sector organisations, where public managers were to granted real freedom to manage in the absence of inflexible bureaucratic procedures and red tape (Gregory, 2002:238). In summative form, the study utilises NPM as its theoretical foundation due to its advocacy for a people-driven tailor-made model and style of management hinged-upon private sector

TQM standards and values. In similar sense, NPM ensures the rendering of public services such as social security is people-centred thereby eliminating the loopholes that may cause and escalate social exclusion. An absence of social exclusion builds an equal society devoid of poverty, inequality and social exclusion.

Gathering both theoretical and empirical evidence in social science studies requires appropriate blueprints to ensure sufficient data is gathered in that respect. Therefore, the coming section addresses issues relating to research methodology that the study employed.

1.7. RESEARCH DESIGN AND METHODOLOGY

A research design refers to the procedural plan that a study adopts to answer research questions validly, objectively, precisely and sufficiently (Kumar, 2005:84). Moreover, as a blueprint of a study, the research design mainly details various methodological techniques employed in the study. Additionally, Creswell (1994:145) mentions that, research methodology specifies *inter alia*, study population, sampling procedures, data collection and analysis. Mouton (2004:35) explains that research methodology involves, “the application of various standardised techniques in the pursuit of valid knowledge, and is committed to utilising objective methods and procedures that increase the likelihood of attaining validity.”

In the context of the study, the research design serves as a roadmap the researcher used to sufficiently answer the research questions and gather as many empirical facts to validly and reliably achieve the study objectives. The study used a combination of the case study and grounded theory designs within the confines of the qualitative research paradigm. The study now covers discussions of the various aspects of the research design and methodology covering the research paradigm, study population and sampling techniques.

1.7.1. Research paradigm and design

Denzin and Lincoln (1994:4) posit that the term qualitative to be implies processes and meanings that cannot be rigorously examined, quantified or measured. According to Creswell (2013:43), qualitative studies are situated activities which strategically locate

the researcher in the real world. Qualitative studies consist of a set of interpretative materials that vividly makes the world real and subject to transformation. On another note, De Vos, Strydom, Fouche and Delport (2005:269) regard qualitative studies as differring from quantitative designs because they do not usually provide the researcher with a laid-out procedural plan or a fixed recipe to be followed. In addition, it is critical to note that in a selecting a research design, researchers have to carefully consider the implications of the chosen design in the context of their studies. Such implications relate to the selection the designs best suited to the study to ensure that ample data is gathered towards sufficiently answering the research questions.

Bryman (2012:380) further characterises qualitative research by highlighting three of its precise features. Firstly, there is an existence of an inductive view of the relationship between the research and theory of the study where the latter is gradually generated from the former. In this regard, qualitative studies generate theory as they progress. Secondly, the researcher adopts a critical realist epistemological position where the understanding the social world is based on gathering empirical evidence in the real world on how research participants perceive of the phenomena under study (Bryman, 2012:380). On this note, the study utilises an NPM foundation where theoretical and empirical data is gathered to determine how social development is being pursued in the Province. Bryman (2012:380) lastly mentions the third feature as the constructivist ontological orientation of qualitative studies where the social properties of the world are regarded as a consequence of as an interaction taking place between individuals instead of some preconceived idea of phenomenon.

The study used a qualitative research paradigm to understand the current social security management framework used in the Eastern Cape Province and prospect of improving it by looking from an insider's perspective. Justifiably, the study chose the qualitative research paradigm for a number of reasons. Above all, the researcher wanted to take an insider's perspective into the understanding of the current social security management framework and issues surrounding how it can be improved. In addition, the qualitative approach enabled the understanding and analysing of ideas, attitudes, emotions, feelings, behaviour and perceptions of respondents with regards to fiscally funded social security. This ensured that the study gathers and analyses

divergent input from the various categories of respondents. Another merit of using the qualitative research paradigm is that it provided a vivid picture on the causes of and the effects of social exclusion, an aspect which quantitative studies may not clearly establish, due to their obsession with quantifiable data. Lastly, qualitative paradigms are by nature rich in data and findings since they give the researcher an inside look at the phenomena under study, thereby deductively and inductively making inferences and conclusions about both the sample and target population.

The section that follows focusses on an elucidation of an equally important aspect of the research design, namely the case study.

Creswell (2013:97) describes a case study as a qualitative research design in which the investigator explores a real life, contemporary bounded system (a case) or multiple bounded systems (cases) by employing in-depth data collection methods including numerous sources of information. The case being studied may refer to an activity or activities, process(es), event(s), programme(s) or individual(s). Wessels (2007:248) explains that, a case study depicts a slice of life since it is a written record of an actual incident that happened in a work environment. Wessels (2007:248) further provides an insight into this view by stating that case studies are written from the viewpoint of the decision maker involved, and allows the researcher to step into the shoes and assume the role of the decision maker or problem-solver, hence assuming an insider's perspective to the study.

In substantiation, Bryman (2012:67) expounds case studies as aiming at the studying of particular individuals or groups from communities, organisations and time periods. Case studies are also more associated with qualitative methods like unstructured interviews and participant observation due to the ability of the methods to aid the researcher in generating an intensive and detailed analysis of the case(s) (Bryman, 2012:67). Since the qualitative research paradigm is inherently inductive, positivist and constructivist, the study fuses it with grounded theory to aid in developing of the study theory, and the gathering and analysis of the data.

Grounded theory is a qualitative design where a study generates a general explanation of the theory through a process of action or an interaction influenced by the views of a large group of participants (Creswell, 2013:83). Additionally, grounded theory refers to a theory derived from systematically gathered and analysed data (Auriacombe, 2009:829). Bryman (2012:387) echoes similar sentiments, by writing that, “grounded theory is a methodology for developing theory that is grounded in systematically gathered and analysed data, where theory evolves during the actual research through continuous interplay between data collections and analysis”. Therefore, grounded theory moves beyond the description of data into the generation of a unique theory for a particular study (Creswell, 2013:83). In light of the preceding discussion, the study utilises grounded theory because of its nature and ability to aid in the generation of theory and analysis of empirical data.

1.7.2. Target population and sampling

Babbie and Mouton (2001:174) expound a study population as the, “aggregation of elements from which the sample is actually selected”, whereas Bless and Higson-Smith (1995:87) view a target population to refer to those elements on which the study focuses for purposes of generalising the results derived from a selected representative sample. The target population of the study is the SASSA in the Eastern Cape Province, the Office of the Premier (OTP), local Non-Governmental Organisations (NGOs), the Eastern Cape Department of Social Development (DSD) and fiscally funded social security beneficiaries as well as residents of the Province. Numerically, this amounted to about 3000 individuals in the target population. Due to the expansive nature and scope of the target population, the study used sampling to select 60 participants as the representative sample in empirical gathering of data as described in the following section.

Conceptually, sampling is the process of selecting cases from a bigger group (Kumar, 2005:144). For Burger and Silima (2006:656), sampling is a process of selecting observations. A critical reason for sampling is feasibility, since it is often too costly and impractical to study an entire population. Researchers use sampling to save time and resources. Non-probability sampling designs are commonly associated with the qualitative research paradigm, where the researcher is primarily interested in getting

a meticulous description of the phenomena under study, rather than quantity of understanding (Burger & Silima, 2006:662). Thus, the judgmental sampling technique was used due to the ability of the researcher to use their own discretion to select respondents, who had ample knowledge about the social security management process in the Province.

Judgmental sampling is solely based on the individual discretion of the researcher, based on the principle that a selected representative sample is comprised of the dominant characterises that are the typical features of the target population (Singleton & Straits, 2004:104). Synonymously referred to as purposive sampling, when using judgmental sampling, researchers trust their own discretion together with preceding research findings to deliberately obtain participants who are generally representative of the population of the study (Warwick & Linenger, 1975:74). In a nutshell, purposive sampling is a vivid procedure based on the case, individuals or communities judged as being appropriate for the purpose of the research being undertaken. Therefore, cases are handpicked to achieve specific characteristics which illuminate the purpose of the study based solely on the researcher's discretion.

The respondents in the study are from the SASSA provincial head offices in East London, and the district offices in the Nelson Mandela Metropolitan, Cacadu, Chris Hani, Amatole and O.R. Tambo districts. Other respondents were from local offices in Port Elizabeth, Grahamstown, Queenstown, King William's Town and Umtata. Data was also collected from the OTP, NGOs and the DSD. Lastly, the study gathered data from the residents and beneficiaries in East London, Umtata, Fort Beaufort, Alice and Tsolo. Demographically, the sample had 42 Black African participants, ten Coloured respondents, five White participants and three of Asian origin. There was a total of 38 female respondents with 22 male participants. These demographic details of the study's respondents are discussed in detail in Chapter Five of the thesis. A numerical breakdown of respondents is shown in Table 1 illustrated which follows.

Table 1: Details of sample and research instruments

Respondent Category	Number	Sample (%)	Data Collection Method
SASSA Provincial Head Office	15	25.0%	Semi-structured interviews
SASSA District Offices	10	16.7%	Semi-structured interviews
Office of the Premier	5	8.3%	Semi-structured interviews
Eastern Cape Social Development	5	8.3%	Semi-structured interviews
Eastern Cape-Based NGOs	5	8.3%	Semi-structured interviews
SASSA local offices	10	16.7%	Semi-structured interviews
Beneficiaries and Residents	10	16.7%	Questionnaires
TOTAL	60	100%	

Source: Own illustration (2016)

1.7.3. Data collection methods

Kumar (2005:119) identifies interviews and questionnaires as primary sources of data while government publications, previous research, personal records and mass media constitute secondary sources. The research instruments which were utilised are semi-structured interviews, questionnaires and a documentary analysis (literature study). These are discussed in detail in the next sub-section.

1.7.3.1. Semi-structured interviews

An interview refers to an interaction, between the interviewer(s) and interviewees(s) where questions are asked to solicit information for the purposes of a study (Melville & Goddard, 1996:20). Additionally, Bless, Higson-Smith and Kagee (2006:98) explain an interview as involving a face-to-face encounter, telephonically or electronically. Succinctly, a semi-structured interview is an interview where a respondent is visited by an interviewer who reads the questions from an interview guide to the interviewee and captures responses (Jarbandhan & Schutte, 2006:676). A key merit of semi-structured interviews is their flexibility which allows the interviewer can ask questions on aspects of the study that are not necessarily written down in the interview guide, with an additional flexibility of asking follow-up questions (Bryman, 2012:470). The

study made use of a Philips digital voice tracer to record the conservations during the interview sessions

The study made use of semi-structured interviews for gathering data from the SASSA provincial offices, the OTP, DSD, NGOs, five selected SASSA districts and SASSA local offices in the Province. Interviews were used to gather data from those categories of respondents to gain a deeper understanding of how the current management framework is designed and executed in the Province. The study utilised two separate but interlinked interview guides for respondents from the SASSA head office and the rest of the respondents in the sample respectively. In addition, the respondents chosen to partake in the interviews are directly responsible for managing social security in the Province. Attached in appendices seven and eight of the thesis are the interview guides used in the study. Specifically, appendix seven contains the interview guide for the SASSA regional offices while the guide used for non-managerial respondents is shown in appendix eight.

1.7.3.2. Questionnaires

Bless, Higson-Smith and Kagee (2006:120) define a questionnaire as an instrument of data collection consisting of a standardised series of questions relating to a research topic to be answered in writing by participants. In light of this, the study made use of questionnaires containing both open and close-ended questions to collect data from those categories of respondents who are not directly responsible for managing of fiscally funded social security in the Eastern Cape Province, but are affected by the manner in which social assistance is being managed. The close-ended questions were confined to the gathering data pertaining to the biographical as well as demographic characteristics of the participants. Open-ended questions were on the other hand were used to gather data pertaining to the study topic. In specific terms, the study used questionnaires in collecting of data from the social security beneficiaries and residents of the Province. Therefore, there were two separate questionnaires surveys in the study, one for the members of the community and the other one for the beneficiaries of fiscally funded social security grants. The said questionnaires which the study utilised, are attached in appendices nine and ten of the thesis.

1.7.3.3. Literature study

The use of documentary sources or literature study refers to the analysis of existing documents that contain information about the phenomena under study (Mogalakwe, 2006:221). As mentioned in Section 1.7.3 of the thesis, secondary sources cover data that the study utilised which have been collected by fellow researchers or scholars (Bryman, 2012:312). In most cases, there is ample information available on a research topic which might lessen the burden on researchers in conducting a study, thereby leading to cost effectiveness and comparative analysis (Auriacombe, 2005:384). The study examined the existing literature to gain a greater understanding of the manner in which social security programmes are being managed in the Province.

Secondary sources of data seek to identify ambiguities, loopholes in the current social security management framework used by the SASSA and other related agencies in the Eastern Cape Province. The study analysed existing literature from the SASSA. Specifically, annual reports, policies procedure manuals such as the SASSA norms and standards as well as social grant profiles of the Province were analysed. The literature study augments empirical data gathered from interviews and questionnaires to factually answer the research questions. The data analysis strategy of the study is covered in the following section.

1.7.4. Analysis of data

De Vos *et al.* (2005:333) assert that, data analysis is the process of bringing order, structure and meaning to mass empirical data. Succinctly, raw data is meaningless and needs analysis, interpretation and presentation to make it usable by the various consumers of information contained in the findings of the study. The study analyses data used grounded theory. In principle, grounded theory refers to the theory derived from data that is systematically gathered and analysed (Auriacombe, 2009:829). The application of grounded theory in the study matched the qualitative research paradigm since it helps in the gradual building of theory, data themes and interpretations during the course of the study.

Specifically, grounded theory enabled the researcher to collect, code and analyse data by constructing various codes and themes under which the empirical data could be

classified. In addition, data coding enabled the study to draw interrelated but distinct themes which adequately cover the entire phenomena under study (Auriacombe, 2009:832). Also grounded theory has a merit in being divorced from any pre-conceived theoretical assumptions thus enabling both inductive and constructivist reasoning (Auriacombe, 2009:830). Using this design aided the study in guarding against the duplication of findings of other studies, thus producing trustworthy findings. The study was informed by the themes and resulting findings on how best the socially inclusive management framework for social security was developed. In a nutshell, the study employed grounded theory to analyse data. This enabled the researcher to gain an understanding of how the current management framework for social security in the Province can be improved to make it more socially inclusive.

1.7.5. Research ethics

The study was guided by strict *ethos* that serve as a benchmark for professionalism in empirical studies. Such prescripts ensure that researchers desist from undertaking fraudulent and misleading studies. Lutabingwa and Nethonzhe (2006:694) note that the use of human subjects requires ethical compliance. In this regard, there are three broad categories of ethics in empirical studies which are, ethics of data collection, treatment of participants and, responsibility to the society (Lutabingwa & Nethonzhe, 2006:695). The host institution, the North-West University (NWU), has a policy guiding the ethical approval of all studies. Therefore the study was ethically cleared by the North-West University's Research Ethics Regulatory Committee (NWURERC) for an initial period of five years from 23 June 2014 to 22 June 2019 with NWU-00111-14-A7 as its ethics approval number. The study duly complied with ethical principles such as informed consent, de-briefing, voluntary participation and protection of privacy and dignity.

In order to observe the mentioned principles, the study's participants were informed of the aims of the study and the process of participating in the study. Participants were also voluntarily asked to consent and sign and a consent form that did not personally identify them. The researcher assured participants of the abidance of the study by privacy and confidentiality principles. Attached in appendices five and six are informed

consent forms for both participants for the interviews and questionnaire respectively. Furthermore, the study ensures the responsible handling of the study findings.

On ensuring that the study authentically collected data from the target population in an ethical manner, the researcher sought and was granted permission by the SASSA. Attached in appendices two and three are requisition and approval letters respectively. Table 2 summarises the study's research methodology.

Table 2: Summary of research design and methodology

RESEARCH DESIGN AND METHODOLOGY FOR THE STUDY	
Approach	**Application in the study**
Research paradigm	Qualitative
Research design	Grounded theory & case study
Sampling method	Judgmental
Data collection methods	(i) Semi-structured interviews (ii) Questionnaires
Data analysis method	Grounded theory (deductive & inductive reasoning)
Ethical compliance	(i) North-West University Research and Ethics Committee ethical clearance (ii) Informed consent; privacy & confidentiality; voluntary participation

Source: Own illustration (2016)

The discussion now centres on the yardsticks observed to ensure the study produces trustworthy findings.

1.8. TRUSTWORTHINESS OF THE FINDINGS OF THE STUDY

Quantitative studies on the effects of fiscally funded social security grants in the local context can paint a vivid picture of the role that fiscally funded social development programmes play. However, they do not tell the deeper story beyond the figures or graphs. This fact inspired the use of a qualitative paradigm in the study. The demerits of confining a study of this nature to quantitative techniques is that it does not give a

vivid picture of the reason behind current practices in social security in the Province. Such a reality is succinctly relayed by Robert Kennedy, a former senator in the United States of America (USA) and brother to former American statesman John Fitzgerald Kennedy with his words on the GDP and its inability to provide answers to the figures based on quantitative information:

> *Yet the GDP does not allow for the health of our children, the quality of their education, or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages; the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage; neither our wisdom nor our learning; neither our compassions nor our devoutness to our country; it measures everything, in short, except that which makes life worthwhile. And it tells us everything about America except why we are proud that we are Americans.*

Furthermore, critics of the qualitative research paradigm have lambasted it for its lack of yardsticks equalling validity and reliability within the context of quantitative studies. Such benchmarks can improve the believability of both the methods and findings of a particular study. In addressing these concerns, scholars such as Mertens (2005), McCarron (2010), Yilmaz (2013), Cope (2014) and Morse (2015) have postulated an equal assortment of yardsticks aimed at improving and ensuring the trustworthiness and dependability of qualitative studies and findings. According to these scholars, qualitative studies and analysis demand that the researcher maintains accountability throughout the research process by observing six equally vital benchmarks *viz*, credibility, authenticity, dependability, confirmability, crystallisation and transferability.

The study now discusses how the mentioned benchmarks were observed throughout the research.

1.8.1. Credibility

Mertens (2005:71) explains credibility as the congruence of the findings of the study and the actual feelings, emotions, behaviour and attitudes of the participants in that particular study. For Morse (2015:1212) credibility is comparable to internal validity in quantitative studies, and is attained when a researcher uses prolonged engagement of the study subjects and persistently observes the cases during data collection. In

laymen's terms, credibility determines how accurate study findings reflect the actual reality on the ground. A simple way of ensuring the credibility of findings in a qualitative study is by offering research participants a chance to proof-read their responses or revise an interview transcript.

Another way of ensuring the credibility of findings is for the researcher to utilise peer debriefing. However this should be done with caution to avoid divulging confidential information that may result in a breach of ethics of social research (Morse, 2015:1212). A key merit of peer-debriefing in qualitative studies is that it can help identify and rectify researcher biases (Mertens, 2005:71; Yilmaz, 2013:321). In the study, the researcher revised the interview transcripts with the participants as a way of ensuring that credible responses and data is extracted and analysed.

1.8.2. Authenticity

Researchers should ensure that they present the thoughts, feelings and perceptions of the participants in any study in a reasonably faithful manner (Cope, 2014:89). Authenticity refers to the presentation of a balanced view of the responses of research participants (Mertens, 2005:72). In the analysis of data, the researcher ensured that the feelings, words and perceptions of research participants were fairly presented in a balanced manner in conjunction with the research topic, objectives, problem and the central theoretical frameworks informing the study. For Cope (2014:89), an additional way of ensuring the truthfulness of findings is that of using respondents' quotes when reporting of results, giving readers an intimate grasp of the study.

In this regard therefore, the study provided interview and questionnaire excerpts of the respondents in the discussion of findings in Chapter Five of the thesis. Furthermore, the completed thesis is made available to all the participants of the study as a measure to ensure that the study was authentic. The research participants become part of the audience which reads the thesis.

1.8.3. Dependability

Morse (2015:1213) equates dependability to reliability in quantitative studies. In the same vein thus, Mertens (2005:69) mentions that findings from qualitative studies are

required to possess some reciprocity, although this can be affected by changes in time and circumstances in the environments where the study was undertaken. Cope (2014:89) succinctly describes this particular yardstick by saying that, “dependability refers to the constancy of data over similar conditions”. Researchers should keep track of the studies currently being undertaken to ensure that future studies into the same field can reciprocate related findings (McCarron, 2010:58). Dependability can be also achieved when there is factual justification of choices made in the study with respect to methods, strategies and procedures (Yilmaz, 2013:320).

As a measure towards improving on the dependability of the findings, the study kept track of the research process in a bid to keep it aligned with the research topic, the problem stated and research objectives. Additionally, the study also made use of the findings of previous researchers in the discipline of fiscally funded social security and assistance in the Eastern Cape Province and the Republic of South Africa at large.

1.8.4. Confirmability

As a qualitative research benchmark, confirmability strives to eliminate researcher bias from the various components of the research process such as *inter alia*, data analysis and presentation of findings. Confirmability measures the degree to which findings are verifiable and divorced from the subjective bias of researchers undertaking the study (Mertens, 2005:70). Confirmability determines that the interpretation of results does not twist and distort the feelings and perceptions of the participants in empirical studies (McCarron, 2010:60). In laymen terms, confirmability is associated with the feature of objectivity in quantitative studies (Morse, 2015:1213). Cope (2014:89) advises that, researchers engaged in qualitative studies should demonstrate some confirmability by factually describing how conclusions and interpretations in the study were established and directly linking findings to empirical data. This can also be done by auditing the data and inferences made (Yilmaz, 2013:320).

Being cognisant of the negative impact that any trace of subjectivity or bias of the researcher can have on the findings of any study, the researcher ensured that data analysis and interpretation was in line with the need to improve social inclusivity of in

the management of social security in the Province. Therefore, the study ensured that an objective analysis was utilised.

1.8.5. Crystallisation

When undertaking a qualitative study, data analysis needs to illuminate into a given pattern (like a crystal particle) which is a mixture of different colours that collectively provide a strong glow. Mertens (2005:72) argues that data should be able to crystallise into given patterns to equal the characteristic of quantitative studies referred to as validity. Although a particular study can have multiple data sources spread over time or space, due to the study exploring a given phenomenon, data should crystallise.

As a benchmark ensuring consistency in the study, the data analysis, structure of data collection instruments and selection of respondents took into account the need to have a comparable match among the phenomenon, instrument and participant.

1.8.6. Transferability

McCarron (2010:56) writes that the use of a sample as a representative of a target population requires studies to have objective findings that can be interpreted in a general view. Qualitative studies should determine the extent to which findings in a given study can be generalisable. In other words, a holistic approach should be used to analyse the feelings, perceptions and emotions of a sample to come-up with findings that are hinged-upon valid facts. Such factual findings ensure that conclusions, inferences and deductions are drawn from the target population based on the sample (Mertens, 2005:73). According to Cope (2014:89), this particular benchmark seeks to ensure that a study's findings can also be applied to different setting or groups for inferences, thus researchers should provide ample information on the respondents and study context to enable readers to decipher on the transferability of the findings into other new but related settings.

Mertens (2005:73) expands by noting that researcher has to use in-depth analysis of data to an extent that the various audience and consumers of such data can easily infer findings to the larger population or even other communities in different settings. In the study thus, the data analysis was holistic to such an extent that readers and

policy makers can infer the findings to other provinces of the Republic of South Africa that may need to transform how social security is being managed.

Even when all the preceding strategies are employed, and study has got limitations. The limitations have either a direct or indirect bearing on the scope of findings and conclusions. These are subsequently discussed.

1.9. LIMITATIONS OF THE STUDY

As noted by Lutabingwa and Nethonzhe (2006:700) the researcher has an obligation to make the shortcomings of the research known to the audience. In this regard thus, the study discusses the factors which have a bearing on the conclusions, findings and recommendations of the study.

Foremost, there is an inevitable limitation due to the subjectivity that may characterise the responses of the research participants, which is *ultra vires* to the researcher. However, the study relies on the careful construction of the research instruments to foster reliability and sufficiency in the findings. Therefore, to counteract this effect, the study utilised the yardsticks for ensuring the trustworthiness of qualitative studies as detailed in Section 1.8 of the thesis. While the study is not immune to errors in its compilation, the services of a professional language editor were sought to that effect. The confirmation letter from the language editor is appended in Appendix four of the thesis. In addition, the research instruments were semi-structured, which accorded the researcher the chance to follow up on responses and opinions of the participants. In addition, the study had a limitation in that the target population was voluminous, therefore the study utilised a sample of 60 respondents.

Moreover, the study focusses on the social development aspect of the Republic of South Africa as a democratic developmental state without paying attention to its economic development. Recent studies by scholars' such as Bagchi (2000) and Knight (2014) focused on the economic development aspect of democratic developmental states, from there, the choice was made in this respect. The research methodology employed in the study also has limitations; in the sense that the use of a case study approach within the qualitative research paradigm has its own potential demerits, for

instance an inability of the study to quantify the empirical data and graphically present the information as it might have been if it had used a quantitative research paradigm.

Lastly, the study sought to develop a socially inclusive management framework for sustainable fiscally funded social security. Therefore, emphasis is placed on fiscally funded social assistance grants with a little attention defined contribution social insurance. There are instances where the phrase ‘social security’ is used to refer to fiscally funded social assistance. In this regard therefore, social security and social assistance are used interchangeably throughout the thesis. It should be mentioned that, in spite of the limitations mentioned in this section, the study was able produce sufficient and trustworthy findings based on the meticulous construction of research instruments, augmentation of primary data with a literature study of existing and thematic analyses of empirical data in constructing a socially inclusive management framework.

1.10. OUTLINE OF THE THESIS

The thesis comprises of seven chapters covering the respective topical areas outlined as follows:

Chapter One: Introduction and orientation of the study

The introductory Chapter, covers the preliminary content of the study. Specifically, the Chapter gives a general orientation by stating the research problem, the presentation of the research questions and objectives. The Chapter also covers the research design and methodology used in the study. Moreover, the introductory chapter focuses on the significance of the study, limitations and the background of social security in the democratic developmental state particularly focusing on the Eastern Cape Province of the Republic of South Africa.

Chapter Two: Theoretical framework of the study

The Chapter presents the theoretical foundation of the study. The study is focussed on the achievement of universal social development as part of the development agenda of a developmental state. Chapter Two also cover the central theoretical framework guiding social security in a developmental state. The chapter discusses

NPM, as the paradigmatic development of the discipline of Public Administration, with a view to linking it with the study objectives and measuring the local *status quo* against the features of ideal developmental states.

Chapter Two aims to develop an ample theoretical orientation aimed at the application of the private sector customer concept into the public service in a bid to improve on service quality standards of commodities rendered in the public service. It should be emphasised that the theoretical framework serves as a yardstick against which each aspect of the study can be measured.

Chapter Three: Statutory and regulatory framework for social security

The third Chapter discussed the statutes and regulations supporting the developing of a socially inclusive management framework for sustainable social security. Chapter Three presents and discusses the global, regional and local statutes which guide the right to social security. The Chapter covers international conventions such as the Universal Declaration of Human Rights (UDHR), the International Convention on Economic, Social and Cultural Rights (ICESCR) and Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

Regional statutes covered in this chapter include the African Charter on Human and Peoples' Rights (ACHPR), the Southern African Development Community (SADC) Charter on Fundamental Social Rights (CFSR) and the African Charter on the Rights and Welfare of the Child. The local legal framework covers the Constitution of the Republic of South Africa (1996), the White Paper on Social Welfare (1997), the South African Social Security Agency Act (No. 9 of 2004), the Social Assistance Act (No. 13 of 2004) and the National Development Plan (NDP) (2011). Thus in brief, the Chapter covers the legal entrenchment of social security rights globally, regionally and locally in a bid to understand the relative importance of social-inclusivity.

Chapter Four: Learning from the BRICS experience

Chapter Four derives some lessons for the Republic of South Africa from its BRICS counterparts on how to best manage social security with the aim of inclusivity. This is derived from case studies from the world's emerging developmental states in the

BRICs bloc *viz*, Brazil, the Russian Federation (hereafter referred to as Russia), India and the People's Republic of China (hereafter referred to as China). Specifically, the Chapter provides a look at the evolution, features, reforms, challenges and the future prospects of social security across the four BRICS member states. Emphasis is placed on how these emerging economies have established social inclusion in their societies through reforms and state led socio-economic development programmes, initiatives and interventions.

Chapter Five: Analysis of case study

The fifth Chapter details the analysis of data. The Chapter specifically discusses the environmental and management related challenges inhibiting effective resolution of social exclusion the Province and Republic at large. Overall, the analysis of the various social security management challenges faced by the current management framework seeks to produce, credible, authentic, readable and simplified information for the consumption of the various categories of the audience targeted by the study. As outlined in the research methodology section of this Chapter, the study uses the grounded theory method to analyse and interpret data due to its ability to construct meaning and theory over the course of the study. Data analysis is done using the grounded theory method of data analysis since it allows deductive analysis and inductive reasoning towards the objective attaching of meaning to empirical qualitative data.

Grounded theory aids the study the thematic coding of data into various interrelated, but distinct themes aimed at covering all aspects of the data towards best presenting the *status quo* in the Province's social security management framework. Findings and theme conclusions in this Chapter serve as the starting point for the development of the socially inclusive framework for the sustainable management of social security in the Eastern Cape Province.

Chapter Six: A proposed socially inclusive management framework

Overall, the study aimed to develop a socially inclusive management framework for social security in the Republic of South Africa, one that is devoid of social exclusion. Therefore, Chapter Six becomes the crux of the study since it develops the said

framework for the improved management of social security in the Republic of South Africa. The framework is informed by lessons from the BRICS bloc together with the theoretical foundation of NPM as well as the character of the Republic of South Africa as a democratic developmental state. In addition, the various components, suggested interventions and features of the proposed socially inclusive management framework are also tied to findings of the analysis of challenges faced by the current framework as analysed in Chapter Five of the thesis. Therefore, the framework seeks to resolve these and build an improved culture of social inclusion in the Province and Republic in general.

Chapter Seven: Summary, conclusion and recommendations

As the last Chapter of the thesis, it gives a summary, conclusion and implementable recommendations aimed at improving the managing of social security in the Republic of South Africa. Chapter Seven shows that the gathered theoretical and empirical evidence has been sufficient to attain the study objectives, answer the research questions and solve the identified problem in the area of study. The Chapter offers recommendations on two fronts, firstly by suggesting strategies which complement the developed socially inclusive management framework and secondly, by offering insights into areas of possible further studies.

1.11. CONCLUSION

The Republic of South Africa is a democratic developmental state whose government system prides itself on having one of the most advanced constitutions in the world. Chapter II of the Constitution of the Republic of South Africa (RSA, 1996) is the Bill of Rights, which states in Section 27 that citizens have the unalienable right to basic needs of life such as food, water and social security. Equally so, a democratic developmental state is a citizen-empowering state where there is *inter alia*, political pluralism, quality service rendering, embedded autonomy as well as sustainable and universal socio-economic development. However, despite the advanced Constitution, the path of a democratic developmental state for the Republic of South Africa has become rocky in recent history due to social exclusion in its social security system. A considerable number of poor and vulnerable citizens (including children) are being

socially excluded from receiving state funded grants due to challenges within the manner in which the system of social security is being managed.

Methodologically, the study takes a qualitative research paradigm comprising a case study and grounded theory design based in the Eastern Cape Province, a region which has a reputation of being the poorest of all the nine provinces in the Republic of South Africa. In a nutshell, the Chapter covered the introductory aspects of the study, the research blueprint and other essential components of empirical studies. The next Chapter covers the theoretical framework guiding the developing of a socially inclusive framework for the sustainable management of social security in the Province and the Republic at large.

As mentioned in Section 1.6 of the thesis, the study adopts the NPM paradigm as its theoretical foundation as discussed in detail in the next Chapter.

CHAPTER TWO
THEORETICAL FRAMEWORK OF THE STUDY

2.1. INTRODUCTION

The study centres on the achievement of sustainable social development as part of the overall development agenda of a democratic developmental state. Moreover, the impetus of the study is premised on an undertaking to gather sufficient theoretical and empirical evidence towards the development of a socially inclusive management framework for sustainable social security specifically in the Eastern Cape Province, and the Republic of South Africa in general. The opening Chapter of described and discussed, in greater detail the preliminary setting of the study by presenting *inter alia*, the study background, problem statement, research methodology as well as the research questions and objectives. The current Chapter gives an in-depth discussion of the theoretical foundation guiding the development of a socially inclusive social security management framework in the Province and the Republic at large.

In a bid to construct a rich and relevant theoretical framework, the study has adopted the NPM paradigm as its central theoretical statement as outlined in Section 1.6 of the thesis. Contextually, the current Chapter discusses NPM, as the theory that underlies the paradigmatic development of the discipline of Public Administration. Furthermore, NPM as a paradigm is used to determine and analyse the manner that social security is currently being managed in the Eastern Cape Province towards the promotion of universal socio-economic development in a democratic developmental state. Above all, NPM serves as the yardstick that the study measures initiatives and interventions aimed at utilising fiscally funded social security in the alleviation and eradication of social exclusion, poverty as well as inequality.

In this section of the thesis, the study unpacks NPM, incorporates it into the study and ascertains its relative bearing on the socio-economic development of the Republic of South Africa as a democratic developmental state. Moreover, the Chapter intertwines NPM with the overall goal of the study, which is the developing of a socially inclusive management framework for sustainable social security. The theoretical framework serves as a tool with which to adjudicate the current management framework for social

security in the Province and identify prospects of improving it towards social inclusivity ascertained.

2.2. MEANING OF NEW PUBLIC MANAGEMENT

NPM has been adopted as the theoretical foundation of the study because of its stance towards improving the management of the Public Service. For Plaatjies (2013:469), a model Public Service and its administration should have a vivid hegemony that bears evidence of a system of thinking where there are policies that define and identify norms and standards to regulate the behaviour and practices of public servants. A hegemonic Public Service has an operational jurisdiction over the socio-economic development initiatives based on an ability to regulate vital aspects such as efficiency, effectiveness and economy across all levels of management in its entities. In this regard, successful public services have state championed socio-economic development initiatives at the centre of service rendering.

The study argues that NPM as a paradigm of the discipline of Public Administration can significantly aid in building state capacity through a regime of reforms aimed at improving government efficacy. In this regard, NPM becomes the enabling paradigm for the promotion and sustenance of a developmental state in the Republic of South Africa (ECA, 2010:15). Talbot and Johnson (2007:59) note that, although NPM was eventually replaced by governance as a paradigm globally and in Europe and New Zealand specifically, it had managed to improve the efficiency in service delivery for their respective public services. Therefore, the study regards NPM as a critical paradigm in the adoption and sustainable implementation of pro-poor socio-economic programmes and initiatives in developing countries encompassing the Republic of South Africa.

Gangte (2012:50) mentions the great potential for the African states to significantly improve their public service effectiveness and efficacy with the NPM paradigm. This is mainly due to the positive benefits it has managed to reap in countries such as for example, Ghana (Gangte, 2012:50). NPM takes an unassailable position in contrast to other management paradigms due to its advocacy for managerialism, which gives public managers the freedom to excel in a deregulated Public Service. Although NPM

is a complex concept to explicitly define, many scholars such as Cameron (2009) and Maserumule (2013) agree on the kinds of reforms which NPM seeks to achieve (Basheka, 2012:51). These reforms include the use of a client-like service rendering model, which is discussed in the later sections of the chapter.

Foremost, NPM is inspired by a supposition that large mechanistic bureaucracies are somewhat slow in responding to relative changes over time, lack much needed contingency measures to problem solving, continue to be passive to public service consumers in a bottlenecked system of management, are inherently unreliable and inefficient, and that the private sector organisations are better equipped than their public service counterparts to provide goods and services (Maserumule, 2013:86; Rubakula, 2014:86). Therefore reforming the Public Service by adopting NPM-inspired best practices requires transformation from the traditional Public Service practices to the contemporary citizen-driven economic, effective and efficient service rendering culture. NPM reforms include the creation of semi-autonomous agencies for service delivery as well as the emphasis of service quality (Manning, 2001:299). A definitional perspective of NPM is unpacked in the section that follows.

Zungura (2014:246) views NPM as signifying a form of entrepreneurial government. Hood and Jackson (1991:12) conceive NPM as a set of administrative principles, which are, “specific ideas about what should be undertaken in the process of administration.” Therefore, NPM should not be viewed as what the government should do but how the government should carry out its duties to fulfil its mandate. In Europe it was referred to as the Anglo-Saxon ideas of government and Anglophone countries branded it ‘re-inventing government’ (Zungura, 2014:246). In principle, NPM is, “a combination of splitting mechanistic bureaucracies into smaller leaner public service agencies thereby promoting competition among public agencies and private firms motivated by the use of various economic incentives lines” (Morenikeji & Oluwafemi, 2014:68). As Manning (2001:298) puts it, NPM is doubtlessly connected with its mixed origins and the contributions of managerialism and new institutional economics. The pro-NPM reform agenda is particularly directed at managing a public service premised on mostly, competitive market principles.

Additionally, the NPM paradigm serves as a solution to the enigma of stakeholders such as politicians, voters and bureaucrats who have lasting conflicts of interests that compromise the designs and delivery of public service (Rubakula, 2014:86). Such a conflict of interests manifests when politicians pursue the maximisation of votes and political interests, while voters are concerned with benefit maximisation through the consumption of the services provided by the government (Rubakula, 2014:86). In such a situation, public service consumers are inherently left with no choice but to utilise what their government offers to them. Service rendering in any public service requires an efficient mode of delivery that offers greater value for money to the citizens who are voters-cum-taxpayers.

For Pfiffner (2004:445) NPM refers to the, “entire collection of tactics and strategies that seek to enhance the performance of the public service”. In principle, NPM promotes the utilising of modern day management practices that balance the logic of economics and core public values which are ever-evolving in a globalised world (Samaratunge, Alam & Teicher, 2008:110). Public values are implicitly time and place bound, requiring the government to develop tailor-made services aimed at satisfying and sustaining these values. Van der Waldt (2009:37) explains that NPM and the ‘reinventing government’ have resulted in a shift from the bureaucratic ethos of the Public Service to a managerial regime aimed at making it more responsive, effective and efficient.

Furthermore, NPM signifies a robust movement towards building a more democratic and less ambiguous Public Service. To this effect thus, the NPM paradigm rejects the overreliance on measuring inputs and calls for the utilisation of performance measures in a bid to ensure a consistent evaluation of Public Service programmes and their management (Pfiffner, 2004:448). Unlike during the pre-NPM era when public service managers felt disempowered, NPM works on vivid rules which eliminate role ambiguity therefore empowering creative managers with enough flexibility to utilise the public resources which they are entrusted with to execute programmatic missions (Pfiffner, 2004:449). Manning (2001:299) also expounds that, public service rendering agencies under NPM are guided by the principle that service providers emphasise and pay attention to the efficient production of good quality services while moving away from

the obsession with trying or evaluating alternative policy paths. The reforms that NPM has inspired in the public service have additionally led to the narrowing of role of the government while private sector practices rise to prominence.

Based on the preceding definitional perspective, the study argues that NPM is a neo-liberal paradigm seeking a reinvention, re-engineering and revitalisation of the modern day Public Service. NPM is further dependent on TQM, organisational downsizing, rightsizing, creation of leaner organisations in the Public Service, steering instead of rowing, empowering instead of serving and earning at the expense of spending (ECA, 2010:20). NPM further entails a management culture premised on the reformation and remoulding government functionality, offering relief from unnecessarily burdening the Public Service which was common during the era of bureaucratic management when everything was prescriptive, rigid and less flexible. Hence, it is important to stress that NPM fundamentally aims to reform how the government is run, to make it significantly more efficient and responsive. Such a re-invention of government is critical in an era when the Republic of South Africa is still grappling with poverty and inequality, some of which is historically attributed.

As a neo-liberal paradigm, one that requires government to have oversight over free market economies. NPM favours reforms directed towards substantially loosening the structures of the governments that were previously mechanistic to give enough room for progressive creativity and flexibility, aimed at establishing efficiency and better qualitative customer service (De Vries & Nemec, 2013:8). Unlike in the pre-1970 classical era when managers in the Public Service worked amidst red-tape and rigid organisational systems, NPM grants flexibility to middle and lower level managers to use their own discretion in decision making thereby dealing a blow to bureaucratic delays in that respect. In addition, NPM positively inspires managers to be risk-takers and be entrepreneurial in their management style (Pfiffner, 2004:450). In contrast, the pre-NPM era was designed to disempower public managers and to make them more risk averse in the execution of their tasks.

A key merit of NPM when it comes to Public Service efficiency is that it ensures the achievement of public accountability through constant output measurement rather

than merely by eventually monitoring processes and projects after completion. The study applies the NPM paradigm in the gathering of evidence required to address the research problem stated in the Section 1.2 of the thesis since the study argues that an NPM-centred fiscally funded social security services management framework would enable the establishment of a socially inclusive security charter that is devoid of social exclusion.

The next section covers NPM within the context of Public Administration and the paradigm shift which led to the emergence of and the subsequent adoption of the NPM paradigm in the Public Service.

2.3. PUBLIC ADMINISTRATION AND NEW PUBLIC MANAGEMENT

Since the 1970s, debates have emerged on the relationship between the function of public administration and public management, especially on whether the two can be treated as synonymous or not. Therefore, it is important for the study to link these two through an exposition of the debate and the implications of the relationship between the former and the latter. Over and above all, public management falls within the broader context of Public Administration as mentioned by Fox, Schwella and Wissink (2004:2). Daily management activities such as planning, organising, staffing, directing, controlling and budgeting are executed by public managers to enable and augment the achievement of the broader goals of Public Administration tacitly showing that public management has an enabling function in Public Administration (Fox *et al*., 2004:4). Principally, P(p)ublic A(a)dministration is seen both as a function or activity and as a discipline or field of study.

Firstly, public administration as an activity is defined as, a system of structures and processes, operating within a particular society as environment, with the objective of facilitating the formulation of appropriate (public) policy and the efficient execution of the formulated policy to promote the general welfare of the public (Fox *et al.*, 2004:4). For Cloete (1981:4) as an activity of government, public administration comprises various vital administrative processes which should be undertaken with respect to the core functional activities of public institutions namely policy making, organising, financing, staffing, determination of work procedures and exercising control. Cloete's

contribution to the understanding of public administration has led to the emergence of the renowned six generic functions as outlined in the preceding argument.

However, the study observes that the activity of public administration is not uniform across various public services but is relatively unique across states and governments. While superimposing the six generic function as postulated by Cloete (1981) on the South African public administration, Sindane (2011:8) posits that, the local public administration has significantly evolved beyond being merely viewed myopically along the lines of the generic administrative functions thus assuming a character of being *inter alia*, rigorous, dynamic, accountable, professional, transparent, developmental, efficient and effective Public Service. Hence, it has evolved into an NPM inspired culture of proactive and client-inspired government.

Secondly, Public Administration as a discipline or field of study is concerned with the building and sustaining of a body of knowledge aimed at making it remain relevant and contextual in the midst of the dynamic world. In the same sense, the field of Public Administration is interdisciplinary in its nature (Wessels, Pauw & Thani, 2009:13; Van Dijk, 2013:97). Therefore, Public Administration does not exist in isolation, thereby unequivocally making it interrelated and intertwined with other equally vital disciplines like political science, economics, sociology, engineering and anthropology (Wessels, Pauw & Thani, 2009:13; Van Dijk & Thornhill, 2011:14). Due to its role of constantly and consistently contributing to equipping the Public Service with skills and training relevant for the execution of government policies, Public Administration also acts proactively to enable the prediction phenomena and expand the body of knowledge to ensure that the study of the discipline of Public Administration remains relevant over time and generations. In this regard therefore, the discipline of Public Administration should address current issues in public affairs as they unfold, helping the government to remain effective and efficient (Sindane, 2011:8).

Over the years, the discipline of Public Administration has evolved through various phases or paradigms. An elucidation of the term paradigm is now provided. Foremost, a paradigm refers to the disciplinary system of a science that consists of an entire constellation of *inter alia* beliefs, definitions, metaphysical orientations, hypotheses,

values, attitudes, techniques shared by members of a given community or society over time (Kuhn, 1962:176). In substantiation, a paradigm refers to something that the scientists of a discipline have consensus on so that it guides in order for it to guide their research in that particular discipline (Gruening, 2001:19). One key characteristics of a paradigm is its dynamism of changing over time and place as argued and outlined by Vyas-Doorgapersad (2011:235), who regards a paradigm as a framework used in the understanding natural or social phenomena since individuals in societies have fixed assumptions on the way in which they perceive their world. Such assumptions are time and place bound.

Public Administration is by nature of being ever-evolving through various successive paradigms which contributed to many viewing the discipline which views it as being deficient of a universally accepted theoretical understanding (Van Dijk & Thornhill, 2011:15). Although the activity of public administration is equally as old as civilisation itself, the evolution of the discipline of Public Administration can be traced to the late 1800s when former American statesman Woodrow Wilson (1856-1924) begun to advocate for the creation of a distinct identity for the discipline (Wilson, 1887:202). Thereafter, Public Administration has been studied through different paradigmatic developments debating its locus and focus.

Changes in the scope and theoretical orientation of Public Administration have had a bearing on the discipline causing it to undergo the various paradigms shifts which according to Van Jaarsveldt (2010:28), occur when difficulties begin to appear in the utilisation of existing paradigms. Such difficulties render existing paradigms obsolete in addressing contemporary realities and problems. A paradigm shift additionally occurs when a more plausible approach in explaining empirical phenomena emerges, with a scope and orientation that is partially or fully incompatible with the existing paradigm (Kuhn, 1962:178). In the same vein, Montgomery and Rondinelli (1995:232), view a paradigm shift as implying a shift in the conceptual understanding which allows a consensus where people begin to perceive problems and opportunities in a new dissimilar way than they previously did. In this regard, the paradigm shifts discussed in the following section aided in the refining Public Administration and making the discipline stay abreast of changes in the rapidly global economy.

The ground-breaking era in the development of the Public Administration was the *Politics-Administration Dichotomy* (1887-1926). Cameron (2013:565) mentions that the academic discipline of Public Administration was historically part of the discipline of Political Science. In 1887, Woodrow Wilson advocated for a clear-cut separation of Administration from Politics in an unambiguous manner (Basheka, 2012:28), hence the infamous *Politics-Administration Dichotomy*. During this era, there were various disciples of the Wilsonian separation movement including scholars such as Frank Goodnow (1859-1939) (Mafunisa, 2003:87). Separation of Administration from Politics has generated constant debate among ancient and modern-day Public Administration practitioners and scholars (Svara & Overeem, 2006:121). Principally, in the pro-separation stance, Waldo (1968:147) saw politics to be concerned with the role of public opinion, the activities of political parties, the function of legislative bodies, the clash of opinion and the conflict of values. For Waldo (1868) administration was conversely concerned with the neutral implementation of public policy by bureaucrats in a non-partisan manner (Cameron, 2003:55).

The era of the *Politics-Administration Dichotomy* also witnessed the emergence of the scientific management school of thought which was propounded by Frederich Taylor (1856-1915). According to Taylor, all work processes to be scientifically analysable into separate tasks and that there is a chance of finding 'one best way' to perform each task with efficiency and effectiveness thereby improving productivity in organisations (Mullins, 2007:43). Moreover, German philosopher Max Weber (1864-1920) amplified the Wilsonian separation movement by hypothesising the bureaucratic mechanistic organisational structure model for the Public Service which emphasised *inter alia*, authority, responsibility, accountability and hierarchical organisation structures. Taylor and Weber augmented Wilson in the shaping of classical Public Administration. From the preceding synthesis of discussions, the study argues that although the Politics-Administration Dichotomy was significantly instrumental in the determining of the locus of Public Administration despite the controversy associated with it, the scientific management school of thought advocated a more focussed approach towards the of understanding the discipline.

Public Administration underwent a second paradigm shift renowned as the *Principles of Public Administration* (1927-1937) premised on the scholarly work of Franklin William Willoughby (1867-1960), who viewed public administrators as experts who have to grasp certain requisite principles to improve their productivity in the field (Mukonza, 2014:504). Such principles were required to ensure that the teaching of Public Administration becomes instrumental in the skilling of the public servants. Grounding Public Administration curricula on the skilling of public servants with the principles would significantly improve government functionality. Willoughby's work was further developed by Luther Gulick (1892-1993) and Lyndall Urwick (1891-1983) who saw administration as uniform regardless of whether it is viewed in the context of the public or private sector (Basheka, 2012:42; Mukonza, 2014:504). Gulick and Urwick (1937) premised the discipline of Public Administration on grasping the core principles of administration signified by the acronym POSDCORB signifying the equally vital functions of planning, organising, staffing, coordinating, reporting as well as budgeting (Basheka, 2012:42).

The understanding of Public Administration based on the contributions of Gulick and Urwick (1937) ensured that the discipline became focussed on promoting training initiatives, and devoted to preparing the Public Service with an independent curriculum divorced from the field of Political Science (Kettl, 2000:8). These principles of Public Administration made a lasting impact in the discipline since various schools of Public Administration today have curricula teaching POSDCORB as an important focus of the discipline. The application of the principles of administration in the training modern day Public Service is of great value, since they remain relevant to ensuring of effective and efficient public administration. In this sense hence, a consistent execution of the principles covered in the POSDCORB within the context of NPM would make the Public Service results-oriented by offering greater value for money to the citizen-cum-taxpayers.

The third era (1938-1947) in the paradigmatic evolution of the discipline of Public Administration is known as the *Era of Challenge*. This paradigm was characterised by criticism of the previous paradigms and an understanding of the need to harmonise politics and administration. During the Era of Challenge, Public Administration was

premised on the understanding and teaching of human behaviour in the Public Service of the day (Basheka, 2012:44). Since the late 19th century, crucial aspects of human behaviour had not been given ample attention. This was because philosophers like Wilson, Taylor and Weber were biased in their theorisation of Public Administration due to an overwhelming obsession with politics, administration, scientific management and bureaucracy at the expense of aspects of human relations and behaviour as well as its impact on organisational effectiveness (Hughes, 2012:47). Resultantly thus, the 1940s saw the growing influence of the human relations school of thought postulated by *inter alia*, Chester Barnard (1886-1961), Abraham Maslow (1908-1970) and Herbert Simon (1916-2001).

As a human capital-centred practice, the human relations approach focussed on the study of human behaviour in Public Administration as the gateway to ensuring skilled public servants. As argued by Simon (1956), the incorporation of human relations helped the discipline to develop an understanding on the vitality of human rationality and motivation to organisational effectiveness (Basheka, 2012:47). In addition, Public Administration was infused with human relations through the contribution of Maslow (1943), among others, who postulated his hierarchy of needs which formed the basis for motivating employees and had an inherent bearing on their subsequent productivity (Matheson, 2012:210). In summary, the third paradigm has failed to make much of a contribution to the locus and focus of the discipline of Public Administration although the vital element of human relations in organisations has become critical to the efficient functioning of public organisations over the years.

Deductively therefore, the third paradigm left an indelible mark on the understanding of human relations in the Public Service and its effect on productivity and motivation of public servants. Also, motivating employees and ensuring that they consistently meet their needs from basic to self-actualisation ones is critically important in the wake of the importance of establishing loyalty in the Public Service. This would ensure that employees give their best towards effective and efficient service rendering. Overall, the human relations gave an invaluable input Public Administration by enhancing the understanding of human behaviour, motivation in relation to the optimisation of productivity within organisations. The human relations school of thought can still be

useful in the modern era in an effort to improve the productivity in the immediate, short and long-term future of the Public Service.

Often referred to as the era of an identity crisis, the fourth paradigm in the development of the discipline of Public Administration has been labelled the *Public Administration as Political Science* paradigm (1948-1970). Principally, this paradigm is renowned for the quest of the discipline to establish a recognisable identity (Mukonza, 2014:504). Henry (2010:32) writes that this era saw Public Administration endeavouring to re-unite and re-establish its linkages with Political Science, which was practically its biological parent from the onset. Henry (1975:382) notes that this reconciliatory era marked the harmonisation of the relationship between politics and administration. Arguably thus, it was during this era that the contemporary complimentary politics-administrative interface emerged.

Furthermore, Henry (2010:32) argues the discipline of Public Administration during the 1950s to have suffered an identity crisis due to the lack of a comprehensive theoretical framework. As a result, the Minnowbrook Conference (1968) held in the USA was called-upon to explore emerging theories of the discipline of Public Administration, with an emphasis on people-centred and anti-hierarchical orientations (Basheka, 2012:50). Thani and Disoloane (2012:150) observe that, a majority of the resolutions of the Minnowbrook Conference culminated into the then New Public Administration paradigm which later crystallised into modern day NPM. In the African context, the era saw most African states gain independence and adopt socialist aligned economic policies which rarely improved government efficiency (Basheka, 2012:51).

The fusion of Politics and Administration during the 1960s left the discipline of Public Administration without a distinct identify making it susceptible to criticism. Such a scenario led to the emergence of the fifth paradigm known as *Public Administration as Public Management*. From the early 1970s, governments were faced with many challenges which affected their functionality and were lambasted for being ineffective, inefficient and largely wasteful (Henry, 2010:35). These problems were diagnosed as deep-rootedness in bureaucratic organisational management propounded by Weber in the early 1900s (Basheka, 2012:51). Consequences of such problems included

nepotism, rigidity, political patronage, maladministration and widespread corruption. During this era, the discipline of Public Administration began to shun the *Politics-Administration Dichotomy* and started moving towards interdisciplinarity through the forging of alliances with related fields *inter alia*, anthropology, engineering, economic sciences, psychology, sociology and political science (Mukonza, 2014:505).

In addition to forgoing discussions, the fifth paradigm saw the concept of management eventually replace traditional administration, due to the emergence of NPM (Henry, 2010:32). In the same vein, the 1980s period saw governments reinventing how they deliver services through an approach which duly simplified decision-making, increased productivity and improved the enforcement of public accountability under NPM. Kalimullah, Alam and Nour (2012:11) observe that, the paradigm shift from Public Administration to NPM incorporated a move in the basic design coordinates of public service organisations by becoming less distinctive from the private sector while the degree of discretionary power enjoyed by middle and lower level public managers increased with the loosening of centralised organisation control. Table 3 that follows, depicts the elements of both classical and modern day management models, explicitly showing aspects that positively affected the paradigm shift.

Table 3: The paradigm shift

Paradigm / Element	**Traditional Public Administration**	**New Public Management**
Government Organisation	Services are provided on a uniform basis operating as a single aggregated unit	Break-up of traditional structures into quasi-autonomous units
Control of Public Organisations	Control from the headquarters through the hierarchy of unbroken supervision, checks and balances	Hands-on professional management with clear statement of goals and performance measurement
Control of Output Measures	Control on inputs and stress on following procedures	Stress on results and outputs rather than procedures
Management Practices	Standard established procedures throughout the public service	Use of private sector style of management
Discipline in Resource Use	Follow due process and political entitlements	Check resources demands and ‘do more with less’

Source: Adapted from Kalimullah, Alam and Nour (2012:5)

For the purpose of the study, understanding the paradigm shift outlined in Table 3 is essential since one can weigh the merits of the current paradigm against the demerits of its predecessor thereby truly establishing if NPM remains relevant the contemporary Public Service, some four decades after its emergence. For instance, there was a move from centralised government functionality into a more flexible decentralised semi-autonomous government units. Schwella (1999:337) states that NPM emerged in the Republic of South Africa after the Mount Grace Conference (1991), where the original theme of the New Public Administration Initiative (NPAI) later crystallised into present-day NPM.

Contemporary Public Administration is experiencing a sixth shift, moving from *Public Management to Governance*. Mukonza (2014:506) expounds on this sixth paradigm by emphasising cooperation between the public and private sectors augmented by the inclusion of all stakeholders. The said stakeholders include citizens and businesses involved in the process of governing. Having emerged as early as the 1980s, the governance paradigm lacked a clearly defined meaning, but it gradually evolved and crystallised through the years (Thornhill, 2006:803). Similarly, Henry (2010:38) argues that governance moves away from government, where there is control over citizens and the delivery of public commodities by public institutions and agencies; towards configuration of laws, cooperative arrangements, service charters, public service agencies and stakeholders rendering services in a networked system. Succinctly, the governance paradigm hinges upon the notion of 'governance without government' signifying the vitality of a myriad of aspects including globalisation, networks and interest groups, public private partnerships (PPPs) and the private sector agencies.

Henry (2010:38) argues that, at the turn of the millennium, the public service faced growing pressure to embrace digitalisation due to globalisation and the dominance of ICT. Furthermore, the era of governance was premised on the significant improvement in the quality of public commodities through PPPs aimed at making the process of governing less burdening to the Public Service organisations. Contextually, Public Administration is gradually infusing governance paradigm due to a myriad of such factors as the slow pace at that digitalisation is spreading across the African continent,

the emergence of long serving leaders who are not open to Public Service reforms and weak public organisations.

Public Administration is now mostly being studied from a governance perspective. However, because of its relative importance for the reforms in specifically African governments aimed at improving efficiency and citizen-centeredness, NPM remains relevant to the South African Public Service.

NPM forms the theoretical foundation of the study, and is further unpacked by tracing is evolution as follows.

2.4. EVOLUTION OF THE NEW PUBLIC MANAGEMENT PARADIGM

Originating in the late 20th century, NPM was a new managerial approach to Public Administration (Louw, 2012:93). A case in point in the historical genesis of the paradigm was in 1979 when the late former British stateswoman Margaret Thatcher (1925-2013) adopted her macro-economic policy of targeting the reduction of public expenditure through various rigorous public service reforms (Frederickson, 2007:283). In so doing, the then British Prime Minister Thatcher implemented a wave of robust administrative reforms encompassing deregulation, privatisation and the redefinition of the role which a government can play in sustainably promoting socio-economic development (Louw, 2012:93). Alongside Thatcher, NPM is also associated with former USA President Ronald Reagan (1911-2004) who was famous for his dislike of the bureaucratic planning that's was the order of the day both in the British and USA public services between late 1960s and early 1970s (Osborne & Gaebler, 1993:325).

In the same vein, Pollitt and Dan (2011:5) posit that, the British and Americans adopted the business-like NPM approach to public service administration during the 1980s. Although the NPM-inspired policy reforms adopted by Great Britain and the USA had minor dissimilarities in some cases, their aims were the promotion of state-led socio-economic initiatives, the incorporation of competition and the customer-like treatment of public service consumers. In the case of the USA, NPM was officially introduced when it received executive endorsement by the then vice president of the USA, Al Gore on the occasion of the adoption of a public service handbook entitled *'Business-*

like government: lessons learned from America's best companies' (Gore, 1997:5). This adoption was in allegiance to the move by the Clinton administration towards a private sector-inclined path to making government more economic, efficient and effective.

Principally, the Western economies felt that deregulating and privatising government was a long term solution to the stagnation of government functionality would enhance the building a quality-driven Public Service (Pollitt & Dan, 2011:6). Reformation and innovation in the Public Service in the developed world were key push factors which consequently pressured the developing world to succumb to NPM inspired reform.

Amoako (2004:5) notes the emergence of debates in the late 1980s in developing countries, especially those in Africa, centred on government efficiency requirements. These debates have provided much-needed impetus for fresher approaches to Public Service reforms such as NPM. A majority of these management reforms targeted the haphazard way in which the majority of African states were being managed by their respective governments (ECA, 2010:15). This less organised nature of government was plagued with a web of maladministration challenges like systemic clientelism, abuse or misuse of state resources, nepotism, voracity and institutionalised corruption, ambiguous government, role ambiguity, mostly aligned to politicians and a lack of delegation of power and authority (Amoako, 2004:5). Consequentially, these problems compounded the manner in which governments managed their public services. There was an urgent need for a paradigm that would significantly improve government efficiency. NPM began to influence the discipline of Public Administration in the later stages of the 20th century, especially African states which began to grasp and adopt NPM during the early 1990s. Historically, the origins on NPM are linked to the Public Choice Theory of institutional economics (Cheung, 1996:41; Haque, 2004:6).

Such an origin stems from the basic substance of the NPM, which is the use of private sector economic market model to regulate and calm hostile political and administrative relationships (Hope, 2001:120). In addition, Public Choice theorists have an inclusive view of rationality in the decision making behaviour of individuals (Zungura, 2014:248). In this regard, Public Choice Theory philosophers regard the relationship between a government and its people as the factor that determines citizens' perception on the

effectiveness of the government's service rendering. Howard (2001:37) also credits the Public Choice Theory as a superimposition of economics to political scenarios by treating political mechanisms such as the voting behaviour of ordinary citizens as means through which their preferences for public goods are rationally translated into socio-economic development policies made by their political representatives.

Moreover, Zungura (2014:248) mentions the Public Choice Theory as incorporating ideologies which economists use when analysing the actions of ordinary people in the marketplace and applying these to the collective actions of public decision-making in society and the public service at large. In laymen's terms, individuals in a society are thought to use their rationality to make choices just like what happens when one buys commodities in the marketplace. Therefore, citizens have to select a commodity that best suits their preferences and expectations from a wide range of available choices. Hughes (2003:12) notes that, one of the principles of the Theory is its ability to show that people make rational decisions on what is best for them in their daily lives, and usually stay motivated to maintain their desire for their preferences.

The Public Choice Theory assumes that Public servants have a tendency of selfishly valuing their interests over those of their constituencies (Hughes, 2003:12; Zungura, 2014:248). Consequently, the Public Service risks being affected by the egocentric interest of public servants unless it incorporates some private sector market principles which accord the public some choice of a variety of services. Due to the gradual evolution which NPM has undergone to assume a more robust stance and character in public administration practices that go far beyond the assumptions of Public Choice theorists' principles, the assumption of selfish public servants may not be applicable in the 21st century where the public service is guided by the principles of NPM (Hughes, 2012:12).

Kalimullah *et al*. (2014:14) outline the cordial link between Public Choice Theory and the NPM paradigm when they mention that the best outcome of promoting government efficiency in the 21st century involves a greater influence of market forces and a lesser role of the government in some form of liberal democratic fashion. In such a scenario, the government becomes a moderator in a private sector-inspired public service,

characterised by an emphasis on quality public services, public sector competition and customer satisfaction. The running of the Public Service is traditionally based on the classical era practices of bureaucratic organisation styles, and at times finds it difficult to entice public officials to perform, therefore the due emphasis on managing poor performance and accountability enforcing mechanisms. Kalimullah *et al*. (2012:11) further construe Public Choice theorists to be advocating for alternatives that allow competition and choice and the return of as many activities as possible to the private sector to encourage service quality and competition in the Public Service. Service quality is a key determinant of customer satisfaction, brand loyalty for private sector businesses and so is citizen satisfaction which is equally crucial for public services.

Bottlenecked service rendering caused by mainly hierarchical organising has been the final nail in the coffin of classical era management styles and organisational structures. The borrowing of the renowned private sector customer concept by the Public Service is premised on the assumption of market economists that public servants will perform efficiently if there are incentives for better performance and the freedom for them to fail or succeed. Markets are also argued to have better mechanisms for accountability as opposed to bureaucracies with weak accountability enforcement systems (Hughes, 2003:12). In spite of NPM being inspired by the Public Choice Theory, the field of Public Administration has evolved beyond the rationality of people in a market setting to incorporate various fundamentally vital requirements. Such intertwined necessities include *inter alia*, public service ethics, professionalism, accountability, monitoring and evaluation.

While the dominant managerial prescripts associated with the emergence of NPM were rooted in institutional economics, the success of public organisations depends on what Mubangizi and Theron (2011:38) term, ‘therapeutic or psychological skills’ aimed at bringing about the positive behavioural changes required for a more people-centred service delivery model. NPM does not function in isolation but requires an equally important contribution from human capital as drivers for the changes which NPM aims to achieve. This includes managing the Public Service for sustainable socio-economic development aimed at alleviating poverty and addressing inequality. Also, Mubangizi and Theron (2011:38) prescribe that the modern day Public Service

requires a management system hinged-upon a technocratic and meritorious approach of doing things right and doing the right thing. The contemporary 21st century Public Service requires managers to use their skills to build effective entities which are responsive, quality-driven and right-sized while being inspired by the private sector customer concept.

Historically, in the Republic of South Africa, NPM was adopted in the 1990s, upon realisation of the need for developing countries to shun traditional public administrative models for more cost-effective and efficient ones through paradigm shifts. During the Mount Grace Conference (1991), numerous resolutions were made to transform Public Administration to be development oriented, responsive, efficient, economically innovative and proactive (Hamza & Bardill, 2009:127). Principally, resolutions of the Mount Grace Conference sought to propel Public Administration towards revamping public service efficiency in a development-oriented state (Schwella, 1999:337). The dawn of NPM in the Republic of South Africa was succeeded by a wave of public service statutory and policy interventions aimed at re-routing the Public Service to effective and efficient government. Such reforms aimed to ensure that the discipline of Public Administration was reflective to constantly equip public servants with the skills and training required for a development-oriented government in a democratic state.

In the following section, the study delves into the principles of the NPM paradigm, which play a crucial role in the development of the socially inclusive management framework for sustainable social security in a democratic developmental state.

2.5. PRINCIPLES OF NEW PUBLIC MANAGEMENT

Van de Walle and Hammerschmid (2011:192) view Christopher Hood (1991) as the founding father of NPM. As a Public Administration paradigm, NPM has core principles that serve as the pillars through which Public Administration fosters reforms towards government efficacy. Such principles also seek to ensure that NPM inspired Public Service reforms are entrenched in Public Administration scholarship and subsequently imparting of requisite skills to the public servants. Hood (1991:15) established seven principles of the NPM paradigm *viz*:

(i) constant and consistent output controls;
(ii) discipline and economy in resource allocation;
(iii) explicit standards and measures of performance;
(iv) emphasis on private-sector models of management;
(v) competition in the provision of quality public commodities;
(vi) desegregation and decentralisation of the management; and
(vii) hands-on entrepreneurial and professional organisational management.

Many of the principles put forward by Hood (1991) are reactions to the mechanistic and rigid nature in which traditional bureaucracy has shaped the Public Service. These principles sought to make sure that NPM drives Public Service reform in a manner that would revolutionalise socio-economic development. Overall, Hood (1991) strived to establish a more efficient Public Service totally devoid of the problems caused by the residue of classical Public Administration. In the same vein, performance management specifically aimed to ensure the optimal performance of public servants. Such can be achieved when the government has the ability to reward productivity after measuring outputs. Besides the principles postulated by Hood (1991), scholars Van de Walle and Hammerschmid (2011:192) additionally identify *inter alia*, productivity, service quality orientation, decentralisation and constant accountability for results as the key pillars of the global public management revolution inspired by NPM.

The preceding characterisation of NPM gives a vivid glimpse into the character of P(p)ublic A(a)dministration in a globalised modern world. Upholding the principles of NPM in a digitalised 21st century Public Service would be a stepping stone for the establishment of the developmental state in Africa.

On a continent where the majority of states attained freedom from colonial bondage during the last three decades of the 20th century, adopting NPM as a manual according to which the newly independent states could adopt practices aimed at redressing and addressing socio-economic problems and stimulating development was step in the right direction for Africa (Amoako, 2004:5). To this effect, NPM has characteristics which help inspire the building of state capacity for sustainable development in a democratic development-oriented state. The core components of NPM are include the

strengthening control and directing functions at the centre, flexibly devolving authority, fostering public accountability, improving human capital development, optimising the utilisation of ICT, developing competition, improving the quality and the provision of responsive tailor-made services (Pollitt & Dan, 2011:6; Hope, 2001:121; Jorgensen & Kickert, 1995:501).

The features outlined in the forgoing section implicitly show that NPM is a paradigm which values the contribution and innovativeness of human capital, an aspect so critical that managerialism is a human capital intervention to bring about public service efficiency. Moreover, the features provided by Jorgensen and Kickert (1995) are the foundation for an understanding how further devolution and flexibility can ensure public service efficacy, enforce public accountability and improve internal public service competition. A key feature of the time compliance of NPM in the 21st century centres on its emphasis on the use of ICT to catalyse service rendering, a practice that is cost effective, prompt and that improves the quality of the commodities that the public offers. Overall, quality monitoring and regulation helps keep the government on track with its priorities and programmes because it timeously reduces defects, utilises resources to the fullest and keeps its 'customers' gratified.

The identified core features of NPM are covered in greater detail in the coming section.

2.6. CORE COMPONENTS OF NEW PUBLIC MANAGEMENT

According to Jorgensen and Kickert (1995:501) accountability, quality management, ICT and human capital management are some of the core components of NPM. Contemporary service rending has become linked to the effective use of public funds by public servants. NPM emphasises accountable and responsive government as being the cornerstone of successful economies in the 21st century. Inherently, accountability is derived from the notion that public service rendering is driven mainly by taxpayers' funds that the government agencies are tasked to utilise effectively and efficiently.

The study now discusses selected core components of NPM in light of the need to develop a socially inclusive management framework for social security in the Republic of South Africa.

2.6.1. Customer orientation

NPM is inspired by the private sector concept of customer orientation. According to Pollitt and Dan (2011:6), NPM emphasises treating public service consumers as public service customers and adopting continuous quality improvement techniques such as TQM. Private sector businesses are inspired, in a competitive market by the need to progressively satisfy the needs and wants of their customers. TQM would be achieved by offering quality products while balancing costs and pricing. Satisfied customers are likely to remain loyal to products, brands and organisations. Thus NPM incorporates the private-sector customer concept into the Public Service to ensure citizens are treated as service customers or clients of the government, and that the government should sustainably gain its public service customers' confidence through a constant and consistent satisfaction of their needs and wants.

Furthermore, in line with the Public Choice Theory as discussed in Section 2.4 of the Chapter, citizens should have the privilege to be offered alternatives from which to choose the best public services from. There should be diversity and alternatives of public goods and services from which public customers can wishful and wilfully choose.

In light of the preceding perspectives, public service customers are offered services through various policy initiatives by the government aimed at promoting sustainable socio-economic development as required in a democratic, developmental state. One of these policy programmes seeks to promote social development through fiscally funded social assistance initiatives. Therefore, viewed from the points of departure of the study, public servants entrusted with managing fiscally funded social security have to adopt strategies which drive the management process of social grants and other social relief programmes towards social inclusivity and elimination of the scourge of social exclusion. Such a socially inclusive management framework would significantly help to improve access to fiscally funded social security, promote an equal enjoyment

of the constitutional rights for all citizens regardless of their race, geographic location or income, establish and sustain a democratic developmental state.

2.6.2. Managerialism

Managerialism refers to relative reliance on using professional managers in carrying out or planning of tasks or activities (Oxford Dictionary, 2014b:2). From a technical angle, managerialism is conceptualised as a way of borrowing and utilising managerial techniques, which are usually employed by large profitable companies in the private sector, into public entities (Ntshoe, Higgs, Higgs & Wolhuter, 2008:393). Also, Ntshoe *et al.* (2008:393) expound the concept of managerialism by mentioning the techniques stressed by managerialism theorists which encompass the use of internal cost centres, fostering of competition among employees, marketisation of the public sector, and periodic monitoring of efficiency through a measurement of overall outcomes and individual performance. Similarly so, managerialism is supported by the premise that values and stresses that the management is a cardinally vital asset to an organisation for the achievement of target goals (Terry, 1998:196).

Managerialism is the axis around which NPM revolves because it is a process that fuses private sector management practices are fused into the Public Service. This fusion is based on the many merits, mainly because of the many merits which privately managed businesses such as profitability, customer satisfaction and quality driven product development. Incorporating these practices into the Public Service makes the concept of public-private sector customer orientation more prevalent, practical, firmer and effective. Therefore, managing fiscally funded social security around the practice of managerialism has the possibility of bringing-about a wave of reforms due to the professional manner that social security programmes would be initiated, administered, evaluated and continuously improved.

In the context of the study, using managerialism in promoting social inclusion in the management of social security in the Eastern Cape Province entrenches sustainable management practices into the Public Service, thereby eliminating service delivery bottlenecks and attaining sustainable socio-economic development not only in the Province, but in the entire Republic.

2.6.3. Organisational restructuring

Hope (2001:121) observes another characteristic feature of NPM in the Public Service as its preference for leaner, flatter and specialised organisational forms over large bureaucratic ones. The mechanistic features of traditional bureaucratic organisations should be fragmented into smaller manageable units for improving efficiency and functionality of governments. NPM vividly requires the Public Service to right-size their departments and entities to dismantle the structures that may be favouring rigidity, ambiguity and bottlenecks. Succinctly, organisational restructuring ensures that the Public Service has the right apparatus and systems in place for the furthering of the goals of contemporary governments, which includes the persistent construction of democratic developmental states with sustainable socio-economic development.

Given the preceding discussion, the study argues that in a decentralised system of government as established in Chapter III of the Constitution of the Republic of South Africa (RSA, 1996:21), further dismantling social development agencies and entities further into smaller and flatter units would be advantageous in the wake of the need to accelerate the delivery of social security to the people of the Eastern Cape Province and the Republic of South Africa in general. Furthermore, leaner organisational units improve service efficiency, help bring the government closer to the people and above all, eliminate unfair discrimination resulting from rampant social-exclusion in societies in the Eastern Cape Province and the Republic of South Africa at large.

2.6.4. Privatisation and competition

According to De Vries and Nemec (2013:8), NPM characteristically exhibits the neo-liberal aligned approach to management where the government is democratic and plays a regulatory and enabling rather than the autocratic role of promoting socio-economic development. The creation of market-inspired competition and the quasi-privatisation of some public service organisations are key determinants in improving governmental efficiency in a developmental state. In principle, privatisation implies a marked reduction in the role of the government in the ownership of assets and the rendering of public services by way of an increase in the involvement of private sector in social and economic development (Chirwa, 2004:220).

Privatisation is intertwined with a culture of competition, which implies creating a conducive environment in the public service where agencies and entities compete amongst themselves in service rendering to their populace. Additionally so, allowing competition continuously improves product quality which always ensures that poor performance is easily identified and remedial action is timeously taken to restore government efficiency.

Privatisation or quasi-privatisation initiatives and the promotion of competition relieves unnecessary pressure from the government, for example, the sourcing of services for communities through PPPs. From this argument, the study deduces that establishing competition through the sub-contracting of private sector service providers helps to significantly transform the managing of fiscally funded social security in the Republic of South Africa. Also, moves such as privatisation or quasi-privatisation can lessen government burden on the management function thereby establishing a competitive service rendering system which competes from within itself similar to free market principles of the private sector. The NPM paradigm in laymen terms, seeks to treat public service consumers to good quality public services offered by quality conscious, leaner and efficient public organisations that perfectly compete amongst themselves.

2.6.5. Total Quality Management

NPM advocates for generic quality improvement philosophies such as TQM (Pollitt & Dan, 2011:6). Principally, TQM requires organisations to constantly and consistently employ quality assurance where every aspect of the product production process is checked against quality standards because the cost of retaining and old dissatisfied customer is higher than recruiting a new customer, therefore the need for consistent satisfaction of customers. TQM helps organisations reduce defects, improve products quality, and general customer satisfaction. Incorporating the TQM philosophies into the Public Service is essential since Public Service organisations should avoid wasting public funds, constantly and consistently keep public service customers satisfied and promote sustainable socio-economic development.

In the views of TQM, the era of NPM inspired reforms has seen government bringing quality in as one of the key components of state efficiency and people-centeredness.

Therefore, in the context of this study, it is argued that TQM in the management of fiscally funded social security eliminates the prevailing glitches and irregularities that have emerged and escalated social exclusion in the managing social security in the Eastern Cape Province. Emphasising quality service means supporting the *Batho Pele* principles which prioritise service standards, public consultation, tailor-making public services and improving the standard of living of communities. In addition, consistent service quality helps to continuously improve the public service rendering chain with emphasis only on the quality of the end product, thereby ensuring an all-out service quality approach.

2.6.6. Citizen participation

Citizen participation refers to the open, transparent and democratic process through which individuals and groups within society cooperatively exchange views, influence decision-making processes and play an active role in the social, economic or political development that affects their daily lives (Mafunisa & Xaba, 2008:454). Although classical management models acknowledge the need for community involvement in the daily activities of governments, they did not include citizen participation as one of their core values. NPM therefore, builds upon the active role that citizens can play in the determination of how a government executes its mandate. Therefore, the study argues that service rendering under NPM should take a bottom-up approach where governments are informed by the needs of their people on what and how to offer.

Tailor-made service rendering is achieved through the utilisation of various platforms for getting the input of the people before offering public goods and services. A chief merit for citizen participation concerns its ability to build trust between the government and its people, thereby making customer satisfaction possible in the Public Service (Govender & Reddy, 2011:71). In the context of social security management in the Eastern Cape Province, where social exclusion that affects the effective utilisation of fiscally funded social security to alleviate poverty is prevalent, intensifying citizen participation can serve as a remedy to address and redress these problems. Overall, citizen participation aids the Public Service to offer the people what they prefer, rather than imposing service standards on the people in a top-down fashion.

2.6.7. Budgetary reforms

As discussed in Sections 1.6 and 2.4, problems that have rendered the bureaucratic model obsolete include corruption and maladministration affecting public finances can be solved by adopting sector-wide budgetary reforms. Additionally, these financial reforms would effectively help address ills such as financial misconduct in the Public Service. Within the Republic of South Africa, the dawn of the NPM dispensation saw various policy interventions being implemented to help transform the manner in which government functions at the local level. Such policy programme interventions are financial management related statutes like *inter alia*, the Public Finance Management Act (No. 1 of 1999) together with periodically reviewed National Treasury Regulations aimed at introducing budgetary reforms.

Since the adoption of NPM inspired reforms in the Republic of South Africa, the financial management environment has improved due to the enactment of robust laws that have given effect to robust budgetary reforms in the Public Service (Van Wyk, 2004:411). Given the budgetary reforms, the study argues that the Eastern Cape Province and the Republic of South Africa in general can derive positive benefits from these reforms by way of ensuring more accountable expenditure practices. Such practices can ensure that the public is given a greater value for their money, and can aid the retention of donor confidence in projects funded by NGOs. Sustainable budgetary reforms foster stringent monitoring and evaluation interventions aimed at eliminating wastages of resources.

2.6.8. Performance management

Performance management implies the management function designed to manage people through the constant evaluation of on-the-job employee performance against a set of standards and then communicating that information to the employees for the sake of improving employee productivity (Makamu & Mello, 2014:105). A key goal of Public Service performance management is the matching of the optimal performance of public servants against predetermined performance criteria. Such a matching is aimed at constant improvement of the individual employee's performance (De Waal, 2013:360). Brauns and Wallis (2014:152) view performance management as to be concerned with the managing of the organisation to achieve the, "level and extent of

performance planned for", providing for monitoring mechanisms and for the overall evaluation of policy programmes in the public service. In the same sense, NPM duly promotes the entrenchment of a performance management culture in the Public Service as a way of conducting a track and trace of individual and organisational performance (Hughes, 2012:8).

Characteristically, performance management holds explicit merits in the public service such as allowing for timeous remedial action to correct deviations and variances, employee motivation and avoidance of wastage of public resources (Van Dooren, Bouckaert, & Halligan, 2015:185). Paterson and Mafunisa (2005:547) support the use of this practice by since it serves as a diagnostic process for determining the training and human capital development needs of public organisations.

As a human capital intervention which democratic developmental states utilise to keep track and trace human capital performance, performance management can assist the Province and Republic in establishing a socially inclusive management framework for sustainable fiscally funded social security through human capital development aligned initiatives and interventions. Another merit of the practice is that underperformance and unnecessary human resource costs can be eliminated thereby improving public financial expenditure by minimising costs and continuously improving the individual and collective output of employees. Training and development interventions can be the tools to address skills deficiencies in the Public Service, where productivity and quality have been firmly linked to the skills and competency capacities of public servants (Mello, 2008:205).

2.6.9. Public accountability

The notion of public accountability implies a tacit obligation for government officials, elected officials, appointed and professional officials, to answer for the discharge of responsibilities entrusted to them by those authorised to scrutinise them (Kalema, 2007:251; Khalo, 2013:581). Public accountability further involves the exposition, explanation and justification of decisions, actions, and managerial answerability for implementation of agreed tasks based on agreed criteria of performance (Day & Klein, 1987:7; Van der Waldt, Van Niekerk, Doyle, Knipe & Du Toit, 2002:119). In addition,

public accountability is the duty to answer regarding the fulfilment of assigned duties within the context of authority and provided resources (Moeti, Khalo, Mafunisa, Nsingo & Makondo, 2007:100). In laymen's terms, accountability seeks justification for how the Public Service chooses to spend public funds on certain policy programmes over others.

In principle, public accountability demands that the actions of public institutions be publicised to promote public scrutiny (Nzimakwe, 2009:101). Constitutionally, the Public Service is obliged to promote accountability as stipulated in Section 195 of the Constitution of the Republic of South Africa (RSA, 1996) which declares that, the government must be transparent and accountable (RSA, 1996:101).

Observably, a government that employs a transparent approach to rendering public services is more likely to uphold the principle of public accountability that one where things are done under a 'veil of secrecy'. In the Public Service, accountability has always been the chief ingredient to effective and efficient government, due to its regulation of the actions and decision of public servants. Historically, the classical management systems in the pre-NPM era had difficulty mainly due to weak institutions that made it difficult to enforce public accountability. Accountability became a huge obstacle affecting the effective functioning of the governments of the day. In light of the preceding argument, the study deduces, that NPM institutes public accountability as a key requirement of the Public Service, especially in rendering fiscally funded social security services to the people.

Social security is a critical element of the democratic developmental state since it assists in collectively promoting socio-economic development, a characteristic feature of a democratic developmental state. As outlined in the Section 1.2 of the thesis, the current social security management framework used in the Eastern Cape Province has some accountability shortfalls, leading to social exclusion of citizens who indeed deserve to receive state benefits. The incorporating of NPM is likely to improve on accountability enforcement and help address and eliminate social exclusion in the management of social security ensuring that services are rendering fairly, equitable to all citizens.

2.6.10. Optimisation of the use of Information and Communication Technology

Hope and Chikulo (2000:27) link the need to use Information and Communication Technology (ICT) to increase efficiency as one of the push factors which led to various governments to shun classical management approaches for the NPM paradigm to public administration. Also, the optimisation of the use of information and technology is a key feature of NPM (Jorgensen & Kickert, 1995:501). Globalisation has seen a digitalised 21st century driven by a rapid surge in the use of ICTs in business and government, and this is another key catalyst to improve government efficiency in the developing world. Therefore, NPM is largely dependent on the utilisation of digital technology to spur and sustain socio-economic development in any state. Therefore, governments in developing countries like the Republic of South Africa have embarked on massive digitalisation drives to keep abreast with developments elsewhere in the world, and above all NPM reforms.

The adoption of ICT in the management of fiscally funded social security is one of the aspects of NPM inspired reforms which can produce positive benefits for the Eastern Cape Province. The study argues that ICT has the potential to firstly, assist in creating a tamper-proof system of social grants administration that can help reduce fraudulent practices such as the issue of ghost recipients. Secondly, ICT can help automate the management of social security, improve on dissemination of information, create an expansive mobile banking platform in the Province, thereby markedly minimising costs and expanding service access through technology especially considering the ICT penetration rates in the Republic of South Africa. Lastly, ICT becomes one of the vehicles through which socio-economic development in a democratic developmental state is advanced due to globalisation and emergence of the 21st century digitalised era of e-governance (Larson & Park, 2014:347).

2.7. IMPLICATIONS OF NEW PUBLIC MANAGEMENT

This section covers the implication of NPM to the Public Service. The South African Public Service underwent a period of transition during the late 1990s when it gradually moved from the traditional public administration to the contemporary NPM. These reforms did only not happen locally, but the resulted from a wide global Public Service reform movement (Cameron, 2009:913). These reforms happened as a result of

factors such as *inter alia*, increasing global competition, failure of centralised planned economies, worsening economic conditions in the developing countries, gigantic and expensive public services, rising demand for use ICT to increase efficiency, growing demand for quality public services and the quest for personal growth coupled with job satisfaction by public organisations (Hope & Chikulo, 2000:27; Cameron, 2009:913).

Succinctly, NPM was borne out of the need to improve service delivery to such levels which would effectively convince the public service customers that the Public Service organisations were as good as (if not the best alternatives) private sector organisations in terms of service standards, job opportunities, job security, value for money, quality assurance and efficiency (Rubakula, 2014:86). Developments in the global economy such as the ones highlighted by Cameron (2009) as well as Hope and Chikulo (2000) (see preceding section of this Chapter) directly affected national economies and countries such as the Republic of South Africa were left with no option but to adopt globally sound socio-economic reforms. The need to drive the (developmental) state towards the promotion of socio-economic development through improving government efficiency, saw the rise in NPM inspired reforms. Moreover, states in Africa had to be neo-liberal in nature because of the demand for collective advancement of socio-economic development, under the banner of a developmental state (Nzewi & Kuye, 2007:196).

In order for African states to keep pace with developments in the global world in terms of the adoption of NPM reforms, economies in Africa required the intervention of the state to realise marked socio-economic development. The Republic of South Africa has in recent times adopted an interventionist approach to national development, with the adoption of developmental policy frameworks such as the NDP which continues from where its predecessors like the RDP and Growth, Employment and Redistribution (GEAR) had left (NPC, 2011:7), as will be analysed in the following Chapter.

The demands of the social contract require the government and its citizens to create good rapport in terms of public sector functionality and service rendering. That implies that the government plays its role, and the citizens theirs in a mutually beneficial way. In the wake of NPM, the social contract become more binding since it emphasises that

the government use a citizen-centre quality driven approach to service rendering. In turn, the people are bound to respect their government since the services it provides are tailor-made to suit their needs, which might be place and time bound. Delivery of fiscally funded social security in the Eastern Cape Province, and the Republic of South Africa at large can be further strengthened through an NPM inspired model of service rendering that also takes cognisance of the tacit and implied terms of the social contract. In this read therefore, NPM becomes an enforcer of the social contract particularly in a democratic development-conscious developmental state like the Republic of South Africa.

Similar to other paradigms, the NPM approach has not been immune to criticism. Therefore, the coming section covers the critique levelled against the NPM paradigm.

2.8. CRITIQUES LEVELLED AGAINST NEW PUBLIC MANAGEMENT

Christensen and Laegreid (2004:27) criticise NPM by mentioning that it has, “a strong emphasis on efficiency, which tends to undermine traditional public service values of fairness, predictability, honesty, equity, continuity, security, due process and political control”. NPM has also been vulnerable to the absence of balanced or well-defined criteria for ensuring ethics and professionalism since its emphasis is on devolution, deregulation and customer orientation. Also, the limited success of NPM reforms in the developed world in economies such as the New Zealand and Great Britain has been misinterpreted in the developing world. Most of the developing countries have homogenous characteristics hampering the implementation of pro-NPM reforms.

On the other hand, scholars such as Paterson and Mafunisa (2005:545) highlight hat economies in Africa commonly lack a robust market sector. African economies further lack competent managerial capacity, experienced and trained people. African states further suffer from an existence of low trust in government institutions and low ethical capital in the Public Service. Therefore, the same success barometer for the African continent and the rest of the world may be too generic, since some are specifics required to truly determine the success of the NPM approach in Africa.

Andrews and Van de Walle (2013:765) acknowledge some practitioners who claimed that NPM reforms would undermine solidarity and lead to services that mainly benefit vocal citizens through a focus on individual customers instead of sustainable service delivery. In addition to this ascertainment, NPM's ideals of quality driven tailor-made service provision does not include a yardstick to determine if it was inclusive of the views of even the voiceless in society, those who were ordinary citizens or whose political leaders disregarded their opinions as unnecessary or irrelevant. Citizens' participation under NPM should be reshaped to build other mechanisms that may ensure the majority of citizens, gets its input in government policies and interventions. Other critics lambasted specific NPM-related innovations of outsourcing, privatisation and choice-based consumerism as precipitating the rise of economic elitism which may in their view damage socio-economic development (Andrews & Van de Walle, 2013:766).

Thus as far as NPM has inspired progressive socio-economic development, there was a great need to have checks and balances aimed at ensuring that the benefits of the NPM reforms cascade down to the very ordinary citizens, most of whom are in dire socio-economic situations especially in most of the developing world. NPM reforms were found to exhibit mixed fortunes for the poor in a study conducted by Andrews and Van de Walle (2013:771) were they found out that for example, that PPPs seem to have few benefits based on citizens' perceptions of the performance of local public services whilst there was evidence that there are other NPM practices which directly benefit them; such as performance management which provides a more sound perception of public management among the citizens.

Some scholars have castigated NPM for being inconsistent, for example, Christensen, Laegreid, Roness and Rovik (2008:128) lambast it for its lack of consistency and failure to fit a perfect integrated theory for modernising the Public Service. Instead, NPM is better characterised as a collection of reforms composed of frank reform ideas synthesised with a loose cluster of reform initiatives haphazardly pointing in various directions and showing some degree of fragmentation (Christensen *et al*., 2008:128). Observably also, NPM as a paradigm has helped in the rethinking of government functionality although sometimes the reforms have not revolutionised the traditional

model of public administration. In some instances, the NPM inspired Public Service has principally depended on the same fundamentals of a public service organisation that were commonplace during the pre-NPM era of classical public administration. Such a lack of total divorce of the Public Service from traditional bureaucracy have seen most public organisations being trapped in a management quagmire punctuated by mixed approaches being applied concurrently with a pendulum effect (Norman & Gregory, 2003:44).

In addition, despite its affection for leaner organisations, NPM has suffered a major blow at the turn of the millennium. This has seen its discontinuation in some states and an amalgamation of smaller public organisations into bigger efficient departments, in contrast to the NPM principle of fragmentation of large mechanistic bureaucracies. A case in point was the partial rolling-back of fragmented public service organisations and installation of coordinating structures in Great Britain (Talbot & Johnson, 2007:59). Although there has been an on-going debate on the applicability and potential of success of NPM driven reforms in developing countries in recent times, the paradigm has reaped positive results in some states in Africa.

Gangte (2012:50) notes that NPM has achieved great progress with respect to Ghana and Zimbabwe's health sectors. Empirical studies in the mentioned two states, reveal a substantial deconcentrating of service provision and management responsibilities, and a delegation of budgets to field units at sub-national levels thereby getting rid of unnecessary pressure on the central government (Gangte, 2012:50). In Africa, due to the slow rate of ICT penetration, adopting e-governance is still a challenge that means that NPM can continue to inspire public service efficiency for a much longer period. Moreover, building and sustaining of democratic developmental states precipitates and sustain NPM practices with its great emphasis on efficiency, effectiveness and responsiveness.

In closing, the criticism levelled against the NPM does not discount it as irrelevant to both the discipline and function of Public Administration in the context of the Republic of South Africa and the continent of Africa at large. Since the promotion of socio-economic development is the core aim of democratic developmental states, the

sustainable management of social security becomes part of the process of poverty alleviation and eradication as a social development intervention aimed at building and sustaining a progressive developmental state.

2.9. CONCLUSION

Social security is a democratic and constitutional right that all citizens should fully and equally enjoy, as specified in Section 27 of the Constitution of the Republic of South Africa (RSA, 1996:11). Nonetheless, there are instances when deserving citizens are socially excluded from receiving social security, which is an infringement on their rights. The study seeks to develop a socially inclusive management framework for sustainable social security in the Eastern Cape Province and the Republic of South Africa in general to aid in the elimination of social exclusion. This Chapter covered the theoretical framework for the management of social security in a developmental state through linking NPM and Public Administration, the paradigmatic development of Public Administration, origins, evolution and theoretical foundations of NPM, the principles and core components of NPM and the criticism levelled against NPM in its quest to promote government efficiency.

NPM is the central theoretical foundation of the study. The paradigm was chosen due endowment with theoretical evidence supporting successful policy implementation under NPM in the context of South Africa as a developmental state. Additionally, NPM serves as the manual according to which managers in the social security sector of developmental states should utilise in the promotion of access to social security for all citizens. Moreover, the study works on the premise that, NPM inspired reforms can significantly help in the management of social security in the Eastern Cape Province and the Republic of South Africa at large. Such a conjecture is based on the fact that NPM advocates for managerialism, customer-like orientation, client-centred service rendering, equity, quality, accountability and responsive government, features that effectively eliminate social exclusion and build a socially inclusive society in the Eastern Cape Province and the Republic of South Africa at large.

As detailed in the synthesis of the discussion in this Chapter, NPM has been and remains the champion of sector-wide reforms aimed at making the Public Service

more responsive, customer-oriented, effective, efficient, economic and accountable. *Ceteris paribus*, the Republic of South Africa can holistically and sustainably manage its socio-economic development programmes and improve the standards of living of its populace under NPM. If private-sector customer orientation practice in integrated with the Public Service, social exclusion can be effectively alleviated and eradicated since the government delivers social security based on the bottom-up approach where services are tailor-made to suit the unique needs of their consumers thereby improving the scope and access to social security.

The next Chapter covers the statutory and regulatory framework for the management of social security from a global, regional and local perspective. These are discussed within the context of establishing social inclusion in the managing of fiscally funded social security in the Eastern Cape Province and Republic of South Africa at large.

CHAPTER THREE
STATUTORY AND REGULATORY FRAMEWORK FOR SOCIAL SECURITY

3.1. INTRODUCTION

Social security forms an integral part in the fight against the three ills confronting the present-day society as emphasised in the NDP (NPC, 2012:2) which are poverty, unemployment and inequality in society (Ozler, 2007:489; Bhorat, Van der Westhuizen & Jacobs, 2009:39). Notably, the NDP is the current socio-economic blueprint for the Republic of South Africa and is a strategy adopted by the contemporary government to advance socio-economic development in the developmental state. Encouragingly, these three ills affecting society in the Republic of South Africa are being addressed through various socio-economic interventions by the government. Such interventions are characteristic of what Wessels (2012:165) identifies as prototypical developmental states, whose character centres on governments taking the initiative to implement progressive programmes and policies promoting quality living standards for citizens. In this regard, the government of the Republic of South Africa has an operational social security policy where fiscally funded social security is utilised to alleviate and eradicate poverty for improved standards of living for its populace.

Foremost, the battle against poverty is dependent on a well-entrenched statutory and regulatory framework through which the three ills identified in the preceding section are comprehensively addressed across all spheres of government. In addition, policy programmes addressing poverty in the Republic of South Africa should go hand-in-hand with global statutes such as the United Nations' UDHR and regional statutes such as the ACHPR that the ANC-led government of the Republic of South Africa has signed and ratified towards attainment of universal socio-economic development (Brand & Heyns, 2005:213).

The UDHR forms the foundation global socio-economic development due to its relative emphasis on equity and creating a conducive and enabling environment for the realisation of various categories of rights *inter alia*, social security and cultural rights (Hamm, 2001:1031). However, despite the signature and ratification of United Nations'

UDHR by over 190 countries, Wright and Noble (2010:113) note that access to social security across the world is somewhat deficient.

In 2012, studies by the UN established that nearly 80% of the global population had no access to ample social security, indicating a precarious situation that leaves a majority of people at the mercy of social risks and social distress (Wright & Noble, 2010:113). According to the UN (2012:6), unequal access to social security within states tends to jeopardise the social cohesion in society which consequently inhibits socio-economic development and creates huge costs for governments to create peace and tranquillity within their societies. In light of this argument, governments should always endeavour promote an equal enjoyment of socio-economic rights among their peoples as a means of building coherent and peaceful societies.

In view of the global commitment by the UN and its member states to promote access to socio-economic and cultural rights of people around the world, this Chapter provides a comprehensive analysis of the statutory and regulatory framework that supports the development of a socially inclusive management framework for sustainable social security in the Republic of South Africa. Specifically, the Chapter offers a detailed discussion of the interrelated global, regional and local statutes promoting social security rights and social inclusion. Such statutes and policy frameworks serve as socio-economic blueprints guiding a plethora of pathways that the government can adopt to promote and advance the socio-economic rights of the people as enshrined in Chapter II of the Constitution of the Republic of South Africa (1996).

3.2. STATUTORY AND REGULATORY FRAMEWORK: GLOBAL CONTEXT

The UN, its subordinate organs and specialised agencies, including the International Labour Organisation (ILO), play a crucial role in the establishment of the global social security standards (Strang & Chang, 1993:240). Moreover, global socio-economic and cultural rights have been the crux of recent debates on the promotion of standards of living for people across continents, regions and localities. In this regard, the following sub-sections offer discussions on the global perspective of the statutory framework on social security encompassing fundamental human rights, women's rights, children rights and social security rights in general.

3.2.1. Universal human rights

Accented and adopted by the UN on the 10th of December 1948, the UDHR recognises inherent dignity, equality and enjoyment of inalienable human rights as being the foundation for freedom, justice and peace (Donnelly, 2013:28). In principle, the UDHR as a global statute forms the backbone of social security systems within the over 190 state signatories due to its overarching aim of promoting sustainable equity and full enjoyment of rights within societies. Donnelly (2013:28) further expounds that the UDHR enshrines the fundamental rights such as the right to fiscally funded social security, which all state signatories to the UDHR should accord without compromise.

Commensurate with Section 9 of the Constitution of the Republic of South Africa (1996) (RSA, 1996:5), Articles 2 and 7 of the UDHR collectively take an unassailable stance towards prohibiting unfair discrimination that manifest itself across the human race (Morsink, 2010:92). Specifically, Article 2 of the UDHR, provides that everyone is entitled to all the rights and freedoms stipulated in the UDHR without distinction based on any characteristic encompassing such as race, colour, gender, language, religion, political opinion, social origin and birth. Deductively therefore, global standards on fundamental rights do not condone unfair discrimination since it strips individuals of their inherent right to equity and dignity. Above all, unfair discrimination is tantamount to escalate poverty and inequality in society.

The next section provides an in-depth look into the global milieu on the right to social security.

3.2.2. Right to social security

Morsink (2010:89) identifies Articles 22 and 25 (1) of the United Nations' UDHR to be of utmost importance in the course of promoting the social security rights of citizens. Succinctly, Sections 22 and 25 (1) of the UDHR take into account certain members of society who may not be gainfully employed and those who will be finding it difficult to make ends meet in their lives. Precisely, Article 22 of the UDHR (UN, 1948:7) mentions that, "everyone, as a member of society, has the right to social security and is entitled to progressive realisation, through national effort as well as international cooperation and in accordance with the organisation and resources of each state, of the economic,

social and cultural rights indispensable for his dignity and the free development of their personality".

Brauns and Wallis (2014:154) explain that, all human beings have the right to a standard of living good enough to ensure that individuals and their families have access to basic needs such as food, clothing, housing, medical care, necessary social services and social security. In the same vein thus, Amnesty International (2009:433) regards social security as a necessity since it helps individuals and families cope with the distress that may be caused by social risks such as, security in the event of them falling victim to social ills like unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond their control.

While Article 22 of the UDHR is exclusively dedicated to social security as a universal human right, Article 25 of the convention takes a strong stance on the basic necessities of life within the context of broader social security entitlements of individuals as citizens (Morsink, 2010:88). Food, healthcare and shelter are some of the basic needs of life. In this regard thus, Bender, Kaltenborn and Pfleiderer (2013:60) commend Article 25(1) of the UDHR for its declaration that all humans are entitled to maintaining a standard of living that is adequate for the health and wellbeing of themselves and their family. Such a wellbeing is accomplished by having access to adequate food, clothing, housing and healthcare and the right to social security in the event of them being exposed to the social ills mentioned in Section 3.1 of this Chapter.

Morsink (2010:90) notes the obligation which the United Nations' UDHR places on its signatories to always strive towards ensuring that citizens have equal access to basic amenities required for basic living standards. Such access is usually attained through socio-economic policy interventions aimed at nationwide social security programmes. Locally, fiscally funded social security in the Republic of South Africa plays a crucial role in the improvement of the citizens' living standards through mainly the sustainable alleviation and eradication of poverty and inequality (Ferreira, 2006:350).

In a bid to develop the focus and locus of social security within the global context, the study values the global elucidation of the relative conceptualisation of social security

by the UN, its organs and agencies. Foremost, the ILO (2000:29) postulates that social security refers to, “the protection which society provides for its members, through a series of a public measures, against the economic and social distress that otherwise would be caused by the stoppage or substantial reduction of earnings, and providing people with health care as well as benefits for families with children”. As a matter of protocol, states are thus custodians of social security systems for their territories, where they manage and administer various social grants aimed at providing relief from social distress and cushioning vulnerable individuals and groups from the ravaging effects of poverty and inequality (Riedel, 2006:109).

Moreover, the scope of social security encompasses a wide range of measures that provide conditional cash transfers. Such transfers exist for two main reasons, firstly, in the event of the permanent cessation of earnings, interruption of earnings or the total lack of earnings for individuals and secondly, to provide and maintain the welfare of children and vulnerable groups in society (RSA, 1997a:101). Thus, the obligation for access to social security and the full enjoyment of social security rights for all citizens is placed in the jurisdiction of their state and government.

Prior to its 100th session, the ILO and UN did not have a concrete resolution dedicated to social security rights except the provisions contained in the UDHR (Bender *et al*., 2013:60). Of particular relevance in this regard is Convention 102, passed by the ILO in 1952 as a show of global commitment to setting minimum social security standards (Riedel, 2006:94). Such minimum social security yardsticks serve as standards on which states can tailor-make their respective social security systems. In accordance with Convention 102 states should ensure that citizens obtain social security benefits regardless of whether they are in formal employment, informal sector or unemployed, thereby eliminating prospects of social exclusion (Riedel, 2006:101). Social security benefits such as the social grants that the modern day South African beneficiary gets from the government have been instituted based on universal minimum standards as set in this particular convention.

Bender *et al.* (2013:209) allude to the adoption of the Social Security Resolution (2011) during the 100th session of the International Labour Conference of the ILO in Geneva

(2011) as a stepping-stone towards development of a more concrete resolve regarding global social security rights. In principle, this particular Social Security Resolution (2011) strengthens the position taken by the global community and the UN towards the right and access of people to fiscally funded social security grants. Structurally, the International Labour Organisation's Social Security Resolution (2011) is anchored by three fundamental components, affirming the need to promote equal access to social security for all individuals as discussed in the section that follows.

Firstly, the ILO's Social Security Resolution (2011) categorises social security as a fundamental human right. Therefore, everyone as a member of society has a right to social security as declared in the UDHR (Bender *et al.*, 2009:209). Secondly, the ILO Social Security Resolution (2011) views fiscally funded social security as a necessity, and further mandates UN member states to employ efficient national social security systems that provide income security, to prevent and reduce poverty and inequality and promote social inclusion as well as the human dignity of societies (UN, 2012:15). Thirdly, the ILO Social Security Resolution (2011) emphasises on the need for UN member states to design their social development polices in such a manner that they are devoid of any form of social exclusion. The UN (2012:15) treats social security as an economic necessity interlinked with other economic development interventions aimed at economically empowering all citizens regardless of their race, creed, religion or any other arbitrary characteristics that may be used to identify them.

In deducing, the study notes that the ILO Social Security Resolution (2012) strives to ensure that global social security systems regard the right to fiscally funded social security as a fundamental human right. This is further substantiated by its stance on advocating for interventions aimed at making sure individuals realise their maximum potential in society, therefore shielding them from exposure to poverty.

In generic terms, the ILO's conception of fiscally funded social security is that it is designed to counteract the absence or substantial reduction in income. Such a loss of income can a consequence of unfortunate contingencies such as poverty, maternity, sickness, partial disablement, occupational injury, unemployment, invalidity, old age and the death of a breadwinner (Sepulveda & Nyst, 2012:21). According to the ILO

(1984:3), fiscally funded social security is a protective shield that protects people from contingencies and provide benefits falling under certain categories. Such categories include healthcare, sickness, old age, invalidity benefits and survivors' benefits in the event of the death of a breadwinner. Apart from the UDHR, the ICESCR serves as another global statute that promotes and enforces the rights of citizens to social security. Furthermore, the UN and its member states have made great strides in signing and ratifying the ICESCR (Landman & Carvalho, 2010:19), a scenario which builds a global foundation for social security rights and entitlement.

According to Sepulveda (2003:2) the ICESCR (1996) is a critical convention aimed at promoting social, cultural and economic rights of individuals. Furthermore, scholars such as Pieterse (2004:883) note that, the protocol is of cardinal vitality to the socio-economic and cultural rights of its people. To this effect, the Republic of South Africa recently ratified the ICESCR on the 12th of January 2015 (SAHRC, 2015:1). Important to note is that firstly, the ICESCR calls for gender equality and prohibits any form of discrimination based on gender. In principle, Felner (2009:405) writes that Article 2 of the ICESCR provides that all signatories should undertake to ensure equality and equal enjoyment of rights between men and women, including to right to fiscally funded social security. Secondly, the ICESCR obligates its signatories and UN member states to provide comprehensive social protection against contingencies listed in the ILO definition of social security (Felner, 2009:405) as discussed in the preceding section. The study therefore deduces that the ICESCR is pivotal in promoting equal rights, the emancipation of women and the creation and sustaining of an equal and non-sexist society.

Article 9 of the ICESCR supports the UDHR (1948) by recognising the right social security and further expands the scope of the right by adding social insurance as a fundamental human right (Felner, 2009:405). As an equally important branch of social security, social insurance has a lion's share of social security practices in many states, as discussed in Chapter Four of the thesis. This leaves contributory social insurance outside the scope of fundamental citizens' rights because it may constitute unfairness and discrimination on those citizens who may be unable to afford being enumerators to the mainstream labour market through gainful and sustainable employment (Dixon,

1999:4). In the same vein, excluding social insurance from conventional social security also leaves various categories of citizens susceptible to the risk of being unable to bear the brute force of social distress. Additionally, the ICESCR rubber-stamps the need for modern day governments to increasingly ensure that all citizens have equal access to social insurance regardless of jobs, economic status, gender or other identifying characteristics (Saul, Kinley & Mowbray, 2014:633).

In concord with Article 25 of the UDHR, Article 11(1) of the ICESCR of 1966 (Felner, 2009:406), declares that all citizens be accorded a decent living standard whose conditions should constantly and consistently be improved. Felner (2009:405) further expounds that, the ICESCR promotes international cooperation among its signatories in a bid to assist one another in the progressive improvement of standards of living of citizens (UN, 1966:4). Thus, the ICESCR has a global collaboration clause mandating member states who signed and ratified the conventions to assist each other in the promoting access to social, economic and cultural rights of their respective citizens. Observably, the ICESCR forms a crucial subordinate instrument for the UDHR (1948), augmenting the stance of the UN and its member states on the promotion of equity, equal rights and full enjoyment of rights and privileges across various societies and peoples of the world (Felner, 2009:406). Such social equity ideals are compliant with the need to promote global cooperation among UN member states.

In a world that historically was premised upon the principles of patriarchy and the subordination of women in society (Stearns, 2015:12), great gains have been made to ensure that women equally enjoy their legal right to fiscally funded social security in the modern era (Tatah, 2014:373). The study incorporates women's rights in that it analyses citizens' right to access to fiscally funded social security regardless of their gender. The following section discusses the rights of women within the global context of social security rights.

3.2.3. Women's rights to social security

Painter (2005:83) posits that the ICESCR and the CEDAW collectively promote gender equity in society. In an equity driven and globalised 21st century, one cannot ignore the great need for gender equity in either the management of the Public Service or the

promotion of access to and equal rights. To this effect, the UN, in 1979 promulgated the CEDAW, which obligates UN member states to adopt a multi-sectoral approach towards women emancipation, empowerment and promotion and upholding equity standards in respect of women. Such an inclusive approach should encompass all the relevant fields *viz*, the political, social, economic and cultural spectrums of life (UN, 1979:3).

Moreover, the CEDAW as mentioned by the UN (1979:3) calls for the governments to statutorily promote the attainment of equal and full development and advancement of women in society at levels equal to their male counterparts. Generically, the CEDAW strives to build an equitable socio-economic and political system where women receive the same and equal treatment as their male counterparts (Evans & Murray, 2008:22; Htun & Weldon, 2010:208). For Hellum and Aasen (2013:623), such equality should be exercised progressively in various aspects of daily life, for instance in employment, conditions of employment such as maternity, working hours and leave entitlement and the enjoyment of social security rights.

Htun and Weldon (2010:212) argue that the CEDAW plays a crucial role in promoting women's emancipation since it criminalises unfair gender-based discrimination. Such a prohibition is of particular importance in the Republic of South Africa and the African continent in general due to the existence of cultural practices that condone patriarchal societal arrangements instead of perpetuating equitable societal norms which are a characteristic feature of modern society (Scott, Crompton & Lyonette, 2010:17; Tatah, 2014:373). More so, enforcement of gender equity goes hand-in-hand with numerous national statutes promoting gender equality such as the Employment Equity Act (No. 55 of 1998) and Section 9 of the Constitution of the Republic of South Africa (RSA, 1996:5) that are discussed in the upcoming sections of this Chapter.

Correspondingly, women's emancipation and the promotion of equal access to social security is covered in Section 4.4.1 of the thesis of the study where the discussion revolves around the backdrop of biased societal practices and inheritance norms that unfairly discriminate against women. The section also discusses prospects of women owning property and enjoying equal opportunities with their male counterparts in states

such as India and Russia, historically patriarchal societies. Apart from the CEDAW, the need to promote equity is also enshrined in the Convention on the Elimination of Racial Discrimination (CERD) (1965), which advocates for elimination of any form of unfair discrimination towards individuals or groups in society.

Riedel (2006:175) mentions that social security rights across the world form a critical component of fundamental human rights, and consequently the need to ensure that everyone is treated equally before the law. A key milestone towards equality in society was reached in 1965 when the UN promulgated the CERD, a convention advocating for racial equality and prohibiting of racial discrimination (Boschiero, Scovazzi, Pieta & Ragni, 2013:351). In principle, the CERD emphasises on the stance taken by its signatories and UN member states to condemn colonialism and oppressive systems of government (UN, 1965:5). The CERD outlaws racially biased practices and regimes such as apartheid that had detrimental impacts on the socio-economic prospects of citizens who were at the nastier end of the stick (Dafler, 2005:137).

Article 5(e) (iv) of the CERD mandates its signatories and those who ratify it to utilise statutory interventions to prohibit any form of racial discrimination and guarantee all people equal protection and equal enjoyment of all rights, especially rights to public healthcare, fiscally funded social security and social welfare services (Thornberry, 2005:253). In laymen's terms, Article 5(e) promotes the upholding of economic, social and cultural rights of citizens in an equal and fair society.

Although the CERD promotes equality and fairness, it takes exception on instances where member states have statutory provisions that spell out differing treatment for citizens and non-citizens especially when it comes to the right to social security and assistance (Thornberry, 2005:253). Therefore, non-citizens and their rights to social security are determined by local laws which take precedence over global provisions. In a nutshell, the CERD is a vital tool that the UN member states utilise to promote racial equality while sustainably eliminating any forms of racial discrimination. In addition, the convention sets policies and procedures aimed at ensuring fairness and equality, especially with regard to citizens enjoying socio-economic as well as cultural rights (De Villiers, 2006:98). Historically, the social security system in the Republic of

South Africa was racially biased and there was infringement on the rights to social security of the non-Whites (Liebenberg, 2006:70).

Thus far, two decades since the dawn of the era of participative democracy, the ANC-led South African government has consistently managed to implement measures to promote equality and eliminate any racial discrimination (Horwitz & Jain, 2011:298). However, more should be done to manage the policy programmes aimed at ensuring that all citizens have equal access to social security. Since children are regarded as the future of any nation or society (Kaime, 2009:39), it is important that the study discusses children's entitlement to social security. The study values the rights of children in the context of social security since the building of sustainable livelihoods and societies for the future depends on securing the welfare of the children today. Notably so, the majority of state funded social security beneficiaries in the Republic of South Africa are children receiving the Child Support Grant (CSG). Table 5 expresses the numbers of social security benefices for the Eastern Cape Province.

3.2.4. Children's rights to social security

Verhellen (2000:11) observes that the UN made abundant gains towards promoting the rights of children through the enactment of the Convention on the Rights of the Child (CRC) in 1989. Principally, this Convention sought to spell out and promote the rights of children from birth to adulthood, as a move aimed towards ensuring that children grow and realise their full potential (Verhellen, 2000:11). Articles 4 and 26 of the CRC are of critical vitality to the protection and sustainable promotion of children's socio-economic rights (Freeman, 2014:129). Accordingly, Article 4 of the CRC (1989) declares that children's rights should be promoted and protected to guard against any socio-economic or cultural impediment that can disrupt their ability to reach their maximum potential (Vandenhole, 2007:15).

Conferring the right to fiscally funded social security on children can be regarded as investing in the socio-economic future of societies. Freeman (2014:129) regards Article 4 of the CRC (1989) to be of cardinal importance because it gives the provision and requirement for governments to take the initiative to align their respective laws

with the CRC. Deductively, the CRC remains the cornerstone for securing the future of state societies through children's rights.

Vandenhole (2007:15) writes that Article 26 of the CRC declares that children have the inalienable right to social security, realised either directly in their own capacity or indirectly through their parents or guardians. Moreover, the CRC impacted positively on the welfare of children all over the world through the institutionalisation of children's grants in the mainstream social security systems of states. Davidoff, Dubay, Kenney and Yemane (2003:266) posit that children's rights to social security are promoted when they are included in the contributory social security systems such as medical insurance through their parents, foster parents or guardians. In the Republic of South Africa, the CSG gives effect to the provision of the CRC.

Therefore, from the preceding discussions on the global perspective of the statutes and regulations guiding the designing of a socially inclusive management framework for social security for the Republic of South Africa, the study deduces that social security is critical to the building of sustainable societies. The right to fiscally funded social security is equally important since the absence of fiscally funded social security leaves vulnerable groups in society susceptible to social ills and shocks caused by loss of income, bereavement, unemployment or occupational injuries. In addition to the preceding argument, the existence of a plethora of statutes informing the right to social security mandates states to ensure that their citizens enjoy equal rights to fiscally funded social security. In line with this, various regional statutes have been put in place. These are analysed hereunder.

3.3. STATUTORY AND REGULATORY FRAMEWORK: REGIONAL CONTEXT

In a move to give effect to the provisions of the UDHR and other subsidiary global social security agreements, the African continent has designed its continental and contextually relevant social security statutes. Within the context of this study, the focus of the legal and regulatory framework in Africa covers protocols of the African Union (AU) alongside the provisions and policies promulgated by the regional bloc of the SADC.

3.3.1. Fundamental human rights

Evans and Murray (2008:22) view the African Charter on Human and Peoples' Rights of 1981 as the benchmark of the promotion of human rights on the African context. Foremost, the ACHPR promotes socio-economic rights on the African continent. Although the ACHPR does not directly establishes social security rights, it has a strong notion of the construction of society around the family along the lines of equality and sustainability (Evans & Murray, 2008:22). Of particular importance is Article 18 of the ACHPR which obligates African nations to progressively promote the family unit, family health and social welfare, rights to equity for the disabled, the children and the youths (Viljoen & Louw, 2007:9). In this regard, the ACHPR is essential in the progressive realisation of the social security rights of the African people.

Apart from the promotion of social rights such as family entitlement, the ACHPR further obligates states to ensure the economic rights of citizens are progressively promoted. These rights include the right to equitable equal pay, good working conditions and the right to fair labour practices (Murray, 2000:43). The ACHPR also empowers the people politically, by requiring states to allow citizens to directly or indirectly participate in the political programmes and activities of their society without hindrance. Such freedom ensures that citizens partake in the policymaking process, which encompasses the enshrining of social, economic, cultural and political security rights in regulations and other subordinate statutes (Evans & Murray, 2008:215). Political rights have a causal effect on socio-economic rights since the engagement of people through consultation forums before the passage of social security statutes ensures the inclusion of the public voice in public policies.

Additionally, Brownlie and Goodwin-Gill (2010:532) are of the view that political rights form part of the active citizenry which places the destiny of the people in their own hands in terms of directly or indirectly partaking in the daily socio-economic-political activities of their respective societies. The ACHPR thus summarily promotes equal rights, equity in society and advocates for robust socio-economic policies that bring about peace and tranquillity on the African continent (Liebenberg, 2005:9). The study therefore factually deduces that progressive societies guided by the ACHPR are

characterised by a commitment from the state to promote the establishment of family units which have access to socio-economic and political rights.

The coming section covers statutory provisions for social security rights in the SADC regional bloc.

3.3.2. Social security rights promoted regionally

At this juncture, the study provides the regional perspective on the statutory and regulatory framework for social security on a more specific level which is premised on the regional bloc of SADC. Originally instituted in 1980, the SADC was established to *inter alia*, promote sustainable and equitable socio-economic development that is pro-poor and leading poverty alleviation, together with the building of regional integration and trade (Smit, 2013:4). Additionally, SADC provided specific contextual conventions targeting the creation of a globally competitive socio-economic development path combined with uplifting living standards across the bloc (Nyenti & Mpedi, 2012:249).

Isaksen (2004:17) and Nkowani (2007:43) identify the year 2013 as a ground-breaking time in the 35-year history of the SADC. This was a time when regional socio-economic integration took a great leap in the right direction by adopting the Charter on Fundamental Social Rights (CFSR), a critical milestone in the promotion of fiscally funded social security in the SADC region. In essence, the SADC's CFSR sought to emphasise the critical role played by the ILO instruments achieving integrated labour rights for the people (Smit, 2013:6). Upon its endorsement, the CFSR provided a comprehensive framework for the instituting and management of regional labour standards in line with core conventions of the ILO (Wright & Noble, 2010:115).

In the same sense, Van Niekerk, Christianson, McGregor, Smit and Van Eck (2012:30) construe the CFSR as being meant to ensure that SADC member states create an enabling environment for the implementation of sound labour standards, prioritisation of provisions of the UDHR. The CFSR concurrently promotes gender equality and securing the future of children's and the economically active youths (Van Niekerk *et al*., 2012:30).

In this regard, the CFSR is informed by seven key objectives modelled to attain the overall goal mentioned in the preceding section. According to the SADC (2003:3) the CFSR seeks to:

(i) ensure the retention of the tripartite structure of the three social partners namely, government, employers' bodies and employees' associations;
(ii) promote formulation and harmonisation of legal, economic and social policy programmes that create employment opportunities and generate income for member states;
(iii) promote sound labour policies, practices and measures which facilitate labour mobility, remove labour market biases, enhance industrial harmony and increase productivity in member states;
(iv) provide a framework for sustainable regional cooperation in the collection and dissemination of labour market information;
(v) promote the establishment and harmonisation of social security schemes;
(vi) harmonise regulations relating to regional health and safety standards at work places across the SADC; and
(vii) promote the development of institutional capacities together with vocational and technical skills in the region.

In light of the preceding aims, the fifth objective which seeks to achieve a harmonised social security system is relevant to the study (Wright & Noble, 2010:116). In a move aimed towards promoting socio-economic integration in the SADC bloc, the CFSR has paid ample attention to harmonising policies within the domain of fiscally funded social security (Kaime, 2004:112; Olivier, 2009:77). Critical to this social security cause are Articles 9 and 10 which have a direct and significant bearing on fundamental social security rights of the people domiciled in the SADC regional bloc (Wright & Noble, 2010:115). Furthermore, Wright and Noble (2010:115) posit that, Article 9 addresses issues relating to the need for SADC member states to socially integrate persons with disabilities and to ensure that they also equally enjoy socio-economic rights, while Article 10 obliges SADC member states to ensure that social protection and social security are realised by all citizens irrespective of background.

In addition, Article 9 of the CFSR criminalises unfair discrimination of the disabled, building a society of equal socio-economic rights, opportunities and privileges (Smit, 2013:9). Moreover, Article 10 of the CFSR requires that SADC member states provide for the welfare of citizens such as job seekers or individuals who are struggling to get employment, therefore incorporating an equally important social security branch of social insurance (Wright & Noble, 2010:115). In this regard, the CFSR plays a critical role in the establishment of social security across the SADC member states, which goes hand-in-hand with the ILO and UDHR provisions. In the local context, the CFSR has contributed positively to the availing of social security and assistance benefits for the disabled, unemployed and socially distressed persons (Olivier & Mpedi, 2003:14; Olivier, 2007:28).

Based on the global view on social security rights, the SADC regards fiscally funded social security rights as constituting fundamental rights (SADC, 2003:8). This is further endorsed in the SADC's Code on Social Security (2008) which declares that everyone in SADC has the right to social security which should be realised through the states in which they live. Member states should, as a matter of SADC protocol, establish and maintain a system of social security in line with Article 10 of the CFSR (SADC, 2008:5). Literally, such a requirement implies that all SADC citizens are entitled to fiscally funded social security in any of the 15 member states, although most social security systems are means-tested and regulated by the specific statutes governing this particular system in the specific state.

Similar to other regional blocs, the SADC has to uphold social security standards that are commensurate with global statutes such as the ILO Convention on Minimum Social Security Standards (No. 102 of 1952). According to Smit (2013:9), Article 4 of the SADC Code on Social Security (2008) mandates states to ensure that the social security systems endeavour to extend coverage and ensure a progressive realisation of the right to fiscally funded social security of citizens while taking into cognisance the prevailing socio-economic development level. Additionally, Article 17 of the CSFR confers the obligation on member states to promote access to social security to all members of the SADC region regardless of the state of origin in line with international social security statutes.

As a continent which great socio-economic potential, Africa, in solidarity with the rest of the world, has continent-wide provisions promoting the right of children to fiscally funded social security as covered in the section that follows.

3.3.3. Children's rights to social security in Africa

Foremost, the African Charter on the Rights and Welfare of the Child (ACRWC) which was promulgated in 1990 duly obligates African states to promote the progressive realisation of children's rights. Similar to the CRC, the ACRWC recognises the vitality of presently securing the socio-economic welfare of children as an enormous and compulsory investment in the future of society (Kaime, 2009:39). Additionally, Kaime (2009:193) observes the condemnation of child labour and exploitation of children in any form or kind under the ACRWC (1990). More so, the Constitutional Court cases of *Mahlaule and Others vs. Minister of Social Development and Others* (RSA, 2004a) as well as *Khosa and Another vs. the Minister of Social Development and others* (RSA, 2004a) where children with permanent residence status born of migrant parents were legally certified to be entitled to receive state funded social grants, were landmark rulings as far as regional protocols are concerned (Olivier, 2009:51). In the African context, this court ruling has had far reaching implications for the social security entitlements of children born in any member states of the SADC region.

From the preceding discussions, it is clear that the African and sub-Saharan African states have made positive gains in addressing the plight of the poor and vulnerable through the entrenchment of socio-economic rights into their conventions. The stance taken by the AU and the SADC to endorse the UN and ILO provisions in the regional statutes has got positive impact on the regional human, socio-economic and cultural rights atmosphere. To this end, individual states are obligated to entrench these rights in their respective local statutes and policies.

The study now discusses the local statutory and regulative framework in relation to the rights to fiscally funded social security in the Republic of South Africa.

3.4. STATUTORY AND REGULATORY FRAMEWORK: LOCAL CONTEXT

This section discusses the various statutory provisions and instruments that the South African state has enacted towards the promotion of the social security rights of its citizens. During the ripening stage of negotiations phase when the era of participative democracy was gradually developed, policy interventions had already commenced to help establish a non-racial and non-sexist society in the new South Africa. Such policy and legal statutes aimed at reshaping the praxis of policymaking and the functionality of the Public Service in the post-apartheid era. Haarmann (2001:24) observes that the post-1994 government in the Republic of South Africa made a robust commitment to effectively utilise social welfare as a poverty alleviation and eradication apparatus. Such path would link both social and economic development strategies through a form of a state-driven interventionist model of advancing the standards of living for everyone in a democratic developmental state.

Arguably, as a democratic developmental state, the fiscally funded social security initiatives undertaken by the government of the Republic of South Africa serve as a tool for poverty alleviation and eradication (Case & Deaton, 1996:14). Practically, the democratic developmental state route that the Republic of South Africa followed, took the shape of various statutory and policy instruments dedicated to locally advancing livelihoods and standards of living (Chang, 2010:83). That path was further aimed to keep the South African state abreast with global labour, social security and other socio-economic trends (Liebenberg & Quinot, 2012:114). This section examines the local perspective of the statutes and polices guiding the development of a socially inclusive framework for management of social security in the Republic of South Africa with specific reference to the Eastern Cape Province.

The legislative framework on social security takes the shape of the various statutes and policies which the Republic of South Africa uses to progressively promote the right to social security. These statutes are predominantly acts of parliament, sections of the Constitution of the Republic of South Africa (1996), White papers and regulations which collectively promote the right to social security while concurrently guiding the implementation and managing of social security programmes. It should be noted that

the local laws take precedence over global statutes although they are drafted while taking cognisance of the regional and global statutes.

The study thus, covers the local statutory framework in the following section through a comprehensive discussion of *inter alia*, the Constitution of the Republic of South Africa (RSA, 1996), the White Paper for Social Welfare (RSA, 1997a), the Promotion of Access to Information Act (No. 2 of 2000), the Promotion of Administrative Justice Act (PAJA) (No. 3 of 2000), the Social Security Agency Act (No. 9 of 2004) and the Social Assistance Act (No. 13 of 2004). The immediate section provides the South African constitutional context of social security rights and implementation and the management of social security programmes.

3.4.1. Social security and the Bill of Rights in the Republic of South Africa

The inclusion of an extensive Bill of Rights in the Constitution of the Republic of South Africa (1996) consequently resulted in the Constitution, "being heralded as one of the most progressive constitutions in the entire world" (Buchanan, 2001:36; Brockerhoff, 2013:11). Furthermore, the Constitution of the Republic of South Africa (1996) is one of the few in the world that explicitly accord citizens social security rights, economic rights, children's rights and rights to equal treatment and the protection of the law. However, in contrast with other socio-economic rights, including the fundamental right to education and other children's rights, the realisation of the right to social security is dependent on the availability of state resources (Brockerhoff, 2013:11).

Regardless of the differences on whether economic rights, fundamental rights and social rights of citizens should be seen to be of equal importance in the Republic of South Africa, all the rights are equally vital to the South African citizen. In this regard, Section 7 of the Constitution of the Republic of South Africa (RSA, 1996:5) classifies all rights it enshrines as equal with an unparalleled significance to the lives of all citizens. Specifically, Section 7(1) of the Constitution of the Republic of South Africa (1996) declares that the Bill of Rights is a, "cornerstone of democracy in the Republic of South Africa, as it enshrines the rights of all people in our country and affirms democratic values of human dignity, equality and freedom". Therefore, regardless of whether the right is a human, social, political or economic in nature, the significance

of such rights for the citizens and society are of equal and unparalleled importance (Liebenberg & Quinot, 2012:115).

Furthermore, Section 7(2) of the Constitution of the Republic of South Africa (RSA, 1996:5) mandates the state to take a leading role in promoting the rights stipulated in the Bill of Rights by stating that, “the state must respect, protect, promote and fulfil the rights in the Bills of Rights”. In the context of this study, the Republic of South Africa has to ensure that it promotes the right to access to fiscally funded social security as enshrined in Section 27 of the Constitution of the Republic of South Africa (1996). Moreover, the judiciary has played a critical role in enforcing fiscally funded social security by stressing the cordial links between fiscally funded social security and the constitutional values of human dignity, equality and freedom in the decisions. Such a stance is outlined in various court decisions such as in the *Government of South Africa and Others vs. Grootboom* (Brockerhoff, 2013:13). Reference is made to this case in the later sections of this chapter to show that courts have determined the entitlement to socio-economic rights of permanent residents and their dependents.

In the process of developing a sound acknowledgement of the relative importance of social security for vulnerable individuals and groups in society, one has to recognise human dignity and solidarity as the critical building blocks to equal society (Hughes, 2014:41; Liebenberg, 2005:2). As a critical fundamental human right, Section 10 of the Constitution of the Republic of South Africa (RSA, 1996:6) declares that all the people have the, “inherent right to dignity and the right to have their dignity respected and protected”. Basically, human dignity is realised when people earn decent standards of living that are devoid of poverty, social exclusion and socio-economic destitution (Da Haan & Maxwell, 1998:4). In the same vein, fiscally funded social security forms one of the measures the state uses to assist vulnerable groups in society so that their dignity is not degraded by poverty, inequality and unemployment and social exclusion which unfairly discriminates against those excluded (Collins, 2003:21).

For Reaume (2003:666), social exclusion of the poor from the daily socio-economic development interventions aimed at advancing the standards of living in any society as perfectly matches what constitutes an infringement of one’s dignity. Due to the vivid

link between human dignity and social security in the study, the ensuing section briefly discusses the former and its bearing on the latter. Ackermann (2012:79) sees human dignity as going hand-in-hand with solidarity when viewed within the context of social security and the promotion of socio-economic equity. On a similar note, the ILO (1984:115) prescribes solidarity as the chief ingredient in the promotion of fundamental human rights, and it is an impossibility for a state to have social security without a consciousness of national solidarity. Implicitly, the goal of developing social security must unambiguously complement efforts to perpetuate the promotion of a sense of shared responsibility among the populace.

In the Republic of South Africa, solidarity is viewed as included in the notion of *ubuntu*, the principle of selflessness and shared responsibility (Nkondo, 2007:90). Historically *ubuntu* rose to prominence during the Thabo Mbeki presidency, with the RDP as the socio-economic development blueprint of the day (Zondi, 2014:116). According to Nkondo (2007:90), the RDP was launched during at a time when there was great pressure on the government to bring social-economic transformation to the people. Therefore, the social welfare policies that were promulgated in the democratic South Africa valued the principle of *ubuntu* and entrenched it in the building of the fiscally funded social security policies (Pieters, 2003:138). Crucial policy prescripts strongly emphasise how the effective addressing and redressing poverty and inequality hinges upon *ubuntu*. These policy documents include the White Paper for Social Welfare (1997) and the Report of the Committee on Comprehensive Social Security, also renowned as the Taylor Committee Report (2002).

In the White Paper for Social Welfare (1997) *ubuntu* is one of the pillars on which a humane society is built, sustained by a culture of personhood informs the need for societal unity and a dignified societal co-existence (Theletsane, 2012:266). More so, the recommendations of the Taylor Committee Report (Taylor, 2002:61) emphasised the creation of a comprehensive social security system to have a lasting solution for problems associated with a racially intolerant society (Strydom, 2006:308) which made it impossible for social solidarity to prevail. In this regard, Nkondo (2007:89) regards social solidarity as a key pillar on which African societies are built and sustained, chiefly due to its calls for oneness and selflessness.

In principle, the Taylor Committee Report (2002) culminated into the current social security system in the Republic of South Africa (Taylor, 2002:68), which has been constitutionally entrenched since then. The post-apartheid government has also made statutory and budgetary commitments to build and sustain a dignified society since 1994. Primarily, the right to social security is explicitly dictated in the Constitution of the Republic of South Africa (RSA, 1996), including the provision of state funded social assistance to vulnerable groups that are not able to support themselves and their dependents. Liebenberg (2006:72) argues that social security and assistance have been instrumental strategies employed by the post-apartheid government in a bid to address poverty and inequality.

Moreover, due to the disparities of historical discrimination suffered by the majority Black citizens, securing gainful employment have been affected by the lack of skills (Nowak & Ricci, 2005:30). Therefore, communities find themselves solely relying on state funded social security for sustenance and survival (UN, 2002:60). A lion's share of the national budget in the Republic of South Africa goes towards paying social assistance grants, to relive the people out of the bondage of unemployment, poverty and inequality.

Statistically, the 2015/2016 budget shows that a total of 7.9% (R155.3 billion) of the national budget was spent on social security, with 16.4 million citizens on the social security register, almost one third of the South African population of 51.8 million people (National Treasury, 2015:3). Arguably, two decades into the democratic dispensation, the government is still grappling with addressing the residue effects of discrimination in education, employment and mainstream socio-economic activity suffered by non-Whites. Such a historical imbalance has had a significant bearing on social security and assistance in today's society, since it created a lack of skills among citizens. The majority of social grant beneficiaries come from this population group.

The study now covers the local statutory framework in relation to the social security rights of women and children.

3.4.2. Women and children's rights to social security in the local context

Constitutionally, fundamental, human, socio-economic and cultural rights are equally important for the establishment of an equal society in the Republic of South Africa (RSA, 1996:1). Similar to the global statutes, the local statutes take cognisance of the need to comprehensively protect the rights of women and children due to historical discrimination against such people (Painter, 2005:83). Statistically speaking, in the Republic of South Africa, the reality is that demographically numbers are skewed towards women showing women making 51.3% of the national populace (StatsSA, 2016:5). Policy should ensure that discrimination based on gender is prohibited or avoided at all costs (Hellum & Aasen, 2013:570). Such demographic structures are indicative of the gravity of the need to socio-economically emancipate women, and the need to ensure that they have equal access to social security (Burkhauser & Holden, 1993:106).

The Republic of South Africa has various statutes promoting women emancipation and empowerment such as the Employment Equity Act (No. 55 of 1998). This Act seeks to address and redress the equal socio-economic opportunities of the Historically Disadvantaged Individuals (HDIs). Furthermore, the HDIs constitute the designated groups that should be meritoriously given preference in employment and other opportunities through affirmative action as stipulated in Section 15 of the Employment Equity Act (RSA, 1998). Specifically, the HDIs are comprised of women, the youth, Blacks, Coloureds, Indians and people with disabilities (RSA, 1998:9). In view of the global civil and equal right movements and the need for gender equity, the Republic of South Africa had to align these laws with global statutes in the context of equality in societies.

According to Ambrose (1995:33), the promotion and protection of rights go hand-in-hand with participative democracies. Ferreira (2012:136) argues in a similar fashion by noting that constitutional protection of fundamental, human, socio-economic, cultural and labour rights as being part of advanced democracies. Along with women's rights, children as the future of society should have equal fundamental and socio-economic rights equal to any member of society (Kaime, 2009:38). In line with the ACRW and the CRC, the Republic of South Africa legislated children's rights through

the Children's Act (No. 38 of 2005). Additionally, much ground has been won in this regard since Section 28 of the Constitution of the Republic of South Africa (1996) is exclusively dedicated to children and their rights (Liebenberg, 2010:81).

Moreover, Liebenberg (2010:81) explains that children are accorded various rights in Section 28 (1) (c) of the Constitution of the Republic of South Africa (RSA, 1996). Such rights include basic healthcare, food, shelter and social services, which encompasses social security and assistance. An example of this is the fact that children are entitled to receive the CSG until the age of 18 years (Liebenberg, 2010:194). As mentioned in the previous section, the Children's Act (No. 38 of 2005) supports the Constitution of the Republic of South Africa (1996) in an attempt to promote the rights of children. In concordance, Section 27(1) (c) incorporates children in the scope of social assistance under the umbrella term, 'dependants' which also includes children staying with their foster parents (Guthrie, 2002:15). Consequently, fiscally funded social security is a vital social relief mechanism catering for children since they are young and unable to fend for themselves socio-economically.

The study offers the compositional perspective of social security in the Republic of South Africa. Brockerhoff (2010:8) writes that social security in the Republic of South Africa structurally takes the shape of both mandatory defined contribution and benefit, voluntary contributory schemes referred to as social insurance, and state funded means-tested non-contributory social assistance schemes. Therefore, it is clear that fiscally funded social security is part of a wider spectrum of social security, therefore the Taylor Committee Report (2002:36) conceptualises social assistance as a form of, "state provided basic minimum protection against poverty, essentially subject to various qualifying criteria on a non-contributory basis". Fiscally funded social security tailor-made for children in the Republic of South Africa has taken the shape of various social grants such as the CSG, Foster Care Grant (FCG) as well as the Disability Grant (DG) (Brockerhoff, 2010:16).

Besides the grants for children, the elderly in the Republic of South Africa access state funded social assistance through various types of social grants such as disability, old age and war veterans' grants. Complimenting social assistance is social insurance

schemes in the shape of unemployment insurance, pension and road accident funds that serve as social relief tools for maintaining decent living standards (Brockerhoff, 2010:16). Deductively, social security becomes an essential vehicle for the delivery of socio-economic relief to individuals and families to relive the social distress caused by a loss of income or lack of gainful employment (Lund, 2002:178). Social relief shields the people from the ravaging effects of poverty, unemployment and inequality. In light of this therefore, the state should ensure that the right of access to fiscally funded social security is accorded to all citizens, including their children.

The Republic of South Africa as a democratic developmental state is legally mandated to ensure its people progressive enjoy the rights as discussed as follows.

3.4.3. Statutory obligation of the state on social security rights

Section 27(2) of the Constitution of the Republic of South Africa (RSA, 1996) obligates the state to considerably, "take reasonable legislative and other measures, within available resources, to ensure the progressive realisation of these rights" enshrined in the Bill of Rights (Chapter II of the Constitution of Republic of South Africa) (Currie & De Waal, 2013:574; De Schutter, 2014:833). The relative interpretation of the legal implications of Section 27(2) requires a robust analysis since it goes beyond a mere laymen's interpretation. Thus, in attempting to unpack the relative implication on the state, of the two critical phrases of 'progressive realisation' and 'within the available resources' (Currie & De Waal, 2013:578), the study offers a glance at some scholarly inscriptions and policy practitioners' perspectives in that regard. Liebenberg (2006:70) notes that the legal concept of progressive realisation appears in detail during the Constitutional Court case of *Government of the Republic of South Africa and Others vs. Grootboom* (RSA, 2001).

Principally, in the Grootboom case, it was stated that 'progressive realisation' implies that while the state might be unable to realise a right promptly due to limited resources, the state is nevertheless obliged to progressively improve accessibility both in terms of numbers of people accessing such a right, and the range of people covered (Brockerhoff, 2013:12; De Schutter, 2014:829). Moreover, the notion of 'progressive realisation' of rights reflects the contingent nature of a state's obligations regarding

socio-economic rights, while this equally depends on the level of a country's socio-economic development which determines the level of state interventions aimed at promotion equal rights (Felner, 2009:406). The study deduces that the implementation of pro-poor policy programmes such as the one on social security and assistance requires periodic improvements on the scope and range of citizens covered as a move to eliminate any form of social exclusion.

Brand and Heyns (2005:100) argue that the implication of the 'progressive realisation' concept guards against measures by the state to negatively affect the realisation of socio-economic, cultural or political rights by its citizens. Legally also, Section 39 of the Constitution of the Republic of South Africa (RSA, 1996) empowers the courts to partake in the interpretation of rights enshrined in the Bill of Rights of the Constitution of the Republic of South Africa (1996) (Currie & De Waal, 2013:134). This is line with the need to streamline state commitment to the promotion of an equal enjoyment of rights and remedying infringement of rights. Furthermore, the reasonableness of state policy initiatives and programmes pursued in promoting the socio-economic rights of citizens in the face of the law is outlined by the Constitutional Court of South Africa case of Grootboom (De Schutter, 2014:829).

There are various benchmarks to measure the reasonableness of state action. These yardsticks act standards gauging if policy programmes are reasonably justified as promoting the realisation of the target right. In this regard, Liebenberg (2006:71) notes that, policy initiatives aimed at promoting the progressive realisation of the right to social security must be:

(i) comprehensive, coherent and very coordinated;
(ii) reasonably designed and implemented by the responsible authority;
(iii) transparent and available in the public domain, open for public scrutiny;
(iv) making ample provision for meeting the needs of the targeted citizens; and
(v) having appropriate financial and human capital resources for effective implementation;

The policy plan yardsticks outlined by Liebenberg (2006:71) above clearly indicate that reasonableness also requires openness and transparency to instil public confidence

in the activities of the government (Brand & Heyns, 2005:99). Moreover, the standards for measuring the reasonableness of policy programmes and interventions indicate the active role of the state. Such a role is based on the importance of ensuring that all the short, medium and long-term components of any given right are collectively and progressively fulfilled to enable the process of promotion of rights is sustainable and has a lasting impact on citizens and the broader society (Creamer, 2010:206). In this regard, the promotion of a better life for all citizens has been the core of most post-apartheid policy programmes in the Republic of South Africa and this has been catalytic in ensuring the state keeps track with the promotion of sustainable socio-economic development in a developmental state.

All the rights covered by the Bill of Rights in the Constitution of the Republic of South Africa (RSA, 1996), including the right to social security can be subjected to either an internal and external limitation as discussed in the coming section.

3.4.4. Limitations of the right to social security

In the South African context, the progressive realisation of human rights and the respective policy programmes tailor-made to promote access to public services can be internally as well as externally limited (Currie & De Waal, 2013:150). The internal limitation of the rights contained in the Bill of Rights of the Constitution of the Republic of South Africa (1996) is enshrined in Section 36(1) provides the standards for the limitation of rights. These are according to Currie and De Waal, 2013:150) based on the:

(i) nature of the right;
(ii) nature and extent of the limitation;
(iii) importance of the purpose of the limitation;
(iv) relation between the limitation and its purpose; and
(v) absence of less restrictive means to achieve the purpose

Consequently, the internal limitation of rights as stipulated by Section 36(1) of the Constitution of the Republic of South Africa (1996) seeks to ensure that the state desists from unnecessarily limiting access and enjoyment of rights. Hence as put across by Currie and De Waal (2013:150) the internal limitation clause should be the

last recourse when other alternative avenues to avoid limiting of rights have been exhausted, and the upholding an open democratic society hinges on human dignity, equality and freedom. Fortunately, the internal limitation of rights helps the state to ensure an unhindered access to socio-economic and cultural rights of citizens such as social security.

On the contrary, the external limitation of rights enshrined in the Bill of Rights relates to the other limitations apart from the ones stated in Section 36(1) of the Constitution of the Republic of South Africa (RSA, 1996). Moreover, the external limitation solely refers to the limitations caused by a limitation of resources on the part of the state. For instance, in the Constitutional Court case of *Soobramoney vs. Minister of Health KwaZulu-Natal* (RSA, 1997b) and the *Government of South Africa and Others vs. Grootboom* (RSA, 2001), it was determined that the government had limited resources which did not constitute an infringement on the rights to healthcare and housing respectively (Pieterse, 2004:982). However, *ceteris paribus*, the rights of citizens will not be externally limited if the state had all resources at its disposal. Nonetheless, taking into account the socio-economic position of the Republic of South Africa, a democratic developmental state, resources are always limited in some instances (Sunstein, 2001:4; Brand & Heyns, 2005:264).

The preceding section of this Chapter focused on the national context of statutes and policies in the mainstream social security spectrum in the Republic of South Africa. At this juncture, the study delves into an in-depth discussion on the social security specific statutory framework guiding the management of social security within the Republic of South Africa. Furthermore, this fiscally funded social security management and implementation framework is discussed within the context of the legal and regulatory framework of fiscally funded social security in the Republic of South Africa. Moreover, the coming section is premised on the need to implement and manage social security in compliance with the statutes and polices governing socio-economic development in the developmental state of the Republic of South Africa.

3.4.5. Social security specific statutes in the Republic of South Africa

The sustainable promotion of social development in the Republic of South Africa was directly entrenched and advocated by the White Paper for Social Welfare (1997). Accordingly, the White Paper on Social Welfare (1997), shows that the post-apartheid government sought to uphold developmental social welfare. Such a welfare would have policy programmes intended to prevent, alleviate and eradicate poverty, while equally developing individual capacity of the people and empowering them to take charge of their own circumstances in a meaningful way (Pauw & Mncube, 2007:14). In principle hence, the White Paper for Social Welfare (1997), as postulated by the Department of Welfare (RSA, 1997a:13) seeks to ensure that the social welfare policies that the Republic of South Africa developed are pro-poor, aimed at poverty prevention, alleviation and eradication. Such policies should sustainably empower and emancipate the people through the development of their capacity enabling them to partake in the sustainable socio-economic development of their society (Lombard, 2008:166).

Lombard (2008:162) further notes that the White Paper on Welfare (1997) seeks to provide social welfare programmes that cover vulnerable individuals and groups in society, including the poor and disabled. As the pioneer statute leading the road to socio-economic reform locally, the White Paper for Social Welfare (1997) additionally addresses the need for state-led socio-economic redistribution of wealth, promotion of social cohesion and *ubuntu* as well as the need for citizens to actively partake in the processes of their government towards tailor-made public service rendering (RSA, 1997a:16). Hughes (2014:332) acknowledges the constitutional classification of the right to social security as a critical human right in the Republic of South Africa, resulting in the need for the state to progressively improve the realisation of the right.

Management of fiscally funded social security in the Republic of South Africa is mainly guided by the Social Assistance Act (No. 13 of 2004). As legally obligated by Section 27(2) of the Constitution of the Republic of South Africa (1996), the Social Assistance Act (No. 13 of 2004) becomes one key statute where the procedures, protocols and processes are laid-out to progressive promote the right to social security (Pauw & Mncube, 2007:48). Such policies and procedures indicate the government's nation-

wide intent to use social security as social relief and a safety net for society's poor and vulnerable. Principally, the Social Assistance Act (No. 13 of 2004) serves a myriad of functions in the South African social security management domain. When considering the fundamental importance of the Social Assistance Act (No. 13 of 2004), its role in promulgating a wide range of issues related to state funded social assistance and the targeted individuals and groups within society are paramount.

Besides enshrining aspects related to eligibility, application and other means-testing procedures aimed at creating an efficient social grant system, the Social Assistance Act (No. 13 of 2004) also provides an outline of various categories of grants available to various categories of citizens (RSA, 2004b:6). Furthermore, the Social Assistance Act (No. 13 of 2004) accords citizens the right to information about social grants and the criteria for them to enlist and enrol for such social security grants (Pauw & Mncube, 2007:47). Of equal importance is Section 20(4) of the Social Assistance Act (No. 13 of 2004), which deals with and empowers the Minister of Social Development to institute permissible deductions directly from a social assistance grant.

Such deductions should be to the best interest of a grant beneficiary. Issues related to fraud detection, prevention and investigation are placed in the jurisdiction of the Inspectorate for Social Assistance established according to Chapter IV of the Social Assistance Act (No. 13 of 2004). As a result, one can view this Act as serving an information function where citizens can source valuable knowledge on the grants that they can apply and enrol for thereby making a great effort towards social inclusion of all eligible citizens. Therefore, according to the Social Assistance Act (No. 13 of 2004) the fiscally funded social security grant system in the Republic of South Africa has encompassing the CSG, Old Age Grant (OAG), FCG, War Veterans' Grant (WVG), DG, Care Dependency Grant (CDG) and Grant in Aid (GIA) aim at reliving social distress (Pauw & Mncube, 2007:48).

Moreover, the Social Security Regulations (2008) play a supplementary role towards regulating the establishment of a sound social grants management system in South Africa. In line with regulating permissible social grant deductions, the Minister of Social Development published Regulation 26A (Government Notice R591 of 2009) where

stipulations are made that the not more than 10% of social grant deductions should be done by an authorised financial service provider. These deductions are meant to aid OAG beneficiaries to subscribe to funeral insurance policies. Deductively therefore, the Social Assistance Act (No. 13 of 2004) is the central for social assistance and protection programmes in the Republic of South Africa. These programmes contribute to the supplementing of the income of various vulnerable groups, enabling them to cope with contingencies such as unemployment, loss of income, death of breadwinner and partial or total disability (Pauw & Mncube, 2007:46).

According to the Social Assistance Act (No. 13 of 2004), across the three spheres of government, the responsibility of for social security grants is vested in the national government, while the provincial and local spheres augment by participating in the management and implementation thereof (RSA, 2004b:9). Before the enactment of the Act in 2004, the social security management system in the Republic of South Africa was plagued by administrative bottlenecks that unintentionally led to social exclusion and concurrently infringed on the right to fiscally funded social security of that category of citizens (Strydom, 2006:308).

Reddy and Sokomani (2008:39) discern the social security management system in the Republic of South Africa as having suffered from the lack of a distinct structure of social grant administration causing role ambiguity. Such a scenario has consequently compounded the managing, monitoring and controlling of the social security. Such challenges have adversely affected the approach that the government has adopted to address poverty and inequality through social security due to the prevalence and escalation of social exclusion (Creamer, 2010:205). In an effort to help avert and resolve the problem of mismanagement and service rendering bottlenecks in social security management, Chapter III of the Social Assistance Act (No. 13 of 2004) calls for the establishment of a social security management agency (RSA, 2004b:8).

Subsequently therefore, the urgent need for a social grant management authority saw the establishment of the SASSA through the Social Security Agency Act (No. 9 of 2004) as the sole public organisation tasked with the overall role of social security management across the entire republic. The DSD, through the SASSA, plays a

regulatory role in determining grant qualifications and managing an overall country-wide monitoring framework (Pauw & Mncube, 2007:14). Therefore, as the custodian of the administrative system for social assistance, SASSA's role is to ensure that policies, programmes and procedures are sustainably implemented (RSA, 2004c:3).

As highlighted in the preceding discussion and arguments, the management of social security in the Republic of South Africa has been plagued by a myriad of challenges, including, a rise in social grant fraud and other fraudulent malpractices (Reddy & Sokomani, 2008:35). Legally however, these social security malpractices have since been outlawed under the Social Assistance Act (No. 13 of 2004), and encouragingly as discussed in Section 1.2 of the thesis, the country-wide SASSA social grant re-enrolment exercise which ran from 2012 to 2013 saw the removal of over a million ghost social grant recipients (Gordhan, 2014:15). Further, the SASSA instituted new security and rigorous grant administration systems such as voice verification and biometric enrolment of grant recipients (Donovan, 2013:6). Nonetheless, in spite of the tightened verification and enrolment for social security the SASSA should manage social to help progressively alleviate poverty and social exclusion (Donovan, 2013:8). Advisably, the SASSA should ensure that all deserving vulnerable people and groups within communities have access to grant information, pay points and other related procedures and policies in this regard.

Despite the challenges highlighted in the preceding section, the management of social security in the Republic of South Africa can be affected by various administrative processes that are inherently *ultra vires* of citizens such as budgetary challenges and constraints (Brand & Heyns, 2005:224). There are practical examples when there was an invocation of Section 39 of the Constitution of the Republic of South Africa (RSA, 1996) in the ruling of the infringement of social security rights like in the Constitutional Court case of *Government of the Republic of South Africa and Others vs. Grootboom* (Mbazira, 2009:86) as discussed in the preceding sections of this Chapter. However, due to such reasons as rigidity and bureaucratic procedures in the public service the progressive promotion of rights can be affected, leading to infringement of socio-economic rights of citizens (Esau, 2006:48). One cannot discuss the right to fiscally funded social security without making mention of the relative importance of access to

information in relation to right entitlements and procedures for enlisting for social security (Sepulveda & Nyst, 2012:54).

Sepulveda and Nyst (2012:54) argue that lack of access to information creates and perpetuate social exclusion since it impedes the ability of beneficiaries to assert their rights, increases the prospect that resources allocated to social security programmes will be mismanaged. Additionally, vital information required with respected to social security programmes includes, social grant targeting mechanisms, eligibility criteria, benefit levels, complaints and redress mechanisms (Sepulveda & Nyst, 2012:54). More so, the Constitutional Court ruling on the cases discussed in the earlier sections of the thesis is indicative of the fact that in a bid for the Public Service to ensure a sustainable socio-economic growth trajectory is created and maintained. Normally, citizens should be given unassailable access to information that may be helpful in raising their awareness of for example the social grants which they can apply for and the respective means-tests for those grants. To this effect, an enabling statute in this regard is the Promotion of Access to Information Act (PAIA) (No. 2 of 2000) (RSA, 2000a:8) obligating the Public Service to ensure people are perpetual consumers of readily available information (Kariuki & Tshandu, 2014:802).

Individuals whose rights are affected in the managing of social security in the Republic of South Africa have legal recourse (Currie & De Waal, 2013:649). In this sense, Van der Merwe and Du Plessis (2004:113) identify some cases where public service rendering programmes discriminate against certain individuals or groups in society, written reasons should be provided in compliance with the PAJA (No. 3 of 2000). Such an infringement of rights may be a consequence of limited resources on the part of the state (Mbazira, 2009:92). The PAJA (No. 3 of 2000) serves as the legal instrument requiring public entities to justify actions affecting the rights of citizens (RSA, 2000b:6). Overall, the legal statutes governing the rights to social security in the Republic of South Africa go hand-in-hand with the statutory values of *ubuntu*, human dignity, equity and non-discrimination. Furthermore, the study emphasises that right to social security is equally important to the people and the government should progressively improve equal access to social security in the Republic of South Africa.

3.5. CONCLUSION

Fiscally funded social security serves as one of the useful apparatus utilised by the government of the Republic of South Africa in a bid to alleviate and eradicate poverty and inequity. The nation-wide policy programmes aimed at promoting access to social security for the poor and vulnerable members of society are expeditiously guided by a well-entrenched statutory and regulatory framework as discussed in this Chapter of the thesis. Such a legal framework encompasses the global, regional and local provisions of the role of the state in promoting of fundamental human, socio-economic, cultural and labour rights. Furthermore, state parties that have signed and ratified international conventions on social security are obligated to rubber-stamp issues related to access to fiscally funded social security through related local legislative interventions. In a globalised 21st century, legal provisions on the right to fiscally funded social security takes cognisance of the existence of labour mobility and the need to include migrant workers and permanent residents into the local social security system. Such provisions are however informed by the availability of state resources and the local statutes in relation to non-citizens' participation in the local social security system.

In the Republic of South Africa, there is a broad statutory and regulative framework for social security. Such a framework equally requires political commitment and stronger management framework to aid in the alleviation and eradicate of social exclusion. A key positive in the entrenchment of social security rights in the statutory framework of the Republic of South Africa is the emancipating of women, promotion of equal rights and gender equality, prohibition of all forms of unfair discrimination and the promotion of children's rights. In a nutshell, social security rights in the Republic of South Africa are vividly engraved in black and white although the current management framework is plagued by some loopholes which need to be closed in order to give effect to equal and unparalleled access to social grants, sustainable socio-economic development and improve standards of living for citizens. In summary, social security can serve as an expedient tool to alleviate and eradicate poverty and inequality in any state.

As a democratic developmental state, the Republic of South Africa is a member of the BRICS bloc which comprises of the world's emerging economics. Due to the rapid

gains in the socio-economic spectrums of the BRICS economies, the study provides a holistic discussion on the social security management systems of the BRICS bloc in the next Chapter. The discussion centres on deriving of practical lessons for the South African social security system, in an endeavour to create social inclusion.

CHAPTER FOUR
LEARNING FROM THE BRICS EXPERIENCE

4.1. INTRODUCTION

The zeal and need to transform society into liveable communities have played a role in determining the people-centred path taken by the Republic of South Africa as a democratic developmental state. This relates to the use of socio-economic blueprints to drive development and improve citizens' standards of living. Hamilton (2014:53) identifies one of the key developmental priorities pursued by the government of the Republic of South Africa as the pursuance of significant and sustainable development of an equitable society, with minimal unemployment and devoid of poverty. Also, as a member of the bloc of emerging economies comprising Brazil, Russia, India and China (BRICS), the Republic of South Africa can learn from the international best practices in the management of social security based on the experiences of its BRICS partners. In in bid to orient the global perspective of the study, a conceptual meaning and inference of the BRICS acronym is now provided hereunder.

Foundationally, the BRIC acronym was originally postulated in 2001 by renowned economist Jim O'Neill to represent the world's emerging economies namely Brazil, Russia, India and China (Lu, 2014:418). The BRIC bloc had its inaugural summit in Yekaterinburg, Russia in 2009 followed by the second conference in Brasilia, Brazil in 2010. This was succeeded by an eventual structuring of the bloc to become BRICS occurred on the 24th of December 2010 when South Africa officially became a member nation of the bloc. Thereafter the annual BRICS summit meetings were rotationally held in the China (2011), India (2012), the Republic of South Africa (2013) and Brazil in 2014 (Lu, 2014:418).

As part of the rotating hosting of the summit, the 7th BRICS summit meeting was hosted by the city of Ufa in the Russia in July 2015, which saw the ground-breaking launch of the New Development Bank (NDB) a BRICS tailored financial institution. According to Lu (2014:418), as the global emerging socio-economic powerhouses, a key aim of the BRICS is to harness socio-economic developmental policies and

practices across the member states while transmitting the gains to the citizens of those countries.

The BRICS countries have been famous for their stance towards equally addressing and redressing of poverty and the promoting of socio-economic welfare of their citizens through socio-economic development initiatives which collectively seen them holding a cumulative GDP of US$11.539 trillion in 2010 (Lu, 2014:418). Despite the gains in the BRICS bloc, there still remains a worrisome and gloomy global reality as observed by Van Ginneken (2003:290) who mentions that, globally, only one fifth of people have ample social security coverage, with a staggering half of the world's population socially excluded from any form fiscally funded social security for protection against social risks and contingencies. Such an earnestly bleak situation needs interventions aimed at alleviating and eradication the ill of social exclusion in society.

The study discusses and analyses social security management examples in the four BRICS countries in the sections that follow.

4.2. SOCIAL SECURITY MANAGEMENT IN BRAZIL

Among the BRICS countries, Brazil has made positive gains in the implementation of pro-poor socio-economic reforms intended to transform the fortunes of its 195 million citizens, especially taking into account the fact that the state had been plagued by a crisis of successive dictatorship regimes in the pre-1985 era (Barrientos, 2013:890). The next section covers the foundational principles of social security in Brazil.

4.2.1. Foundational principles of social security in Brazil

Barrientos (2013:890) points to the year 1985 as marking an emergence of the new Brazil after 20 years of autocratic rule. These dictatorships had left a trail of huge social debt to the present day government, and a demand of social reconstruction aimed to address and redress this social debt through a myriad of new ideas and pathways to move forward from its troubled past. Such social reconstruction interventions were steered by successive post-1995 governments through socio-economic reforms which encompassed taxation and social security.

In the same context, Oliveira (1996:19) posits on the obligation which is given to the state by the Constitution of the Federative Republic of Brazil (1988) to avail funds in the form of a national revenue pools kept in the social welfare budget and related resources to enable the vulnerable, misfortunate and unfortunate in society to access compensation. The states is further mandated to enforce fundamental social rights, and enacting enabling policy statutes premised on principles of distributive justice and equality. Conversely, socio-economic reforms instituted in Brazil have seen the state balance fiscal expenditure by way of austerity initiatives in the form of privatisation and quasi-privatisation of some of the social security schemes such as contributory social insurance programmes (Midgley, 2012:20).

Basically, social security in Brazil is hinges on the Bismarckian principles of state-led social welfare provision. Considering the practical inconveniences that can be caused by social risks in the form of poverty, illness, accident and bereavement to livelihoods in society, Mussi (2014:312) acknowledges the great contribution made by the former German statesman and philosopher, Otto Von Bismarck (1883) by famously referring to him as 'the father of social insurance', who advocated for the establishment of hedge funds to shield the society from social ills that plagued workers and therefore resulted in the lack of satisfaction in whatever activities they would be engaged in. According to Midgley (2012:14), Bismarck introduced the world's first national social insurance scheme in Germany in 1883 although it was clandestinely aimed at fairly leveraging his political muscle in the ancient Germany political landscape. Historically, Bismarck's principles of social security would later influence the creation of most global social security system, including those of the BRICS bloc.

Besides the relative input of Bismarck to social security foundation, Mussi (2014:312) further notes that, the Brazilian social security system is premised on social solidarity principles. Such principles originated from Great Britain through the contribution of economist William Beveridge who developed the Beveridge Plan in 1944. In particular, the Beveridge Plan viewed social security as a shield to every member of the society against the five monstrous evils like want, disease, ignorance, squalor and idleness. Furthermore, in the context of the modern world, Mussi (2014:312) links Beveridge's five ills to contemporary social risks which encompass *inter alia*, old age, sickness,

disability and maternity. The study observes the combination of both the Bismarckian and Beveridge principles in the designing of social security in Brazil all of which emphasises on state-led social interventions.

Barrientos (2013:897) is one of the scholars who commend the Brazilian government for taking a leading role in the war against poverty and inequality through robust social security schemes such as the *Bolsa Familia*, which are discussed later in the Chapter. Meanwhile, the next section discusses aspects on the evolutionary development of the Brazilian social security system.

4.2.2. Evolution of social security in Brazil

According to Jaccoud, Hadjab and Chaibub (2009:180), prior to the endorsement and embracing of the Constitution of the Federative Republic of Brazil in 1988, social security entitlements were solely rooted in the Bismarckian contributory principles. During this era, the state's responsibility to social security was limited to partial and residual provision of support services which were mostly provided to the citizens by NGOs and charitable organisations. This included churches that pooled funds by running informal hedge funds to assist vulnerable and misfortunate in society who fall prey to social ills of poverty and inequality (Jaccoud *et al*., 2009:180). Such less-paternalistic state arrangements inevitably made the state to have a peripheral and superficial role in social security provision. Implicitly, the study deduces that, such situations gave contributory social insurance more fame over fiscally funded social assistance, therefore widening poverty and inequality.

Logistically, social security in Brazil was originally confined to the provision of income related pensions and related benefits to workers in formal employment. Such schemes especially covered the public service and large-scale employers in the private sector, while state funded and means-tested social assistance was historically limited in its scope and coverage (Barrientos, Moller, Saboia, Lloyd-Sherlock & Mase, 2013:57). Due to this limitation, there was a pressing need for Brazil to adopt a state-led socio-economic development trajectory that would see the state actively influence policies and interventions aimed at social security provision. The upsurge in state funded social assistance programmes in Brazil can be traced to the early 20th century when such

kinds of social security were restricted to public servants (Malloy, 1977:36). Thereafter, the Brazilian social security system underwent perpetual reformation that culminated into the modern day *Bolsa Familia* programme, a nationwide a fiscally funded social security scheme that is managed by the federal government.

Although there is a consensus on the overall objective of social policies, which is to tackle poverty, in the context of Brazil, social policies are viewed as initiatives aimed at the consolidation of the Brazilian welfare state by the government (Costa, Suyama & Pomeroy, 2013:4). The social security schemes in Brazil are broad and include both vulnerability and poverty dimensions as social risks which affect the standards of living of the citizens (Costa *et al*., 2013:4). As a result, Brazil has made gains in redressing the legacy of poverty and socio-economic deprivation, social risks which have been pin-pointed to have a huge causal effect on social exclusion and inequality.

Perfetto and Fernandes (2014:45) regard the current Brazilian social security system as resulting from a perpetual socio-economic transformation process encompassing social security, health insurance and social assistance. For Kay (1999:410) social security reforms in Brazil have taken a continuous improvement path. One period that witnessed the Brazilian social security system achieve significant gains was during the Lula Da Silva Administration (2003-2011). Particularly, during the early years of the Da Silva Administration, the mammoth task which confronted the state of Brazil was the establishing of an economic strategy to redress and address a historical disparities which manifested themselves through rampant social exclusion. Such challenges needed a state led intervention to shield the socio-economic environment from the predatory tactics of monopolistic organisations that were prevalent during the pre-1985 period (Bianchi & Braga, 2005:1754). The Da Silva Administration thus, improved state hegemony on the socio-economic affairs of Brazil by *inter alia*, instituting socio-economic reforms in areas such as taxation and social security, an intervention that significantly improved the country's welfare state image (Costa *et al*., 2013:4).

As an emerging global socio-economic powerhouse, Brazil's development trajectory received a positive facelift at the turn of the millennium in 2000, shown by a drastic fall in poverty, unemployment and inequality has inevitably, "drawn the world's attention

to the country's social security policies" (Costa *et al*., 2013:7). In this regard, the marked achievements in the socio-economic development of Brazil have served as a leading example of how democratic developmental states can use pro-poor socio-economic reforms to address poverty, social exclusion and inequality while improving the living standards of their people. Prior to the Da Silva presidency, Brazil underwent numerous statutory milestones promoting social inclusion in fiscally funded social security as discussed in the section that follows.

According to Mussi (2014:313), the passage of decree No. 4682, popularly known as the Eloy Chaves Law (1923), gave birth to fiscally funded social security schemes like the cash retirement pensions system in Brazil. These pension were meant for workers in formal employment. Such schemes were administered by various institutes of pension and retirement ran by the state. Conspicuously, the establishment of pensions and retirement institutes is credited for the exponential rise in pensioners in Brazil, which has seen the national pension system that was benefiting 14 million individuals in 1995, enrol 22 million beneficiaries in the 2009 financial year. This shows a 12% increase over the 14-year period (De Souza, 2012:13). However, challenges such as the social exclusion of rural workers, who fell outside the scope of coverage of these pensions and retirement institutes heavily contributed towards the emergence and exacerbation of social exclusion.

Consequentially thus, that form of social exclusion prompted the Brazilian government to adopt a myriad of socially inclusive initiatives and interventions aimed at particularly the restructuring of the manner in which social security system was being managed (Sposati, 2009:45). Foremost, the fiscally subsidised social security system in Brazil was remoulded by the implementation of a multi-stakeholder orientation to encourage effective management practice (Mussi, 2014:316).

Sposati (2009:47) writes of the five features that make the Brazilian social security system have a multi-stakeholder arrangement. These characteristics are namely, the existence of state funded social security as a fundamental human right and citizenship-based policy; a major reliance on intergovernmental coordination and integration among municipal, state and federal spheres of government; an operation of the state

funded social security system in a decentralised nonetheless, interdependent system of government; an institutionalised dependence on social participation of citizens and clear-cut accountability systems. In light of this multi-stakeholder feature, the study deduces that the Brazilian government is able to maintain a synergised system of social security management by involving both public and private sector role players.
As elucidated upon in the synthesis or discussions in the preceding section, reforms in the Brazilian fiscally subsidised social security system centred on establishing socially inclusive schemes, therefore the next section focuses on the structure of the Brazilian social security system.

4.2.3. Structure of the Brazilian social security system

De Souza (2012:12) mentions that structurally, the Brazilian social security system is two-pronged with public and private sector branches with the former serving as a mandatory and contributory 'pay-as-you-go' (PAYGO) system which targets mostly the formally employed. Thus, such a formal sector orientation traditionally excludes a sizeable proportion of the Brazilian population which is either unemployed or are informally employed (De Souza, 2012:12). Brazil has complementary social security schemes, which are discussed in the coming sections of the Chapter. Social exclusion of those domiciled in the rural areas and in informal employment as seen low-cost contributory social security schemes such as *Providencia Social Rural* (PSR) of 1993 emerging targeted at poor rural farmers and those in seasonal employment (De Castro, Koonings & Wiesebron, 2014:200). Statistically, De Souza (2012:12) posits that the PSR, an almost non-contributory scheme designed to fight rural poverty and inequality realised a 75% surge in its beneficiaries during the 12 years to 2003 when a total 7 million had enrolled and benefiting from the scheme.

As highlighted in the preceding section, the social security in Brazil is statutorily instituted. Specifically, Section 201 of the Constitution of the Federative Republic of Brazil of 1988 establishes social security as a critical building block to the Brazilian welfare state, including vital components such as healthcare and social assistance (Costa *et al*., 2013:3). Additionally, Article 6 of the Constitution of the Federative Republic of Brazil affirms that, "education, health, food, work, housing, social security, protection of motherhood, childhood and assistance to the destitute in society" being

part of the social rights of the Brazilian people (Mussi, 2014:314). In this regard, the statutory entrenchments under Article 6 of the Constitution of the Federative Republic of Brazil ensure that the citizens have unhindered access to the basic needs of life, which are critical for earning a decent living standard.

De Souza (2012:13) mentions that the short history of social assistance in Brazil saw superficial state interventions that were limited to cater for particular emergencies such as droughts and disease outbreaks, thus neglecting the poor and vulnerable citizens. Such a scenario needed to change and the reforms in Brazil saw more state dedication towards pro-poor social security. The Brazilian state funded social security system can be categorised into two main categories *viz*, provision of basic services and targeted cash transfers (De Souza, 2012:13). Firstly, the provision of social assistance services in Brazil is still evolving and the recent institutionalisation of this category of social assistance took place in 2004 when the government established the *Sistema Unico de Assistencia Social* (Unified System of Social Assistance). Secondly, the Brazilian cash transfer programmes are more vivid and popular and date back to the mid-1990s. De Souza (2012:13) writes that, the Brazilian federal social assistance cash transfer programmes encompass schemes like *Beneficio de Prestacao Continua* (Continuous Cash Benefit) (BPC) and the *Programa Bolsa Familia* (Family Benefit Programme).

Structurally the BPC is a state funded conditional monthly grant tailor-made for citizens with family per capita income falling below a cumulative quarter of the minimum wage (De Souza, 2012:14). Additionally, the BPC's means-test stipulates that its targeted beneficiaries should be individuals with severe disabilities or the senior citizens over the age of 65 years. A key demerit of the BPC lies in its budget-constrained nature, despite the high volumes of applicants and beneficiaries as a fiscally funded social assistance grant (De Souza, 2012:14). Access to the BPC grant as a legal right ensures political independence for the programme ensuring there is transparency and professionalism in the administration of the grant (Medeiros, Britto & Soares, 2008:26). Sometimes political meddling in the managing of the BPC affects its ability to be socially inclusive. The highlighted shortcomings of the BPC as a social assistance grant implicitly point to the existence of the problem of social exclusion, hence the rise

to prominence of a the less restrictive social security scheme named *Bolsa Escola* (Barrientos *et al*., 2013:58).

As pioneer conditional cash transfer scheme, the *Bolsa Escola* (school bag) provided cash transfers to low income households on the condition that the benefiting families have school-going children. Lignani, Sichieri, Burlandy and Salles-Costa (2010:785) note the need to further augment the incomes of poor families who had school going children was fulfilled by the *Bolsa Alimentacao* (food grant) which was a conditional cash transfer programme aimed at improving the nourishment of the children and their families.

De Souza (2012:15) notes that the *Bolsa Escola* programme aimed at providing basic livelihoods towards the attainment of education by children thus its narrow scope has seen it and four other social assistance programmes including the *Bolsa Alimentacao* being integrated into the present mainstream social assistance programme, the *Bolsa Familia* in 2003. According to Perfecto and Fernandes (2014:48), the *Bolsa Familia* programme provided means-tested social security grants encompassin*g* retirement annuities, sickness, accident and disability compensation, maternity leave allowances, pension, bereavement, professional rehabilitation, medical care, dental care and other hospital services. The broad aims of the *Bolsa Familia* Programme were to alleviate poverty, break the transmission of poverty through families or family members and to empower families by giving them access to free non-contributory services (Lindert, Linder, Hobbs & De la Briere, 2007:16).

Notably, *Bolsa Familia* which had enrolled more than 12 million households in Brazil by June 2013 (Barrientos *et al*., 2013:59). This programme forms the major social security scheme providing conditional cash transfers targeting low income earning households on the condition of covering school tuition fees and healthcare costs of its beneficiaries (Barrientos *et al*., 2013:59). The *Bolsa Familia* is a cash transfer form of social security grant which is not an automatic entitlement since it is directly linked to the availability of funds can serve as a main constraint to universal coverage and social inclusion (De Souza, 2012:14). According to Soares (2011:58), financial constraints can sometimes make it possible for eligible citizens who apply to enrol for the *Bolsa*

Familia social grant to be denied benefits due to budget constraints. Encouragingly, the International Monetary Fund (IMF) has provided Brazil with a conditional grant to the tune US$572 million for the implementation and monitoring of *Bolsa Familia* (Lindert *et al*., 2007:15).

The study provides a synopsis of the development of social grants in Brazil since the accession of the Constitution of the Federative Republic of Brazil. Firstly, there was the PSR which was instituted in 1993 as a pro-poor social insurance scheme and has become a strong non-formal sector social insurance scheme by the Da Silva and Rousseff administrations. Besides the PSR, 1993 also saw the emergence of the BPC, which was a conditional state funded social assistance grant that was later succeeded by the improved *Bolsa Escola*. This social grant was later assimilated into the modern day socially inclusive *Bolsa Familia*. Due to the pressure to relieve the state of fiscal pressure, Brazil has placed the PSR under the jurisdiction of private sector social security agencies, while the institutes of pension and retirement and *Bolsa Familia* remaining under the sole jurisdiction of state (Barrientos *et al*., 2013:57). Deductively therefore, the Brazilian government has managed to utilise checks and balances to ensure a harmonious co-existence of both social insurance and social assistance. This is despite the wave of pro-poor socio-economic reforms it has been implementing since the early 1990s.

Tentatively, based on the preceding synthesis of discussions, the study observes that; the Brazilian government uses both contributory and means-tested approaches to fiscally funded social security service provision. In the context of the discussion, the state assumes a leading role in subsiding poor families with school-going children, the with social grants and further developing schemes such as the PSR to cover those in informal sector employment through state subsidised PAYGO social insurance. The study observes that, states can be instrumental in the building of a sustainable system of social security towards ensuring that social exclusion is gradually alleviated and eventually eradicated.

In the section that follows, the study elucidates on the process and procedure for managing social security in Brazil.

4.2.4. Management of social security in Brazil

According to Barrientos (2013:898) the managing of the Brazilian social security system has been placed under the National Social Security Institute (NSSI), a public service agency collaborating with the Ministry of Social Development in executing its duties. More so, Barrientos (2013:898) writes about the establishing of *Bolsa Familia,* Brazil's main social security scheme, as a merging of previous fragmented social security schemes such as the *Bolsa Escola* and the *Bolsa Alimentacao*. Logistically, the Ministry of Social Development contracted a public-owned financial institution, the *Caixa Economica Federal Bank* to maintain the single registry of social security database. The bank furthermore disburses social security payments in conjunction with municipalities which are responsible for rendering social security services at the local sphere of government (Barrientos, 2013:897). In this regard therefore, social security beneficiaries are mandated to be account holders with this federal bank for ease of processing and disbursements of their grants.

Despite the quasi-privatisation of the PSR, for economic viability reasons, the overall jurisdiction of social security management in Brazil falls under the NSSI. The NSSI is assisted by local municipalities especially during the social grants enrolment process (Barrientos, 2013:897). In addition, the Brazilian government has ensured that it maintains oversight over the social insurance category of social security by retaining the management of the institutes of pension and retirement through the Ministry of Social Development (Mussi, 2014:313). Encouragingly, as expounded by Barrientos (2013:897) registration of social security clients under the *Bolsa Familia* programme immensely benefited from various household surveys that municipalities undertake to ascertain the poverty profiles of their residents. Such surveys require households to complete identical questionnaires to help determine their impecuniousness since the municipalities are restricted to government enforced social security enrolment quotas (Barrientos, 2013:898).

Barrientos (2013:897) observes Brazilian municipalities to be utilising tools such as poverty mapping of their areas for registering the potential beneficiaries of social security. As elucidated upon in the Section 4.2.2 of the thesis, the study observes that the overall management of the Brazilian social security system is also catalysed by

the involvement of numerous stakeholders in the social development initiatives of the government. Such stakeholders include NGOs which actively partake in the process of social security registration (Barrientos, 2013:898). Observably, NGOs partake in the registration process because of their possession of an in-depth knowledge of the community poverty profiles of the various municipalities they are undertaking their humanitarian activities.

In order to smoothen the management of social security and eliminate loopholes that may might lead to fraudulent practices in the managing social security, the Brazilian federal government also utilises means-testing as an eligibility criterion for its social security grants. Cecchini and Martinez (2011:54) indicate that the *Bolsa Familia* has conditions which obligate beneficiating households to ensure are that their children attain an 85% school attendance if they are under the age of 15 years and a 75% attendance rate if they are over 16 years of age (Barrientos, 2013:899). Regulative, a non-compliance with such conditions will consequently lead to the suspension and exclusion of the offenders from the particular grant, a move which fosters adherence and minimises incidences of wasteful expenditure on fiscally funded social security.

Principally, the managing of fiscally funded social security in Brazil is made possible by the ability of the NSSI to operate on principles of clientelism, transparency and accountability towards the intensifying the war on poverty and inequality (Perfetto & Fernandes, 2014:45). Principles of openness and transparency in the management of social security also ensure that the voters-cum-taxpayers have confidence in the process of managing of social security. Such a culture of openness consequently creates good rapport conducive for developmental states to advance livelihoods of their citizens and communities. Overall, management of social security in Brazil is regulated by the Constitution of the Federative Republic of Brazil (Da Silva, 2012:27).

Notably, the managing of social security in Brazil has been significantly improved by the creation of the NSSI an impartial management agency. The agency also serves to institutionalise, monitor and evaluate social security in Brazil practices and ensure multi-dimensional knowledge which can serve as input to a continuous development

process (Costa *et al.*, 2013:7). Hence, periodic monitoring and evaluation ensure that social security policies and programmes remain on the right track over time.

The Brazilian social security system has reached many milestones as discussed in the coming section.

4.2.5. Social security milestones in Brazil

Social security transformation is part of an assortment of socio-economic reforms that have strategically positioned Brazil on a trajectory of being one of the world's emerging economies. In the same vein, Van Ginneken (20003:288) observes the evolution of the Brazilian social security system over the past 30 years as having an overarching objective of abating poverty among the country's poor and elderly. Schwarzer and Querino (2002:15) argue that in the context of the Brazilian social security system, a ground-breaking intervention was the enhancing fiscally funded and subsidised social pensions for citizens who are domiciled primary in poor rural areas. Resultantly, the modern day Brazilian society prides itself in having a fraction of nearly 80% of its senior citizens enrolled and benefiting from social security benefits. Statistically, this has produced a substantial drop in the poverty prevalence rate from 30% to 10% during the adoption of the initiative (Van Ginneken, 2003:288).

Mesa-Lago (2007:187) identifies Brazil as one of the countries whose social security coverage tops the charts in Latin America. Brazil has made socio-economic gains in the poverty alleviation, together with significantly redressing historical inequality trends, thereby incredibly dealing a huge blow to the scourge of social exclusion (Barrientos, 2013:887). Melo (2007:161) further describes these gains as surprising pessimists who were myopic and doubted Brazil's potential to overcome its pre-1980 social development quagmire. Positively, within contemporary Brazil, conditional cash transfer programmes reach over a quarter of all households (Leibbrandt, Woolard, Finn & Argent, 2010:18). Statistically therefore, as put by Barrientos (2013:887), social security transformation in Brazil has realised a great surge in social inclusivity with over 28 million Brazilian citizens presently listed as social grant beneficiaries by the NSSI. Da Silva (2012:28) points to recent milestones have been in 2010 when the

NSSI disbursed amounts of up to US$153 billion to deserving citizens, a figure accounting for 6.9% of Brazil's 2010 annual GDP.

From a policy perspective, the gradual development and subsequent success of the Brazilian pro-poor fiscally funded social security system has been credited to the adoption of a liberalised social welfare service provision system by the post-1980 governments (Costa *et al*., 2013:4). In this, Vaitsman, Andrade and Farias (2009:734) deduce that these social assistance services were mainly provided through competent NGOs together with private sector role players. The state played its philanthropic role of overseeing public policy implementation together with dealing with related urgent socio-economic demands. In a bid to improve the administration of fiscally funded social security, the Brazilian government has instituted quasi-privatisation initiatives.

Matijascic and Kay (2014:114) credit the substantial reduction in poverty among the elderly citizens during the Lula da Silva and Rousseff eras largely to the improved family incomes. This has seen more families surpass the benchmark required for them to qualify for state funded social security benefits. Encouragingly, the expansion of social security coverage has steadily risen during the Rousseff Administration to reach 13.6 million families in 2013, showing a 26.5% coverage of families in the entire Brazil (Matijascic & Kay, 2014:112). Such coverage statistically translates to what the ILO (2014:56) determines to be an 86.3% of the elderly in Brazil, a rate above most Latin American states and well above social security coverage rates for African and Asian states.

A surge in social security coverage in Brazil has had a reciprocal positive effect on the political leverage of pro-reform politicians in recent times, with former Brazilian president Lula da Silva and his successor Dilma Rousseff securing political advantage by promising to increase the scope and coverage of the mains social security programme, the *Bolsa Familia* (Midgley, 2012:15). According to Costa *et al.* (2013:2), the Brazilian social security system is gradually evolving and still faces numerous challenges in spite of its successful testament so far. The study elucidates on such challenges in the coming section.

4.2.6. Challenges faced in managing social security in Brazil

Writing about some viability challenges which impacted negatively on the Brazilian social security system, Da Silva, Pimentel, Gabas, Schwarzer and Pena (2009:38) indicate that poor service quality, the operation of the NSSI on obsolete manual social grant management equipment, slow pace of investing and assimilating ICT in the managing of social security and inadequate facilities and the lack of skilled human capital to stay abreast with demand for pro-poor social security. Despite these viability challenges, additional impediments like an exponentially rising cost of administering fiscally funded social security should be kept in check and any gains made in cost reduction should be directly transmitted to ordinary Brazilians through more social inclusion (Matijascic & Kay, 2014:115).

On the similar note, Matijascic and Kay (2014:117) exemplify by mentioning another challenge related to the cost of administering social security. Expenditure figures have indicated that the main social security agency, the NSSI has 3.7% of its annual budget going towards social security administrative costs, as compared to a reasonable and manageable mere 0.5% administrative cost incurred for administering social security in the USA (Matijascic & Kay, 2014:117). Thus, such rates of administrative overheads need substantial reduction to transform the cost-cutting gains into social inclusion, poverty alleviation and the promotion of socio-economic equality in Brazil. Observably, since public management is not immune from challenges, public servants managing the Public Service should always seek to continuously improve the manner of service rendering and ensuring effects of such policy challenges have a minimal bearing on overall programme efficacy.

In light of the preceding discussion on the management of social security in Brazil, the study makes the following observations and theoretical arguments. Foremost, building social security upon the Bismarckian and Beveridge principles of social protection and improvement of standards of living forms the basis of social security in any society due to the need to address and redress social exclusion. Furthermore, state hegemony over socio-economic policies directed towards welfare provision can assist in the building of equal society and alleviation of inequalities through the provision of state-

led initiatives promoting access to social and economic rights including *inter alia*, healthcare, social security, housing and education.

Brazil has adopted reforms aimed at significantly reducing decades of inequality and social exclusion through socio-economic reforms targeting school attendance, basic family income, nutrition, rural livelihoods and general welfare of the society. States should, however, utilise checks and balances in social welfare provision and fiscal sustainability, to ensure provisions for privatisation of some components of social security while oversight is maintained by the state. Privatisation and quasi-privatisation initiatives can relatively reap positive benefits in the developing states due to their ability to improve service competition while relieving state pressure on providing social security. Lastly, a unified social security system is more effective and efficient in contrast to fragmented and complex ones, hence developing states should establish a unitary watertight social security management framework that is devoid of social exclusion.

The next section of the study covers social security management in the context of Russia.

4.3. SOCIAL SECURITY MANAGEMENT IN RUSSIA

Russia is part of the world's emerging economies. Such a status is evident especially when one takes cognisance of the aftermath of the demise of the former Soviet Union, which left the government of the day with a burden to manage a smooth transition from socialism to quasi-capitalist market-based economy. Although its economy is relatively stable, Russia cannot explicitly be classified as a participative democracy similar to its counterparts such as the Republic of South Africa, India or Brazil, but a 'managed democracy' as put forward by Lu (2014:432). Historically, the Soviet system ensured that the state assumed a paternalistic role in the provision of free or low cost social amenities such as housing and health care regardless of its impact on service quality.

Additionally, under the socialist Soviet Union, the social security arrangements took a shift away from employment-based entitlement towards targeted provision of social services to needy citizens (Kay, 2007:53). Nonetheless, a collapse of socialism was

succeeded by the cessation of a comprehensive welfare state, and the adoption of a market-oriented modernised economy. In this section of the Chapter, the discussions centre on the evolution, management, challenges and reforms in the fiscally funded social security system of Russia. A look at the emergence of social security in the post-Soviet Russia is covered next.

4.3.1. Evolution of the social security system in Russia

The infamous collapse of the Soviet Union (1889-1991) has seen modern day Russia succumb to the pressure for reforms in the sphere of social policy to suit modern globalisation demands. Characteristically, Titterton (2006:89) notes the Soviet model of socialism as characterised by a centralised planning model, subsidised social welfare provision, free or very low cost education and free healthcare and housing. In principle, the pursuance of socialism under the former Soviet Union meant that the new Russia would require the reshaping of its socio-economic policy through *inter alia*, the withdrawal of the state from its previous paternalistic approach to social security toward a viable and sustainable social assistance system (Field & Twigg, 2000:34; Read & Thelen, 2007:9).

Kay (2007:55) discusses post-Soviet reforms and interventions aimed at reviving the bleak socio-economic future as perceived by Russian citizens as some form of state instituted disintegration and 'tearing down of safety nets'. Implicitly therefore, reforms had to be carefully implemented since an abrupt abandonment of the paternalistic stance would put the government on a collision-course with the populace. During the Soviet-era, citizens were accustomed subsidised and free basic and social services. The birth of Russia was plagued by an inevitable death of controlled socio-economic polices and emergence of a market-based economy Rieck, 2006:1). Furthermore, the demise of socialist ideology and policies saw disparities between social groups and citizens emerging and further got compounded by an ever-increasing prevalence rate of poverty as expounded by Rieck (2006:1).

In its early years, post-Soviet Russia was inevitably confronted with gloomy realities caused by many challenges. Such challenges included rising poverty, infectious diseases, rising mortality, fragmentation of social fabric by increased divorce rates,

rise in foster care children, high incidences of drug abuse, prostitution and rising homelessness (Manning & Tikhonova, 2004:15). During the first decade succeeding the infamous dissolution of the then Soviet Union, Russia's social security system exhibited a legacy of the pre-1991 era. This was because of the state's huge reliance on employment-based social insurance schemes with little emphasis on state funded social security, a skewedness which had some negative repercussions on prospects of addressing and redressing poverty and inequality in the modern day market-driven Russian economy (Thomson, 2002:109).

Also, a key impediment to the effective development, implementation and sustaining of a robust social security development in the new Russia was the challenge posed by managing an expansive federal territory with numerous *oblastis* (provinces) and *raionies* (districts) (Thomson, 2002:109). Nonetheless hence, there were several statutory interventions by the successive post-Soviet governments of Yeltsin (1991-1999), Medvedev (2008-2012) and Putin (2012-present) to comprehensively ensure that social development harnesses the agenda for fighting poverty and inequality in Russia. Statutory and regulatory foundations of social security in Russia are offered in the section that follows.

Rasell (2009:104) notes Article 7 of the Constitution of Russia of 1993 as emphasising state's commitment towards the welfare of the citizens. In so doing, the said article defines the state as being, "a social state whose policy is directed at establishing conducive conditions ensuring a dignified life, free and full development of man" (Rasell, 2009:104). In the same sense, this social state notion corresponds with provision of fiscally funded social security in the form of healthcare and medical cover as demonstrated in Article 41 of the Constitution Russia which accords every citizen in the Federation the right to free medication and fiscally funded healthcare (Gomez, 2013:5). Interesting to note that, the post-Soviet reforms implemented in Russia were not radical in nature but were gradual and spatial, adopted while maintaining due checks and balances between socialism and pro-capitalist market-driven principles (Twigg & Schecter, 2003:29). Similar to the Brazilian case, post-Soviet reforms have also been gradual in nature, as elucidated in the following section.

Kay (2007:52) characterises Russia's welfare system to be primarily premised on the dual features of universalism and contributory employment-based provision. This implies that the state compensated for low wages through subsidies as well as low prices for basic consumer goods at a level which would be affordable to the populace. Russia historically ensured state funded goods and services were either affordable or freely provided to citizens (Kay, 2007:52). Furthermore, the social policy and social security in the Post-Stalin era have seen particular attention been paid to the provision of social benefits to women. Such a stance to emancipate women was due to the dual burden of being employees and mothers, a status which the communist era patriarchal society did not acknowledge (Kay, 2014:53). Such a remodelling of socio-economic development policies, however, had equally challenging ramifications attached to fiscal and budgetary constraints.

On the inhibitions that confronted the evolution of social security within Russia (Rasell, 2009:95) posits on issues related to under-funding due to the reconfigurations of the state machinery from socialist to a globally market-inspired welfare system. Such reshaping moves further aggravated the situation and plight of the vulnerable and poor in societies. The poor who thus found it grim to ameliorate both existing and emerging social problems, causing pessimism on the post-Soviet government (Rasell, 2009:95). Furthermore, gauging the immediate aftermath of the demise of the Soviet Union, Russia's social policy was more reactive than proactive, since it focussed more on the solving of problems as they emerged with little commitment towards preventative measures (Rasell, 2009:97). Therefore, the situation gave birth to the need for the post-Soviet government to provide hedge funds to shield the misfortunate from the adverse effects of poverty, unemployment and other related social risks.

Motiejunaite and Kravchenko (2008:40) observe that the foundational perspective of Russia's social security system as resembling the Brazilian prototype in terms of its modelling around the Bismarckian and Beveridge social security principles, which accentuate state championed socio-economic polices. Simply put, this placed due responsibility on the government of Russia to utilise taxation and other fiscal strategies to ensure income distribution and provide for the poor (Motiejunaite & Kravchenko, 2008:40). In the case of Russia, fiscal interventions into social security provision

ensured that the burden of social security was shared among employees, employers and the state (Bosanquet, 2012:667).

In spite of the robust social policy initiatives and interventions which saw Russia's government adopt a modern day fiscally subsidised social security orientation, the subsequent structuring of the system was both unique and challenging. The study subsequently covers a discussion of the challenges that Russia faced *en route* to designing of the current social security system in the later sections of this Chapter. Meanwhile, the study proceeds to discuss the structural composition of the Russian social security system.

4.3.2. Structure of the Russian social security system

Williamson, Howling and Maroto (2006:168) posit on fact of Russia gradually grasping and adopting the three-tier social security model based on World Bank principles covering *viz*, state funded social protection (pillar 1), mandatory and contributory social insurance (pillar 2) and informal social protection and assistance (pillar 3). Generally, the Russia's social security system is hugely a pillar 2 design, although factors such as that of the system being in transition should be taken into account. According to Lim (2005:10), the structural design of the Russian social security system is skewed towards PAYGO social insurance. Twigg and Schecter (2003:21) substantiate this by noting the largest portion in the form of social pension in contrast to fiscally funded means-tested benefits.

On the contrary, state funded social assistance schemes are narrow in both scope and coverage. In the same vein, the social insurance branch of the fiscally funded social security system in Russia has three contributing categories of role-players namely firstly, the formally employed and salaried individuals, including those who work under civil law agreements, secondly, the civil servants and lastly individual entrepreneurs who establish businesses in the Federation (Khudenko, Sivoushkov & Parkhomovich, 2014:277).

Synonymous with fellow federative states, Mikhalev (1996:10) writes that Russia's strategy is to empower its provinces and districts to design and manage their own local

social security systems. Nonetheless thus, such subordinate social security systems should be in harmony with federal social security system since the central government distributes funds from the federal pension fund across the federation. Despite the relative dominance of state-run social insurance schemes, Russia has a pillar 1 social assistance scheme targeting the poor and vulnerable. This complies with Article 7 of the Constitution of Russia and includes the survivors' benefits grant, war veteran grant, old age and child subsistence grant that the study covers in the later sections of the Chapter.

Categories covered under the social insurance schemes include employed citizens, individuals informally employed and independent farmers (Lim, 2005:11). Pooling of funds for social insurance in Russia is made possible through the federal pension fund where all contributors subscribe and periodically pay premiums (Twigg & Schecter, 2003:21). Nonetheless, the PAYGO social security contributions from eligible citizens sometimes fall short of making a substantial insulation effect towards paying the old, vulnerable and poor members of society, and the difference is funded through taxes by the government (Lim, 2005:13). Therefore, the Russian government utilises the federal pension fund as the main social security scheme through an equal contribution from employees and the federal fiscal revenue fund. In this regard thus, there is an inspiring rise in fiscal expenditure dedicated towards social security as indicated in the subsequent section.

Denisova, Gorban and Yudaeva (2000:12) write that Russia has fiscal expenditure that is dedicated towards pensions regarded as extra-budgetary funds meant to cater for numerous state funded socio-economic and infrastructural needs. McCullaugh (2013:49) further notes that between 1999 and 2008, the GDP growth in Russia had averaged 7%. There was also corresponding expenditure on social services which encompass education, healthcare and social security showing a positive rise from 11.9% of the GDP in 2000 to an improved 22% of the GDP in 2010 (McCullaugh, 2013:49). Precisely also, Mikhalev (1996:11) writes that social security expenditure in Russia constitutes an annual average of 6% of the country's GDP. Such a level is within manageable standards since a fellow BRICS state, Brazil has its social security expenditure taking 6.9% of its GDP. Furthermore, as discussed in the preceding

arguments, Russia's state pension system is a contributory scheme where employed citizens are concurrently covered with those finding it difficult to secure employment through unemployment insurance benefits (Denisova *et al*., 2000:12).

The existence of a structure of social security in Russia that is skewed towards social insurance does not outdo the considerable scope for fiscally funded social security incorporated therein. Similar to fellow BRICS members like Brazil, Russia provides means-tested benefits such as old age, disability, survivors' benefits and subsidies to certain categories of pensioners like funeral aid to bereaved families if the deceased was a pensioner and individuals who are in social distress (Denisova *et al*., 2000:13). Moreover, Russia's war veterans who partook in the Second World War have a specific social grant dedicated towards their service to the Federation whose amount vary depending on their age and disability status (Denisova *et al*., 2000:14).

BRICS member states have made a comprehensive commitment towards investing in their future through statutory interventions catering for the social security for children. An interesting fact is that the majority the BRICS citizens are young and yet to obtain gainful employment and individually provide for their own upkeep (Miller, 2009:155). To this effect thus, Russia passed a regulation in 2000 which entitled all children under the age of 16 years (or 18 years for school going ones) to access a monthly CSG, whose means-test obligates that their family per capita income should be falling below the national minimum subsistence level (Notten & Gassmann, 2008:263). There is a mathematical formula used in the calculation and determination of minimum wage and living standards that is government by federal law (Notten & Gassmann, 2008:263).

Denisova *et al*. (2000:13) commend the Russian social security system for its resolving of the plight of vulnerable children caused by the loss of or the ageing of breadwinners. Social security regulations stipulate that children below the age of 18 years who have lost one or both parents together with those with parents aged over 65 years for men and 60 years for women respectively receive state funded social security benefits (Denisova *et al*., 2000:13).

Furthermore, Denisova *et al*. (2000:14) observe that procedures for applying for the CSG have been relaxed to minimise social exclusion of poor and vulnerable children. Specifically thus, application procedures for child benefits are simplified to a mere completion of a standard application form through which the parents have to disclose their incomes, supply the child's birth certificate, and the resultant allowances vary on whether one is orphaned, stays with both parents or has a single parent (Notten & Gassmann, 2008:264). Encouragingly, the relaxed application and enrolment process and procedures covering orphaned children also cover disabled and foster children (Denisova *et al*., 2000:15). Evidence gathered by Notten and Gassmann (2008:270) indicates the effect of child benefits to be a 15.3% poverty reduction impact on children affected by chronic poverty in Russia.

Moreover, besides the institutionalised CSG, Russia has a functional social security fund responsible for providing social security grants for the sick and pregnant since 1992 indicative of the state commitment to cater for the misfortunate and vulnerable in society (Mikhalev, 1996:7). As elucidated upon in Section 4.3.1 of the thesis, the transition from socialism into modern day market-driven policies was not a walk in the park for Russia, consequently it was punctuated with hard decisions especially with regard to fiscal reforms as discussed as follows.

4.3.3. Social security reforms in Russia

In attempting to relieve the state of the strenuous social pressure, from the birth of Russia in 1991 through to 2005, social policy makers have devoted their attention towards liberalising welfare policies (Rivkin-Fish, 2010:710). In addition, Rivkin-Fish (2010:710) observes that, taking a neo-liberalist trajectory involved a commitment to considerably shifting social security responsibilities from the state into a market regulated jurisdiction of private insurance companies, while leaving the Russian state to administer few pro-poor means-tested programmes (Rivkin-Fish, 2010:710). In order to help mitigate problems associated with having a social security system overloaded with disability and state funded social assistance grants, Denisova *et al*. (2000:21) mention that Russia adopted interventions such as the tightening of means-tests, eligibility criteria and periodic auditing of the social security system. Periodic auditing and verification of social security beneficiaries addressed the need to enrol

deserving vulnerable citizens who may have been socially excluded due to one reason or the other (Denisova *et al*., 2000:21).

Additionally, the expansion of the federal pension fund through fiscal contributions to augment employment-based contributions has reduced the cost of labour therefore building state commitment to the welfare of its citizens (Denisova *et al*., 2000:22). The study deduces that, such policy interventions are aimed at discouraging deliberate unemployment while promoting gainful employment by consciously making PAYGO social insurance attractive in contrast to means-tested state funded social assistance.

Social security in Russia is in transition, a feature synonymous with fellow BRICS members such as Brazil and the Republic of South Africa. However, the transition has, to a great extent, been crippled by a post-socialist legacy as discussed hereunder. Foremost, during the Soviet era, individuals had virtually no social risks because the socialist system that always took care of their socio-economic needs like healthcare, employment, education, childcare, disabilities and old-age security (Mikhalev, 1996:6). The demise of the Soviet Union marked an onset of a social and economic transition which saw Russia embarking on *inter alia*, massive restructuring of its social security system promoting quasi-privatisation as prescribed by stringent IMF and World Bank models (Cerami, 2007:19).

Williamson *et al*. (2006:168), construe that, it is encouraging that the adoption of social security reforms such as that of the multi-pillared model took place after the World Bank had offered Russia a conditional loan. Such a loan aimed at financing social security reforms aligned to lessening the burden on the state through reduced state funded social security (Williamson *et al*., 2006:168). In that same period, Russia's government implemented what Kay (2011:152) terms cuts in benefits and entitlements which reduced social security payments or restrict eligibility and wholesome changes in the structure of the welfare state, thereby growing privately managed social security. Williamson *et al*. (2006:172) further indicate the chief merit of the adoption of the World Bank model by Russia was its regulation of social security. This enables the avoiding potential ripple effects of increased taxation of citizens by the state to help fund its social assistance programmes.

Russia implemented interventions to counteract post-Soviet social security challenges through what Cerami (2007:20) notes to be bolstering social insurance, privatisation and a marked reduction in the scope and coverage of social assistance benefits in an attempt to avoid compromising the flexibility of labour markets.

Deductively hence, the government of Russia has incentivised private social insurance over tax funded social assistance to guard against compromising the functionality of its labour markets. The management of fiscally funded social security in Russia is covered in the section which follows.

4.3.4. Management of social security in Russia

According to Khudenko *et al*. (2014:276) social security in Russia is cooperatively managed by the ministries of Healthcare, Labour and Social Protection. These three ministries have been mainly tasked with the management of the federal pension fund through their various regional and local branches spread across the entire territory (Cook, 2007:96). However, as the social security oversight authority, the Ministry of Labour and Social Protection has the major jurisdiction and authority to manage social security (Cook, 2007:194). In addition to the preceding, the Ministry of Labour and Social Protection has auxiliary responsibilities such as calculation of entitlements, upgrading social security benefits, inflation adjustment of social grants and paying-out of all social security grants (Cook, 2007:250).

Logistically, Russia has a federal pension fund and regional social security offices spread across its *oblastis* and *raionies* towards bringing services closer to the people (Mikhalev, 1996:10; Cook, 2007:243). Notably also, devolved provinces and districts have authority to manage their local social security system. Mikhalev (1996:11) argues that such an oversight function ensures that the reform trajectory taken by post-soviet Russia remains on course to establish and sustain a market-oriented social security system.

Russia’s social security system has numerous challenges that need resolving in a bid to build social inclusivity, alleviate and eradicate poverty and promote social equality as covered in the next section.

4.3.5. Challenges faced in managing social security in Russia

One major challenge confronting Russia social security system is that of an ageing population. Scholars such as Cook (2007:251) predict the ratio of old age retirees to economically active citizens would reach a chilling 2:1 in the year 2020. Such a situation exerts enormous pressure on the social security system in terms of social security stipends for the old. Furthermore, Russia lacks a vivid state commitment to fiscally funded social security as seen in its massive privatisation of social insurance and reluctance in establishing a strong fiscally funded social security system. In the Federation, the state supplements social insurance through limited subsidies from federal, provincial and local funds, a situation that makes the social assistance branch of social security neglected and weak, therefore poverty and income inequality might have a boom (Mikhalev, 1996:20).

Although provincial and district social security structures have played a pivotal part in augmenting and sustaining the fight against poverty and inequality in Russia, the absence of a well-entrenched universal social security policy has led to disparities in poverty and social development across the different regions within the Federation (Lankina, 2009:224; Kinnossian, 2014:611). The federal structure of social security in Russia has led to huge disparities in aspects such as the design and management of state funded social security since provinces and districts have different autonomous contextually designed and locally managed social security programmes. Moreover, decentralisation and uneven socio-economic profile imply the existence of different minimum subsistence income levels to regulate eligibility for fiscally funded social security programmes such as the child support stipends.

In light of the preceding discussion of Russia's social security system, the study now provides the main theoretical observations and arguments in line with the need to build social inclusion and addressing poverty and inequality. Foremost, the study observes that transiting from a Soviet-era controlled economy into a neo-liberally aligned 21st century social security system required sacrifices both fiscally and policy related in the case of the Federation. Furthermore, BRICS member states such as Russia and Brazil have made gains towards using state funded social security to improve the livelihoods

of their people and children as shown by the commitment towards school attendance and less-stringent means-tests for child support stipends.

Additionally, social security reforms championed global financial institutions such as the IMF and the World Bank have been instrumental in relieving the Federation of socio-economic pressure. Such relief comes from their offering of options for both public and private sector schemes under the different pillars of social security in a bid to attain social inclusion. On the other hand, striking a perfect balance between fiscal expenditure dedicated towards social security and contributory arrangements serve as baits to attract citizens to a more lucrative scheme of fiscally subsidised social relief. Hence, for such a policy direction would build equality in society and discourage social assistance dependence on the part of the citizens.

Federalism has merits related to empowerment of lower spheres of government such as the ability of *oblastis* and *raionies* in Russia to design and manage their own social security systems. This relieves the federal government of socio-economic pressure to address challenges of social exclusion and poverty. Finally, Russia utilises fiscal and state subsidies to make contributory social security a more attractive option thereby building active citizenry and economic contribution to those who feel obliged to partake in it while leaving the government to cater for the needy in society to ensure that everyone lives a decent life and realise their full potential.

In the next section, the study gives a detailed discussion of the Indian social security system covering its structure, management and the challenges it faces.

4.4. SOCIAL SECURITY MANAGEMENT IN INDIA

Becker (2014:1) notes the key characteristic features of the BRICS countries as their social and economic development paths which brand them as the world's emerging economies. Although there have been contentions about the economic growth in India equally aiding the fight and subsequent reduction of poverty as noted by Ravallion (2009:17), the state has realised a marked reduction in the prevalence of poverty and inequality. Statistically, India has realised a 17.7% poverty reduction rate between 2004 and 2012 showing a prevalence rate of 37.7% at the beginning of that period,

while it stood at a 20% prevalence rate by December 2012 (Dang & Lanjouw, 2015:2). Due to the socio-economic reforms which India in undergoing, the social security system has not fully developed to levels commensurate to the stipulations of the IMF or the World Bank.

Principally, the Indian social security system exhibits some commonality with those of Russia and Brazil in terms of its emphasis on contributions under a well-structured and managed social security scheme. Nonetheless, India has duly adopted the World Bank model of social security through sector-wide reforms aimed at building a universal multi-pillar social security system (Holzmann, Hinz & Dorfman, 2008:5). In an attempt to unpack the structure, management and future prospects of the Indian social security system on addressing poverty and inequality, the study begins by a characterisation of the social security system hereunder.

4.4.1. Structure of the Indian social security system

Although India's system of fiscally subsidised social security is in transition, a five-pillar model was adopted in 2004 to ensure that both those gainfully employed and those poor are equally catered for. A detailed discussion on the multi-pillared follows in the Section 4.4.3 of the thesis. Similar to Russia's system, India hugely uses a PAYGO design that is state subsidised. Therefore, the structure of the Indian social security system is best described as being skewed towards contributory PAYGO arrangements (Bloom, Mahal, Rosenberg & Sevilla, 2010:67) similar to that of Russia. In the context of Indian social security, the study acknowledges the interchangeable use of the terms pension and social security to refer to fiscally funded social assistance.

Statistically, there are about between 40 and 50 million active PAYGO social insurance contributors' in India, showing that 10% of the country's population subscribes and benefits from contributory social pension (Asher, 2009:19). Furthermore, India has a solid workforce of about 475 million active employees, indicating that over 47 million individuals are enrolled in public sector social insurance schemes *viz*, the Employees Provident Fund (EPF) together with the Employees' Pension Scheme (EPS), with the remaining citizens either investing their retirement funds privately or benefiting from informal social security arrangements (Asher, 2009:19). The study now discusses

state managed social insurance schemes within the Indian social security system in the next section.

Kumar, Ghosh and Agarwal (2014:167) point out the statutory obligation on all Indian organisations employing more than 20 persons to register their employees with the social security authorities for the commencement of social insurance premiums. Indian social insurance contributions are pooled from payroll taxation together with individual employee savings. India has two mandatory social insurance schemes *viz*, the EPF and the EPS both which are managed by the Employees' Provident Fund Organisation (EPFO). The EPFO is a public agency that was established in 1952 to manage social security in India (Asher, 2010:8). Social pensions from the EPF and EPS are paid-out to active contributing members and are a form of post-employment social security. Deductively thus, the EPFO is the public service agency responsible for the enlisting, administration and managing of the social insurance in India.

Although the social insurance coverage is substantial, there is a certain percentage of individuals such as the elderly and unemployed who are not included in the mentioned Indian social insurance scheme. Hence, the existence of state funded social security grants for addressing poverty, old age, bereavement, maternity and sickness. One should also take cognisance of the fact that India had a national population of 1.252 billion people by 2013 (World Bank, 2013:2). Relying solely on contributory social insurance hence would increase social exclusion especially considering that just over 10% of the employed actively participate in the state run social insurance schemes. Additionally, the existence of a strong informal sector in India has led to the creation of a fiscally subsidised low cost social insurance scheme augmenting mainstream occupation-based PAYGO schemes such as the EPF and EPS (Bloom *et al*. 2010:68). However, a substantial part of the populace that is employed in neither the formal nor the informal businesses, remains therefore, a need for fiscally funded social security schemes.

In spite of the dominance of state subsidised social insurance scheme, state funded means-tested social security is also provided to poor Indians. In this regard, India has a well functional social assistance scheme for the elderly. In 1995, the national old age

pensions scheme was developed to offer approximately US$5 to elders of age 65 years and above. Such a scheme takes shape of a tax funded social assistance grant. In principle, the OAG targets elderly citizens from poor households and covers over 16 million people (Bloom *et al*., 2010:71). Due to the sole reliance on taxpayers' funds, the social assistance programmes such as the old age grants were placed under the management of the Employees' State Insurance Corporation (ESIC) which regulates the scheme to ensure that it covers and benefits its intended beneficiaries, those who are old, the poor and the vulnerable (Samson, 2012:87).

Samson (2012:87) further describes the selection of beneficiaries for the Indian OAG as being undertaken through local committees which meet biannually to ensure that new beneficiaries are constantly, consistently and timeously enrolled. Applicants for the grant submit the application to their local social security offices, where the district social grant selection committee which deliberates and submits selected potential beneficiaries to local members of parliament for endorsement (Samson, 2012:101). In addition, Samson (2012:86) observes the merits of the grant by noting that, India's OAG enables as many as 96% of the beneficiaries to visibly cope with social risks such as poverty, illness and provide for their dependents and live dignified lives. The number of social grants paid to the elderly varies across individuals based on whether they are breadwinners, disabled or have child dependants (Asher, 2009:22).

The absence of a tailor-made children's grant in India has compelled the government to make the existence of tender or school-going children in families to be a key aspect of the eligibility for the OAG thereby substantially increasing the amount which those with such categories of dependants are paid (Asher, 2009:21). Moreover, the social security system in India also offers nutrition by offering mid-day meals to school attending children to augment family-based social security benefits. These feeding schemes also fight poverty by promoting nutrition and access to education for the children attending school, who are cared for by poor parents or guardians (Barrientos & Hulme, 2008:10). India has, apart from the mainstream social security schemes, additional quasi-social security programmes augmenting the sector-wide war against poverty and inequality (Samson, 2012:87) as discussed in the coming section.

India has adopted a determined strategy aimed at tackling poverty and inequality through a wide array of pro-poor socio-economic interventions. In a bid to address unemployment and underemployment, India utilised a rural-based socio-economic relief programme targeting those struggling to obtain gainful employment known as the National Rural Employment Guarantee Scheme (NREGS). Commenced in 2005, the NREGS seeks to employ citizens from low income rural families for 100 days per annum in various rural development initiatives (Asher, 2009:21). Positive gains have been realised under the NREGS since it has managed to provide a social safety net for over 100 million citizens within its inaugural five years, a feat which has seen it being commended as a local economic development programme and its success story has led the government to strategise on how to expand it to the urban areas as an intervention to address urban poverty and unemployment (Asher, 2009:20).

Considering global women emancipation statutes and interventions in the form of *inter alia*, the CEDAW as discussed in Section 3.2.3 of the thesis, India has a unique history of patriarchy that has influenced the active participation of women in mainstream socio-economic issues (Thakur, Arnold & Johnson, 2009:122). The study views a discussion on the plight of women in social security in India as critically important since there is a gradual improvement on the situation on women, not only in India but also in fellow BRICS states such as Russia and the Republic of South Africa. The study now looks at the plight of women in the context of social security in India.

In a country which is historically patriarchal and masculine (Mathu, 2008:62; Stearns, 2015:15), Indian women have taken the initiative to have access to and enjoy social security rights and coverage just like their male counterparts through the foundation of a woman-specific social assistance scheme branded the Self-Employed Women's Association (SEWA). Thakur *et al*. (2009:122) posit that SEWA was established in response to India's male-dominated past. Such patriarchal inheritance practices and property rights were premised upon an absence of the acknowledgement of the dual role of women in modern society due to their participation in both the processes of production and reproduction. Additionally, Indian women besides being on the receiving end of biased, virile heritage laws, are also vulnerable to unemployment, under-employment and low-income earnings that leave them impoverished and

economically unable to cope with social risks or to provide for their children (Mathu, 2008:62). SEWA strives to shield women against social risks and ills.

Furthermore, Thakur *et al*. (2009:121) postulate the SEWA to be covering healthcare insurance, asset insurance, income security, social security and social insurances for women. Additionally, the scheme has a tailor-made bank established which offers credit lines to its members in a bid to improve the welfare of women, their families, single mothers and their children. SEWA also serves as a labour trade union under which its subscribers are covered in the process of wage negotiations and other employment aspects such as maternity leave and benefit schemes (Thakur *et al*., 2009:122). Interestingly hence, the establishing of SEWA has seen a surge in property ownership by Indian women and property investment due to its tailor-made principle of empowering and emancipating women (Thakur *et al*., 2009:121).

In the coming section, the study focusses on the process of managing of social security in India.

4.4.2. Management of social security in India

As mentioned in the preceding section, the management of social security in India falls under the jurisdiction of two agencies namely, the EPFO and ESIC. Specifically, the former caters for PAYGO social insurance while the latter specialises in fiscally funded social insurance. Logistically, the managing of the ESIC varies across states and local government entities because the central government has devolved and decentralised fiscally funded social security management. According to Bloom *et al.* (2010:68), such a deconcentrating was done in a bid to empower sub-national units to develop their own contextual social insurance schemes. Overall, Bloom *et al*. (2010:68) note that as of December 2010, the ESIC had enrolled 50 million active low-income contributors across India, indicating a significant towards the promotion of access to social security. Bloom *et al*. (2010:68) observe that the ESIC manages the scheme through a rigorous means-test to determine and ensure that it enrols and covers the low income bracket of the Indian economy.

The EPFO and ESIC as the centres of administration of social security in India have championed institutional reforms towards the addressing of flaws in the original social security system. In this vein, India has invested in ICT towards improving the efficiency and effectiveness of social grant administration through what Saini (2011:62) indicates as investment into the use of smart identification encoded social security cards with the recipients' biometric information and mobile banking services to pay social security grants to the beneficiaries. This arrangement has improved social inclusion especially in the underlying and poor rural areas spread across India. In a move aimed at further strengthening the managing of social security in India, the government has established a government-run oversight agency, the Pension Fund Regulatory and Development Authority (PFRDA), which monitors and controls the entire pension environment in India. According to Asher (2009:19), the underlying objective of the PFRDA is to foster efficient and effective management practices by way of enforcing the transparent and accountable management of the social security across India.

The social security management reforms procedures employed in India are covered as follows.

4.4.3. Social security management reforms in India

India has instituted social security reforms to cater for both its social insurance and fiscally funded social assistance. In the immediate section, the study covers the reforms aimed at improving fiscally funded means-tested social security programmes together with the reforms linked to the adoption of the multi-pillared World Bank Model. The zeal to reduce social exclusion has seen the relaxation of social security eligibility criteria across all spheres and levels of government in India to ensure that the poor, old and vulnerable are shielded against poverty (Samson, 2012:100). Consequently, this saw a marked improvement from previous stringent social grant eligibility criteria and means-testing which required the government to limit eligibility and ensure that the poor benefit from the social grants (Samson, 2012:100). Relaxing of eligibility and means-tests have consequentially led to an exponential rise in beneficiaries of old age pension grants from 9 million to 16 million people, a positive intervention especially given that India has an ageing population (Pal & Palacios, 2010:1018).

Furthermore, the Indian government has rules for requiring the publicising of social security schemes through the implementing social security agency, in both digital and print media in all official languages as a measure to ensure access to information (Samson, 2012:101). Such interventions aim to improve access to information on some of the means-tested grants that citizens can enrol and benefit from especially given the rapidly ageing population (Samson, 2012:101). Access to information has become a remedy to the potential beneficiaries of social security grants who stay in poor rural areas where social-exclusion was previous rampant. The harmonisation of fiscally funded social security in India and the provision of all the needy and deserving beneficiaries are gradually being realised through a wave of socio-economic reforms which include implementing the World Bank model of social security as elucidated in the coming section.

The late 1990s saw the intervention of global financial institutions, IMF and World Bank in the establishing socio-economic reforms (Holzmann *et al*., 2008:5). However, the adoption of such reforms needed to be contextually configured into the various social security systems across the globe since circumstances and economies are globally not homogenous. In the Indian context, the Word Bank model was gradually adopted by cautiously redesigning social spending cautiously to avoid the strangling of social safety nets and derailing the war on poverty and inequality (Aiyar, 2011:4). In laymen's terms, the infusion of 21st century compliant social security reforms needed not to realise the dismantling of the existing system *per se*, but instituting reforms to make it more efficient and effective. India is undergoing a socio-economic reforms trajectory aimed at redesigning of its social security system centred on the five-pillar model inspired by the Wold Bank stipulations.

Holzmann *et al.* (2008:5) described the five pillars of the 21st social security model as follows. The first pillar ('pillar zero') is non-contributory, tax-funded and takes the form of social assistance funded by the national, regional and local funds (Holzmann *et al*., 2008:5). 'Pillar zero' aims to alleviate poverty and inequality while ensuring that the aged, vulnerable, misfortunate and the poor have some shield enabling them to cope with social ills and contingencies. In the context of India, examples of social security programmes fitting into 'pillar zero' include the NREGS and the OAG. Furthermore,

the second pillar (‘pillar one’) covers a mandatory social insurance aimed mainly on post-retirement benefits for those who retire or opt for early retirements such as the EPS and EPF.

Holzmann *et al*. (2008:5) view the second pillar as an intervention to address individual myopia and failure to plan for post-retirement life towards guarding against insolvency of individuals. Obligatory defined benefits make pillar two of the social security reform model and serve as mandatory investment plans for individuals on their earnings into private investment schemes such as the money market to avoid an over-reliance of state pensions (Holzmann *et al*., 2008:6). A key merit of the third pillar with mandatory investments for individuals is the existence of various private sector markets to choose from making it a competitive (Holzmann *et al*., 2008:6).

As shown in Figure 1 which follows, the World Bank model additionally has an optional ‘pillar three’ voluntary social security scheme comprising of optional defined benefits and contributions that individuals and their employers can mutually agree and save for social insurance benefits catering for risks and contingencies such as death, accident, disability or healthcare. Lastly, the fifth pillar (‘pillar four’) covers the non-financial kind benefits which individuals can utilise as informal social security benefits including, family support, social housing and healthcare clubs or societies, informal community social programmes such as ownership trusts and village based bereavement schemes (Holzmann *et al*., 2008:6).

The study deduces that, the World Bank model of social security is an ideal system of social security since it covers both mandatory, optional and social assistance schemes which the state can avail towards poverty eradication in India. Furthermore, the multi-pillared social security model relieves the Indian government of budgetary pressure by ensuring that economically active individuals save for their post work livelihood in a well-designed and contributory system. A key reform initiative in the Indian social security system was the adoption of the multi-pillared fiscally funded social security model as discussed in the preceding section.

Figure 1 illustrates the multi-pillared World Bank inspired Indian Social Security Model.

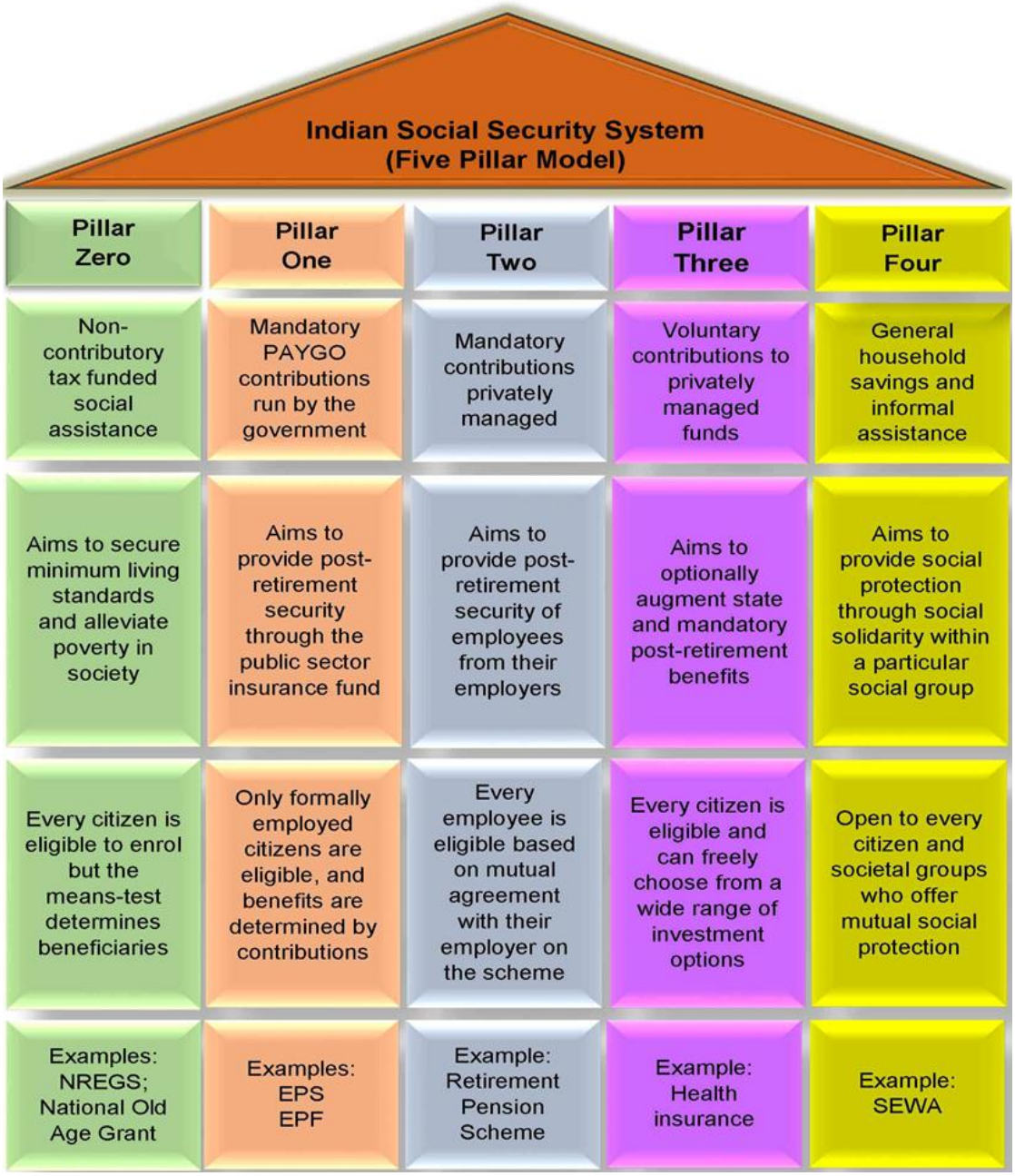


Figure 1: The multi-pillared Indian social security model

Source: Own illustration based on the Indian example (2016)

Nevertheless, social security in India has been in transition over the years and has encountered some marked turbulence through numerous challenges as detailed in the discussion that follows.

4.4.4. Challenges faced in managing social security in India

Foremost, a major challenge faced in the managing of social security in India concerns the devolution of authority and responsibility across its territory (Asher, 2009:21). Such

a devolution accords subordinate provinces and counties the liberty to have their tailor-made management model for social security giving rise to uneven coverage of citizens across states and municipalities based on the economic, efficacy and effectiveness of local authorities (Asher, 2009:21). The social pension schemes in India face such challenges as the lack of awareness on the part of the potential beneficiaries of the key features of the programmes, hence triggering and escalating the problem of social exclusion (Samson, 2012:93). In the same vein thus, Midgley (2012:21) additionally notes of the existence of challenges associated with managerial inefficiency and accusations of fraud and corruption in the management of social security.

As learnt by Dutta, Howes and Murgai (2010:65) social security schemes in India were plagued by rampant corruption and fraud. Such malpractices are commonly prevalent when pensioners have to pay bribes and fees to have their applications processed or have their pension checks delivered by postal personnel respectively. Worst cases were seen to occur when political leaders demand some illegal commissions as a 'tokens of appreciation' from beneficiaries for their role in the administration of social security (Midgley, 2012:21). Lastly, an ageing population is confronting the India social security system. Bloom *at al*. (2010:60) discuss the future of social security in India by highlighting the demographic trends where an ageing population, with a proportion of citizens over the age of 60 years standing at 5% in 1950, 7.5% in 2010 and projected to rise and reach 20% by 2050, a percentage which represents more than 300 million people. As such social security provision, especially those targeting the aged, require substantial fiscal and logistical commitment (Bloom *et al*., 2010:60).

Based on the Indian social security system, the study makes the following theoretical observations and arguments. Foremost, the study deduces that the state can take a leading role in the adoption and implementation of pro-poor socio-economic policies. Furthermore, the managing of social security should be centralised to avoid ambiguity, duplication of roles and fragmented administration approaches and designs. From the discussion, the study also deduces that patriarchy and masculinity in society require interventions aimed at bringing in more gender equity. In the same sense, a patriarchal society like India where the perceptual opinions towards women and their property rights, the SEWA has been instrumental in ensuring that women equally partake in

mainstream socio-economic programmes. Augmentative strategies like the NREGS have also been instrumental in fighting rural poverty and unemployment in India. The NREGS aims to seasonally, but gainfully employ the jobless. Lastly, the monitoring and evaluation of social security through an agency such as the PFRDA in India helps smoothen the management of social security thereby improving on social inclusion and socio-economic emancipation of the populace.

The following section discusses social security management in the context of China on the same parameters similar applied to the discussions of fellow BRICs states.

4.5. SOCIAL SECURITY MANAGEMENT IN CHINA

China has significantly managed to build a pro-poor social security system though its features inhibit more of PAYGO social insurance than fiscally funded social assistance (Asher, 2009:7). As a modern day socio-economic giant and BRICS member state, China has risen to prominence and managed to build an all-inclusive social security benefits social security system covering, healthcare, unemployment, disability and maternity (Watson, 2009:95). More so, China embarked on a myriad of social and economic reforms aimed at adjusting the orientation of policies especially given that the dawn of the 21st century. These policies have been influenced by a surge in globalisation and market-oriented principles among economies and trade blocs across the world. In particular, the socio-economic reforms that China went through included an inevitable shift from a planned economy to a more socialist-aligned market-based economy (Saunders & Shang, 2001:274).

The following section covers an in-depth discussion on the structure, evolution and management of social security in China.

4.5.1. Evolution of social security in China

Leung (2006:188) notes the significant economic growth that China has realised since the 1980s. Statistically thus, China has realised an average annual economic growth rate of 9% for the decade leading to 2015 (Siddiqui, 2015:62). In the same vein, Barrientos and Hulme (2008:11) mention the impact of socio-economic reforms in China by noting the effect of devolution of political authority and the liberation of once

stringent policies as resulting in the increase in social security coverage under the popular Minimum Living Standards Guarantee Scheme (MLSGS), a new social security grant which benefited a cumulative total of 35 million individuals in 2010.

From a statutory viewpoint, social security entitlements for citizens in China stem from Article 45 of the Constitution of the People's Republic of China (1982) which accords citizens the unalienable right to state assistance aimed at maintaining a basic living standard (Leung, 2006:191). Additionally, there were extra statutory reinforcements in the course of the reform period in the Chinese economy, which covered the three decades after the adoption of the Constitution in 1982. Such socio-economic reforms cover statutes that include a passage of the Labour Insurance Ordinance (1951) which created contributory social insurance for wage and salaried employees working in civil, private and quasi-private enterprises across the entire People's Republic (Fox & Palmer, 2001:109). This set a foundation for the expansion of social security schemes to the poor.

According to Asher (2009:11), the social security regulations passed in 1951 were skewed towards public servants, the majority of which were located in the urban areas in comparison to rural neighbourhoods. Originally, fiscally funded social security in China had an urban bias, leaving rural citizens relying on personal savings and traditional family care to ameliorate social risks (Mok & Lau, 2014:105). In the same sense, the study deduces that a pillar 4 social security arrangement has always existed in the Chinese society since the days prior to the foundation of the Communist Party. Lin (2008:21) discerns similarities in the BRICS social security system by noting that the Chinese social security system has congruency to the Brazilian, Russia and Indian PAYGO systems where public servants contributed a certain percentage of their earnings and it is pooled together with and equal fraction of their employers' payroll.

Contributory social security is augmented with state funded social protection schemes such as the MLSGS aimed at enabling decent standards of living for the poor. The MLSGS and other supplementary social security programmes are covered in the later sections of this Chapter. Further to this, contributory social security schemes in China

pay out social security benefits based on the cumulative savings which an individual employee has accrued, coupled with the social insurance pool where all employers contribute to the retirement pensions of their employees (Yang & Duan, 2014:69). The social security systems of the BRICS bloc thus, seem to have similarities such as the conditions which are tied to eligibility, enrolment and entitlement. One such a means-test established by China is that retirees should have contributed for at least 15 years are entitled to receive their pension benefits upon reaching the statutory retirement age pegged at 60 and 55 years for men and women respectively (Yang & Duan, 2014:69).

A demise of fundamental communist ideology in China, which was precipitated by the death of former communist strongman and chairman of the Communist Party, Mao Zedong (1893-1979), saw the party adopt neo-liberal social and economic policies with a shift towards a controlled market economy (McCormick, 1990:11). Furthermore, such an era witnessed the emergence of social security reform which begun as early as 1984 through government-led initiatives towards consolidating the traditional and fragmented social security system. Farid and Cozzarin (2009:181) observe that the reforms progressed further in 2000 when the government bowed to pressure from the precarious Chinese demographic profile, which shows the perilous feature of an ageing population. Such threats made it feasible for the government to shift its social security system from PAYGO principles to a tax funded scheme of social security (Farid & Cozzarin, 2009:182).

In the following section, the study provides a glimpse of the demographic profile of China and its implication on the shape of the contemporary and future social security system.

4.5.2. Ageing Chinese population and future of social security

An overall demographic picture of the BRICS bloc shows that China and India have the highest populations individually compared to the collective populations of Brazil, Russia and the Republic of South Africa combined (World Bank, 2013:4). Accordingly, the World Bank (2013:2) lists the population of China to be 1.357 billion, making it the world's most populous country. However, despite the high number of citizens, Leckie

and Pan (2006:25) warn that China might be sitting on a ticking ‘time bomb’ in the shape of a majority of its population rapidly ageing. The ageing Chinese population is attributed to the 1960s population boom which culminated in the eventual enforcement of the one child policy in the late 1970s (Leckie & Pan, 2006:25). Implicitly, this places the People’s Republic in a complex situation which is compounded by the old age. Such an ageing quagmire can affect China in the present, short and long-term future since the government will have provided for old age security of its citizens (Johansson, Guillemette, Murtin, Turner, Nicoletti, De La Maisonneuve, Bousquet & Spinelli, 2012:25).

The surge in aged Chinese citizens is partly due to an improvement in the standards of living and quality of life creating longevity in people (Leckie & Pan, 2006:88). Additionally, Leckie and Pan (2006:88) mention that a rise and potential bearing on old age social security of the ageing population of China has serious ramifications for the future. Hu (2015:65) writes that, the old age dependency ratio in China stood at 15% in 2015 and is projected to rise drastically to 36% by 2040, indicating a rapidly ageing society and active labour force. The conceptual description of the old age dependency ratio as a percentage shows it as an expression of the number of people over 60 years to the number of people in the economic active category aged between 15 and 59 years (Herd, Hu & Koen, 2010:7).

Williamson and Deitelbaum (2005:258) observe worldwide demographic forecasts showing a quarter of the global elderly population (those with 60 years and above) to be living in China by 2025, a prediction which substantiates calls for the establishing of a robust fiscally funded social security system to cater for old age security. Latest available figures indicate that there was a total of 202.4 million aged Chinese citizens in 2013 with the figure forecasted to reach 234 million by 2020 (Cai & Du, 2015:263). The ageing structure of the population of China serves as a time beacon indicative of the imperative for policymakers to adopt socio-economic interventions for old age security, especially in the form of social grants (Watson, 2009:96). In the absence of state funded social security, the elderly in China are normally cared for by their kin in spite of the effects of rural-urban migration, the aftermath of the one-child policy (Leckie & Pan, 2006:88).

Cai and Du (2015:266) further posit on the fiscal expenditure for old age pensions in China. This expenditure was 2.7% of total public expenditure on social assistance programmes showing a huge fraction of public service revenue especially considering that total expenditure on social protection stood at 8% of the national budget in 2013 (Cai & Du, 2015:266). Deductively thus, with a rapidly ageing population, China will have to foot a gradually rising old age social security bill in the immediate and foreseeable future with related fiscal costs. Observably hence, China did not witness a smooth transition from a communist state into a controlled market economy, a process that has gradually culminated in the adoption of world class social security management model in the early 2000s as discussed in the section that follows.

4.5.3. Structure of the Chinese social security system

The socio-economic reforms adopted by China have made a reliance on contributory social insurance inadequate with an urgent need for fiscally funded social assistance schemes to hedge the society against social risks (Leung, 2006:188). Zheng (2003:41) observes that, the post-Maoist Communist Party has focussed on creating sustainable fiscally funded social security schemes that would cater for the 'vulnerable populations' which include, the rural poor, urban poor, low-income earners and poverty stricken rural-urban migrants. Therefore, the presence of a robust social protection effect in the Chinese fiscally funded social security system society would rubber-stamp the pledge of the government has made through the retention of the communist commitment to socialist state-led welfare provisions, while maintaining a market-oriented world class economy (Zheng, 2003:42).

Fiscally funded social assistance (pillar 1) in China originally had features showing an urban predisposition since it catered for poor urban dwellers based on the *san wu* (three nos) principle meaning no families, no working ability (disabled) and no source of income (Saunders & Shang, 2001:276). Deductively thus, social assistance in China was originally designed to target the urban poor. Furthermore, the system was remoulded into covering broader risks such as healthcare, housing and broader unemployment under the comprehensive MLSGS piloted by the central government in China's second largest city of Shanghai and gradually adopted by provinces and counties across China (Leung, 2006:191).

Furthermore, Leung (2006:192) expounds that the MLSGS was initially a conditional fiscally funded urban social assistance scheme which covered the most basic needs of urban dwellers such as housing, food, clothing and healthcare for the urban poor. In a bid to incentivise employment-based social insurance, the Chinese government issued regulations for the MLSGS regulating that the amount paid to beneficiaries be always below the minimum wage and contributory social insurance rates. Such a move aimed to discourage unemployment and avoid social assistance grant dependency by some individuals who would feel attracted to social assistance in contrast to gainfully being employed (Leung, 2006:101). Supplementing of the MLSGS is done through the provision of food parcels offering grain, sugar and edible oils although this food supplements programme is only available advanced cities such as Shanghai, Beijing and Guangzhou (Leung, 2006:192). More so, the food supplement scheme has eligibility conditions similar to the MLSGS since it targets an improvement of living standards of the poor and vulnerable urban dwellers (Yang, Williamson & Sheng, 2010:241).

Besides the urban-based MLSGS, China has a vastly state subsided scheme, the New Rural Pension Programme (NRPP), a voluntary social security programme where willing rural citizens commence subscriptions as early as 16 years for their old age security was instituted as a social security scheme in 2009 (Cai & Du, 2015:253). In the same vein, Chen and Turner (2015:111) quantify that, a cumulative 138 million rural citizens were regarded as the beneficiaries of the NRPP as of December 2013, with the scheme heavily subsidised by the Chinese central, provincial and municipal governments (Chen & Turner, 2015:113). Noticeably, China uses social security to help achieve impartial social and economic development across the entire People's Republic. In a populous country such as China, fiscally funded social security is vital for fighting poverty and inequality.

Building a strong fiscally funded social security system has numerous merits. These include the establishment of state-led social policies for addressing poverty and inequality, solving the rural-urban divide with respect to socio-economic prospects and building confidence in the people about their government (Cai & Du, 2015:253). The major demerits to fiscally funded social security rest mainly on fiscal sustainability,

budgetary constraints and potential ripple effects on labour mobility (Denisova *et al*., 2000:22). Although the benefits for the establishment of non-contributory state funded social security outweigh the demerits, issues such as means-testing in the process of determining the eligibility of social security programmes have been lambasted for their potential susceptibility to corruption since grassroots bureaucrats have the discretion to determine the eligibility of beneficiaries (Yang *et al*., 2010:241). At this stage, the study provides a discussion of the social security reforms in China.

4.5.4. Social security reforms in China

China has historically relied on communist philosophy and principles similar to the Soviet era's system of welfare states that have to cater for the social needs of their citizens. Nonetheless, socialism and communism had ripple effects on the quality and competiveness of public commodities. Leckie and Pan (2006:89) further note on the developments during the late 1990s, which saw the Chinese government adopt social security reforms aimed towards relieving the government of socio-economic pressure. As part of the post-Maoist reforms, China engaged into a remodelling of its social security system through *inter alia*, shifting the pension provision burden from the state towards a multi-stakeholder pension funding encompassing the state, the employer and the individual employees, an espousal of combined social security system which has both a PAYGO and tax funded features, with the incentivising of private sector social security schemes and expansion of social security coverage across both urban and rural areas (Leckie & Pan, 2006:89).

Succumbing to pressure stemming from the need to fight poverty and the protracted lack of sustainable income for poor mostly based in rural areas. This thus eventually prompted the central government to avail funds earmarked for the rapid expansion of the MLSGS into rural provinces and counties at the turn of the millennium (Yang *et al*., 2010:241). The scope of the MLSGS was widened to go beyond the traditional and original *san wu* principle with effect from 2000. Thereafter, it begun to universally serve as a social safety net to help the citizens cope with a lack of income, lack of old-age security, lack of family support, disability or orphanage and rural poverty (Leung, 2006:192).

A critical milestone in addressing rural-urban migration resulting from the urban-biased social security was reached during the 11th National Communist People's Congress held in 2008. A key resolution of this congress was the unanimous emphasis on the creation of universal coverage for fiscally funded social security across the entire People's Republic (Yang *et al*., 2010:238). Another key resolution of the congress related to the rolling-out of fiscally funded social security schemes tailor-made for rural provinces and counties, most of that were characterised by the lack of economic development for employment creation and supporting the non-urban livelihoods (Yang *et al.*, 2010:238). China also undertook social security reforms aligned to the World Bank model of multi-pillared social security as discussed hereunder.

At the dawn of the new millennium, China had managed to reform its social security system to tally with World Bank requirements where there is a multi-pillared approach, with both mandatory and voluntary schemes (Fox & Palmer, 2001:92). One cannot discuss the Chinese social security system without making particular mention of the significant influence which the World Bank model of social security had on its reformation and modification. The study provides the multi-pillar context of social security and its management in China.

An adoption of a multi-pillared model of social security in China was promulgated in the 1997 State Council Resolution No. 26 which gave rise to a Unified Pension System for Enterprise Employees across China (Asher, 2009:9). In principle hence, the said resolution assimilated the World Bank's conception of social security by building a four-pillared social security system with 'pillar 1a' comprising mandatory schemes financed through obligatory contributions by employers together with fiscally funded subsidies; 'pillar 1b', which covers mandatory PAYGO contributions and benefits into the National Social Security Fund (NSSF); 'pillar 2' covering optional retirement plans; and 'pillar 3' that encompasses numerous voluntary social security schemes (Leckie & Pan, 2006:89).

At this stage, the study makes a critical observation on the development, structure and prospects of the Chinese social security by noting that social security in China mainly covers the employed. Additionally, it has a contributory feature with little or sometimes

no state sponsorship due to the shift from communist to controlled market economy. Such a shift has also been credited with the surge in the socio-economic hegemony of China in the modern world. Management process, procedures and responsibilities in the Chinese social security system are presented as follows.

4.5.5. Management of social security in China

According to Leckie and Pan (2006:88) the managing of social security in China is undertaken by the National Council for Social Security Fund (NCSSF). This was an agency established by the government of China in 2000 in a move aimed at ensuring a smooth management of social security amid the challenges of decentralisation and an ageing population. One has to note that the NCSSF manages both the MLSGS and the NRPP. The NCSSF is a ministerial level agency directly accounting to the central government ministry managing the NSSF and has other responsibilities ranging from the administration of the NSSF's assets and investment schemes to fostering transparent practices in the management of the NSSF finances (Leckie & Pan, 2006:90).

As discussed in the preceding section, China pursues a partially decentralised system of government. Such a federal-like system has provincial and county authorities having discretion to determine revenue sourcing and expenditure, therefore, these semi-autonomous regions have branches of the NCSSF falling under the control of the Ministry of Labour and Social Security. In a quasi-decentralised government system, provincial and county authorities are obliged raise their own revenue to fund their local social security programmes, hence the financial health and viability of local authority determines amounts paid to beneficiaries (Leung, 2006:100).

The existence of differing minimum wages across provinces and municipalities has made it commonplace that there are variances in the amounts paid to beneficiaries for the MLSGS grant across China. Social security application and registration under the MLSGS is adjudicated upon by local residents' committees which periodically review their local social assistance registers for the facilitation of the enrolment of new recipients and the deleting of beneficiaries who might relocate outside their province, city, town or county (Leung, 2006:191). Yang *et al*. (2010:239), however, critique the

urban-rural divide in the social security system in China, which can be an incentive for rural-urban migration and can worsen urban poverty.

Similar to fellow BRICS member states discussed in the examples covered in the early sections of the Chapter, social security management in China also faces numerous challenges as covered in the section that follows.

4.5.6. Social security management challenges in China

Lin (2008:30) posits on the challenges of social security in China by raising concerns over the existence of parallel social security schemes for the rural and urban dwellers alike. Another problem relates to the oversimplification of contributions and benefits, the social exclusion of those working in the informal sector and the absence of a universal and harmonised social security system for China used across the provinces and municipalities. As a remedy, privatisation or quasi-privatisation can help improve the effectiveness and efficiency of fiscally funded social security in China particularly given its demographic profile of an ageing population (Williamson & Deitelbaum, 2005:264).

Commenting on the precarious demographic profile of China, scholars Williamson and Deitelbaum (2005:266) point out the inevitable shift of the Chinese economy towards a quasi-privatised social security system that has a potential of increasing competition in the management of social grants. Such a shift creates the need to encourage economic stability, which can be attained with less fiscal pressure on the national revenue fund and less pressure on the government to solely manage social security. In spite of the handful modifications which are required to the Chinese social security system, the study concludes that China has both PAYGO and fiscally funded social security schemes which can be learning curves for fellow BRICS member states such as the Republic of South Africa.

The study covers the key theoretical observations and arguments in relation to the issues discussed for social security management in China. Similar to Russia, the China faced a quagmire during the transitional period from communism to a neo-liberal controlled or ‘managed’ market economy, a situation which the Chinese Communist

Party managed to gradually establish a heavily subsidised pillar 2 social security system. This indicates how state-led interventions and reforms can yield positive results in the form of improving socio-economic welfare of citizens coupled with rapid economic growth. China has managed to build a strong economy and significantly reduce social exclusion in the last four decades.

However, in the 21st century, states have been confronted with the sad reality of ageing populations, a fact that require policy interventions aimed at old age security and sustainable labour mobility. Similar to federal states, decentralisation has proven to have an effect on social exclusion in China because social security schemes that tend to attract citizens to certain provinces and cities due to the poor rural social security system. In this regard thus, the study observes of the need to harmonise social security across the entire China.

Since the overarching aim of the Chapter concerns deriving best practices in the management of social security from the BRICS. Such best practices serve as lessons from which a fellow and the youngest member of the bloc, the Republic of South Africa can consider and aid in the reshaping of its social security system. Overall, these BRICS discussions are meant to guide the study in developing a socially inclusive management framework for sustainable social security in the Republic of South Africa, based on the case study of the Eastern Cape Province.

The BRICS discussion centred on analysing examples from the world's emerging economies aligned to the forth research objective. From the analysed examples, it is evident that the four BRICS states use a mix of fiscally funded, quasi-privatised and welfare state approach to cater for the misfortunate, poor and vulnerable members of their societies. More so, the BRICS states have various social security management frameworks, a feature that has drastically improved on the welfare provision. Another key observation is that the state funded social security schemes in the BRICS serve as an incentive for school attendance, nourishment and healthcare provision. There are also best practices aimed at ensuring that social security acts in guarding against ever-rising rural-urban migration. Furthermore, social security interventions have also been used to reverse historical disparities caused by *inter alia*, patriarchy and male-

domination in workplaces and society as in the case of India. A summary of similarities and dissimilarities of the four examples follows in Table 4, which follows.

Table 4: Summary of the features of the BRICS social security systems

State / Feature	Brazil	Russian Federation	India	People's Republic of China
Structure	Both social assistance and insurance	Mainly social insurance	Mainly contributory social insurance	Both social assistance and insurance
Funding	Social assistance grants are state funded and PAYGO social insurance	Mandatory and contributory social insurance with limited state subsidisation	PAYGO schemes augmented with fiscal funds	Mainly contributory social insurance schemes which are partly state-subsidised
Managing Authority	NSSI in collaboration with the Ministry of Social Development	Ministry of Healthcare; Ministry of Labour and Social Protection	EPFO, ESCI and PRFDA	NCSSF in collaboration with the Ministry of Labour and Social Security
Schemes	*Bolsa Alimentacao; Bolsa Escola*; PSR; BPC and *Bolsa Familia*	Old Age Pension; Maternity; Child support and War veterans	NREGS; Old Age Pensions and SEWA	MLSGS and NRPP
Challenges	High costs of administering social security; Need to institutionalise *Bolsa Familia* and Non-utilisation of political feedback	Low state commitment towards social assistance; Ageing Populace; Decentralisation and fragmented social security management	Fraud and corruption; Ageing population; patriarchal perceptions; Decentralisation and fragmentation	Rapidly ageing population; decentralisation fragmenting social security management; low state commitment to means-tested social assistance schemes

Source: Own illustration based on the BRICS examples (2016)

The study additionally deduces that, social security in the BRICS has been sustainably managed, to ensure that it does skyrocket beyond 10% of the individual GDPs of the 4 BRICS states studies. The Republic of South Africa can improve its social security system by way of learning from some of the discussed practices. Such an approach of aligning its social security system in line with fellow BRICS member states would ensure that as a democratic developmental state, both the social and economic development spectrums of the state are sustainably promoted.

4.6. CONCLUSION

Globally emerging BRICS economies are making great gains in the development of their individual and collective societies. Coupled with the recent launch of the New Development Bank (NDB) during the 7th BRICS Summit in Ufa, Russia in July 2015, one can precisely deduce that all the member states of the bloc strive to mutually

cooperate towards the sustained development of sound social and economic policies. Such policies would result in sustainable community development in the respective BRICS states. Discussed in this Chapter are management practices of the BRICS states' social security systems. Furthermore, the presented BRICS examples are of paramount contribution to the study since they provide some lessons towards the development of a socially inclusive management framework for sustainable social security for the Republic of South Africa.

Specifically, the Chapter provided an in-depth discussion on the evolution, structure, reforms, milestones and management challenges of the Brazilian, Russian, Indian and Chinese social security systems. The study has discovered the existence of a common feature among the BRICS bloc, in the passionate commitment to state-led social welfare provision although the 21st century has posed a challenge in the need to minimise state-support of social security as championed by the IMF and the World Bank. There are also cases of quasi-privatisation initiatives across the BRICS as a move to relieve the socio-economic burden of social security on the state, which has a plethora of additional initiatives to fund towards addressing the scourge of poverty, unemployment and inequality.

Furthermore, a consensus of the study is that social security in the BRICS is premised on the Bismarckian and Beveridge principles of social security as a hedge against social ills. The study deduces that, the World Bank's multi-pillared model of social security should guide the harmonisation of social security policies in the BRICS. Management of fiscally funded social security needs monitoring and evaluation foster openness, transparency and public accountability, and such an oversight function is best executed via an independent agency similar to the PFRDA in India. Moreover, complementary socio-economic interventions aimed at reducing the social security dependency 'syndrome' should augment sector wide poverty alleviation programmes. Lastly, social inclusion in social security can be improved through the designing, adoption and implementation of watertight social security management framework, one which has stringent means-tests and eligibility while remaining easier for the poor to enrol and benefit from such a social safety net.

As outlined in Section 1.7 of the thesis, the study collected empirical and theoretical evidence to sufficiently solve the identified research problem. Furthermore, the data is analysed using the grounded theory approach in order to derive themes, code and meanings for consumption by various consumers of the findings. In light of the above, the next Chapter of the thesis covers an analysis of data from the case, the Eastern Cape Province towards developing of a socially inclusive social security management framework for sustainable development in the Republic of South Africa.

CHAPTER FIVE
ANALYSIS OF THE CASE STUDY

5.1. INTRODUCTION

Social security and access to fiscally funded social assistance of the poor and needy in society have a statutory foundation in the Republic of South Africa. The state is therefore obliged to ensure that it establishes and maintains access to this right for all deserving citizens. As outlined in the opening Chapter of the thesis, the core attention of the study centres on the developing of a socially inclusive management framework for sustainable social security in the Republic of South Africa based on the case study of the Eastern Cape Province. As the introductory section, Chapter One vividly offered the roadmap of the study blueprint which spelled-out the methods through which evidence has been gathered towards sufficiently attaining the five research objectives of the study. Of particular importance to the introductory Chapter is the third research objective which sought to discuss and analyse the challenges affecting social inclusion in the current framework employed in managing fiscally funded social security in the Province.

Progressively therefore, offered in the preceding Chapter are global case studies of the social security systems from the BRICS bloc, which have seen the states increase socio-economic growth in recent years. As the findings empirical findings section of the thesis, the goal of this Chapter is to analyse the various challenges faced in the managing of social security in the Province. The analysis of the data also includes a reflection of the best practices, challenges and opportunities in fellow BRICS partners. From the analyses of these BRICS examples, the study can reveal the possibility of the local social security management framework deriving some practical policy and management lessons to make fiscally funded social security socially inclusive.

The study chose to analyse the case of social security management framework in the Eastern Cape Province due to its socio-economic situation, where scholars such as Makiwane and Chimere-Dan (2010:125) have opted to brand it the poorest regions in the entire Republic. In light of the preceding arguments, the purpose of this Chapter overall centres on analysing empirical data collected through both interviews and

questionnaires. Cognisance should be further taken on the provision of a synopsis of the paradigm of the study, where data analysis was undertaken by way of a qualitative data analysis technique.

As outlined in Section 1.7, the study utilised a qualitative paradigm in the approach, data collection and analysis. Furthermore, the study analysed data using the grounded theory approach with both inductive and deductive intertwined therein. Grounded theory has a merit of gradually building on a theory along the process of data analysis, therefore, no preconceived assumptions or ideas about the theory. In this Chapter, the current management framework for social security used in the Province is analysed by way of an in-depth discussion of the challenges that it faces in a bid to build and maintain social inclusion. The data analysed in this Chapter was gathered using semi-structured interviews and questionnaires.

Numerically, a total of 50 respondents took part in the study as interviewees while ten respondents completed the questionnaire. In specific terms, the respondents who engaged in the face-to-face interviews were those from the SASSA regional offices, district and local offices, NGOs, the DSD and the Eastern Cape OTP. On the other hand, respondents who partook in the questionnaire survey were social assistance grant beneficiaries and ordinary citizens in the Province. Justifiably, the questionnaire participants were fewer since the study was more into exploring the management aspect of the current social security management system. Hence the bigger share of the sample went to those who were at the various management echelons of their respective organisations or entities. However, the study cannot personally identify the specific managerial portfolios of the participants since that can endanger their right to confidentiality and anonymity. As a plan of the study thus, the respondents were anonymised based on whether they were interview of questionnaire respondents as described in Section 5.2 of this Chapter of the thesis.

Demographically, the respondents in the study had the following characteristics. As outlined in Section 1.7.2 of the thesis, the study had 42 Black African participants, ten Coloured respondents, five White participants and three of Asian origin. There was a total of 38 female respondents and with 22 male participants. Furthermore, the data

showed that there were 20 male respondents who participated in the semi-structured interviews, with 30 females serving as interviewees. On the other hand, there were a total of eight female respondents who took part in the questionnaire survey, along with two male respondents. Inferring this to the national population trends, the sample was broadly presentative of both the target population and the national population of the Republic of South Africa, which shows a skewness towards females.

Meanwhile, the social assistance grant application flow process is presented in the sections that follows.

5.2. SOCIAL ASSISTANCE GRANT APPLICATION FLOW PROCESS

The study offers a presentation of the social assistance grant application flow process to precede an analysis of challenges to the management framework for social security since it is of paramount importance to the entire analysis process. According Steele (2006:27) the social grant application flow process has four basic processes. Joseph (2012:64) identifies these as being application, attesting, quality control and approval. Evidence gathered in the interview sessions of the study indicates that, although these four basic steps are fundamental stages of the flow process, they can be expanded into a five-step process to include another important stage of application validation. The next section discusses these vital stages, since they form the backbone of the process of managing social security in the Eastern Cape Province. In laymen's terms, the application flow process determines the need for social inclusion because it is the starting point to enrol the social security register. This crucial phase is the first port of call for socially inclusive interventions.

As shown in Figure 2 which follows, the flow process begins with application screening where all grant applications are vetted against application completeness. Critical at this initial stage is checking application, scheduling of doctors' appointment for DG applications and verifying attachment of supporting documents (Joseph, 2012:65). The success of this stage relies heavily on the ability of citizens to access social grant information. After screening, the applications go through a thorough validation process whereby officials manually verify the honesty of information completed by applicants, interviewing applicants and capture of applications into the Social Pension (SOCPEN)

database. Joseph (2012:65) deduces application validation to be ensuring the SASSA captures honest applications ensuring the discarding of falsified files. Steele (2006:34) notes that checks on applications are then conducted in the third stage for quality control. In this phase, the application is also checked against the eligibility criteria set in the Social Assistance Act (No. 13 of 2004).

Application adjudication takes over and verifies the application record against policy requisites. During the fourth stage, the application is then adjudged based on the applicant's profile, eligibility criteria and legal requirements. Thereafter, a decision is made on whether to accept or reject the application followed by issuance of outcome letters (Joseph, 2012:65). In general, the outcome letter informs the applicant of the adjudication decision, and in cases of an adverse one notifies them of their statutory right to appeal. Also, PAJA (No. 3 of 2000) provisions guide issuance of outcome letters since people affected by administrative action should be notified of the reasons in accordance with Section 5 of the PAJA (No. 3 of 2000). Finally, the flow process concludes with a submission of successful applicants to Cash Paymaster Services (CPS) for purposes of biometric enrolment, the issuing of the SASSA cards and commencement of the payment of beneficiaries, as outlined in the data gathered in the interviews.

The flow process illustrated in Figure 2 shows that there are numerous administrative processes that are pivotal in ensuring that the process runs smoothly. In addition, the flow process has other management tasks that are carried out towards attainment of the organisational goal of delivery of fiscally funded social security services to the people of the Eastern Cape Province. For example there are *inter alia*, planning, human capital and budgeting functions enabling the enrolment, verification, validation and quality control in flow process. These enabling administrative and management functions are covered in the later sections of the Chapter, within the scope of how the SASSA, DSD and other key stakeholders are utilising these to promote access and sustainable social security in the Province.

An illustration of the social grant application flow process follows in Figure 2.

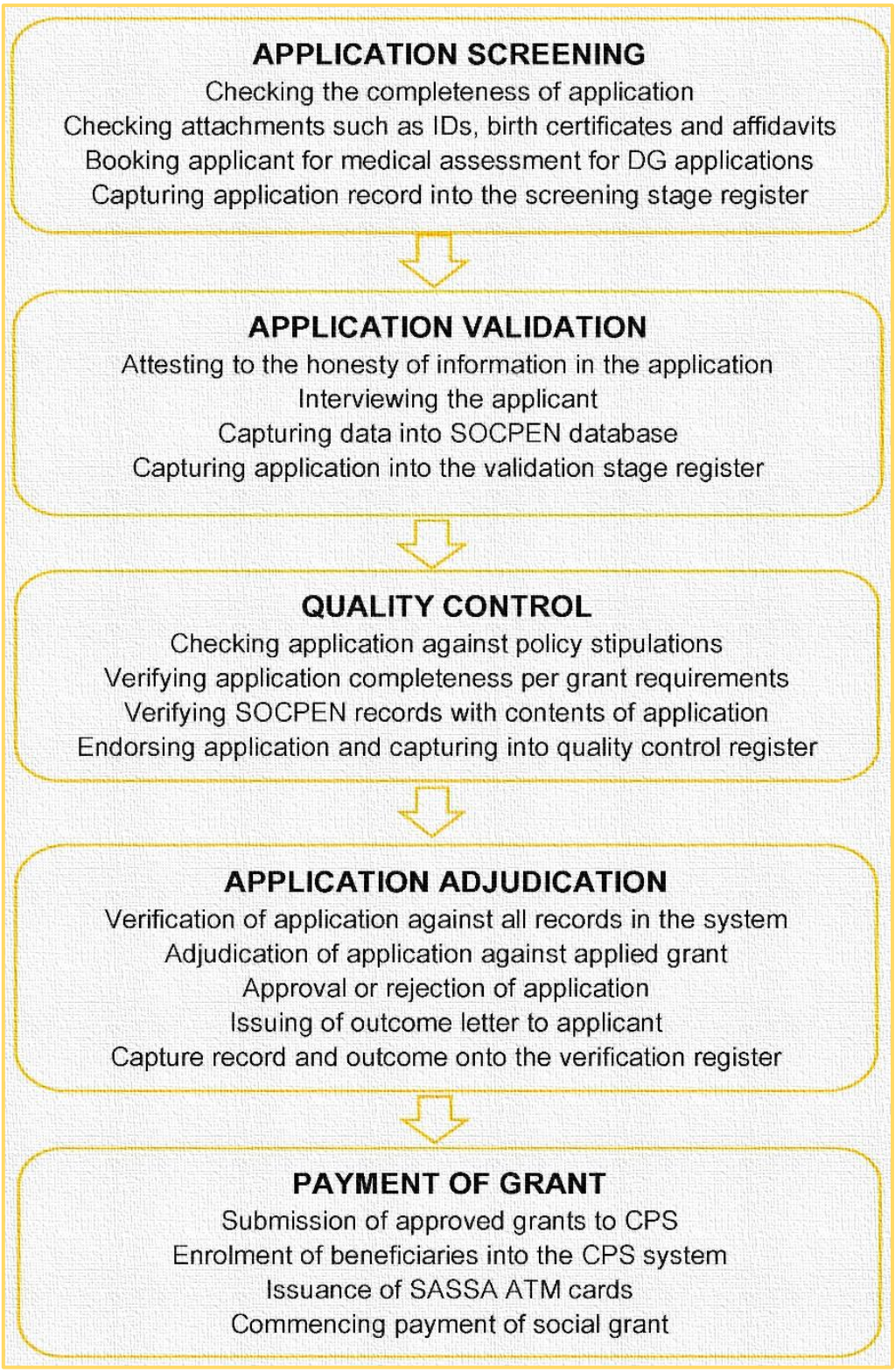


Figure 2: The social assistance grant application flow process

Source: Adapted from Steele (2006)

Meanwhile, the study values the discussion of the environmental challenges affecting the social security management framework in the Province as of utmost importance

before delving into discussing the management perspective of challenges. Therefore, the section that follows gives a discussion of the environmentally related challenges inhibiting social inclusion in the Province.

The data collection phase involved 50 interview respondents while ten participants completed a questionnaire. The study also conserved the anonymity of respondents through the use of numeric pseudonyms for participants who partook in the interviews and alphabetic ones for participants who completed the questionnaire. That is, for example respondents who are interviewees are referred to as Respondent 1 or 2 while those who completed questionnaires are cited as Respondent A or B. Questionnaires augmented the data collected through face-to-face interviews.

5.3. ENVIRONMENTAL SOCIAL SECURITY MANAGEMENT CHALLENGES

Conceptually, according to Nieuwenhuizen, Badenhorst-Weiss, Rossouw, Brevis and Cant (2008:15), an organisation's environment comprises of *inter alia*, the macro and micro features covering aspects such as the social, political, legal, demographic and economic dimensions. In this regard thus, this section premises the environment to imply the socio-economic features of the study area. As one of the poorest regions in the Republic of South Africa, the precarious situation that the Eastern Cape Province is trapped in affects social inclusion in the provision of social security services, as discussed in this section. In laymen's terms, the Province has overwhelming poverty and underwhelming economic opportunities. As detailed in the later sections of the Chapter, poverty prevalence has affected the social inclusiveness of the social security in the Province. This has been, as revealed in the empirical evidence gathered in the interview sessions and questionnaires, linked to the lack of economic and income generating opportunities for the local people.

According to data collected from the SASSA regional offices records in East London, the Province has a total of 6.6 million people, with almost half, a total of 2.7 million of its inhabitants enrolled for fiscally funded social security (Yawa, 2016:2). Furthermore, Yawa (2016:2) notes that, a majority of the residents in the Province are susceptible to economic hardships, inequality and poverty. As such, due to the budgetary and viability limitations linked to state funded social assistance, the means-test and other

eligibility criteria serve as benchmarks to identify and isolate the needy among this predominantly poor society. Such a demarcation of eligibility on its own has an effect of hastening social exclusion due to the generic formula that is applied in determining cut-off levels for those eligible or ineligible for state funded social assistance and relief. Consequently, reconciling the poverty levels in the Province and stringent eligibility criteria for social security grants becomes difficult since tightening qualification criteria on its own, creates a certain degree of social exclusion.

Historically, the Province is renowned for small-scale subsistence agriculture and peasant farming as argued by Bekker (2002:6) who credits its demise and subsequent lack of socio-economic stability to changes in weather patterns. This implies that the hunger and poverty caused by scarce economic activity would be mitigated if such a culture of farming had survived the test of time. Unfortunately, peasant farming has died a slow death over the years as established from deliberations with Respondent 23 in the study. The study additionally links the demise in farming to the rural-urban migration of especially the economically active men to other provinces such as the Gauteng and Western Cape as mentioned by Bekker (2002:4). This corresponds with scholars Kok, Gelderblom, Oucho and Van Zyl (2006:312), who mention the Eastern Cape Province as one region with a high net emigration to other provinces primarily due to the low level of socio-economic development in the Province.

With the aid of empirical evidence from interview discussions, the study established a case in point when a majority of the casualties and fatalities in the 2012 Marikana police shooting tragedy which were *isiXhosa* speaking mainly from the rural parts of the Eastern Cape Province. The Marikana tragedy happened on the 16th of August in the mining town of Rustenburg, in the North-West Province of the Republic of South Africa, when the police used live ammunition to shoot at striking mine workers, killing a cumulative 34 protesters. The dire socio-economic reality and profile of the Province shows a desperate and poor society that has nothing on which to sustain themselves apart from the social relief from the government, whose coffers are always limited. In view of the preceding deduction, the study therefore notes that, lack of economic opportunities in the Province has consequently and inevitably overwhelmed the many

initiatives and interventions used by the government to address societal problems such as social exclusion, poverty and inequality.

Apart from the absence of peasantry and productive labour as discussed in the preceding section, the Province further suffers from an absence of sector-wide Local Economic Development (LED) interventions and projects as argued by Respondent 10 in the study. Although initiatives such as the Community Development Workers (CDWs) and Expanded Public Works Programmes (EPWPs) are operational in the Province, the study revealed through empirical evidence gathered in the interviews that the sustainability of these interventions is of very limited magnitude since the incomes earned are not enough for society that is located within the eye of the storm of poverty and unemployment. Respondent 36 drew the attention of the study to another scope of the abject socio-economic reality in the Province which related to the lack of business ownership or entrepreneurship on the part of locals, a problem that has numerous repercussions. Upon posing the question of the profile of businesses and ownerships in the poverty-stricken part of the Province, the study discovered that an absence of local business ownership has crippled the rolling-out of socially inclusive social security services as explained in the following quote.

> *The Province has few local small business owners in contrast to the ones owned by non-citizens. Such a situation affects ordinary citizens. Firstly spaza shop owners have a tendency of over-pricing groceries and goods since they have some niche market which occurs because of being located conveniently in a certain village or town. Remember these are shop owners who are concerned with maximising profits and have a limited capital base thereby the inability to establish supermarkets or bigger shops. Secondly they have a tendency of under-stocking groceries thereby robing the customers of their right to choice and having alternative products. Thirdly the spaza shop owners have a tendency of lending groceries to poor villagers using their identification particulars, the debt being payable upon receipt of the social assistance grant. In such cases the borrowings for groceries and foodstuffs leads to illegal agreements such as the possession of the SASSA cards or identification particulars by a given shop owner. A practice that has been outlawed by the National Credit Act (No. 34 of 2005)* (Respondent 36).

The study further revealed through data gathered during interview sessions that there are other inconveniences linked to the absence or scarcity of local entrepreneurs in the Eastern Cape Province. In other words, the lack of shops owned by local citizens affects the acceleration of pay out of social grants through merchants as echoed by Respondent 36. This hence exacerbates the challenges of a limited footprint on the SASSA across the Province affecting the expansion of social grants into deep-lying rural areas of the Province due to the existence of the majority of shops being owned by immigrants and non-citizens such as Ethiopian, Somali, Pakistani or Bangladeshi. Thus, in such instances the SASSA or CPS cannot sub-contract *spaza* shop owners since they are not on the national online transaction system in the Republic of South Africa and hence cannot be electronically contracted to act as social grant merchants to conveniently pay grant to beneficiaries as indicated by Respondent 25 in the study.

The challenge of lack of local entrepreneurs has crippled the expansion of the SASSA and government footprint in recent times with specific reference to the Eastern Cape Province. In such a scenario, the problem is greatly affecting the predominantly rural part of the Province which, due to the absence of socio-economic attractiveness and investment, leaving it at the mercy of informal *spaza* traders. In specific terms, a key finding in the study was indicative of the main affected areas as, Engcobo, Cofimvaba, Barkley East and Ugie in the Chris Hani District, Tsolo, Qumbu, Lusikisiki and Libode in the O.R. Tambo District. A major challenge in this lies in the inability of the poor in these areas such as the OR Tambo District of the Province to break-out of this poverty trap since formal employment opportunities are limited where one can get gainfully employed, as stated by Respondent 15 in one of the study's interviews. This was echoed by a respondent from the OTP in the Province who raised concerns in the lack of local entrepreneurs as follows:

> *As a Province we have taken note of the inconveniences which communities in many parts of deep-lying rural areas of the Province have suffered as a result of lack of local business people. Due to legal provisions and the empowerment policies of the country, the government conducts business in manner that will benefit local entrepreneurs. That have been said, a challenge which we face is to cooperate as government and steer socio-economic development in such areas. Government-wide interventions would make rural Eastern Cape investor-attractive and then local*

business can be subsidised by the government. We have attractive areas in that part of the Province, areas such as Port St Johns can be transformed into a sprawling tourism hub, just to identify it as an example (Respondent 45).

As discussed, social inclusion does not take a narrow perspective, there is need to view it from a multi-dimensional angle which can also help in diagnosing problems associated with social exclusion. This stems from the fact that social exclusion has numerous intertwined causes such as the lack of government wide developmental approach for creating jobs, alleviating poverty and addressing inequality. Therefore, the creation of a socially inclusive management framework equally requires adoption of strategies aimed at resolving environmental challenges covered in this section. Such strategies would be implemented as government-wide pro-poor interventions aimed at solving not only the environmental hurdles but also together with management challenges. These are discussed in the section which follows.

5.4. MANAGEMENT RELATED SOCIAL SECURITY CHALLENGES

In the process of analysing the current management framework for social security in the Eastern Cape Province, the study looks at implication of public management and the various management processes that are utilised in the Public Service. During the paradigmatic evolution of the discipline of Public Administration, scholars Gulick and Urwick (1937) premised the discipline on core principles of management namely, planning, organising, staffing, coordinating, reporting as well as budgeting (Basheka, 2012:42). Although these principles were promulgated in the early 20th century, their impact in the shaping of the discipline of Public Administration remains. As outlined in Section 1.6 and of the thesis, the study is based on the NPM paradigm, which calls for more government efficiency, promotion of public accountability, adoption of the private sector customer concept to service rendering (Hood, 1991:15; Draai & Elizabeth, 2008:4). In this regard thus, the discussion of challenges in this Chapter considerably includes a scope of how these management principles are being carried out within the wider milieu of an NPM modelled Public Service.

In the Public Service, the effective utilisation of management processes mentioned in the preceding section has a great effect in determining the success and achievement

of the goals of the government. Hence, the analysis of the management framework in this case study is premised on determining how the Province undertakes its social security management processes to sustainably improve the standards of living people domiciled in the Province. Mention is hereby made that, the said analysis of the management framework is based on how the responsible authorities such as the SASSA and DSD undertake the process of promoting access to social security. The current framework has various interrelated processes including the social assistance grant application flow process, as discussed in Section 5.2 of the thesis.

In the same vein, the study stresses that managing of fiscally funded social security grants in the Province involves numerous stakeholders which encompass a public-private partnership (PPP) arrangement where the government of the Republic of South Africa sub-contracted the payment of social assistance grants to a private sector entity, a company called Cash Paymaster Services (namely CPS). Conceptually, Yescombe (2011:3) describes a PPP as a medium to long term contractual agreement between a public and private sector organisation towards the designing, constructing, financing or operating of a public infrastructure facility by the latter while the ownership of that facility remains in the control of the former or reverting back to public service ownership at the expiration of the agreement.

PPPs are usually alternatives to service delivery aimed at improving the capacity of public organisations through sub-contracting private sector role players (Yescombe, 2011:14). CPS is a subsidiary of the Net 1 Universal Electronic Payment System (UEPS) Technologies Group of companies, a conglomerate which won the R10 billion tender to pay social grants in the Republic of South Africa (Donovan, 2015:825). The company was awarded the five-year contract in 2012, in spite of protracted grumbles from its competitors such as AllPay on the irregularities in the award of the contract (Phooko, 2014:350; Donovan, 2015:821).

Disbursement and management of social assistance by CPS is done through its own grant database management system developed for the entire Republic, including the Eastern Cape Province (Donovan, 2015:825). In this regard, in the management of social security, the SASSA heavily relies on CPS since they are the ones who have

the ability to factually and statistically manage the social assistance database. Ideally, data analysis presented in this Chapter centres on the challenges faced in creating a socially inclusive management framework, incorporating the involvement of CPS in the management of fiscally funded social security in the Province.

In the coming sections, the study analyses the various challenges affecting the management of fiscally funded social security in the Eastern Cape Province and the Republic of South Africa in general. The analysis of the management challenges is based on the empirical data that was gathered in the Eastern Cape Province using both semi-structured interviews and questionnaires.

5.4.1. Planning related challenges

Friend and Jessop (2013:112) see planning as a set of coordinated future intentions that included elements of both generic and specific character. Planning can be likened to a developmental plan which encompasses a clear stating of intended development programmes and related processes of controlling them towards attaining an explicit goal. For Shafritz, Russel and Borick (2016:225), planning broadly outlines the things that should be undertaken together with the corresponding methods to be used to do them to accomplish the purpose set for an enterprise or entity. In addition, Lerner and Wanat (1992:56) regard planning as involving the identification of critical things which can be manipulated towards the achievement of set organisational goals. Among all the functions of public managers, planning has an extensive bearing on activities done in the public service directing, coordination, reporting and budgeting functions have an infused component of planning.

In the context of the study, managing social security in the Eastern Cape Province has a great deal of planning involved, encompassing interdependent processes such as the identification of needy individuals, households or communities, the formulation of strategies to deliver social relief to them, the implementation of interventions in the form of fiscally funded social security and the monitoring of progress of the overall service rendering plan. Planning thus occupies a crucial space in ensuring that fiscally funded social security sustainably aids both the alleviation of poverty and addressing inequality. Moreover, as stated in the preceding section, policies that seek to improve

access to the constitutionally enshrined right to state funded social security are the result of the due process of planning. Such an important function is omnipresent across the entire management process for social security since it is also reliant on other management activities such as directing, reporting, organising and budgeting for social security in the Province.

Since the study had its major target population and sample in the SASSA, the planning challenges discussed in the Chapter are based on the planning processes related to the Agency. However, the study also had respondents from the OTP in the Province, the DSD and NGOs based in the Eastern Cape Province, also included in this analysis. Table 1 details the numeric breakdown of the respondents.

As argued in the previous section, planning as a function overlaps with management of social security in the Eastern Cape Province and the Public Service in general. As process where service rendering blueprints are drafted, the Province has abundant planning challenges affecting the sustainable management of social security. Hence, these challenges affect the social inclusivity of the grant management framework. Based on the data collected in the interview sessions, the urgent challenge relates to planning the scope of data management systems. Foremost, empirical data show that respondents felt that the SASSA and DSD are stuck in the use of nearly obsolete data management technology. The system used by the SASSA is called the SOCPEN system. Such a finding correlated to related findings by Joseph (2012:52) who noted the obsolete status of the system. Although the Agency has modern data management solutions in the form of the Management Information System (MIS), its inception has complicated the management of social assistance data since it has become a parallel to the SOCPEN. The problem was discussed by one respondent as follows:

> *One challenge that affects our effectiveness in management social assistance data is that we are working on old technology. SOCPEN has been developed more than ten years ago and it has some components which are so obsolete in its management of data, some dating back to the 1960s. Maybe the reason while we still have SOCPEN is that it works and the SASSA as well as the government has relied heavily on it. SOCPEN has some components which are generic to data management hence does not fit the SASSA setting, we need a specific SASSA modelled system. Because*

> *of SOCPEN, people tasked with data management are manually strained, they cannot produce reports in time and sometimes the reports are not accurate. For example recently in the SASSA, financial and annual reports have taken long to obtain* (Respondent 2).

The fact that the data management system is manual has affected the compilations of social grant profiles and statistics in the Eastern Cape Province has been affected. Such a factor has a bearing on the establishment of the true *status quo* of the social grant figures. Knowing the true situation would enable officials to plan towards social inclusion in the management of fiscally funded social security. On another note, strained data management staff are hesitant to raise issues of social exclusion since rectifying it would imply more strenuous data capturing and management. The inability of the SASSA to accurately manage data is tantamount to affect realisation of NPM prescripts which emphasise explicit performance standards and output measurement. This is in line with scholars Van de Walle and Hammerschmid (2011:192) who identify a focus on results and performance targets as key NPM pillars.

In addition to the preceding challenge, the management framework for social security in the Province has been adversely affected by the planning model which the SASSA head office in Pretoria utilises. In summary, empirical data collected from interviewees in the study indicates that the head office has become much centralised thereby not liberating ample innovation in the development of data management solutions in the provincial social security environment. Therefore, the organisational structure of the SASSA can best be described as centralised (Joseph, 2012:58). This is in disjuncture with NPM core component of managerialism which calls for what Pfiffner (2004:450) terms the liberation of decision making and innovation through devolution of tasks and responsibilities to middle and lower level managers in an organisation. Encouragingly however, the data management unit of the Eastern Cape region of the SASSA has managed to engineer a system that merges SOCPEN and MIS to enable an easy tracking and tracing of social assistance grant files and data. Succinctly thus, MIS is a data management software that fundamentally follows data records entered into the manual SOCPEN database (Draai, 2013:157).

Planning in the social security management process of the Province has also been confronted with a challenge that emerged after the 2012/13 financial year when social assistance beneficiaries were required to reregister for grants (Donovan, 2015:829). The process was undertaken under the pretext that there would be a marked reduction in invalid recipients and clean the system of some unnecessary burden (Alam, Mokate & Plangemann, 2016:128). However, from what the study revealed through empirical evidence gathered in face-to-face interviews, respondents indicated that reregistration did not resolve the diagnosed problems. This stems from the planning process of the project, when CPS was given the contract to conduct the project failed to effectively improve on the efficacy of the system to make it watertight, hence the existence of the same loopholes which haunted the system prior to re-enrolment of beneficiaries.

Respondents doubted the accuracy of the purported benefits of the grant reregistration since they were borne out of 'political correctness' and a lack of accurate and objective information on the part of officials, mostly politicians who are infatuated with preaching it as a success story. On the contrary, post-reregistration statistics that were reported might have been correct, although the said invalid beneficiaries have since increased and got back into the system due to loopholes that the reregistration project failed to close. Moreover, many of the 1 million invalid beneficiaries purportedly removed from the system may have been citizens who could not meet the reregistration deadline. For example the reregistration project managed to re-enrol 59.8% of those who were originally in the social grant register (Alam *et al*., 2016:130). Such a success margin shows a great difference of 40.2% which reasonably indicates a great deal of social exclusion emerging from the project. In this vein, one interviewee lamented the lack of proper planning and consequences thereof in the reregistration project as follows:

> *I differ a lot with the politicians on the benefits and figures related to the reregistration project. The project is not a success story as it is reported. It is being sugar-coated for a number of reasons. As we are sitting here, many of those so-called invalid recipients are back in the system. Numbers do not lie, maybe if one had to compare the grant enrolment numbers soon after the completion of the registration process, and now, one would find that the problem far exceeds the what we though we have addressed. The people quickly discovered weaknesses in the system before that*

process was even completed. Hence CPS misrepresented the potential benefits and the planning was not properly done before commencing the project (Respondent 30).

A huge challenge is that the reregistration project was a significant financial investment made by the South African government. Numerically, the CPS was awarded tender regardless of the system remaining as porous as it was prior to the reregistration process. Planning in the SASSA, the DSD and government in general has failed to build comprehensible solutions to social security problems due to the sub-contracting of the re-enrolment process. Empirical evidence gathered in the study's interviews is indicative of the fact that the process was carried out by CPS, which undertook a task to build, operate and transfer a management system to the SASSA. Importing and operating its own system without any of the SASSA staff involved in administering that system. As such, the Agency which is supposed to manage social security depends entirely on a private contractor for the management of social security information.

In such a scenario, social grant reports, data and information reported by the SASSA is what the contactor, CPS, decides to supply to them. Consequently, due to profit-orientation, the contactor releases social security data which reflects a success story while concealing the actual problems in the social security system. With such an arrangement, social inclusion would be nearly impossible especially given that the party who controls access to the social security management system is outside the control of the SASSA. One would liken the inability of the SASSA to control the management of the social assistance system to that of 'horse with blinkers' that has tunnel vision of its surrounding world. Consequently hence, the SASSA does not have the ability to, from time to time, query social assistance beneficiaries' data given to them by CPS. The Agency procedurally endorses such data as a formality since it is the oversight authority under which fiscally funded social security in the Eastern Cape Province is managed.

Technically, the reregistration project was meant to enrol the biometric data for social assistance beneficiaries (Alam *et al*., 2016:128). Enrolment was meant to cater for both existing and new entrants into the fiscally funded social security database. The core of the project was to gather and analyses information on the social grant register.

It was after such a thorough analysis process that the system would be made to, “pay the right grant to the right person” as reflected in the SASSA slogan, but the planning function failed to effectively make this happen. As established by the study through empirical evidence collected through face-to-face semi-structured interviews, such a critical aspect of analysing data was placed in the hands of a private contractor, CPS.

There was a conflict of interest with regard to the agreement that the SASSA had with the service provider. Such a conflict of interest, discussed in the quote that follows, shows that it became difficult for CPS to target the deletion of a substantial number of beneficiaries from the social assistance database. In this regard therefore, there is need to strike a balance between a private contractor seeking to maximise profits and an Agency seeking to provide social relief to the needy and misfortunate in the society. On this particular aspect, a respondent indicated the following:

> *The agreement that we had with CPS was to equally reimburse them amounts per each beneficiary which they pay. Implying that the more beneficiaries in our system, the more the money CPS makes. Whilst from a budget or cost-cutting point of view, the lesser the better. When planning this arrangement, as the SASSA we failed in cost-cutting and ensuring a genuine database of beneficiaries. Also, we had thought reregistration would remove those recipients with multiple Identification Documents (IDs), and our aim was that if a beneficiary had three ID books, with the help of biometric data, any further enrolment with the second and third IDs would be easily detected. We thought it was going to be a one search against too many, but the system could not flag this fraud. So with all three IDs, you could come and enrol for the same grant maximising profits for CPS. Surprisingly, four years after the reregistration project, we have not been able to detect and prevent social grant fraud* (Respondent 11).

There are additional challenges emerging after the reregistration project. This was, as established through the empirical evidence gathered in the interview sessions in the study, as a result of a failure by the contractor developing the new grant management system to consult and observe due diligence prior to commencing the process. A lack of proper policy advice and legal consideration has therefore distorted and eroded positives gained from the grant reregistration process. The study established through

empirical evidence gathered in the interviews that CPS misconceived the project to have merely targeted biometrically enrolling beneficiaries, instead of the broader aim which was to check for duplication and detect fraudulent beneficiaries. Thus, beyond the reregistration system has done little to achieve such an objective. Moreover, some features and requirements introduced as measures ensuring that the system is watertight have not been implemented successfully. For example, voice activation has not been successfully implemented, although the SASSA is paying the contractor for it as indicated by Respondent 3 in the study.

Similarly, respondents also argue that the utilisation of biometric characteristics of beneficiaries was done without a due and proper policy consultation and consequently it has not been utilised because the South African Reserve Bank (SARB) was not consulted as the overseer of the financial system in the Republic. Thus, the SARB has declared the process of paying somebody based on their fingerprints as illegal. Consequently, beneficiaries who had been biometrically enrolled have since been switched to use Personal Identification Numbers (PINs) similar to normal banking practice. These concerns were raised in an interview with one respondent from an NGO who explained that:

> *One unintended consequence of the grant reregistration project is that it resulted into some form of social exclusion. This happened as result of people racing against time to enrol their biometric profiles with the SASSA, something which has not been fully implemented and which has been declared invalid and illegal by the central bank. So those who failed to enrol for a grant due to failure to meet the reregistration deadline and lack access to information as to the current application procedures, remain not covered by social assistance, which should be benefiting them in the first place. To some the reregistration project came in a rush and sort of meant to definitely lock some outside of social assistance* (Respondent 16).

As discussed in the preceding section, CPS, the contractor that developed the social assistance grant payment system after the 2012/13 reregistration project can be said to have developed in the system in ‘bad faith’ due to its private sector profit motivation. Above all, the system did not only fail to augment the achievement of the SASSA’s broader aim of effectively removing unnecessary burden from the system, but also

offered less solutions to accurately addressing the problem of ghost beneficiaries and the timeous detection of suspicions activity in the social grant management system.

The empirical evidence gathered from interviews, shows that some officials in the SASSA have lost confidence in the social assistance database management system developed by CPS. Foremost, the system has a huge margin of error in detecting fraudulency in the social assistance grant database. This is due to CPS indicating that the system it built for the SASSA has a 90% accuracy level on detecting and deterring fraudulent activity. Respondent 8 put this into perspective by pointing to the extensive social assistance budget of R129 billion annually taking the 2014/15 financial year as an example, this would imply that a cumulative total of about R12.9 billion could leak through grant fraud and corruption. Deductively hence, a 10% margin of error is ominously huge and can have significant negative socio-economic repercussions.

In the preparatory phases of the reregistration process, the award of the contract to the current contractor and the commencement of the project was a grave mistake that was made by the SASSA and DSD. This was due to the fact that failed to interrogate the strengths and weaknesses of the proposed system prior to its implementation (Donovan, 2015:827). Furthermore, the new system is being administered by CPS, leaving the SASSA and other related entities to be, “spectators in a game which they should essentially be starring” (Respondent 11). In addition, Respondent 11 argued such a scenario as placing the Public Service at a loss mainly given that the cost of the contract which was awarded without consulting experts to interrogate the capability and potential of the system to sustainably resolve the problems which still haunt the Agency to date. These are problems such as social assistance grant fraud, social exclusion and the lack of social inclusion.

The aftermath of the grant reregistration process has led to the emergence of other challenges due to the PPP mentioned in the preceding sections of this Chapter. As indicated in the discussion of the grant application flow process in Figure 2, CPS is responsible for the final stage of the grant application flow process where it carries out biometric enrolment of beneficiaries once the SASSA has approved an application. Thereafter, CPS takes responsibility of paying the grants and being reimbursed by the

SASSA based on the amount and cost of administering those grants. In so doing, CPS has to periodically send its enrolment officers to the SASSA to that effect. A challenge arises when social grant applications pile-up at the SASSA offices while the CPS enrolment officers delay visiting the SASSA offices as argued by Respondent 13. Such a scenario creates chaos and puts the SASSA on a collision course with the applicants since they are unaware of the cause and possibility of such delays. Such logistical discrepancies between the contractor and the SASSA have seriously distorted the image of the latter in the eyes of the Eastern Cape public.

There are also serious problems that confront the management of fiscally funded which social security in the Eastern Cape Province due to the new system introduced by CPS after the 2012/13 financial year. The study equally values the discussion of problems which the managing process of social security encounters in adopting measures to ensure social inclusion. One such distinct challenge relates to permissible deductions and how they have been treated in social security grants in the Province. As a legal provision, the Minister of Social Development has statutorily allowed funeral policy savings from social security grants specifically aimed at grants for the elderly. This is stipulated in Regulation 26(A) of the Social Assistance Act (No. 13 of 2004). In the process, financial service providers have also discovered and exploited a loophole by deducting funeral policy subscriptions on grants received by child beneficiaries, making brisk business in the process (Dasnois, 2016:2).

Deductions argued in the preceding section have swindled children of their right to social protection. Foremost, the deductions from grants such as the CSG, which cease at a given point in the recipient's life have been 'cash cows' for funeral policy providers, because after 18 years, the child leaves the social grant system, and the cumulative deductions remain frozen with the financial service provider and therefore cannot be claimed. This argument was raised by Respondent 11. In spite of the recent efforts by the SASSA to rectify this anomaly, the study established through empirical evidence collected in interviews, that this particular loophole has worsened child poverty, since children beneficiaries are not getting their grants in full; neither are they retaining the cumulative savings into their funeral policies. One respondent in the study raised a point of concerns by saying:

> *The funeral deductions need to be revised when it comes to children's grant, because the grant stops when the child reaches 18 years, still alive and their earning are just frozen in the service providers' accounts. And sad enough the majority of social assistance grant recipients are children. There should be a special arrangement which will permit the service provider to reimburse the cumulative savings when becomes an adult. There needs to be a specific product tailor made to deal with investment into the later stages of a child's life. Funeral policies subscriptions for the CSG, CDG and FCG should mature and be harvested after 18 years or once the child ceases to be a beneficiary for the grant* (Respondent 19).

Since social welfare and development in any state is the sole responsibility of the government, permissible deductions have affected this mandate. This is due to the escalation of a conflict of interest in the financial service providers' inherent profit maximise motive while government strives to alleviate and eradicate poverty through social assistance as a social investment. The loophole on deductions from children grants have spilled into the courts of law (Donovan, 2015:825). A case in point is when on the 26th of May 2016, the Constitutional Court of South Africa nullified a High Court order which authorised a financial service provider Lion of Africa Insurance Company Limited to continue deducting funeral policy deductions from the children's grants. The ruling accorded the SASSA and Minister of Social Development to deliberate and swiftly amend Regulation 26(A) to eliminate children's grants from the scope such deductions (SASSA, 2016:3). Apart from the permissible deductions row, the planning and subsequent awarding of the PPP to CPS has done more harm than good to the beneficiaries as established in the study's interviews and discussed as follows.

Foremost, beneficiaries have fallen prey to the same conglomerate which the Agency has entrusted with being the payer of their grants. A finding of the study from empirical data gathered in interviews is indicative of the fact that the Net1 UEPS Technologies Group, has turned into being a syndicate of preying subsidiaries. Above all, there are unauthorised deductions and some deductions taking place without the consent of the beneficiaries (Dasnois, 2016:2). Despite the absence of consent from beneficiaries, the schemes are unscrupulous and illegal as argued by Respondent 13. Further analysis on the issue of deductions follows in the next section.

Firstly, the companies are selling airtime on credit to beneficiaries via an Unstructured Supplementary Service Data (USSD) service where beneficiaries simply dial a given USSD to borrow airtime from a subsidiary of Net 1 UEPS Technologies conglomerate which lends or sell airtime (SASSA, 2016:3). According to Respondent 3, one key vulnerability of this arrangement is that the service is not PIN or password protected hence exposing beneficiaries to theft since it only involves a mere USSD. Due to the need to maximise profits, there is no limit on the amount of airtime that can be borrowed or purchased and beneficiaries are tempted to spend more, as argued by Respondent 5 in the study. Secondly, Net 1 subsidiaries also sell prepaid electricity to beneficiaries in the same manner as airtime.

Thirdly, the Net 1 Group established a company called Moneyline (Dasnois, 2016:3). Cruelly, Moneyline is a loan shark and goes to SASSA's pay points to lend money to social grant beneficiaries. Since Net 1 owns Moneyline and CPS, the loans given to the beneficiaries are debited to their social grant and deducted prior to receiving their grants. Interviewees lamented the fact that the damage that these preying companies have done on the spirited efforts aimed at poverty alleviation and social inclusion. These companies have also dented the SASSA's reputation since beneficiaries and ordinary citizens have credited this messy situation to the public organisation.

Furthermore, the SASSA took CPS to court for failure to comply with regulations that have been put in place to halt these illegal deductions. According to Dasnois (2016:2), two subsidiaries of Net 1 Group, Grindrod and Smart Life Insurance launched a legal challenge on the SASSA's interpretation of permissible social grant deductions from children's grants for the purpose of Regulation 26(A) of the Social Security Act (No. 13 of 2004). This Regulation authorises savings from social grants for the purpose of funeral insurance policies as discussed in the preceding section. On a positive note, the Regulation to add restrictions for deductions from children's grants since these are grants only paid for a set period of time. Funeral insurance policies deductions cannot benefit the child contributors since the grants cease when the child reaches 18 years as echoed by Respondents 3 and 19.

Empirical evidence gathered during interviews sessions further unearthed planning challenges related to the CSG, which emerged after the reregistration project. As such, the project failed to do justice to incidences of fictitious children who have supporting documentation for enrolling for the CSG obtained through fraudulent syndicates in the Province. Such 'ghost' children have been a persisting challenge to the social security management system of in the Republic of South Africa (Donovan, 2013:8). According to empirical evidence in the study, the fictitious child syndicates have been traced to the Department of Health (DoH). A forged birth record is issued for children which subsequently aids the fraudsters to unscrupulously obtain a birth certificate from the Department of Home Affairs (DHA) and subsequently apply for a CSG. Such a fictional child swindles taxpayers for 18 years by way of getting social assistance as a 'ghost' beneficiary.

Further adding to the challenge of fictitious children is the unavailability of biometric data for children in the DHA database, making CPS and the SASSA unable to verify fingerprints for children enrolling for the CSG. Neither did biometric enrolment of children into the system enable the flagging of duplicate cases of CSG beneficiaries. One also has to take cognisance of the fact that the CSG has the largest portion of social assistance beneficiaries in the Province as shown in Table 5.

Table 5: Beneficiary ranking of social grants in the Eastern Cape Province

GRANT TYPE	BENEFICIARY PERCENTAGE OF PROVINCIAL TOTAL	TOTAL ANNUAL INVESTMENT IN RANDS
War Veteran Grant	0.004%	R79 492
Grant-in-Aid	0.5%	R4 000 550
Care Dependency Grant	0.7%	R24 854 850
Foster Care Grant	4.5%	R99 006 550
Disability Grant	6.8%	R242 526 319
Child Support Grant	68%	R557 349 290
Old Age Grant	19.5%	R696 583 868

Source: The SASSA (2016)

Upon discussing the question on the re-entry of 'ghost' beneficiaries and their constant threat to social inclusion, an interview respondent raised the issue in the quoted interview excerpt:

> *Fraud begins in the clinics which are run by the DoH especially in the deeply rural areas where bogus nurses stamp and sign fraudulent birth records for non-existent children. These birth records are now submitted to the DHA as the sole proof of the existence of a child. From there the 'ghost' child applies and gets enrolled for the CSG and this is being done on a large scale. Then we have officials within our rank and file here in the SASSA who approved fraudulent grant applications through an identity theft syndicate, where they steal an officials' login details from an office computer through portable storage disks, login to an office computer and execute the social grant application flow process from screening to adjudication on their own. I think we need biometric security at our offices to curb such daring theft and fraud within our organisation* (Respondent 31).

Social inclusion in the management framework for social security in the Eastern Cape Province is affected by the absence of proper planning of targeting of the vulnerable and poor individuals, households or families. If undertaken in a proper manner, targeting and poverty profiling would factually equip the SASSA, DSD and other entities to design and implement tailor-made fiscally funded social relief interventions. Consequentially, the said absence of meticulous individual, household and community profiles has crippled the ability of the government to target and alleviate poverty. In precise terms, having the poverty profile of a particular community would enable the development of appropriate tailor-made interventions unlike using a poorly targeted approach as echoed by Sartorius, Sartorius, Tollman, Schatza, Kirsten and Collinson (2013:118) who hugely value poverty mapping in developing countries.

In addition, the lack of poverty profiling makes it impossible for the government to fully grasp and understand the depth of social exclusion and the plight of the poor and vulnerable (Sartorius *et al*., 2013:118). Specially developed interventions would lessen the burden on the government in delivering social security services. Furthermore, this ensures that social security serves as a pacifier which prepares somebody for more sustainable economic opportunities. In doing so, poverty mapping is highly dependent

on sound intergovernmental relations (IGR) and a multi-stakeholder approach to social security service rendering in the Province as revealed in the empirical evidence in the study. One of the interviewees in the study indicated the bearing of the absence of poverty profiles in the process of managing social security in the Province as follows:

> *In order to reduce or eliminate social exclusion, especially for the people living in deep-lying rural areas, there should be some profiling of the socio-economic profiles of each and every household in any locality. Profiling to establish that for example, in this household we have a father, who stays in this particular municipality, with a family of five, their qualifications are as such, one family member does not have an ID, they are employed or unemployed, they have a disabled family member, their ages are, and the material used to build the house in which they live in. Such data needs to give input into a national information system kept within the DSD* (Respondent 20).

On a similar note, the study established through empirical data gathered through face-to-face interviews that after such analyses of that data from the poverty profiles that the government can identify the needs of people from a multi-dimensional perspective cutting across individual, household and community perspective. Further empirical evidence collected through interviews indicated that following such a specific planning process, tailor-made interventions would be smoothly delivered to each community, household and individual. For example, a poverty profile can reveal that in a given household, the father does not have an ID, requiring the DHA to bring the service to their doorstep, the orphans and vulnerable children who need foster care, would be catered for by the DSD, the children have no access to early childhood development centres, calling for the Department of Education (DoE), there is 14 year old student who travels a long 10 kilometres daily to and from school due to an absence of scholar transport, an intervention falling within the jurisdiction of the DoE, the family lives in a shanty house, which will be addressed by the Department of Human Settlements, and the entire community has a bad gravel road, an issue related to the Department of Transport.

Empirical evidence gathered in the study by way of semi-structured interviews pointed out that after delivering such a basket of government services, poverty would be significant reduced thereby eliminating a dependency of individuals or communities on

social assistance grants (Wright, Neves, Ntshongwana & Noble, 2015:450). These findings correlate to scholarly arguments by Fritz and Menocal (2006:6) who mention that in a developmental state, cooperation and strong *espirit de corps* are keys to collectively achieving the numerous socio-economic developmental goals.

Additionally, the collected data reveal that there are more planning challenges related to disability and quasi-employment. In generic terms, fiscally funded social security should act as temporary relief measure for the socially distressed. In the Eastern Cape Province, this is a consequence of rampant poverty, unemployment or inequality. As a predominantly rural Province, economic opportunities in the Eastern Cape Province have been evidently limited (Makiwane & Chimere-Dan, 2010:125). However, the quasi-employment opportunities which are available, are also manual, hence have workplaces that are not disability friendly. Unemployment might be as a result for example, of somebody who does not have two fingers and cannot function well in a task that need manually labour activity using tools such a spade or shovel. As a result of this perilous situation, the Eastern Cape Province has a growing number of social grant beneficiaries enrolling for the DG, due to them being partially disabled as mentioned by Respondent 25.

The study found-out through interview sessions that the partially disabled, and those on the receiving side of under and unemployment end-up being relegated into some sort of lifetime dependence on the DG, a less-lucrative option when compared to gainful employment (Kelly, 2013:25). The snail-pace of investing in ergonomically-inclusive workplaces which are disability friendly and a steady rise in unemployment has increased the desperate plight of disabled people in the Province as raised by Respondent 12. Such a finding correlates empirical evidence established by Joseph (2012:190) who found-out that some facilities in the SASSA were not disabled-friendly. Social security grant dependence normally overwhelms the fiscally funded social security system thereby exerting an economic burden on the government, therefore leading to the introduction stern eligibility interventions as cited by Respondent 16.

The interventions highlighted in the preceding section can be done in good faith but can, however, unintentionally lead to social exclusion of the fully disabled who should

be the actual beneficiaries of the system. The study gathered opinions on this aspect as quoted hereunder:

> *I think there should be stipulations and regulations for the different categories of disability grants. Applicants with unstable mental capacities and thus unemployable can enrol for the DG, not somebody who has a partial physical impairment. And unemployment becomes a form of disability, believe me, I have seen it especially in the deep lying rural areas in the Province. As I have said, it is a vicious cycle, but someone needs to take responsibility and break it down, they should begin with defining what is meant by disability, there are very divergent definition of disability and in the SASSA I do not think it is defined correctly. And from there then, they should start at how the process can be regulated. This is when the whole social security business becomes clear and if we were perhaps people that dealt with unemployment insurance, we could deal with employability and the DG better* (Respondent 25).

The medical certification of DG applicants has also been a bone of contention in the managing of fiscally funded social security in the Eastern Cape Province (Kelly, 2013:27). To this effect, findings in the study show circumvention of procedures involved in the issuing of disability certificates is a challenge. Such a challenge has a bearing on growing social assistance expenditure and the 'shot gun' effect of targeting the deserving poorest of the poor. In summary, challenges resulting from disability and quasi-employment opportunities have over-burdened the social assistance system in the Province, thus making an assimilation of the socially excluded becomes practically impossible.

Apart from the preceding challenges, the study also explored challenges related to means-testing and eligibility criteria as inhibitions to the social inclusivity of the social security management framework utilised in the Eastern Cape Province. As mentioned in Section 1.2 of the thesis, eligibility criteria for social assistance have led to some degree of social exclusion, which, if such procedures were relaxed would significantly push the social security system towards social inclusivity. The study explores means-testing of assets and its relative effect of social inclusion in the process of managing social assistance. Foremost, means-testing fails to consider the unique situations

across families and individuals. In laymen's terms, social security suffers from the lack of a 'social character' where it should be modelled based on societal character and features. According to Respondent 19, the essential factors which it fails to incorporate include family structure and cultural beliefs in lifestyles.

For example, an elderly person with an annual income of R130 000, a cut-off point for the OAG might have numerous dependants who might be under his jurisdiction hence catering for their healthcare, clothing, shelter, education and nourishment. Such a pensioner and their dependents cannot enrol and receive state funded social security due to their income, leaving them impoverished and therefore socially excluded. In this regard thus, social exclusion can be a consequence of the failure of policies to tailor-make policy and social welfare management framework as gathered in the empirical evidence in the study. Moreover, prevalent patriarchal beliefs and cultural values also precipitate social exclusion in the Province especially in the predominantly rural former Transkei homeland. The study revealed through empirical evidence gathered in the interviews that, this is social exclusion caused by failure of the system and policy to acknowledge societal and cultural beliefs as quoted in the following excerpt:

> *There is a certain 67-year-old senior citizen living in the rural town of Qumbu who lodged a complaint with the SASSA saying that he is married to a wife who is a teacher, but in his culture, the man is the head of the family, and he feels embarrassed to live off his wife's earnings. The means-test excludes him from enrolling for the OAG due to his marriage to the employed wife. So should he divorce his wife in order to enrol for a grant? On this particular case, cultural issues have not been taken into account* (Respondent 40).

The current management framework and its procedures suffer because of the absence of a comprehensive profile for its targeted individuals, society and households in the Province. The presence of such an in-depth profile of the society would aid in moving-away from generic eligibility and means-testing methods to include cultural and family circumstances. The current framework lacks checks and balances to ensure that no deserving people slip through the safety net while retaining economic sustainability as stated by Respondent 34. Deductively thus, the study argues that no government can sacrifice social inclusion of its people and society over cost-cutting and minimising

social assistance fraud. In this regard therefore, the social security management framework in the Province lacks a more social character, a fact that cripples its attempts to be socially inclusive.

Empirical evidence gathered in the interview sessions indicate the existence of further planning challenges in relation to the forgotten tax-paying middle as shown in the interview discussion conducted in the study. The findings of the Taylor Committee (1992) indicated the pressing need for establishing a, “comprehensive social security system in the Republic of South Africa” (Taylor, 2002:61). The Taylor Committee Report advocated for social security that takes care of all citizens to insulate them against adverse effects of the volatile socio-economic environment in the globalised world. This is especially important given that the national revenue which fuels fiscally funded social assistance is pooled through various taxes levied on the employed and economically active. There is a challenge in the current management framework for social security in the Province whereby the contributors to national revenue are not covered by such state funded assistance. Instead, the economically active citizens are left to subscribe to PAYGO social insurance schemes despite them being equally exposed to social risks and needing equal protection from the state.

As such the 18-59 years age group has been termed the ‘forgotten middle’. Therefore, the local fiscally funded social security system has, as established in the study, been partial in its coverage. One respondent referred to this is some form of ‘legalised social exclusion’:

> *The economically active age group does not benefit from any social assistance grant unless if they have a disability. I think that is one area which perhaps we need to focus on, do we want a method of social assistance that covers everyone, yes but in an economically sustainable manner. A key intervention which we could use to ensure that our social assistance cost does not bankrupt us is to ensure a vibrant industry and employment in general. One would look at temporal relief such as conditional cash transfers to the unemployed, designed as an incentive to enable people to transit from unemployment into gainful employment* (Respondent 35).

As discussed in the preceding paragraph and quote, there is some kind of 'passive social exclusion' in the Republic of South Africa as shown in Figure 3. Such social exclusion needs to be put into perspective since having a certain level of income and assets do not insulate one from social distress. Overall, covering the 'forgotten middle' would ensure that more people feel incentivised to obtain employment, pay taxes and benefit from the fiscally funded social relief mechanisms in place, in line with what Barrientos (2008:174) mentions as the universalising of social assistance to catalyse socio-economic development. As a challenge which the Republic of South Africa has not yet made policy inroads into, the expansion of social assistance to all citizens might aid resolve doubts related to the feasibility and sustainability of the ever-rising social grant register in a developmental state. This would imply more social investment, a strong social contract and expanded tax base as argued by Brearley (2011:86).

THE FORGOTTEN MIDDLE OF THE SOUTH AFRICAN SOCIAL ASSISTANCE SYSTEM			
Age Group-Status	**0-18 Years**	**19-59 Years**	**60+ Years**
State-funded Social Assistance	CDG (R1500/month) CSG (R350/month) FCG (R890/month) DG (R1500/month)	DG (1500/month)	OAG (R1500/month) DG (R1500/month) WVG (R1520/month) GIA (R320/month)
Socio-Economic Status	School Leaners	Economically Active Citizens Social Insurance Clients Heads of Households Bread Winners Tax Payers	Retirees & Pensioners
Number of Citizens in Category	CDG-129 000 (30 June 2016) CSG-11.9 million (30 June 2016) DG-1.1 million (30 June 2016) FCG- 533 000 (30 June 2016)	28.5 million (30 June 2016)	OAG- 3.1 million (30 June 2016) WVG- 277 (30 June 2016) GIA- 1260 (30 June 2016)
Total Annual Social Investment	R129 billion- 2015/16 Financial Year		

Figure 3: The forgotten middle of fiscally funded social security in South Africa

Source: Own illustration (Figures adapted from the SASSA, 2016)

As shown, in the preceding figure, the majority of citizens are excluded from the state's social safety net. Ironically the forgotten middle comprises citizens who are actively taking part in the socio-economic development of the country while they are legally socially excluded. Universalisation of fiscally funded social security can be a step in the right direction to cover those who do not benefit from the state interventions to fight poverty and inequality.

In a nutshell, the challenges discussed in this section relate to the planning function of the Public Service. These include *inter alia*, the absence of service rendering practices such as poverty profiling, absence of decentralised and devolved decision making, operation of outdated data management system and the inability of duly planning for the social grant reregistration process. As presented in the findings, the study found that the planning function in the management of social security in the Eastern Cape Province is lagging behind due to the fragmented nature of planning for the delivery of social security services.

An impediment which has led to the escalation of social exclusion, a problem which would have been effectively resolved when proper planning as part of the wider goal of building an NPM guided Public Service in an era of globalisation. Planning would aid the development of effective government which is the overarching goal of the NPM paradigm. As discussed in the synthesis of arguments in this section, the current management framework has loopholes which have affected efforts to make it socially inclusive. The next section elucidates of findings related to the organising function of Public Administration. In succinct terms, the challenges presented in the coming section relate to utilising organising in a bid to build a responsive, customer-oriented government.

5.4.2. Organising related challenges

Similar to the planning function, organising is equally vital to the attainment of service rendering goals in the Public Service. Carley (2014:22) refers to, the creation of an official structure of authority whereby work divisions are duly arranged, defined and coordinated towards a predetermined objective as organising. Moreover, the function of organising details reporting relationships and hierarchical arrangements related to

authority, responsibility and power. In the study, an analysis is undertaken on the challenges faced in the exercising of the organising function by the SASSA, which takes the form of organisation structure, hierarchy, reporting relationships as well as the accountability enforcement arrangements. Organising is a fundamental aspect of the delivery of social security services in the Province. As prescribed within the NPM reforms movement, leaner, flatter and less mechanistic organisational structures have an advantage of improving the efficacy of government on rendering services (De Caluwe, Van Dooren, Delaforty & Janvier, 2014:492). In this regard, the challenges analysed in this section are measured against this NPM guided arrangements.

As a public entity, SASSA has a formal organisational structure which is indicative of the authority, responsibility and its accountability arrangements (Joseph, 2012:57). Inaugurated in 2006, the Agency was part of the recommendations from the Taylor Committee Report (2002) on the establishment of comprehensive social security in the Republic of South Africa. The Agency was established to *inter alia*, administer payment of state funded social assistance and put fraud and compliance mechanisms are in place to build a social security system based on integrity and national interests (Joseph, 2012:58; Draai, 2013:94). An in-depth discussion of the Taylor Committee Report (2002) is covered in Section 3.4.1 of the thesis.

The Agency has a formal organisational structure where the Chief Executive Officer (CEO) serves at the behest of the Minister of Social Development, the political head of the DSD. In addition, the SASSA does not have a board thus showing an absence of formal oversight and accountability enforcement arrangements within the Agency (Joseph, 2012:58). Such a lack of organisational arrangements pose a challenge in the efficacy of the Agency in terms of an inability to expedite decision making and maintaining oversight within itself as prescribed by pro-NPM reforms as argued by (De Caluwe *et al*., 2014:493). In this regard thus, this section covers an exposition of the organising and organisational challenges affecting social inclusion.

A structural arrangement made by the government of the Republic of South Africa to establish the SASSA as a subordinate entity located within the DSD (Joseph, 2012:58) was a noble idea. However, the study also sought to explore if such a structuring of

the Agency does not have a negative bearing on the functionality of the entity thereby affecting efforts to fight social exclusion in the Eastern Cape Province. The SASSA has had several challenges related to its relationship with the DSD. Foremost, there are issues related to the accountability, reporting and interrelatedness of SASSA and the DSD as established in the empirical evidence gathered through interviews in the study. Similarly so, in understanding the organisational challenges faced in managing social security, one has to acknowledge the hierarchical arrangements that the SASSA has.

The SASSA functions as a directorate housed in the DSD, under the Minister of Social Development as stipulated in the SASSA Act (No. 9 of 2004) and headed by a CEO stationed at the Agency's head offices in the capital, Pretoria. Internally, the SASSA's organisational structure is centralised in nature and all regions report to the CEO in Pretoria. At the same time the SASSA has regional, district and local offices spread across all nine provinces of the Republic of South Africa. In the spirit of sound IGR, the regional branches have to work hand-in-hand with the DSD, which is the traditional home of the SASSA as established by the empirical evidence collected by way of interviews in the study. Centralised public organisations often find it difficult to achieve effective governance since the organisational plan is in variance with NPM requisites for decentralised, leaner and less mechanistic organisational structures (Verbeeten & Spekle, 2015:962).

According to the empirical evidence collected in the interviews, the mainstream policy making shaping the SASSA is done within the DSD. The study established that balancing the need for harmonious cooperation with the DSD while accounting to the head offices in Pretoria posed a daunting challenge.

Furthermore, the study revealed through discussions with Respondents 15 and 21 that the political heads responsible for policymaking in the DSD have been obsessed with the traditional DSD mandate thereby neglecting reshaping the mandate of their sister organisation, the SASSA through related policy interventions. For example, instances such as scenarios when the DSD delays in facilitating the fostering of needy children as a prerequisite for application for the FCG compels the SASSA to directly deal with

the Minister of Social Development to expedite decision-making and possibly confirm such processes to the Agency. This situation builds organisational tensions. According to Frederickson, Smith, Larimer and Licari (2012:72), a positive organisational culture fosters shared beliefs, values and norms that will have a positive bearing on relations among officials towards the attainment of the shared goals of an organisation.

In the context of the study, challenges arise because due to the cumbersome nature of procedurally following bureaucratic decision-making channels through members of the provincial executive council and DSD officials which consumes precious time and may affect the timely delivery of social assistance grants services. Such a *modus operandi* consequentially creates tensions, a sense of failure to respect hierarchical protocol and insubordination on the part of the DSD officials. This is echoed by one interviewee who raised the issue as follows:

> *Honestly, one would prefer a situation where social assistance is provided through a separate or independent entity, but the current arrangement is that we fall under the DSD which acts as our natural home. Due to this arrangement, the SASSA utilises the service of the DSD through social workers for people who are in emotional distress and issues related to foster children and the FCG. Also the DSD assists with facilitation of disability certificates for beneficiaries enrolled under the DG. But our relationship with the DSD is a bit problematic and I would suggest that if the SASSA would be given a board status, it would work to its convenience and enable us to function more flexibly and with efficiency. There are urgent issues surrounding the management of social security, grant enrolment and beneficiaries monitoring at present but there are too many bureaucratic channels to go through in order for such things to be passed, hence we lose on time and get a delayed response* (Respondent 19).

As mentioned in the preceding extract, the organisational arrangement of the SASSA and the DSD has affected the shift of the management process of social security in the Province towards social inclusion. Such issues are evident particularly when it comes to processes that constantly require input from the DSD. As observed in the study, the DSD does not approach requests for services to be expedited with the same degree of urgency as expected from the SASSA. Respondent 19 brought to light that

procedures around foster care, social distress and disability include delays which would have been effectively addressed if the organisational structure was empowering enough to devolve such functions to the SASSA. In some instances thus, the study revealed through empirical evidence from interviews that the SASSA hires and pays its own social workers, which they call 'family finders' to counteract delays by the DSD in finalising cases of social services related to foster children. This creates more operational costs on the part of the Agency, a function falling under the jurisdiction of the DSD. Such an accelerated process of managing the various processes involved in the management of social assistance grants would reduce clients' waiting times and improve the service turnover times.

Max Weber's theory of public sector organising and bureaucracy has left a mark in the Public Service where public organisations have organograms where supervisors have junior employees falling under their span of control. While political supremacy and authority are good for decision making and oversight, the relationship between a superior and those reporting to them should be mutually beneficial (Brunetto, Farr-Wharton & Shacklock, 2011:556). In addition to the organising challenges discussed in the preceding section, the management of social security also has been affected by the supervisor-subordinate relationship that the SASSA and the DSD are operating. Such a *modus operandi* has made the SASSA to feel belittled the SASSA and in the process dented the ability of socially inclusive policy and practices to be modelled. The current organisational arrangement has affected innovation and the effectiveness of the manner in which social assistance grants are being managed. Such a challenge is discussed in the following excerpt:

> *I think it the current organisational relationship between the SASSA and the DSD can be improved. Look, the DSD are the overseer and policy maker and even the laws that govern the SASSA are under them, they make the policies and our political head resides inside them. But I doubt if as the SASSA we have managed to diversify from the DSD mind-set. As much as we are interrelated, we tend to duplicate each other's functions, we have not moved from the house of our birth, the DSD. It looks like we are just a directorate within DSD which just has a budget allocation. I believe we lack an identity, if a lion is brought-up as a pet, it will never know how to hunt. We need to be weaned, evolve and be functioning on our own* (Respondent 15).

Consequently, the absence of an independent mandate in the SASSA has created complications which have affected the ability to transform the delivery of social welfare services beyond the original model created and monitored by the DSD. Resultantly hence, the creation of a socially inclusive social security management framework is affected by this apprehensive organisational arrangement alluded to in the preceding section. In a globalised world, where community development through social security has been globally promoted, social inclusion should be a certainly attainable dream. A lack of fresh insights into social service rendering has been further complicated by ever-growing social assistance expenditure, a trend which has led to one interview respondent to register their pessimism over the sustainability of state funded social security beyond 2025.

In light of the discussed challenge, there is need for 21st century solution in the tackling of the developing world. Such solutions would drastically aid in the addressing of the escalating problems of poverty, inequality and unemployment (Seekings, 2015:2).

Another mandate that the SASSA was established to fulfil was ensuring compliance by deterring fraud in the administration of social fiscally funded assistance (Joseph, 2012:57). However, rooting-out corruption and fraud in the management of social security has become the Achilles heel of government as echoed by Respondent 12. Fraud and corruption have an adverse impact on social security provisioning and fighting social exclusion. Empirical evidence gathered in the study through interviews showed that fraud detection and resolving is dearly costing the SASSA and the poor people of the Eastern Cape Province. This problem was linked to the organisational challenges within the SASSA and the DSD with reference to structures meant to prevent, detect and resolve fraud. Provisions in Chapter Four of the Social Assistance Act (No. 13 of 2004) in respect of the Inspectorate for Social Security independent from both the DSD and SASSA do not specifically mention that the can be such a watchdog has overarching authority to directly deal with the Agency. That presents a complex challenge since there needs to be some structure ensuring compliance and deterring fraud within the Agency because that is the real locus for social security in the Republic.

Structurally, the SASSA organogram in the Eastern Cape Province is faced with the challenge of an absence of a fraud and compliance unit at the provincial sphere or regional level. The study found out through empirical evidence collected in semi-structured interviews that the fraud and compliance unit used to be housed within the regional offices of the SASSA but a revision of the arrangement has since seen it being moved to become only a national unit based in Pretoria. That alone has created a challenge due to the bureaucratic delays and the inability of the unit to swiftly detect and deal with fraud. A respondent in the study have equated the unit to be serving like a SASSA police unit due to its lack of initiatives to deter fraud and corruption, mainly due to its centralised format which makes it have limited interaction with the regions, district and local offices.

Furthermore, the Agency's centralised nature has also affected the prospects of the social security management system to be socially inclusive because the function of fostering compliance does not have a recognisable physical presence apart from being at the national level. The exponential rise in social grant fraud in the Province has been attributed by respondents in the study to the lack of compliance units within regions. In line with this specific aspect of poor detection of fraud at the provincial sphere, one respondent said:

> *The fraud and compliance unit at the national level has had its existence and function muddled in confusion. Foremost, there is no vivid justification to its establishment, and whether it serves the purpose of the Inspectorate of Social Security? And again we need to revisit the function of the Inspectorate and determine its justification to have an independent Inspectorate or it should be housed in the SASSA or the DSD with cross-cutting functions and responsibilities. Above all there is a lack of detection and systems to deal with fraud in SASSA. We hear people getting arrested here and there, but there is more to that, the arrests are just a tip of a colossal iceberg. We need systems which can timeously provide data, facts and truths so that action can be swiftly taken instead of facts being revealed four years later, while we have lost funds paying fraudulent beneficiaries like what happened after the reregistration project* (Respondent 5).

In summing up, organising challenges discussed in this section have an effect on the social inclusiveness of the current management framework utilised in delivery social security services in the Province. Although the current organisational and organising arrangements have appeared to be effective in the delivery of social security services, there are many challenges that should be resolved. Some of these challenges have far-reaching consequences on the eradication of social exclusion especially in relation to fraud and compliance within the Agency. Lastly, the management framework used to manage fiscally funded social security in the Eastern Cape Province has ample room for improvement. Modifying countable organising structures and arrangements can produce great results that could benefit the poor, vulnerable and those currently socially excluded. Nevertheless, these challenges need to be collectively resolved, together with the human capital ones as discussed in the section that follows.

5.4.3. Human capital management related challenges

Human capital management is traditionally known as staffing which encompasses the wider human capital function of attracting, recruiting, training and retaining valued staff for the sustainable functioning of the organisation (Shafritz *et al*., 2016:225). Staffing is usually concerned with the creation of favourable working conditions which does not only retain productive staff, but also attracts new proficient staff. For Leitch, McMullan and Harrison (2013:347) human capital development is arguably a pinnacle of 21st century organisational success. In addition, the NPM style of management has seen human capital adopting a private-sector style client approach where public sector clients have been equally regarded as important stakeholders in the governance milieu (Van de Walle & Hammerschmid, 2011:192). As a plan of the study, the challenges related to human capital development in the delivery of social security services are discussed across various themes such as the statutory and policy implications of social security, social exclusion and the need for social inclusion.

Empirical evidence gathered in the study established a scarcity of human capital skills in the SASSA in the Eastern Cape Province as a key staffing challenge. This trend in skills scarcity in the Public Service has been rampant in recent years and has an adverse effect on the sustainable achievement of the socio-economic development goals in the Republic of South Africa (Erasmus & Breier, 2009:18; Organisation for

Economic Cooperation and Development (OECD), 2010:250). One respondent raised the following concerns when asked about the human capital challenges which the Agency face:

> *Our employees are not as productive as we expect. Some lack the skills required to function in a job. I do not know how they recruit people, in our adverts, we emphasise that you must be computer literate, and so how does it happen that some of our recruits do not know how to use a computer. The other problem is that the recruitment process in the Republic of South Africa is flawed, let us call a cat a cat, because there is a lot of nepotism, people are being recruited based of who they are or who they know not because of what they can do. Secondly, skills and qualifications are not being verified, that if fraud, or people that claim to know for example the programme Microsoft Office Excel while they do not* (Respondent 8).

In a scenario like the one discussed in the preceding excerpt, it is virtually impossible for staff that has not been professionally recruited to be productive. Furthermore, the failure of recruits and existing staff to grasp the requirements laid-out in the job advert as the job requirements and specifications affects social security service delivery. For example an employee who is not as computer literate as they claimed when they were employed might struggle to capture data on SOCPEN, thereby affecting the efficacy of social security service delivery. The data shows that such cases exacerbate poor service rendering and social exclusion in the Province. According to the SASSA (2014:31), there was a cumulative total of R18 627 124 that was spent on the training and development of staff during the 2013/14 financial year, showing a massive investment in the up-skilling of employees. This fiscal allocation is borne out of the realisation that the staff is not as skilled as they claimed.

Several interventions have been sourced from the participants in the study such as offering short courses on computer literacy and SOCPEN. Due to the increase in skills falsification, under-skilled public servants and the prevalence of unethical recruitment practices in the staffing of the SASSA and the wider Public Service at large, the skills levels of some staff in the SASSA have been deficient (Respondent 12). Accordingly, there should be effective checks and balances in the resourcing of the Public Service

with human capital through a myriad of benchmarks as echoed by another respondent of the study who said:

> *There should be practical testing for our Public Service recruits. The government spends a lot on recruitment some of which should be used to develop an electronic or psychometric tests which public sector job applicants undergo through before being hired. Such tests should be having wide parameters which the recruits might not expect. In France for example recruits have entrance exams which they sit and write. Each of the exams is designed for a specific level in the recruiting organisation. There is need for the skilling of the people in decision making position since the government employs people who have minimum qualifications which by time might need augmenting through acquisition of diplomas, certificates and degrees which are more compliant to the changes and challenges of the 21st century* (Respondent 14).

Expanding further, empirical evidence gathered in interview sessions showed that the situation in the SASSA in the Province has affected its ability to attract competent human capital. The macro environment of the Agency has also affected the skills set from which to recruit its staff due to the lack of depth in the skills and qualifications offered by institutions located in the Province. In so doing, interviewees stated that although the SASSA always ensures that due diligence is followed in the recruitment of competent human capital, some recruits sometimes have not enough competences to optimally functions in their jobs. This is so mainly because of the relatively shallow curriculum and training which they undergo as discussed with on respondent quoted in the section that follows.

Skills scarcity around the Province has a great bearing on the management of social security since the organisation is reliant on a number of technical and specialised software programmes in the managing of social security. One respondent raised their disdain with the local institution of higher education and their ability to skill people by saying:

> *Some provincially located universities have got a lack of relevant skills in their exit qualifications. Let me tell you this, I have a friend of mine who is teaching ICT at the Walter Sisulu University, and she can hardly send a text message. And then we get*

recruits from that institution claiming to be proficient in computer programmes? Long back people learnt how to use a computer, and at the current stage we need skills for innovation. Also note that some states in the developed world such as the USA and France have had some problems with skills and scarcity before. But this has since been addressed through education, training and development interventions across their public services (Respondent 4).

Another challenge which the SASSA faces in a bid to manage its social security in a socially inclusive manner relates to the negative attitude of staff towards the use of organisational policy to train, develop and upskill them. The study also sought to probe if the training and development interventions are being assimilated by the employees of the organisation. As detailed in the interview excerpt that follows, public servants in the Province have become obsessed with only attending and enrolling for training interventions that earn them South African Qualifications Authority (SAQA) accredited exit level qualifications. As a result any short to medium-term training interventions are most likely to be turned down, thereby leading to skills apathy. This obsession with SAQA accredited training is a sign that staff is concerned with career progression rather than serving their clients, which are social security beneficiaries and the public.

SAQA-accredited training can develop the skills of individuals and enable them to apply for vacancies either within the Public Service or in the private sector. Brunetto *et al*. (2011:556) argue that scenarios as the one described in the preceding section do not only precipitate hostile supervisor-subordinate relations, but also cruelly robs the Agency of competent staff who may leave because of inharmonious relations. The study deduces that capacity building training and development initiatives has an effect of exacerbating poor employee performance which inevitably affects social inclusion. During an interview session in the study, one respondent said the following:

All public servants should make efforts to expand their careers regardless of their entry level qualifications. SASSA has flexibility to allow employees to upgrade their studies although the entity does not have the policy in black and white. Within the powers vested in me, I have organised computer literacy training for our secretaries, most of whom lack skills in emailing and hardly know how to tabulate data on the Microsoft Office Excel system. The training intervention was turned down because

the targeted group said they would not get a SAQA accredited exit level qualification. Hence there is an obsession on certification of skills thereby holding service delivery hostage (Respondent 13).

Initiatives aimed at skilling human capital for effective and client-based social security management in the Province are a giant leap towards an NPM guided government, which emphasises on optimisation of individual performance as echoed by Van de Walle and Hammerschmid (2011:194). Respondents in the study also emphasised the need for education which can equip the Public Service with relevant proficiencies required to comprehend the ever-changing challenges of a globalised world. Such skills can assist in building a people-centred government which treats its people as customers. Furthermore, such skills would help one appreciate the need to, "pay the right grant to the right person", and ensuring that the constitutional obligation of the state to accord people their right to fiscally funded social security is progressively realised (Allais, 2012:637).

In this regard thus, one respondent firmly linked social exclusion and social security to the need to build a strong foundation of education. Education has been at the forefront of the socio-economic success stories of some exemplary states as discussed by this interviewee:

Education and skills are critical to any society. When you are alive you take care of the body (physical) and the brain (mental) and when you have fed the mind through teaching, then you can provide infrastructure such as motorways, electricity and hospitals. As long as you do not have a healthy mind then everything is in vain. Romans have said 'a healthy mind in a healthy body'. Finland in an example of a country which has been successful in shaping its social development policy supported by its education. The Finish government is very efficient, and the public confident in their government is very high, they do not have public service delivery protests. Education should be a top priority in this country. The Republic of South Africa should have establish globally competitive education and training initiatives in organisations (Respondent 10).

Respondents in the study were of the opinion that the human capital skills which the Public Service currently has are affecting the delivery of social security services. This was attributed mainly to issues relating to the ever-evolving character of the problems which characterise modern society. Furthermore, curricula in the Republic of South Africa pose a challenge to the skilling of the Public Service as evidenced by empirical evidence discussed in the section which follows. On the same note, both existing and new entrants into the Public Service labour market seem to be skilled with the same level of obsolete qualifications that needs elevation due to rapid changes in technology (Bamber & Lanbusry, 2013:259). Also, the training and development of staff keeps the organisation abreast with ICT trends in the 21st century global village. Consequently, there is a mismatch between the problem and the problem solver since the former would have assumed a new character differing from its original form. Therefore, the need to embrace consistent upskilling and human capital development practices, which would keep track with trends in the social security sphere and help build a socially inclusive culture in the management of social security in the Province.

Such an emphasis on the redressing past imbalances in the sphere of social security grants has an effect of overshadowing social inclusion in the process. One interviewee raised issues in line with the need for Public Service organisations to be skilled with relevant social security management related skills. The respondent said:

> *I have worked in many universities locally but more seriousness into curriculum revision is taken in few universities by themselves not the government. I think the government should lead in such aspects through the funding of public universities and following on the adaptability and relevance of the skills set that these universities impart on their graduates. Funding from the government should prioritise 21st century relevant courses and degree. Outdated syllabuses should be revised and upgraded. Also, the Minister of Higher Education and Training should champion this cause. Alarmingly, with the current unemployment rate, somebody who has obtained their qualification a decade ago and manage to get employed today might be dedicated but applying the wrong obsolete skill on a fresh challenge, the world has evolved people need to upgrade and keep abreast with it* (Respondent 7).

There was a homogenous consensus in the study on the challenge posed by curricula aimed at solving modern problems of social exclusion and poverty. This prevalent consensus related to the need to develop contemporary skills and infused these in a revised curriculum, one that reshapes social security management in the Province and Republic in general. Deductively thus, the study recognises staffing as the backbone of the Public Service in the Republic. Social security as a service rendering function of the government lacks a solid entrenchment within the tertiary education and training curricula as established in the empirical evidence gathered the study. Presently, social security is being treated as falling within the social sciences, something that makes it assume a generic locus and focus of an equally important aspect in a democratic, developmental state. Challenges arise when the human capital that furthers the goals of social security is equipped with generic management skills, thereby failing to grasp and resolve the problems which confront social security on a daily basis.

The empirical evidence is the study revealed that no specific curriculum strives to ensure that social security in the Republic of South Africa thrives in alleviating poverty. An interviewee echoed the same sentiments:

> *The fact that the Public Service lacks a dedicated skills set from universities, like the lack of researchers who would probe fresh ideas and investigate issues in the Agency for the benefit of continuously improving how social security it is managed poses a challenge. There is need to professionalising social security and ensuring that there is a specific curriculum that produces social security cadres who are grounded in the discipline. At the moment we are borrowing skills from other disciplines and hence people do not take the government serious. From the perspective of the citizens, there is in need for the government to develop skills via degrees, diplomas, code of conduct and innovative strategies for social assistance, Otherwise the citizens think social security will one day be extinct due to it being temporarily housed into other discipline like social development without its own place it calls home* (Respondent 12).

Further to the preceding arguments by Respondent 12, additional empirical evidence gathered through semi-structured interviews in the study established that there used to be social security affiliated qualifications in the Republic of South Africa. One such

an institution was the former Rand Afrikaans University, the modern day University of Johannesburg which used to offer a diploma in social security and a postgraduate diploma in social security according to another respondent in the study. However, there were challenges when some people felt it was suffering from value-addition effect to public administration. A decision to discontinue such specific offering has returned to haunt social security management in the Eastern Cape Province. Another finding from interview sessions was that, social security needs interventions aimed at skilling its officials through tailor-made qualifications.

The Republic of South Africa has eleven official languages as declared in Section 6 of the Constitution of the Republic of South Africa (RSA, 1996:4). To this effect thus, the government has to promote the use of these while taking into account factors such as the usage, practicality, regional factors and the balance of the needs of the populace (RSA, 1996:4). In this regard therefore, public organisations like the SASSA promote the official languages while however emphasising on the need to uphold professional conduct in forums with a diverse audience (SASSA, 2012:23). In such a case, a language like English should be used since stakeholders engaged with the SASSA understood. The language barriers create challenges related to professionalism, as detailed in the following interview excerpt. Primarily, some staff members do not act professionally in forums of the Agency by using a language that some panellists or delegates do not understand when an interpreter is not available.

For example, a diagnostic meeting of fraud and its impact on social inclusion might not flow fluently since the diverse make-up of the delegates might imply the use of more than three languages during the course of the meeting. One interviewee stationed at the SASSA protested over the inconsiderate use of languages in engagements at the highest echelons of the entity:

> *Measures should be put in place to foster professionalism in terms of the use of say a language understood by all delegates or officials in any particular SASSA or public service workshop or meeting. Acknowledgement is made on the equality of languages as stated in the Constitution of the Republic of South Africa (1996), but the context of languages should be taken into account. At times we witness high level delegates getting frustrated when a public servant disregards the linguistic diversity*

> *of the audience and resort to their vernacular language, which some people will not be understanding. That has an effect of destroying the productive engagements with various stakeholders* (Respondent 29).

In this regard, since the delivery of social security and assistance service cuts across various sectors and stakeholders, the lack of professional conduct distorts debates that may build a socially inclusive social security culture and system in the Eastern Cape Province. Mention should be made that the Agency in the Province collaborates with other stakeholders in the social development sector of the economy such as NGOs, charities and pressure groups, some which send representatives from outside across the world for meetings (SASSA, 2012:23). Therefore, the diverse stakeholders engaged in the social development initiatives of the Province require an inclusive culture and linguistic engagement.

Discussed in this section are staffing challenges which are affecting social inclusion in the social security management framework. Larson and Park (2014:347) argue that despite the huge gains due to globalisation such as automation; humans will always be equally important role-players especially when social security service delivery comes into play. In addition to this, empirical evidence in the study indicated that in an era where government is to be ‘community owned’ with the need to treat citizens as customers gaining prominence, a skilled and dedicated human capital becomes the core of eradicating social exclusion in social security provisioning. Therefore, the human capital challenges have a relatively huge bearing on the management of social security not just from a perceptive perspective of the citizens, but from the view where the government is obliged to provide welfare service to its poor in an effective manner. That would uphold and ensure a tranquil social contract between the people and their government.

The following section discusses the directing challenges established in the study with reference to the current management framework for social security in the Eastern Cape Province.

5.4.4. Directing related challenges

Carley (2014:26) regards the function of directing as the continuous task of decision making and embodiment of such decisions in particular and generalised orders and functioning as the leader of an organisation. Directing is linked to the act of providing leadership and strategically giving direction to a group of employees under one's supervision. In the context of the study, directing as a leadership function plays a pivotal role in the ultimate determination of success of the management framework to being socially inclusive. Since policy making in the public sector has been regarded as a function of political leaders, it is the role of leaders to accord direction and steer their entities or department towards set goals (Van Wart, 2014:456). In the the study, empirical evidence shows the directing function is provided by the different leaders of divisions within the SASSA, the DSD and the OTP in the Eastern Cape Province. The challenges related to the directing function are discussed hereafter.

A key finding of the study established through the interviews shows the Eastern Cape region of the SASSA as affected by the directing function and practices adopted by its head office in Pretoria. Such a challenge has caused subordinate regions to succumb into feeling disempowered within their own authority. Such a feeling of powerlessness stems from the inability to innovate and develop sustainable business solutions which can sustainably expedite social security service delivery. In the same vein, a probable cause for such a leadership stance might be an overemphasis on political supremacy and superiority of a national sphere of government over its regions and subsequent districts. This can have a ripple effect which destroys innovation and the smooth flow and generation of valuable feedback within the SASSA.

Empirical evidence discussed in the later sections indicates that a much centralised organisation as the Agency would be tantamount to making its system obsolete with time due to the lack of a flow of fresh ideas needed to keep it abreast with an ever-changing global environment. In the context of fiscally funded social security management, an organisation environment that is not innovation friendly is likely to hamstring the ability of the leadership to be aware of the depth of social exclusion in the Province. This would create a wrong impression to the leadership, that social

inclusion has been achieved and that the efficacy of current directing practices is not doubtful. These sentiments are echoed by an interviewee who argued that:

> *Our head office in Pretoria is not flexible to allow middle and lower level managers to innovate and develop for example data management systems. They say developing data management of any other software is their prerogative not the region or district. On another note, the head office communicates to the regions in a bossy manner, offering what it perceives to be the best products on data management (SOCPEN) regardless of the existence of innovative ideas in the lower and subordinate levels of the SASSA hierarchy. Therefore one cannot deliver solutions to the problems of social exclusion if they feel constrained in the development of 21st century compliant data management ideas and systems* (Respondent 5).

In line with the quoted respondent, as a democratic developmental state, the Republic of South Africa needs to stay up to date with the ICT to managing data as construed by Draai (2013:173). ICT would significantly improve on tracking and tracing of social security data thus enabling *inter alia*, timeous flagging of suspicious activity in the system and diagnosing the existence of the socially excluded poor. New technologies also help in improving the efficacy of social security service rendering, unlike the current vastly manual SOCPEN, which has left the SASSA lagging behind in that respect. Hence, absence for devolution has hampered innovation into improved ICT solutions.

The study also explored how the directing function of the SASSA has served the public in fundamental changes and projects that have been instituted since the founding of the Agency in 2006. One such change was the social assistance grant reregistration process mentioned by Donovan (2015:825). Major projects like the grant reregistration project have failed to produce desire results because the political leaderships did not consult the implementers of social security management policies prior to appointing CPS. Existing literature evidence shows a flawed sub-contracting process coupled with the failure to interrogate what CPS promised to offer towards improving the social security management system (Donovan, 2015:828).

Empirical evidence gathered in the study interviews showed that CPS did not just distort facts about the benefits of its social grant administration system but additionally took over the actual management responsibilities of the social grant beneficiaries' database. As a result, the majority of the participants in the study argued that the leadership in the SASSA should have done better by sub-contracting to a competent private sector contractor. Overall, the project meant to improve social inclusion but in fact, it has dismally failed and thus led to the emergence of more 'ghost' social grant beneficiaries. Thus, the post-reregistration era saw a relative surge in exclusion in the Province making the system more permeable.

In a nutshell, there are numerous directing challenges which have an effect on the social inclusivity of the social security management in the Eastern Cape Province. Above all, leadership in the entire social security or social development sector of the Province require acceptance of the role that the developmental state should play in a democracy. That would means delivering social security services in an NPM modelled Public Service were the need to alleviate and eradicate poverty becomes the ultimate goal. The directing function of public management strive and thrive in making the social management security system efficient, effective and economic. Furthermore, the social security system should regard the beneficiaries and citizens as the public service customers and should be treated with courtesy. Political leaders and policy makers in the Public Service should promote the use of ICT to spur and sustain poverty alleviation through social security. Such a policy direction would lead to a pro-poor culture of service rendering as hypothesised by Hood (1991:15) within the confines of the NPM paradigm.

Public service management functions encompass coordination, under which the next discussion of challenges is based.

5.4.5. Coordination related challenges

According to Shafritz *et al.* (2016:225) coordination is an essential public management function where the various parts of a task, divisions, departments or units within an organisation are steered forward in an interrelated and interdependent manner. Carley (2014:27) stated that in order for an entity or organisation to coordinate resources and

tasks in an effective manner, it has to describe the job to be done explicitly, allocate a supervisor who will oversee the execution of the tasks, ascertain division of tasks and establish a vivid line of authority between supervisor and subordinates. Laegreid and Christensen (2007:50) regard coordination to be a key factor in the success of the government in the contemporary Public Service. In the Republic of South Africa, with Chapter III of the Constitution of the Republic of South Africa (1996), declaring that the three spheres of government are characterised with distinctiveness, interrelatedness and interdependence making coordination a catalyst of cooperative government.

The study deduces that public organisations whose mandate is interconnected should work in a synergised manner towards attaining goals of alleviating poverty through soil security provision. However, social inclusion in the current management framework for fiscally funded social security is affected by a myriad of challenges as discussed in this Chapter.

Foremost, public organisations in the Republic of South Africa have been criticised for lack of proper coordination in the attainment of service rendering goals (Kondlo, 2010:393; Van Niekerk, 2015:841). Principally therefore, public organisations need to cooperatively work in a synergised fashion towards achieving community development goals through the rendering of services (Van Niekerk, 2015:842). In the social security management arena, coordination takes place amongst public organisations including the SASSA, OTP, DSD, CPS, NGOs and community members. These stakeholders cooperative engage one another in the dissemination of social security information, enrolment of beneficiaries, foster care and other grant administration procedures and processes. In this respect, the study also probed coordination related challenges as factors affecting the managing of fiscally funded social security in the Eastern Cape Province. Respondents were pessimistic of social inclusion being attainable within the current manner of government functionality.

As revealed by the empirical evidence gathered through semi-structured interviews in, the coordination challenges in the SASSA emanated from the regional organisational arrangement. This covers internal coordination which normally takes place between supervisors and subordinates. As discussed in the interview excerpts which follow, in

some instances supervisor-subordinate coordination in the Agency is deficiently poor and has ripple effects and affects coordination between the SASSA and related public organisations involved in the delivery of social security services as stated in the preceding section. Cited below is an excerpt from the response of one interviewee who took part in the study:

> *The problem in the SASSA is that if you cannot say what is happening you cannot solve any problem, meaning there is some fragmentation which has led to complex problems. Foremost, there is lack of coordination across the organisation, amongst supervisors, colleagues and subordinates within the SASSA. Meetings which are supposed to be held frequently are not taking place. For example as the Senior Manager in ICT, I have a subordinate General Manager, and honestly speaking, in the space of three years we have met only three times in the past three years and the last meeting we had did not last for more than a minute because we met on the side-lines of another provincial meeting. So if information managers at the regional head office cannot coordinate properly with the information managers at district level, there is a missing link in the flow of crucial information. Originally what we learnt in management school is that top management is there to strategise while their subordinates are there to implement their strategies*. *Which is not the case in our organisation* (Respondent 1).

As discussed in the preceding excerpt, relations between some members of staff within the SASSA are not as harmonious as they should be. This affects the manner in which social grants are managed. For example, failure to cooperate and coordinate in the information management fraternity of the SASSA would imply some disruption in data management, reporting that is not factual and lack timely review of social security trends. As a result, the Agency might fail to grasp the vivid picture of prevalent social exclusion and hence fail to marshal policies which create a socially inclusive management framework for social security. Additionally, social inclusion in the current management framework for social security in the Province has been affected by the poor coordination between the two main parties in the PPP *viz*, CPS and the SASSA.

Respondents in the study pin pointed delays in the enrolment of social assistance beneficiaries to be negatively impacting on smooth delivery of social security services

in the Province. The greatest cause of this lack of smooth coordination are relations between the SASSA and CPS, a situation which has since seen a piling of enrolment files in the SASSA offices. As discussed in the earlier sections of the Chapter, CPS is responsible for the biometric enrolment of social security customers. In this regard, the stockpiling of applications awaiting to be enrolled and uploaded into the CPS system is exacerbated by the existence of beneficiaries who need to replace their SASSA issued cards. All of which has now been placed under the jurisdiction of CPS as mentioned by Respondent 7. In a Province where social assistance has become the fortress for the poor, delays in enrolment and replacement of lost cards are regarded as going against the *Batho Pele* principle of timely responding to the needs of people in time.

Furthermore, interviewees from the SASSA regional offices raised criticisms in relation to the fragmented style of related public organisations both horizontally and vertically. From the empirical evidence in the following quote, it is evident that the function of coordination has affected how the SASSA, OTP, DSD, NGOs and residents of the Province collectively work together in the delivery of social security services. Besides the cited public entities Kondlo (2010:393) argues that coordination is usually deficient in the process of building and sustaining a developmental state in the Republic of South Africa. Such efforts should be cultivated by way of IGR coordination covering socio-economic development. In addition, as a result of this absence of coordination the Public Service, government efforts to tackle poverty, unemployment and inequality are delivered in a fragmented manner based on empirical evidence gathered in the interview sessions of the study. This is regardless of the benefits which a coordinated government can realise and reap. In the Eastern Cape Province for example, public organisations are tentatively keeping the IGR principle of ‘oneness of separation’ rooted in Section 41 of the Constitution of Republic of South Africa (RSA, 1996:21), leading to a haphazard delivery services.

In a normal and practical IGR cooperation process, the services of the government need to be delivered to the people as a single basket of solutions encompassing economic and social benefits. As alluded to by a respondent in the study, in response

to an interview question on whether social inclusion can be the duty of a single entity or the entire system of government:

> *As SASSA we pay social assistance grants to child-headed households, most of them are economically active citizens who have some basic qualification. In such cases, it would be viable if the SASSA had the discretion and authority to be allowed to connive with fellow public entities such as the Department of Labour, local municipalities and traditional leadership to find leanerships and employment opportunities to enable SASSA to wean people off social grants thereby reducing social security investment costs* (Respondent 11).

The study established through empirical evidence gathered through interviews that the existence of coordination challenges which affects the need for synergised delivery of social security services. A respondent in the study from a locally based NGO observed the existence of inconveniences caused by the tussle for roles and responsibilities that often emanates from the coordination arrangement in the social security management sphere which relegate and require the Agency to play second fiddle to the DSD. The relationship between stakeholders such as the SASSA, NGOs and the DSD in the process of delivery social security services suffers because of the absence of IGR cooperation. The excerpt from an interview session with a NGO representative on the challenges caused by coordination lapses in the Province is as follows:

> *Previously, when the DSD had the task of administering and managing social grants, there was an overburdening effect on their part, but with the coming of the SASSA there has been a marked improvement. However, at present there are instances where sometimes the two (who should play the superior-subordinate relationship) fight over space as far as engagements with NGOs is concerned. Sometimes our Orphans and Vulnerable Children (OVC) programmes engages more with the DSD while we they need the relative contribution of SASSA since they are the payers of the FCG. In such a scenario some officials from the DSD would feel that they are being demeaned by the involvement of the SASSA which is their sister entity thereby leading to some confusion on our side. As a piece of advice, we can voice our concern on the need for sustainable poverty alleviation through improvement in coordination relations not only between NGOs and public entities but across the entire systems of government* (Respondent 40).

There is a dire need for public organisations engaged in managing of fiscally funded social security, irrespective of their sphere of government, whether national, provincial or local to coordinate their programmes in good faith. Such an IGR spirit can ensure that societal problems such as social exclusion and poverty are not only alleviated but also eradicated. These problems also are exacerbated in the process of bringing social services closer to the people. Social security grant payments at pay points and various designated areas have been affected by the lack of coordination in some public organisations. Above all, the SASSA makes alternative arrangements in the leasing of building, community halls and other enabling infrastructure for sheltering and improving the social grant footprint across the Province as revealed by empirical data collected in the interviews. In such a scenarios, the cost of administering fiscally funded social security increases thus leading to budgetary and austerity implications for social welfare provisioning. The SASSA incurs operational overheads as a cause of the absence of a spirit of IGR cooperation thereby increasing poverty and social exclusion.

The study established a rise in the discussed costs with the respondents, one of whom echoed the following sentiments:

> *In the move to spread out social assistance imprint in the Province, we have made strenuous moves in the renting of infrastructure from fellow public organisations such as municipalities and the DSD. This is mainly caused by the limited infrastructure which we own as the SASSA. Actually, we have made arrangements and signed memoranda of understanding between with municipalities, churches, royal palaces, private residences and NGOs to rent their halls, we also rent churches and private residences. And in rural areas, we have had to hire marques for use of SASSA pay points. Mind you we cannot build large infrastructure since we only got there once in a month. Honestly, it was going to be perfectly convenient if public organisations such as municipalities would cooperate and make their infrastructure available to enable the broader goal of government, to render services to the people* (Respondent 4).

As shown the preceding citation, evidence point to an absence of the upholding of the spirit IGR cooperation of in government, the one that is stipulated in Chapter III of the Constitution of the Republic of South Africa (RSA, 1996:21). In the same vein, the poor

coordination within the social security management arena in the Province inadvertently creates avoidable costs of delivering services. A situation that would invoke the limitations of the rights enshrined in Chapter II of the Constitution of the Republic of Africa (RSA, 1996:16) based on the feature of resources being limited and unavailable. This is particularly link to the common statutory clause 'within available resources' as discussed in Section 3.4.5 of the thesis. Furthermore, limiting access to fiscally funded social security is not in the best interest of the society since the scourge of poverty can ravage citizens and make them more impoverished. Thus, it becomes a failure of the welfare and developmental state, which is mandated to sustainably alleviate poverty and promote social development.

Means-testing and eligibility criteria followed by the SASSA also suffer from the poor coordination culture in the South African Public Service as revealed by Respondent 17 in the study. Components of means-tests such as asset and income thresholds need a coordinated monitor effort. In the same vein, social security in the Province faces a challenge of the falsification of information of social grant beneficiaries. This stems from the falsification of assets or income by applicants in a bid to circumvent detection by the system. Deductively hence, the study observes that the system has current beneficiaries who should not be enrolled while there are poor citizens who should be included on the social grant register, but are currently socially excluded. Cooperation across public organisations such as the SASSA, the South African Revenue Service (SARS) and the SARB is lacking in that respect as echoed by an interviewee in the study. These are institutions which could help detect tax evaders, income falsifiers and others who enrol for social security in a scrupulous way.

Empirical evidence gathered through interviews shows that the SARS is not ready to assist the SASSA when it comes to issues related to income background checks for social assistance grant applicants. The same applies with the SARB, which recently, as put by Respondent 19 in the study, has nullified biometric enrolment and voice recognition in social grant payment. This covers the new measures instituted after the 2012/2013 social grant reregistration project. As evident in the preceding arguments, synergy and cooperation in good faith are lacking, consequently delaying efforts towards ensuring that social grants are paid to the deserving people. The following is

an extract from one interview on the SASSA's *status quo* and some of the problems which have led to the rise of social exclusion:

> *I would suggest that social grants be universalised and taxed through schemes such as the Pay as You Earn (PAYE). This is because people have evaded tax, falsified information in trying to get enrolled for social grants. Hence those that end-up getting more income from the government have to pay more that their poor counterparts. Unlike now when we have people earning more, who are not declaring their income but are getting state funded social assistance. Also, there needs to be a coordinated effort in the taxation, income determination and social assistance system. The SARS does not cooperate because they want to maintain citizen confidentiality when the SASSA probes certain suspicious grant applicants or beneficiaries* (Respondent 3).

While coordination is a crucial management function, it best functions when there is cooperation both horizontally and vertically in the Public Service. Since the SASSA, under the DSD is a public entity which has separate but interrelated goals to those of fellow public entities like the SARS and SARB. In summing-up, this section discussed the coordination challenges affecting the current management framework for social security in the Eastern Cape Province. Overall, it is evident from the synthesis of discussed findings that social inclusion can be possible, but after the solving of the discussion problems which have impeded on the social inclusion prospects of the management framework.

Reporting challenges affecting the current social security management framework in the Eastern Cape Province are discussed in the section that follows.

5.4.6. Reporting related challenges

Reporting as a management function is concerned with the keeping those to whom the executive of a public entity is responsible to, informed on what is happening in the organisation. Reporting has been influenced heavily by the NPM reform movement which has led to the introduction of *inter alia*, decentralised organisational structures, output oriented budgeting practices, interim and annual reports (Verbeeten & Spekle, 2015:962). Reports have a central role of keeping external stakeholders abreast with the realities of the organisation because of their various vested interests. Apart from

keeping external stakeholders well-informed with the progress and developments in an organisation, reporting also ensures that supervisors keep constant and consistent touch with their subordinates via record keeping, feedback generation mechanisms, research activities and regular inspections (Shafritz *et al*., 2016:225).

Such reporting is wholly determined by the ability of those in authority to communicate effectively. Deductively therefore, the aptitude of supervisors or managers to constant and consistently communicate goals of an organisation to subordinates is a key determinant of organisational success and can further establish conducive and positive working relations within that entity (Melton, Walker & Walker, 2010:142). Based on the preceding scholarly viewpoints, the study argues that reporting helps in eliciting both as preventative and remedial actions since the function has a character of providing success, deviations or failures and corresponding causes of such. As far as planning is given ample attention in public organisations, reporting also deserves unparalleled attention due to its ability to expose the variances between policies and outcomes of implementation progress. Reporting in the Public Service serves to instil public accountability on those under whose jurisdiction reporting is located (Carley, 2014:27).

In the discussions on the public management functions covered in the earlier sections of the Chapter, mention was made of the delays by CPS to produce social assistance grant statistics and reports in time. For example, the first comprehensive report after the completion of reregistration project was only made available after three years in 2015, showing scant cases of ghost social grant beneficiaries and other irregularities related to social exclusion in the system which manages social assistance grants in the Province according to empirical evidence gathered from Respondent 22. The study deduces that a three year reporting timeframe does not only affect the implementation of remedial action to the effect of the irregularities but also implies the loss of public funds to illegitimate beneficiaries.

In the same vein, the delayed reporting of fraudulent cases to the SASSA affected the taking of corrective measures due to constitutional and PAJA implications related to social assistance, which call for administrative action which is just and fair. Hence

discontinuing the payment of grants would have to include PAJA considerations and thus most of the grants were still in payment as of June 2016 as established through empirical evidence collected in interview sessions of the study. Moreover, recovering such monies has proved to be futile exercises since the cost and benefit analysis of the recovery exercise indicated that the SASSA could not spend huge sums of money to recover cumulative grant stipends according as commented by Respondent 29. Deductively therefore, the absence of early detection, watertight social assistance management system and periodic reporting has affected the sustainable management of social security in the Province.

Above all, invalid beneficiaries have not been timeously reported, the system has not been relieved of unnecessary burden thereby making it unable to enrol the socially excluded and deserving recipients. In addressing this concern, the study quotes one interviewee who said:

> *After the reregistration project one would expect a continuous process of review where various reports would be produced, but there was only a single report on the project. If one would lay their hands on the said report, it does not reflect or justify the reasons for ever reregistering our social grant beneficiaries. It does not reveal what one would expect a diagnostic report to do. Furthermore, the report is not conclusive, and as the SASSA we think that CPS has limited what the report can reveal, meaning that they wanted it not to show a lot of social grant ghost of suspicions. Because that would mean reduced payments and reduced revenue to a profit-centred company* (Respondent 9).

As a crucial management function, reporting should serve to periodically inform all relevant stakeholders within the sphere of a given policy programme. Reporting also serves to diagnose problems and help in the planning of interventions, designing of remedial action and the prevention of future catastrophes. Hence the failure of CPS to offer conclusive reports has been a thorn in the flesh for SASSA since there has not been a vivid picture to indicate if the reregistration project was a success story. The findings of this study show that the that the success story that has been orated by mainly politicians under the guise of political correctness has baffled the SASSA which has since become displeased with the manner in which the social grant beneficiaries'

database is being managed by CPS as stated by Respondent 24. As a result, social inclusion is affected since there is an inevitable clash of interests between a private sector entity seeking profit maximisation on one hand with public organisation seeking to alleviate poverty and sustainably develop communities in the Province the other.

The integration of SOCPEN with MIS by the ICT department of the SASSA in the Province has enabled the region to timeously produce social assistance profiles for the Province. These profiles are reports on all categories of grants, the cumulative amounts of social investment in each category and the total amount paid to all beneficiaries in the Province. Such is the result of an ICT management section of the Agency in the Province, which is, however, reliant on social assistance grant data from a private contractor. One should note that this smooth combining of SOCPEN and MIS has been one ground-breaking invention of the SASSA ICT team in the Province and hence it might not be readily available in other provinces, which have relied heavily on the so-called 'tried and tested' old technology of SOCPEN. However, the unavailability of the merged system in other provinces inherently affects the ability for inter-provincial comparison of fiscally funded social security data and reports as also established by Draai (2013:158).

However, the integration of the two systems does not improve on the social inclusivity of social security in the Province since the input data on social assistance beneficiaries is managed and hosted by CPS. Lack of timely reporting has affected the integrity of the Agency since the accuracy of reports has inevitably also been affected. This puts the SASSA in a compromised position since it can only input data that CPS deems valuable to promote its private sector oriented motive which is concerned with paying more beneficiaries thereby increasing profits. In summary, reporting and monitoring of social security trends in the Province has not been an easy task since the appointment of a private contractor as the payer of social assistance grants and manager of data of such grants on behalf of the public agency. In this regard, a respondent discussed this challenge in the following interview excerpt:

> *Although we have been able to produce periodic social assistance grant profiles within the minimum period of time, we are not sure if such reporting is fully accurate.*

> *This is because of the data that we input in the reports, which is solely provided by CPS using parameters better known to them. You can see that a private sector contractor as the payer of grants gives us data which we are not certain as to what algorithm did they use to extract such data. Sometimes we assume that we are in control of things whilst it is them that passively direct how our reporting can look like. All I am saying is that the contractual arrangement has affected management of grants in the Province and maybe the whole of South Africa* (Respondent 3).

In light of the preceding, the diagnosing of social exclusion through statistics of social security grants and beneficiaries has become the Achilles heel of the SASSA. This is because of the factor of a profit-driven private sector contractor managing the social assistance database system in an era where governments thrive in striving to improve their efficiency and wedge a sustained assault on poverty and inequality. Facts and data which may expose the porosity of the social assistance management system, incidences of poor targeting mechanism for social security, fraud and corruption might be intentionally be concealed. As profit motivated firm, periodic reporting, monitoring and evaluation of the system might mean the significant removal of undeserving beneficiaries, thus dwindling numbers and less returns on investment for CPS. The next section provides a discussion on the budgetary challenges faced in managing fiscally funded of social security in the Eastern Cape Province.

5.4.7. Budgeting related challenges

Carley (2014:27) conceptualises the function of budgeting as covering fiscal planning, accounting and accountability mechanisms together with the exercise of constant monitoring and control on the usage of resources, mainly finances. Public finance management has evolved over the years, yet there are still challenges which affect budgeting and the expenditure of funds in various public organisations. Since the adoption of pro-NPM reforms in the 1990s in the Republic of South Africa, financial management has also improved by the enactment of robust laws that have given effect to budgetary reforms in the Public Service (Van Wyk, 2004:411). The study thus, discusses budgeting in the context of analysing the budgetary issues which have affected the social inclusivity of the management social security framework socially inclusive. The discussion encompassing accountability and the exercise of control of public funds which has been a critical aspect in the contemporary Public Service.

Corruption and fraud have affected social inclusivity of the social security management framework in the Eastern Cape Province. As discussed by the interview extract which follows, these challenges have been triggered by the existence of poverty and the he inequality trends in the Province. Encouragingly, however, the SASSA in partnership with the DSD and the OTP in the Province are undertaking measures to help prevent and curb these practices which have dented both the image of the SASSA and the Public Service in general. These sentiments are discussed in the following interview excerpt:

> *Corruption is a consequence of the failure of a system or programme. As long as we have a society where the poorest co-exist with the privileged, it becomes a breeding ground for corruption. We have been sensitising our staff on the 'cancer' of corruption through educating the SASSA staff on the adverse effects and potential consequences of grant fraud. The Minister of Social Development has also managed to organise an annual fraud and compliance conference nationally and provincially to that effect. Secondly, grant fraud also involves members of the communities, we also have fraud and compliance roadshows are done in districts to warn and educate communities about such things. Thirdly, we are partnering with the DoH and DHA in order for us to able to detect identity fraudulency. State security agencies have also helped in tracking our systems in order to detect suspicious activities. Also, we have a speedy mechanism of dealing with incidence as such has been taken serious* (Respondent 2).

As discussed in the preceding interview extract, the government and the taxpayers are losing crucial fiscal resources to fraudulency. For instance Seekings (2015:14) posit that the Minister of Social Development indicated the National Assembly that an estimated R1.5 billion was being lost annually in fraud and corrupt in the social security system. In addition, the SASSA as of June 2016, had lost a cumulative R800 million to illegal social grant deductions (Dasnois, 2016:3). The issue surrounding the social grant illegitimate deductions has been discussed in Section 5.4.1 of the thesis. Such fraud does not only drain the fiscus but it further infringes on the constitutional rights of the deserving citizens who, for the purpose of budgetary constraints, have been excluded through a means test that determining eligibility. On another note, the social grant application procedure illustrated in Figure 2 of this Chapter has also fallen victim

to a challenge which has given rise to cases of social exclusion as discussed in the following section.

Emphasis is placed on the adjudication stage when the social security grant applicant is issued with an outcome letter in relation to the particular grant they applied for (Joseph, 2012:64). In the event of social grant application getting the adverse outcome of being rejected, the social security management process in the Eastern Cape Province faces another challenge due to the absence of an impartial institution for appeals for rejected applications. A statutory arrangement regulated by Section 18 of the Social Assistance Act (No. 13 of 2004) accords a grant applicant who disagrees or is dissatisfied by a grant application decision to appeal within 90 days of that decision being issued to the Minister of Social Development, concurrently notifying the SASSA of such a move (RSA, 2004b:19).

The appeal avenues described above lack standards of fairness since the applicant lodges an appeal to the Minister who is a higher authority, and is likely to consult with the SASSA officials who originally decided on the grant application outcome. Normally, the procedure is that applicants can appeal upon notification to the SASSA, thereby subjecting them into launching an appeal with the same official who originally issued the original adverse decision as discussed by Respondent 34. For this reason, there exists a potential of clash of interests or the decrease in the prospects of having a successful appeal. In such a scenario, an application where due diligence has not been taken into account and hence get rejected, is most like to remain as such unless there is an impartial appeal channel for social assistance.

The absence of such an institution in the social assistance management framework in the Province has worsened the problem of social exclusion, a problem of which the effects can be markedly minimised if there was an option to appeal to an impartial authority. In line with the central theoretical framework of the study, the lack an impartial appeal arrangement falls short of the client-like culture as dictated by NPM. Hence, as the Public Service customers, the social security clients need recourse for remedial action similar to their private sector counterparts. The study quotes one respondent who raised this issue as:

> *In the private sector when a client cries they listen irrespective of the client's situation. Moreover, there are legal statutes protecting the private sector clients within that sphere. But we do not have something to investigate and protect the rights of the social assistance clients (beneficiaries). The main pieces of legislation which we have, the Social Security and the SASSA Acts, fall short of this provision. Such provision should be coupled with procedures to improve access to social assistance, in the form of valuable information about eligibility and other matters* (Respondent 5).

In this regard hence, the study deduces that a socially inclusive management of social security in the Province is affected by the absence of an impartial recourse for remedial action, thus making the current appeal avenues merely window-dressing procedural structures. In relation to the accountability enforcement in managing social assistance, a lack of transparent and citizen empowering channels of appeal poses a challenge. This stems from a diminished level of public confidence in the systems of government, thus citizens passively dissent by yielding to the top-bottom approach to service rendering. A respondent from a NGO raised these sentiments:

> *The current social security management system is to a greater extent socially inclusive although to a lesser extent, there is some social exclusion resulting from the grant application and approval process. Unsuccessful applicants do not have a fair recourse to appeal since it is the same person who decided on the outcome of the grants application whom they appeal to. It was better if there was some social security ombudsman who might help in that regard. As an impartial authority, the ombudsman would help fight the social exclusion resulting from state bureaucracy and sometimes human error caused mainly by the lack of enough poverty profile for households and communities* (Respondent 8).

In spite of the highlighted accountability challenges, empirical evidence gathered in the interviews conducted in the study also shows the current management framework for social security in the Province facing some direct financial or budgetary challenges. According to the SASSA (2013:9) one of the norms and standards guiding the Agency is that beneficiaries need receive their grants sheltered with access to ablution facilities and safe drinking water. Due to the norms and standards, the Agency has committed expenditure to build shelters and toilets in deep-lying rural areas where grants used to

be paid under tree shelter. According to Respondent 12, it is not a mandate of the SASSA to construct infrastructure especially given that housing is a provincial function.

In the study, it was revealed that there are places in the former homeland of Transkei where the SASSA pays beneficiaries under trees in spite of the existence of charity organisations such as churches which have been reluctant to allow the Agency to use their infrastructure for such as purpose. Offering public services under trees exposes them to criminal elements within their societies hence the spate of robberies of aged beneficiaries in the Province as echoed by respondent 35.

Justifiably, churches have religious and moral queries for that move since a pay point usually turns to be a marketplace where people getting intoxicated or sell their wares, defiling the place as discussed by Respondent 33. However, the study established through empirical evidence gathered in the interview sessions conducted in the study, an absence of willingness by local government entities to share infrastructure with fellow public organisations engaged in poverty alleviation initiatives and programmes such as social assistance management. Despite provision of social security services being poverty alleviating community development initiative (Patel, 2012:107), the SASSA has diverted a portion of its working budget towards building infrastructure at pay points in areas and villages where there is virtually no shelter as echoed by Respondent 32. This includes, building steel and concrete structures in villages that do not have community halls. In this regard hence, the study quotes the following respondent on this specific matter:

> *It is unfortunate that funding that could be used to expand coverage of social assistance to currently excluded households and individuals is now going towards the construction of steel and concrete structures. Why do municipalities make us pay rentals for using their community halls given that we are public organisations in the same government and promoting the same socio-economic development goals? This is not happening in the spirit of cooperative government, but in bad faith* (Respondent 32).

From the preceding excerpt and discussions, the study deducts that social exclusion is worsened by budgetary challenges consequently resulting from an absence of the

spirit of cooperation between the spheres of government. Public organisations are treating each other as private sector entities whose inherent goal is profit making, consequently charging of fees to fellow public entities. In conclusion, the budgetary challenges covered in this section both indicate the gaps in the policy making as well as implementation in the Public Service. Additionally, there are problem with public accountability and professionalism that were deficient in the current management framework for social security in the Eastern Cape Province. Consequently therefore, the government is confronted by corruption, unethical behaviour and the absence of IGR cooperation for effective uses of public funds, problems which inhibit the social security management system to become socially inclusive.

NPM has numerous principles aimed at making government more effective in the rendering of services. These principles act as pillars upon which NPM reforms are hinged. One such principle is the private sector customer orientation as detailed in the section that follows.

5.4.8. Challenges related to customer orientation

Management of social security is undertaken by a group of individuals working towards the attainment a common goal. By so doing, these officials need to uphold good IGR practices and collectively help build an NPM rooted Public Service. As prescribed by Pollitt and Dan (2011:6), NPM centres on the treatment of the public sector citizen in a manner which equals what private sector entities treat their customers. Thus public sector customers should be equally treated as private sector clients. Social security management in the SASSA and related public organisations such as the DSD has been affected by the perception ignited by the terminology used across the entire social security fraternity, not only the Eastern Cape Province, but also in the entire Republic.

As revealed by empirical evidence gathered in the interviews sessions of the study, the management of social security has been affected by some patronising terms such as the ones which refer to citizens enrolling and benefiting from social security as ‘beneficiaries’. According to Respondent 35 cited in the quote that follows, the use of the term ‘beneficiary’ in relation to those covered by social security has a connotation

which makes public servants lose an NPM inspired focus which values those getting services from the government as customers or clients. In deducing the preceding, the study argues notes that using 'beneficiary' instead of 'client' semantically implies social security as some kind of free non-constitutional favour given to citizens without taking consideration into facts placing social assistance or welfare as being the sole mandate of the state which should be provided transparently. The study provides an interview excerpt to this effect:

> *Originally, we were public servants, if you look at the old terminology, a servant serves the master, and over the years, we have changed from being servants. We have turned the tables and become the masters instead of the being servants who serve the public as our masters. A lot of things got twisted along the way and unfortunately it also twisted the mind-set and culture of the organisation thereby impairing the service which we deliver. If we can change the 'beneficiaries' tag and towards a clientelistic as in the private sector, social exclusion will be a thing of the past* (Respondent 35).

A client-focused Public Service would strive towards ensuring public service clients are given a greater value for money in a socially inclusive developmental trajectory. Creating a culture of accountability would help foster professionalism, which is one key ingredient for competent public organisations as stated by De Wet and Van der Waldt (2013:52) and has an effect of equipping those entrusted with managing social security in the Eastern Cape Province with the requisite skills needed to achieve the goals of the public service. In the long run hence, this would not only lead to effective government but also the timeous delivery of social security services. In this regard thus, the study deduces that an NPM stimulated social security management culture would ensure transparency in the dissemination of information, registration, remedial action in one with the PAJA (No. 3 of 2000) requirements and improving on checks and balances to ensure the sustainability of fiscally funded social security grants in the Province.

Social security beneficiaries and citizens also contributed to the study by inputting their perceptions about the current social security management framework on parameters such as its prospects for attaining social inclusion. This particular segment of the

sample discussed numerous challenges to that effect, as presented in the coming section.

5.4.9. Challenges from a beneficiary and resident perspective

The study sought to explore the perceptions of beneficiaries of fiscally funded social security and other citizens at large towards the current management framework of social security. Such was achieved through a questionnaire where respondents were asked to complete to augment the data which had been collected from the main research instrument of the study, which was a semi-structured interview. A much prevalent perception among the social grant beneficiaries and citizens was that of grumbles in relation to the eligibility criteria and means-testing linked to state funded social relief. Some respondents strongly felt that there should be little or no hurdles for the needy to get assistance from the state.

Additionally, the eligibility criticised was heavily criticised as lacking a tailor-made tool to determine the neediness of citizens. This stemmed from the practice of using assets and income towards determining the neediness of citizens. As a result, the social security grants have been instrumental in alleviating the burdening effects of poverty, has been unable to shield those citizens who are initially categorises as falling outside the scope of coverage.

On another note, there were issues that respondents referred to as challenges within society, which the social security management framework has failed to embrace such as family and household size, cultural beliefs and the cases of quasi-employment that is not gainfully benefitting citizens. Specific examples were cited of CDWs and EPWPs and their effect of poverty alleviation, with a consensus on the regarding of these as temporary employment, one that need substantiation from state funded social security grants. Further to the preceding challenge, the social grant application flow process especially in this post-reregistration era was lambasted for being cumbersome and sometimes not pro-poor. Respondents have raised grievances on the unnecessarily stringent measures for enrolling for social grants. Upon asking about the grievances that the people encounter in enrolling for social assistance, one respondent had this to say:

> *Requirements such as biometric enrolment have made social relief a 'headache' the poor since the process has become as strenuous more than as being 'enlisting into the army'. As the ordinary citizens, we also call on the SASSA or government to find simpler ways of poverty profiling and monitoring social assistance register and avoid burdening them with new requirements which sometimes have not improved on the coverage or specifically social inclusion* (Respondent A).

In the same vein, the beneficiaries and citizens have raised dissatisfaction about the manner in which the SASSA conducted the grant reregistration process, since it was rushed and did not give them ample time to register. Moreover, the project was perceived to have disadvantaged the disabled since they could not re-enrol on time and the negative publicity that it received from the public acted as a disincentive to some. Consequently, some previous beneficiaries could not re-enrol for grants as mentioned by Respondent B and C who expressed their displeasure in the manner in which the reregistration was conducted.

On the probe of whether social assistance served a purpose of alleviating poverty and if it can be a comprehensive solution to the fight against poverty, Respondents D, E and F felt that relying on social grants was due to the absence of income-generating projects. The majority of respondents were impoverished due to the lack of gainful opportunities in their local economies. LED initiatives and programmes that could lead to steady sources of incomes for households in the rural parts of the Province were almost dysfunctional thereby leaving the society susceptible to poverty and destitution. Such a perspective is substantiated by Kok *et al.* (2006:312) who lambast the lack of socio-economic opportunities as the major cause for poverty in the Eastern Cape Province.

In such desperate scenarios, social assistance becomes the last hope and the high number of socially excluded citizens is not blamed on the inability of social relief to cover all, but also on the failure of the economic sector to empower and employ the people. As a result, people in the Province have not been able to equitably cope with social adversities such as bereavement and unemployment. This is especially critical given the widespread prevalence rates of HIV and AIDS in the Province (ECSECC, 2012:45).

NPM as a reform paradigm, strongly emphasises on the use of ICT to improve on the efficacy of government (Hood, 1991:16). However, there are factors such as literacy levels that should be taken into account prior to rolling-out ICT related modifications to service rendering especially in relation to social security. Impacts of the use of ICT in the delivery social security on social exclusion were also prevalent on the delivery of social security services from citizens' representatives. Although the introduction of ICT as part of numerous measures security measure in paying social grants in the Province, some respondents felt that it was disadvantaging especially the illiterate and elderly persons who are not well versed with how technology works. A challenge this posed is that beneficiaries have had to entrust their secret Automated Teller Machine (ATM) PINs to a family member of neighbour who can withdraw and transact with their SASSA cards thereby breaching their privacy and security (Donovan, 2012:828).

Such a practice also breeds fraud and card theft. In the same vein, ATM transactions have been blamed by the residents for mushrooming illegal dealings where local traders and *spaza* shop owners have been confiscating the ATM cards with the PINs for their debtors. This was discussed by a respondent who completed a questionnaire that mentioned that:

> *Due to poverty, some beneficiaries have resorted to using our SASSA ATM cards as collateral security for borrowing groceries and other items from small and medium enterprises in our locality. I know that this is illegal since we have to surrender our SASSA cards and PIN to the lender, but it has become another way of surviving in this poverty* (Respondent F).

On a similar note, such an illegitimate practice of borrowing with one's card has been blamed for the bloated ATM card replacement queues at the SASSA offices since the 'debtors' pretend to have lost their cards, in a bid to avoid their 'creditors'. Respondent G made an example of a case in point when a joint operation by the SASSA and the South African Police Services (SAPS) caught a syndicate of three retailers with a total of 296 SASSA cards and a cumulative stash of R263 000 in the rural hub of Umtata. In addition, respondent H indicated that:

> *Sometimes, due to delays by CPS to timely provide the SASSA with enrolment officers, replacement of cards has taken longer than normal, hence letting these 'creditors' to continue illegally withdrawing from our only means of survival, the social grant* (Respondent H).

Empirical evidence collected from Respondents I and J shows that despite the spirited efforts which the SASSA, SAPS and state security agencies are making to curb card theft and illegal practices, the sustainability of social security earnings in the midst of an impoverished Province destroys the gains made towards attaining of sustainable socio-economic development. In this scenario, poverty and social exclusion become difficult to alleviate since the current management framework has loopholes being exploited by these retailers. The notion of social assistance as a tool of poverty and alleviation in the Province has had its fair share of criticism from the beneficiaries and citizens alike.

Foremost, respondents felt that client-centeredness in the managing of social security services leaves a lot to be desired. One of the reasons raised was the rationality of the amounts paid for the grants that they receive. The grants temporarily relieve the poor, but it leaves them powerless and dependent on these stipends. Additionally thus, the so-called 'small' amounts paid for the common grants in the Province which are the R350 for the CSG and R1500 for the OAG respectively have increased the temptation where beneficiaries sacrifice their ATM cards and PINs for soft loans of groceries and foodstuffs from unscrupulous retailers or loan sharks. This issue was mentioned by Respondent J.

Competencies of those managing social security, disability friendliness, timeliness of services and waiting times also came under the radar in the study. Social assistance clients and other citizens have voiced their opinions on the competencies of the shop-floor officials tasked with managing social assistance. As shown in the empirical data gathered from Respondent C in the study, the SASSA and DSD officials responsible for managing social security have been perceived to be competent. This, however, does not discount the need to improve in certain competency areas such as the

treatment of customers in a courteous manner, upholding ethical and professional behaviour and serving as the voice of the beneficiaries and people to the government.

Challenges in the mentioned areas of improvement relate to the attitude of some public servants who treated beneficiaries as some destitute beings whose livelihoods would be nothing outside the scope of fiscally funded social security. In addition, there was general displeasure from Respondent A in particular on the designation of grant clients as 'beneficiaries' something that the recipients of social security and citizens regard as derogatory. Such a treatment therefore strips the poor of the dignity which they deserve. Respondents D and F called for the valuing of poor people to constitutional stipulations of equal rights and equal human dignity as contained in Chapter II of the Constitution of the Republic of South Africa (1996).

Coupled with the will to serve the people in an ethically manner, the competencies of social security managing officials would collectively work towards social inclusion, which can alleviate and eradicate poverty. Lastly, the prospects of social inclusion within the social security management framework in the Province have been affected ergonomically. This refers to making the social security environment inclusive, since some facilities and offices at the SASSA are not disability-friendly. Respondent B felt that the absence of disabled-friendly facilities constituted to unfair discrimination as defined in Section 9 of the Constitution of the Republic of South Africa (RSA, 1996).

The study observed the grievances across the study sample of disabled persons, both existing and would-be beneficiaries finding it difficult to access social assistance services because of the lack of disability friendly infrastructure such as wheel chair ramps and disabled friendly ablution facilities. In the end, some physically impaired citizens do not feel welcome at some facilities, hence choosing not to apply for the state assistance which they both legally and humanitarianly deserve. In the end, the discussed opinions on the current management framework indicate the need for the improvement in the manner in which social security are being managed. While NPM advocates for massive investment into ICT as a catalyst for improving the efficacy of government, there is need for governments to balance ICT and the need to design

social service products that are user-friendly especially given that some clients for social security are old and illiterate.

Discussed in this section are social security clients' and ordinary citizens' perspectives of challenges affecting social inclusion. The raise issues can serve as positive input to SASSA and government efforts in a bid to alleviate social exclusion while tailor-making social welfare services in the Eastern Cape Province and the Republic of South Africa at large. Covered in this section are issues related to interventions by the government and the SASSA to close loopholes causing social grant fraud. Interventions, however, should be implemented with a view of avoid making stringent eligibility the breeding ground for social exclusion. Overall, the SASSA and other stakeholders needs to cultivate the bottom-up approach to governance, by ensuring that they consider the input of clients and citizens in designing and evaluation of social security commodities which they offer, thereby creating a community-owned government as prescribed by the NPM paradigm.

5.5. CONCLUSION

Fiscally funded social security is a constitutional right which the government of the Republic of South Africa should guarantee to those in social distress. This implies that those tasked with the management of social grants should ensure that deserving poor people do not slip-through the social safety net. In doing so, certain measures should be adopted and implemented to ensure that the safety net does not benefit those who are not in dire need for relief and assistance. The Chapter discussed challenges which inhibit the current management framework for social security in the Republic of South Africa to be socially inclusive. The discussion takes into consideration the background of a poor Province where socio-economic opportunities are limited. In addition, the findings of the study are presented while being measured against a backdrop of the need to create an NPM guided service rendering culture. Such a people-centred culture exhibits *inter alia*, customer centeredness, entrenched accountability and quality-focussed characteristics.

The presented findings show a social security management framework that is plagued with challenges ranging from the statutory loopholes, human capital deficits, staff and

organisation culture problems, complications of a PPP arrangement to the leadership decision and style. Not only are these challenges infringing on the need for access to state funded social security services for the socially excluded but are also trampling upon the ability of the only fortress of the poor to insulate them against the unforgiving effects of poverty. Deductively thus, the study views these challenges to have a great bearing on the capability of social assistance to be pro-poor, socially inclusive and alleviating poverty. Nonetheless thus, resolving these challenges can significantly aid in the establishing of a socially inclusive management framework for sustainable social security in the Republic. One that can ensure that state funded social grants cover the targeted individuals and no poor person slips through the social safety net which has become a refuge for the misfortunate and poor in modern society.

The next Chapter proposes and develops a socially inclusive management framework for sustainable fiscally funded social security for the Republic of South Africa based on the case study of the Eastern Cape Province.

CHAPTER SIX
A PROPOSED SOCIALLY INCLUSIVE MANAGEMENT FRAMEWORK

6.1. INTRODUCTION

The SASSA was established in 2006 with a mandate to manage fiscally funded social assistance grants, an obligation it still fulfils despite the challenges which have affected the smooth provision of social security grants especially in the Eastern Cape Province. Principally, the study sought to develop a socially inclusive management framework for sustainable social security in the Republic of South Africa based on an analysis of the case study of the Province. Covered in the preceding chapters are analyses of the theoretical and empirical evidence derived from the case study of the Province. In the previous chapters, expositions were made on the precarious socio-economic situation in the Province, the problem of social exclusion, and challenges that inhibit on the ability of fiscally funded social security to insulate the poor from the desolating effects of poverty and inequality. Also cited in the preceding chapters is the emphasis that the NDP, places on intensifying the fight against poverty and inequality, ills which have become omnipresent in societies across the Province. Social security grants have thus become a fortress for impoverished residents of the Province though some deserving poor are socially included.

From the presented background therefore, the current Chapter intends to propose and propose a framework for social inclusion in the management of social security in the Republic of South Africa. The framework also derives from best practices from the BRICS analyses examples in its components. Furthermore, the BRICS influences feature prominently in Section 6.2.6 where various interventions have been proposed to give effect to social inclusion. The overarching objective of the proposed framework in this Chapter is to make social security cover its intended beneficiaries in a smooth manner while becoming less permeable to fraud and other deceitful acts such as corruption. The study unpacks the conceptual meaning of a framework in the following section, due to its crucial importance to the Chapter and study. The concept guides the development of the proposed socially inclusive management framework.

6.2. PROPOSED SOCIALLY INCLUSIVE MANAGEMENT FRAMEWORK

The objective of this section is to discuss the meaning and implications of framework as a concept in the context of the study, propose a socially inclusive social security management framework and discuss various proposed components of the framework in the context of the study. A framework refers to a guide that is utilised in ensuring that policy programmes detail and cover all required components required towards the determining of their success (Jackson, 2010:212). Furthermore, the Oxford Dictionary Online (2016:5) defines a framework as denoting the basic structure that underlies a system, concept or text. Another view of a framework comes from the Business Dictionary (2016:2) which states that, it as a broad overview or outline of intertwined items that supports a given approach to a specific objective, and serves as a guide that can be modified towards ensuring that the objectives are achieved.

A framework is concisely, a guide with numerous interdependent elements that seeks to collectively promote the sustainable attainment of the goals of policy programmes. Furthermore, a framework seeks to improve the manner in which policy programmes, such as that of social assistance provision are implemented in the best economic, economic and efficient manner. Since the study sought to develop a socially inclusive management framework for sustainable social security, the conceptualisation of social inclusion in the context of the proposing of the framework is crucial to the study. This is presented in the section that follows.

Hayes and Stidder (2004:2) construe social inclusion as that process whereby efforts are made to ensure everyone in society regardless of their personal traits, background, experiences and circumstances, can have equal access to services or facilities to attain their full potential in life. Such services and facilities are usually provided by the government which is bound by the social contract. Particularly, a social contract is an implicit agreement between a government and its citizens that defines basic economic and social protection rights which the government is mandated to provide to citizens while giving them equal obligations and responsibilities in return to receiving such rights (Stiglitz, 2003:120). Citizens are therefore required to honour the social contract by voting and respecting the laws of their government.

In addition to the preceding discussion, the government has to create equal access to these social and economic rights including the right to social inclusion. Some of the preconditions for social inclusion encompass income and employment although these are not sufficient to guarantee social inclusion (Hayes & Stidder, 2004:2). Furthermore, social inclusion prescripts cover *inter alia*, reduced inequality, the striking of a balance between individual rights and duties and increased social cohesion within the society (Britton & Casebourne, 2002:14). Social inclusion covers a wide spectrum which is dominated by equality and an intolerance to unfair discrimination. The study observes social inclusion to imply the process of promoting equality and unhindered access to resources and facilities of all, including the rights of the poor Eastern Cape residents to socials security and assistance as dictated by Section 27 of the Constitution of the Republic of South Africa (RSA, 1996).

In this regard, the study proposes a socially inclusive framework, one which promotes equal access to social grants in the Province. Cognisance is taken to the task that various components of the framework have in addressing social exclusion. The study's framework is a process flow framework that has various concomitant components which are equally vital to steering the management framework of fiscally funded social security towards social inclusion. The proposed framework has various interventions which seek to both address the identified study problem while concurrently ensuring that the Province builds a good service rendering model that is compliant with NPM guidelines as argued in Chapter Two of the thesis. Overall, NPM is a wave of reforms that seeks to free government from traps of bureaucratic organising that has been blamed for the ineffectiveness that had plagued the Public Service prior to the adoption of NPM (Gregory, 2002:238).

Mention is also made that the proposed social security management framework aims to both improved service rendering and the existing theoretical understanding of NPM in a developmental state as stated in Section 1.6 of the thesis. Hence, the illustrated framework in Figure 4 and the subsequent elucidation of the various stages as well as components hinges-upon the NPM paradigm of Public Service management. A grounding of the developed framework in this theoretical foundation is also undertaken based on the theoretical empirical evidence and findings of the study as contained in

the preceding chapters of the thesis. Additionally so, the study notes the proposed framework to be endeavouring at improving the managing function of social security, one which includes planning, budgeting, coordination, human capital development and control for achieving of predetermined organisational goals. Management as a central concept of this study is discussed in finer detail in Section 1.3 of the study including its definition by Smit *et al*., (2011:8) who describe it as the process of utilising scarce resources to attain organisation goals. These are the renowned 3Es of organisational success.

The proposed framework strives to build a bottom-up culture of social security service rendering in the Public Service, executed by the SASSA in the Province. On the same note, the proposed process framework has various chronological and interdependent steps that should be followed *en route* to the creating a socially inclusive management of social security services in the Province. Structurally the framework is an eight-step flow process. These eight steps have specific activities which need to be executed towards achieving the ultimate goal of social inclusion in the Republic of South Africa. Also, these steps include numerous interventions encompassing both functions and values in a bid to eradicate social exclusion. A specific example is when the framework proposes an improved conceptual understanding of PPPs as well as the upholding of the Public Administration values of professionalism and accountability.

In summary, the proposed socially inclusive management framework shown in Figure 4 has the following steps:

(i) Situational analysis;
(ii) Stakeholder analysis;
(iii) Identification of target areas;
(iv) Selecting priority interventions ;
(v) Designing of best mix of interventions;
(vi) Implementation of selected interventions;
(vii) Monitoring of implemented interventions; and
(viii) Evaluation and review of the entire process.

Figure 4 illustrates the proposed framework as follows.

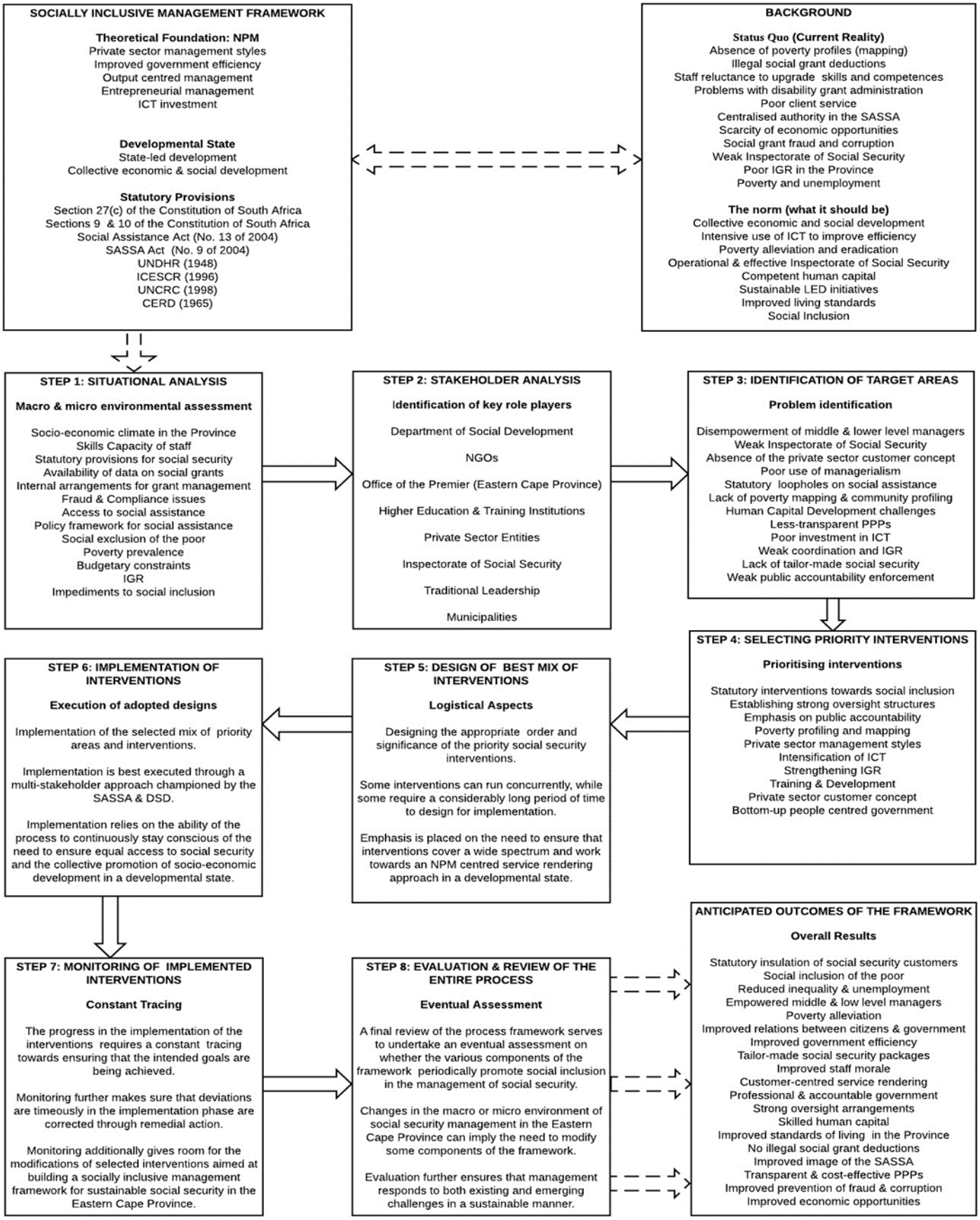


Figure 4: A proposed socially inclusive management framework

Source: Own illustration (2016)

The framework begins with an establishment of the background from which the various components are derived from. The background reveals the *status quo* and the norm, as a way of exposing the gaps that need to be closed by the framework. In addition, the proposed framework establishes the theoretical foundation that guides the various steps and components which are*,* an NPM orientation, statutory framework and the developmental state phenomena.

Discussions on the various components and stages of the proposed socially inclusive management framework for social security are discussion in the section that follows.

6.2.1. Undertaking a situational analysis

The first step in the proposed socially inclusive social security management framework is the conducting of a situational analysis. Precisely, this refers to an undertaking to carry out an environmental analysis. This entails the assessment of the macro and microenvironment for managing social security. When put into perspective, this stage lays the ground for the assembly of the necessary tools used in the eradication of social exclusion, which are interventions to eradicate social exclusion in the Republic of South Africa. According to Nieuwenhuizen *et al*. (2008:15), the macro environment covers the external environment whose factors are beyond control of the organisation encompassing the economic, legal, demographic, global, social and political features. Principally, organisations do not have much say but to comply with the requirements of their macro environment whose features are entirely *ultra vires* to them.

On the other hand, the micro organisational environment incorporates factors that are *intra vires* to organisations and can be manipulated towards organisational success. In specific terms, the microenvironment covers factors such as human capital, internal policies, products or services that can be manipulated by organisations in response to changes in the macro environment (Nieuwenhuizen *et al*., 2008:13).

In relation to the proposed framework, an assessment would be carried-out by the SASSA, DSD, NGOs and other relevant stakeholders to ascertain the environment as a way of creating a precedence for the adoption of measures towards social inclusion. The first stage as illustrated in Figure 4, details an assessment of the global provisions

on the right to social security, the social and economic situation in the Province, the local statutory framework for state funded social security, an internal situation including skills scarcity and social grant fraud, objective aimed to eradicate poverty and promote and sustaining the democratic developmental state. Having a clear picture of the current situation enables one to select the best mix of initiatives and interventions, including consideration of international provision for social security, while balancing this with the available economic resources, in other words, budgetary constraints.

The study also enriches the existing body of knowledge in Public Administration. The assessment of the environment ensures the implementation government-wide socio-economic development that enhances effective service rendering within the confines of existing statutes and resources. This correlates with Marwala (2009:3) who states that developmental states accelerate the development of their economies by abiding by all statutes and regulations. This is particularly critical given that resources are limited and governments need to use them economically, efficiently and effectively, therefore the 3Es of good governance as cited by Tseola (2012:62). Deductively thus, the proposed framework significantly expands from the traditional orientation of NPM by including an equally important practice of the due assessment of the environmental prior to implementation of government interventions that promote social inclusion and sustainable social development. NPM inspired government can be established if an organisation shapes its service rendering policy programmes based on an informed understanding of the prevailing situation in a given sphere of the society.

The next stage of the proposed framework centres on the engagement of the various stakeholders instrumental in social security provision as discussed hereunder.

6.2.2. Conducting a stakeholder analysis

An identification of relevant stakeholders is key in the adoption and implementation of interventions aimed at building a socially inclusive management framework for social security. As shown in Figure 4, the stakeholders in the socially inclusive management framework include the DSD, OTP, NGOs, traditional leadership, municipalities, private sector business and institutions of higher education. Empirical evidence analysed in the preceding Chapter indicated the need for a multi-stakeholder approach to resolving

social exclusion. Furthermore, managing public organisations thrives on the inclusion of various stakeholders who have unique roles to play towards collectively attaining the developmental goals of the government. The study thus greatly values the equal contribution of the identified multiple stakeholders as derived from the stakeholder theory. Propounded by Freeman (1984:5), the stakeholder theory is predominantly a normative organisational theory valuing managerial attention to stakeholder interests as a critical feature of organisational success.

Expanding further, Le Roux (2009:170) posits that the stakeholder theory is premised on the fundamental principle which regard the interests of all relevant stakeholders as having an intrinsic value that is thus equally important to the organisation. In laymen's terms, the stakeholder theory requires organisations to utmost value the interests and contributions of relevant stakeholders as a means to the end of collectively achieving organisational goals instead of merely valuing them selfishly as a way of maximising profits (Le Roux, 2009:159). The study greatly values a multi-stakeholder approach to developing a socially inclusive management framework for sustainable social security for a number of reasons. Firstly, an analysis of empirical data in the thesis indicated loopholes in stakeholder engagement practices by the SASSA and DSD in shaping and implementing social security policies in the Province. Secondly the engagement of relevant stakeholders has impacted positively to the functioning of government. Lastly, key societal stakeholders can sometimes act of the voice for the voiceless by advocating for the interest of societies particularly civic and NGOs.

To augment the proposed framework, a multi-stakeholder approach is shown in Figure 5 and serves to illustrate a networked matrix of relevant role players in building a socially inclusive management framework for social security for the Province and the Republic in general. From the illustration, the study emphasises the need for all the public organisations and entities engaged in the management of state funded social assistance, whether directly or indirectly, should work towards ultimately establishing social inclusion in the Province. Overall, the various stakeholders have unique roles to play in addressing social inclusion through various interventions such as *inter alia*, LED programmes and other community development initiatives.

The Venn diagram in Figure 5 illustrates the stakeholders comprising of the SASSA, NGOs, the Inspectorate of Social Security, private sector entities, Public Service organisations, local municipalities and charity organisations. All these stakeholders have a role to play in building socially inclusive management of fiscally funded social security in the Province and Republic in general. The illustration also indicates the various initiatives which the stakeholders can actively partake towards social inclusion in the managing of social security in the Eastern Cape Province and the Republic of South Africa. For instance, the private sector can collaborate with the SASSA to create sustainable solution to data and beneficiary management, while NGOs can engage public organisations in rolling-out sustainable LED initiatives and programmes.

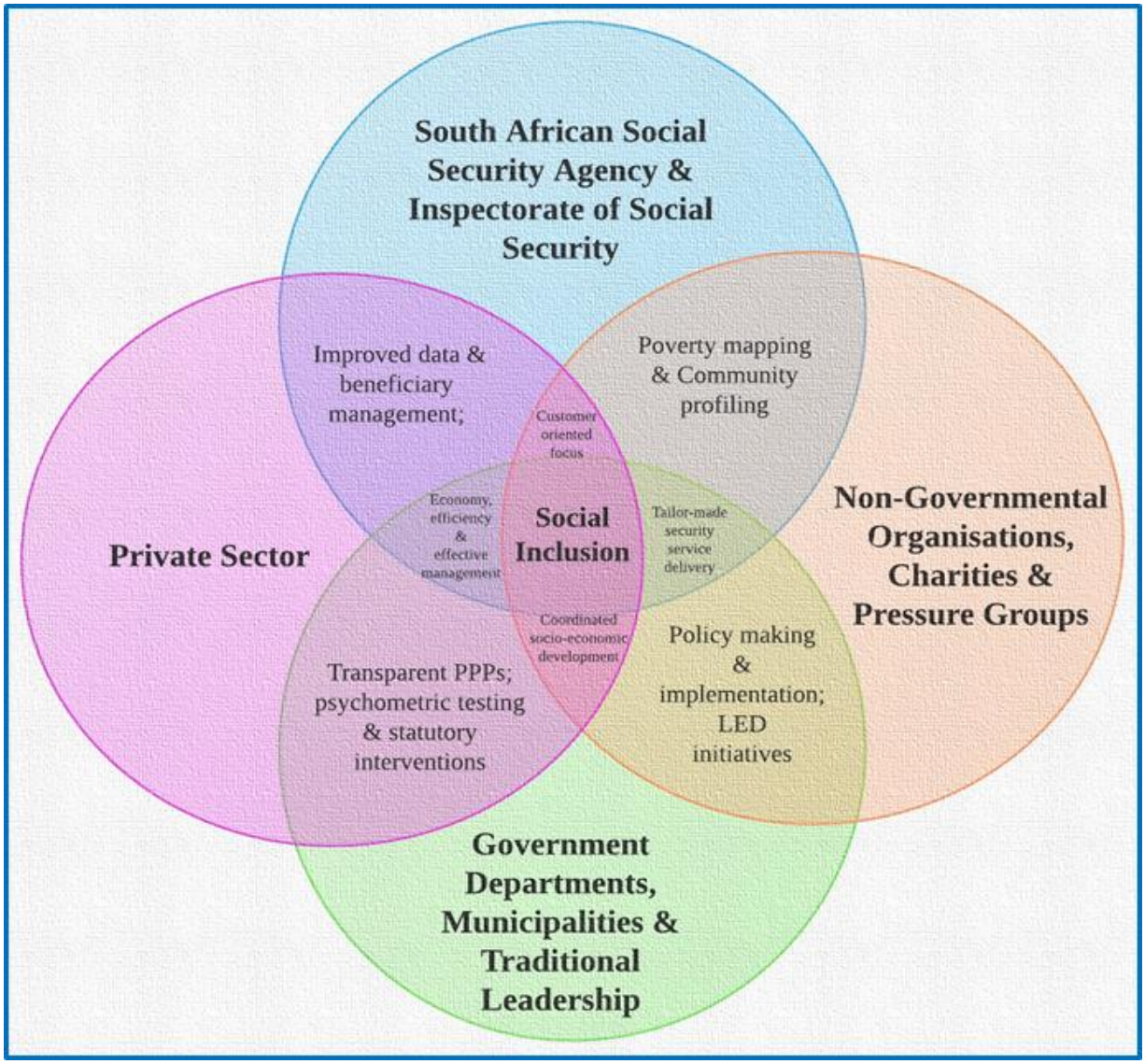


Figure 5: A multi-stakeholder approach to social inclusion

Source: Own illustration (2016)

A multi-stakeholder approach to social security service rendering in an NPM centred Public Service becomes the panacea for the intensifying of reforms that accelerate socio-economic development. Furthermore, the stakeholder approach smoothens the creation of people-centred government since the engaged stakeholders include civil society which has the interest of the people at heart. Municipalities also represent their constituencies in shaping socially inclusive social security practices. In the context of the proposed framework, the second stage helps to include the diverse interests of society in the process of public management, enabling the tailor-made interventions aimed at expanding social security coverage.

Correlating with fellow BRICS partners, a multi-stakeholder approach to social security has reaped positive benefits in Brazil as noted by Barrientos (2013:898), who credits the surge in social grant customers to the engagements of various stakeholders which has further smoothened especially the registration of social grant recipients. Brazil also manages its social security system by ensuring grant recipients are always updated in the databases through the use of household surveys in an all-stakeholders approach to social grant registration.

6.2.3. Identifying target areas

The third step in the proposed socially inclusive management framework for social security in the Republic of South Africa concerns an identification of the problems inhibiting social inclusion. According to Birkland (2014:230), the manner in which a problem has been identified and defined often determines how a corresponding solution to a particular problem is designed and executed. Problem identification in the process of developing a socially-inclusive management framework would cover a wide spectrum of aspects. These include the ascertaining of issues that give rise to social exclusion. As shown in Figure 4, these problems range from a weak Inspectorate of Social Security, absence of empowered middle or low level management, poor IGR and coordination, poor attitude of staff towards training, less transparent PPPs and statutory loopholes. Particular role players in the identification of the problems include the SASSA, DSD, NGOs and traditional leadership.

Problem identification in the framework for social inclusion is of paramount importance and makes a contribution it enables the spotting of all gaps between policy prescripts and practice. As mentioned in discussions in the preceding section, locating target areas lays foundation to the development of appropriate interventions. Thus no tailor-made interventions can be possible without a thorough diagnosis of problems. In the context of the study, these challenges have been identified from both literature and empirical evidence as discussed in Chapter Five of the thesis. In addition, Birkland (2014:230) recognises the determination of the gravity and nature of problems to be a critical stage in the Public Service's quest to deliver working and viable solutions to the society. The identification of problem thus prepares the proposed socially inclusive framework for the prioritisation of interventions as discussed in the next component of the process.

6.2.4. Prioritising identified interventions

Succeeding the problem identification phase is the prioritisation stage where identified issues are ranked in order of priority as a matter of their vitality and relative amount of time required for their implementation. Of particular importance at this stage is the need to consider prioritising challenges which have a great bearing on the ability of the management framework to be socially inclusive. Furthermore, problems that are of a macro nature and require abundant time to resolve should be put on the forefront since their scope is much bigger, hence, requiring more resources to resolve. As a proposition of the study, on the shown challenges in Figure 4, issues around statutory loopholes, the weak Inspectorate of Social Security, poor investment in ICT and an absence of poverty profiles should have a high priority over those that can need short-term interventions. Training and development of staff can be resolved within a short space of time and its priority can be regarded as low. Mention should, however, be made that, all problems need to be addressed regardless of the ranking on the priority list. Prioritisation only serves to input in the designing of possible interventions.

In short, the fourth step speaks to its preceding stages by ensuring that the challenges to social inclusion are allocated ranks as an effort towards addressing them. In addition prioritisation is a crucial stage in the building of socially inclusive system of social grants due to the variation in the relative gravity of problems which has an inevitable

bearing on the resulting solutions. Key role players in this stage of the framework are the SASSA and the DSD since prioritisation is more of a micro level management task. The next step in the framework is described in the section that follows.

6.2.5. Designing the best mix of interventions

As a chronological flow process, in the fifth step, the proposed framework designs the specific mix of interventions aimed at eradicating social exclusion in the Republic of South Africa. In this stage, prioritised challenges will have corresponding interventions designed towards resolving the problem of social exclusion. In the same vein, the designed interventions are also categorised as a way of facilitating the process of their implementation. Designing interventions has to take cognisance of, as proposed in this Chapter, the strong need to create an effective service rendering framework which furthers the goals of a developmental state. In laymen's terms, the interventions are informed by the prescripts of the NPM paradigm. As the theoretical paradigm of the study, the framework is aligned to pro-NPM reforms, which can also encompass social inclusion on the provision of public services.

According to Maserumule (2013:486), NPM a characteristically a borrowing of private sector organisational management practices, use of entrepreneurial leadership for Public Service entities, an emphasis output control and the creation if Public Service competition in delivering public services. Thus, the designing of interventions should be consider carefully to mould the delivery of social security services along the lines of NPM. As a proposal of the framework, the socially inclusive interventions should target resolving existing challenges and closing loopholes for the resurgence of such problems in the near or longer terms future. The SASSA and DSD can choose from a raft of interventions ranging from amended statutory and regulatory prescripts to the training and development of their human capital. The next step of the framework centres on implementing selected socially inclusive interventions as covered in the section that follows.

6.2.6. Implementing selected interventions

Based on the theoretical grounding of the study in the developmental state approach, the NPM paradigm, the analysis of empirical evidence and the overall aim of creating

a socially inclusive framework, the BRICS best practices, the interventions discussed in this section are multi-pronged. That is, they cover diverse aspects which collectively seek to promote social inclusion, which shows that the interventions are spread across a wide spectrum covering prescripts of developmental states like the promotion of social development, values in the form of professionalism and functions such as the promotion of public accountability. The proposal of the study is that the SASSA and relevant stakeholders should consider implementing all or some of these as a way of addressing social exclusion. Presented in the sub-sections that follow, are various interventions which can be implemented to give effect to social inclusion in the social security management framework.

6.2.6.1. Establishing a functional Inspectorate for Social Security

Foremost, the first intervention of the socially inclusive management framework for social security in the Eastern Cape Province is based on establishing an active and functional Inspectorate for Social Security. The findings of the study as established in the analysis of empirical evidence in Section 5.4.2 of the thesis indicate weak oversight and accountability enforcement mechanisms in the SASSA. Such a scenario results from the lack of a clear mandate for the Inspectorate for Social Security as established in Chapter IV of the Social Assistance Act (No. 13 of 2004). The study observes that, although the Act declares that the Inspectorate is independent from both the DSD and SASSA, the study values the alignment of the Inspectorate to the Agency to enable it to execute its function as stated in Section 27 of the Social Assistance Act (No. 13 of 2004). Such a move would additionally aid in entrenching social security management mandate within the SASSA and thus, strengthening its existing mandate which is not strong in relation to fraud and compliance arrangements.

The proposal for a strong Inspectorate of Social Security is in line with the scholarly work of Reddy and Sokomani (2008:57), who indicate that the DSD and the South African government being reluctant to merge the Inspectorate to the SASSA despite the advantage which such as move can have in addressing fraud and corruption. Nonetheless, the Inspectorate of Social Security has not been operational since the inception of the Social Assistance Act (No. 13 of 2004), leaving the SASSA and DSD to solely rely on Fraud and Compliance Units to curb the scourge of corruption in social

security grants (Reddy & Sokomani, 2008:57; Alam *et al*., 2016:128). The reliance on Fraud and Compliance Units, which in the case of the Agency have been centralised at the SASSA head office as established in the analysis of empirical evidence from interviews sessions in Section 5.4.2 of the thesis, affects a timely enforcement of compliance and preventing as well as addressing social grant related corruption. Relating to the BRICS case studies, the Inspectorate of Social Security can be likened to the PFRDA which plays in oversight role in Indian social security system. The social security watchdog has managed to sustainably resolve problems such as social grant fraud and corruption effectively.

To this effect, the importance of strong fraud and compliance mechanisms does not only give effect to a transparent social security management system but also guards against the swindling of deserving beneficiaries by unethical practices such as that of fictitious people enrolling for grants. In a harmonious IGR arrangement the SASSA and DSD should coordinate and ensure the Inspectorate of Social Security becomes operational empowering the establishment of an ethical, accountable and professional environment in the management of social security in the Republic of South Africa.

6.2.6.2. Amending existing statutes and policies

Legislative interventions are moreover required to give effect to social inclusion in the management of social security in the Eastern Cape Province, therefore the socially inclusive framework as that as another crucial component as discussed in the next section. Thus, the second intervention proposed in the study concerns the making of statutory interventions into social security management. The proposed social security management framework show in Figure 4 endeavours to create a fluent and inclusive management culture for social security in the Province.

Part of the modifications is the need to close the statutory loopholes which have made the SASSA to incur costs in legal battles with deceitful businesses such as Lion of Africa Insurance Company Limited. The company took the SASSA to court because it felt that the Agency's interpretation of the ineligibility of children's grant recipients to subscribe to funeral insurance policies was incorrect. This challenge is discussed in Sections 5.4.1 and 5.4.7 of the thesis. Although the SASSA in June 2016 reactively

undertook interventions into addressing the problem of illegal deductions of funeral insurance subscriptions from beneficiaries getting children's grants recently, the study values the need for legislative interventions to that effect.

The statutory modifications can also take effect with respect to the Inspectorate of Social Security as a way of assigning a robust social security oversight mandate as compared to the *status quo*. The study recognises the current manner were the SASSA and DSD lack a proper maintenance of oversight in social security through a less functional Inspectorate of Social Security. Legal amendments in this respect would ensure that the Inspectorate becomes operational, with a clear mandate, and as proposed in the Section 6.2.6.1 of the Chapter, located within the SASSA. Mention is made of the dormant status of the Inspectorate of Social Security at present, a situation that as affected the fostering of compliance within the SAASA and DSD (Reddy & Sokomani, 2008:58). There is need for a social security watchman. Thus, fraud and compliance need to be housed in a legally empowered oversight body by way of amendments to existing social security statutes and regulations.

In a multi-stakeholder approach, this particular modification should have input from the Agency, DSD, SARB, SARS, CPS and beneficiaries. Such an all-stakeholder strategy ensures that there is an amicable way of ending the unscrupulous social assistance grant deductions and litigations related to the current statutory provisions.

Statutory amendments to the current social security legislation have an effect of legally insulating the social security system from new challenges which have affected the delivery of social relief to the deserving poor. Such challenges are linked to the changing nature of the relationship between the government and private sector role players like CPS who have misused a PPP to prey on poor beneficiaries as argued in Section 5.4.1 of the thesis. Interventions into this particular sphere of social security can aid in the process of making sure that social grant stipends of the poor are not swindled by financial service providers. The *status quo* has led to the escalation of poverty in the Province since beneficiaries have resorted to using their SASSA issued ATM cards as surety for borrowing thereby exposing their personal security at risk as discussed in Section 5.3.9 of the thesis.

The study observes that statutory interventions are required which explicitly criminalise unprincipled acts like unauthorised deductions, sequestration of personal items like the SASSA ATM cards as collateral borrowing security, the mushrooming of loan sharks specifically targeting social assistance beneficiaries and the illegal possession of ATM PINs by retailers and small businesses as a borrowing arrangement. Failure of the state to intervene with fresh legislative instruments to this effect would constitute a neglect of the poor who always sacrifice their merge earnings for *spaza* shop loans in cash or kind.

Furthermore, legislative amendments and interventions could also take the form of, for instance, improved regulations guiding issues surrounding the DG. The DG has recently become a contentious issue in the social security management sphere in the Province. As observed in the analysis of data, there is great need for a social security definition of disability, showing a move from using medical doctors to certify disability due to their myopic understanding of disability confined to the medical definition and conceptualisation of the condition. On another note, there is an urgent need to make ergonomically inclusive workplaces for ease of access by disabled persons. Sections 1.2, 5.4.1 and 5.4.9 of the thesis indicated the challenge linked to the unintended consequences of interventions to make fiscally funded social security less permeable, which leads to social exclusion.

Statutory interventions in the managing social security should include the relaxation of means-testing and eligibility criteria. A key feature for most governments faced with an ever-ballooning social security expenditure is tightening grant eligibility criteria as a means of keeping expenditure sustainable (Walker, Sinfield & Walker, 2011:208).

Nonetheless, slashing expenditure does not entail the state's negligence of its duty in maintaining its mandate derived from the social contract through conditional cash transfers (Walker *et al.*, 2011:211). In the context of the study, with spending on social assistance grants increasing each year, the government needs to ensure the system covers its intended beneficiaries while avoiding neglecting on the poor. In the provision of fiscally funded social security services in developing countries, there are need for

checks and balances to ensure that eligibility criteria neither makes the system porous nor socially exclude the deserving poor or unfortunate citizens.

The study proposes the implementation of interventions where eligibility criteria and means-testing does not unintentionally result in social exclusion. On the contrary, this intervention on eligibility criteria should not create vulnerabilities in the social security management system. Inferring the relaxing of qualification criteria for fiscally funded grants to the BRICS examples, the study revealed that a relaxation of means-tests has seen a surge in OAG recipients in the Indian social security system from 9 million to 16 million people (Pal & Palacios, 2010:1018). In the end, the current means-testing as discussed in Sections 1.2, 5.4.1 and 5.4.9 of the thesis precipitates social exclusion. This is a sole consequence of its inability to incorporate unique family and household scenarios where some employed individuals who not qualify for fiscally funded social grants have multiple dependents inevitably overburdening the breadwinner's earnings. In such scenarios there should be a revision of means-testing and other social grant qualification criteria as a way of tailor-making social security for the diverse individual, family, society and household characteristics.

Additionally, relaxing eligibility also depends on the ability of relevant stakeholders to cooperatively create and utilise updated poverty profiles for local communities. Thus, using a universal eligibility barometer might be an improper oversimplification because individuals, households, communities and regions do not have homogenous social, economic and cultural characteristics (Sartorius *et al*., 2013:120). In this regard thus, the study emphasises on the need for a socially inclusive way of managing social assistance, one which neither unfairly discriminates against the poor through social exclusion nor make social security vulnerable to fraud and corruption.

6.2.6.3. Promoting public accountability

Another key intervention which the framework proposes is promoting accountability enforcement mechanisms. Observably, the third selected intervention proposed by the study in relation to the development of the framework correlates with the preceding proposal and further expands on an NPM core principle. Public accountability can be achieved through promoting a professional culture within the SASSA in the Province.

Understanding public accountability in the context of the study acknowledges the need to support the NPM paradigm which calls for an open and accountable government. A conceptual discussion on the meaning of accountability as answerability is presented in Section 2.6.9 of the thesis. The study expands the theoretical implication with the fusion of professionalism, ethics and public accountability become the means through which social inclusion and social development become achievable. Additionally, the study values the need to emphasises and strengthen the good governance value of professionalism in improving the efficacy of public organisations in this NPM-inspired era.

Public accountability and professionalism have an effect of improving the achievement of goals of the Agency which are to ensure that social relief aids in lessening the burden of poverty and inequality in regions like the Eastern Cape Province, where the poverty prevalence rates are relatively high. Professionalism as put by Noordegraaf (2015:5) is a determinant dynamic in the success of public organisations and the subsequent achievement of Public Service organisational goals. Professional conduct and accountability go hand-in-hand, with the latter being one pillar upon which the pro-reform movement of NPM is hinged upon. Therefore, this intervention seeks to instil a culture of professionalism, which can be a ground-breaking pillar to the creation of a system which prevents malpractices such as fraud and corruption from happening.

6.2.6.4. Strengthening intergovernmental relations

Strengthened IGR is also another critical intervention that can help bring about social inclusion in the management of social security in the Province. The fourth proposed intervention of the socially inclusive management framework for sustainable social security in the Province lies in the improving of IGR across the system of government. There is an inherent benefit to a coordinated Public Service, which comes in the form of smooth functioning of public organisations. Such a scenario becomes the pinnacle of social inclusion. In the context of the study, the fragmentation of social security service rendering in the Province has been credited in the study to the weak IGR coordination prevalent in relation to firstly, the SASSA, DSD, NGOs and the local municipalities.

As the public organisation responsible for managing social security in the Province and the Republic, the SASSA has had to cope with an uncooperative attitude and some unwillingness among certain local municipalities to provide their infrastructure. This led to the sheltering of beneficiaries for accessing their grants in the Eastern Cape Province under trees. Discussion in Section of 5.4.7 of the thesis revealed that the Agency constructs its own facilities for the purpose of paying grants to communities which adds to the cost of administering social relief.

Secondly, there is an absence of coordination across the wider system of government, that is, among the SASSA, SARS and SARB. These are role players in the drive for social inclusion in the Republic, although they are not internally sharing vital pieces of information for the creation of a socially inclusive management framework social security in the Republic of South Africa. In addition to that assertion, the study further recommends the liberalisation of information sharing within the South African Public Service. Although the PAIA (No. 2 of 2000) gives effect to the promotion of access to information, there are gaps in the internal sharing of information across various public organisations. Such information is wide-ranging from the tax status of some social grant recipients to statutory implications of biometrically enrolling social grant clients. A case in point is when the SARB nullified the utilisation of biometrics by the SASSA in administering fiscally funded social grants.

In this regard, the study advises on creating a conducive IGR culture as a way of addressing the social exclusion in the Province. IGR needs to the strengthened with respect of the social grant management processes, the utilisation of public service infrastructure and facilities for provision of fiscally funded social assistance services and poverty mapping as well as community profiling across the Province and Republic at large. The proposed management framework emphasises on the building of a system of government were all public service organisations duly uphold the principle of oneness as stipulated in Chapter III of the Constitution of the Republic of South Africa (RSA, 1996). Additionally, IGR and cooperation can aid in the dissemination of social security information, preventions of fraud and other mal-administrative activities.

Furthermore, the SARS has used confidentiality clause to disregard requests of the SASSA on the taxation status of various citizens who might have circumvented and evaded paying tax, or enrolled for social grants while they are ineligible. Advisably, interventions should be undertaken, be it statutory or regulative to give effect to a synergised Public Service with particular reference to the sharing of information. That would ensure that tax evading citizens and falsifiers of information have nowhere to run, cannot fraudulently enrol for fiscally funded social security and equally contribute to the national revenue fund by accurately paying taxes.

Inferring and deriving best practices from the presented BRICS examples, social security management in four of the discussed cases has significantly benefited from harmonious IGR cooperation. Firstly, the social security managing agency, NSSI and the Ministry of Social Development in Brazil further engage municipalities and NGOs to do poverty mapping, register beneficiaries and the review social grant register. In addition, in Russia, social security management is done via two public organisations which cooperatively manage fiscally funded grants sustainably *viz*, the Ministry of Healthcare in association with the Ministry of Labour and Social Protection.

In the context of India, the EPFO, ESCI and PRFDA cooperatively work together in delivering social security services, with the PRFDA acting as the social security inspectorate. Lastly, in a positive IGR spirit, the Ministry of Labour and Social Security and the NCSSF manage various social security schemes funded by the state including the MLSGS and the NRPP in China. In this regard thus, social security in the Republic of South Africa, premised within the SASSA and DSD can equally benefit from good IGR and cooperation.

IGR cooperation in addition has an effect of promoting the whistle-blowing practices to flag out suspicions activities across the system of government especially given that the issue of ‘ghost’ grant beneficiaries is spread across numerous public organisations including the DoH, SASSA and DHA. Ensuring strong intergovernmental relationships would significantly help address specific needs of communities through a basket of government services, where housing, water, social security, infrastructure, education and healthcare needs of communities are delivered through a coordinated effort.

The notion and practice of a basket of government services goes hand-in-hand with the whole-of-government approach which has been conceptualised by Christensen and Laegreid (2007:1060) as a vertical and horizontal integration of service rendering where the government strives to copiously satisfy the people's needs. Principally, the whole-of-government approach was a reaction by governments who had adopted NPM reforms to curb fragmented and less coordinated service rendering challenges emerging from the ancient bureaucratic organisational practices in the Public Service (Christensen & Laegreid, 2007:1060). Consequently, the cited problems were seen to negatively impact on government efficiency and effectiveness.

The whole-of-government or basket of government services can be an effective model of service rendering, particularly taking into account that poverty in the Province is not merely a consequence of lack of economic opportunities, but is also consequently due to lack of access to housing, infrastructure or safe drinking water. In this regard thus, specialised government departments in collaboration with the Agency, NGOs and local municipalities can intervene to effectively resolve societal problems. Moreover, such a government-wide service rendering model can do more to ensure that social security does not act as refuge where citizens find comfort when other basic needs are not met by the respective public organisations thus creating a form of social grant dependency 'syndrome'.

6.2.6.5. Undertaking poverty mapping and community profiling

The fifth intervention is that of utilising poverty mapping and community profiling to build socially inclusivity. According to Sartorius *et al*. (2013:120), the common practice of community and poverty mapping plays a cardinally vital role in the improvement of the efficiency of government since it leads to informed design and implementation of various interventions aimed at fighting impediments to effective government, such as poor community targeting mechanisms. Poor targeting and a 'shot-gun' effect to the resolving social exclusion and poverty in the Province have been identified as some of the impediments to social inclusion.

Poverty mapping can be a stepping-stone towards social inclusivity in the context of the study guided by NPM which centres on state-led pro-poor interventions premised

on improved government efficacy as conceptualised by Kalimullah *et al*., (2012:11). In this regard, poverty mapping enriches the current NPM understanding by infusing it as a bottom-up strategy to improving government efficiency. Thus, a socially inclusive social security management framework can be made possible by an incorporation of poverty proofing and mapping in rendering social security services. The SASSA can partner with relevant stakeholders like the DSD, NGOs, municipalities, charities and traditional leadership should engage in the development of poverty profiles for the entire country. Individuals, household and community profiling would mitigate social exclusion resulting from weak poverty targeting mechanisms as established in the discussion of challenges in Section 5.4.1 of the thesis.

Poverty mapping has an effect of aiding in the development of tailor-made solutions to societal problems, that is, the delivery of specifically developed solutions to alleviate poverty. Profiling of communities also aids in the identification of poverty hotspots for proper implementation of associated interventions. Similarly, Barrientos (2013:897) observes that municipalities in Brazil have benefited in using poverty mapping as a starting point to determinant neediness and eligibility for state funded social relief. Therefore, the proposed framework shown in Figure 4 strongly values the component to sustain the socially inclusive management framework for social security in the Eastern Cape Province. Sartorius *et al*. (2013:120) observe that poverty mapping to have an effect of catalysing government interventions due to the ability to have an almost pinpointed accuracy in targeting community development initiatives. Problems with social exclusion are multi-dimensional since each case of social exclusion is unique, varying from the lack of access to information on fiscally funded social relief, different household quagmires which need to be uniquely addressed.

The proposed framework strives to build a bottom-up culture of social security service rendering. An effective profiling of individuals, households and communities in the Province entirety becomes the core focus and enabler of such a people-centred model of delivery of social relief. Poverty profiling as an intervention helps in the designing of a community centred model of delivering social security in the Province. In the same sense, Ohemeng and Ayee (2016:284) acknowledge bottom-up strategies are being in the ascendancy as Public Service reforms seeking to improve service rendering and

government efficiency. In addition, bottom-up strategies to the delivery of government services have flourished and spread in the collaboration of government and citizens as key stakeholders in implementation of government policies (Ohemeng & Ayee, 2016:285).

From the preceding synthesis of discussions therefore, there is a myriad of merits for delivering services based on the unique features and preferences of individuals, households or communities. These include the fact that it will close loopholes which precipitate social exclusion, improve citizens' confidence in their government, poverty alleviation and the improvement of standards of living. Poverty mapping as a bottom-up approach to the delivery of social security services in the Republic of South Africa. Such is particularly crucial especially given that the image of the SASSA as the Agency responsible for administering social security grants has been dented and distorted by the current state of social exclusion in provinces like the Eastern Cape as established in the findings of the study presented in the Sections 5.4.1 and 5.4.7 of the thesis.

6.2.6.6. Improving public-private partnerships

The award of the R10 billion contract to CPS for paying social grants to beneficiaries in the Republic of South Africa has been muddled in controversy and court battles between the SASSA and private sector entities such AllPay who flagged irregularities in the awarding of the tender as discussed in Section 5.4 of the thesis. The proposed socially inclusive framework is hinged upon the adoption of best practices in supply chain management in relation to PPPs. As contextualised in the discussed in the analysis of empirical data and literature, the efficiency of the SASSA has been affected by poor supply chain practices with regard to the awarding of the tender mentioned above. Furthermore, guided by the NPM theoretical foundation as a private sector inspired reform movement (Maserumule, 2013:486), the study proposes transparent PPPs as a key intervention to transform service rendering. Hence the intervention linked to best practices in sub-contracting enriches the existing scope on NPM, by way of infusing private sector sub-contracting practices with Public Service PPPs.

The sixth intervention to promote socially inclusive management practices in the Province concerns an improved conceptual understanding of PPPs. In order for the

managing of social security to be transparent and socially inclusive, there is a need for best practices premised on sub-contracting and quasi-privatisation. While the framework does not call for full privatisation as an intervention for improving efficiency in the provision of social security, it recognises the relative contribution that PPPs have in driving Public Service efficacy. Challenges discussed in Sections 5.4 and 5.4.1 of the thesis showed a faltering sub-contracting arrangement between the SASSA and CPS, one which has spilled into the courts. NPM advocates for the subcontracting of government services to private sector service stakeholders since such moves improve service rendering. While PPPs are not entirely privatisation initiatives, mention should thus be made that they have a considerable deal of sub-contracting with the private sector.

Cohen (2001:347) locates the origins of PPPs in the principal-agent theory where the government, acting as the principal, enters into a concession with the agent, a private sector contractor who is expected to undertake actions needed to produce outcomes desired by the principal. Furthermore, the principal-agent theory highlights two major complications with sub-contracting. Firstly, making an adverse selection choice where the principal picks the wrong agent who is not able to produce the desired outcome. Secondly, a moral hazard where the principal is unable to constantly monitor the behaviour of the agent at all times creating a loophole where the agent can duck its responsibilities and divert resources of the principal to other areas with the sole motive of profit maximisation (Cohen, 2001:437). In the same vein, the contractual obligation makes it harder for the principal to switch the agent mid-term without suffering heavy loses and sometimes litigation.

There has been a fair share of influences of PPPs in the BRICS countries. Foremost, Russia has adopted effective quasi-privatisation initiatives aimed at improving social security management (Cerami, 2007:19). In addition, Brazil has sub-contracted private sector institutes to manage some of its social security grants such as the PSR to improve the viability of its social security system (Barrientos, 2013:897). Also, China has resorted to quasi-privatisation to ensure that it counteract the reality of old age security that has confronted its social security system (Williamson & Deitelbaum, 2005:264). Lastly, the inclusive multi-pillared approach which India has adopted to

manage its social security services is prescribed by the IMF and World Bank, and has a huge push for weaning state activity in social security by sub-contracting the private sector. In this regard, the Republic of South Africa can equally utilise this pro-NPM practice of sub-contracting the private sector.

In this regard hence, the incorporation of private sector entities in PPPs that seeks to improve public service rendering. As a proposal of the study, due care should be taken in the form of a thorough interrogation of the costs and benefits of hiring a private sector contractor before entering into a PPP. The study proposes the prolonging of PPPs for improved government efficiency as a move towards social inclusion. Under the stakeholder theory, PPPs will require the input of the DSD, SASSA and other private sector experts who have to keep such arrangements to guard against litigation challenges by private sector entities as what happened when AllPay, a competitor to CPS challenged the appointment of CPS and secured a court victory against the SASSA (Donovan, 2015:826). The upgrading of the access control system into the SASSA facilities and offices can be done through a PPP to curb the increasing cases of identity theft which has increased social grant fraud. All these negative scenarios have dented staff morale in the SASSA and tainted the Agency's public image as detailed in Sections 5.4.1 and 5.4.7.

6.2.6.7. Investing in Information and Communication Technology

Intensifying investment into ICT is also part of the socially inclusive social security management framework as discussed. The seventh proposed intervention giving effect to social inclusion centres on the intensification of investment in ICT. Above all, ICT can significantly help improve social security data management, which is a paramount component of a socially inclusive social security management framework. The study has revealed through empirical evidence gathered in the interview sessions that the fiscally funded social security management system in the Republic of South Africa lags behind in terms of investment in ICT and 21st century compliant data and information management systems. Fellow BRICS partners, Brazil, India and Russia have been faced with the same problems, but they have since intensified investment in ICT to give their social security systems facelifts.

Although the Province has realised a merging of SOCPEN and MIS to complement each other in the management of data, the move has unintentionally resulted in some tension between the Agency's head office and the ICT division of the Agency of the Province. This was discussed in Section 5.4.1. An extensive investment into improved and appropriate data management technologies can also markedly improve the diagnosing of social exclusion, fraud and other suspicious malpractices which affect the social inclusivity of social relief in the Province. The SASSA can achieve this goal through the promotion of innovation across its provincial, district and local structures instead of declaring that the development of business solution remains the prerogative of the head office in Pretoria.

Furthermore, as mentioned in the preceding section of the Chapter, the Agency should urgently consider upgrading the accessibility of its offices through the introduction of biometric access methods into its facilities or offices. As argued in the study, biometric access can guard against daring identity theft which has seen some dishonest SASSA officials scamming their colleagues by stealing login details through portable storage devices as argued in the analysis of empirical evidence in Section 5.4.1 of the thesis. ICT has become an effective catalyst for improved organisational success in the 21st century. Appropriate technologies have a positive bearing on improving the efficacy of service rendering by governments in the 21st century (King & Cotterill, 2007:334).

In the same vein, NPM as the theoretical foundation of the study has ICT as one of its core principles (Hope & Chikulo, 2000:27) and investing in latest and appropriate technologies helps dismantle mechanistic and bureaucratic organisations into leaner, efficient, economic and customer-centred public organisations. For King and Cotterill (2007:333) ICT enables service delivery to give citizens a choice through the rendering of personalised services designed according to the needs of the citizens not those of the provider or government entity. As discussed in Chapter Two of the study, NPM is centred on the optimum utilisation of ICT to improve government efficiency (Jorgensen & Kickert, 1995:501; Hope & Chikulo, 2000:27).

The understanding of NPM as having a characteristic feature of ICT can be broadened into implying investment into relevant technologies. Within the SASSA, some of the

current technology has become obsolete, for example the SOCPEN in the social security management system.

Investment into ICT is an intervention by public organisations to ensure flexibility by timely adapting to changes in the environment, failure which would mean the use of obsolete methods which cripple service rendering doing a heavy blow to attainment of the organisation goals (Kernaghan, 2014:308). Citizen confidence in the government can also subsequently suffer because the government will be lagging behind. This is especially critical given the accelerated pace of globalisation and its influence on policy making across the world. With reference to preceding arguments, the study values the investment into ICT as a move towards social inclusion with respect to the manner in which social security provision in being managed in the Province. Above all, intensive investment in ICT positively improves social security data management, a feature which has inevitably taken centre stage in social security management in the Province.

Notably, transformed data and information management would ensure a proactive social security management framework, one that diagnoses problems before they emerge. Such a framework can also help catalysts service rendering and improve the public perception of the SASSA, whose image has been dented by the fraud and corruption scandals especially in the Eastern Cape Province.

6.2.6.8. Promoting social development in the developmental state

Reference of the Republic of South Africa as a democratic developmental state in Sections 1.2, 1.3, 1.4, 1.5 and 1.6 of the study characterises it as a development conscious state whose goal is to achieve both economic and social development. In this regard thus, the eighth proposed intervention that can be implemented towards social inclusion is premised on upholding a sustainable trajectory in a developmental state. This can be attained by way of a collective promotion of not only economic, but also specifically social development. A developmental state refers to that state, which consistently utilises its autonomy capacity and power to spur the attainment of developmental goals as argued by Van Dijk and Croucamp (2007:665) and gains legitimacy from being able attains a concurrent and equal promotion of both economic and social development (Hillbom, 2011:70).

Therefore, from the discussed features of democratic developmental states, the study observes with particular emphasis, the need for such categories of states to create and maintain a developmental agenda is attained through the collective promotion of economic and social development. In this regard therefore, the study proposes a framework with a component where social assistance grants are augmented with LED initiatives and programmes as an intervention towards social inclusion in the Eastern Cape Province.

As detailed in Section 5.3 of the thesis, sometimes poverty in the Province is not as a result of the failure of the social safety net to shield all the poor, but as a result of lack of economic opportunities. Further complicating social inclusion in the Province are cases of quasi-employment, which have relegated the low skilled inhabitants of the Province to a social assistance grant dependency. Such challenges can be overcome if there is a massive investment in creation of employment opportunities for the people of the Province. LED initiatives and other economic development programmes would aid in incentivising people to obtain gainful employment at the expense of a social assistance grant which can cover basic needs while sometimes falling-short of the daily needs of individuals or households. There are numerous stakeholders who can work towards the suggested interventions including local businesses, municipalities, NGOs, public organisations as well as global development partners.

One positive characteristic of the Eastern Cape Province is its natural endowment with some pristine coastal environment. One example is the Port St Johns coastal stretch which, with a bold injection of investment capital, can crystallise into a tourism hub thereby attracting investment and generate employment for the local people. This is particularly crucial in solving the scarcity of economic opportunities in the Province. However, all these economic development avenues need to be championed by the government. Thus the study values economic development interventions as measures to wean some of the economically active, poor and able-bodied individuals thereby relieving the social security system of some burden therefore leaving it to cater for the deserving poorest of the poor.

6.2.6.9. Establishing client-centred public service rendering

NPM has the client-like treatment of citizens as the customers of the Public Service as one of its principles. In this regard, the ninth proposed intervention centres on the creating and maintaining of a client centred service rendering model. In the study, it was established in the analysis of empirical data and theoretical evidence that the Agency can significantly benefit from the client-like treatment of fiscally funded social security customers. Such stems from the manner in which such a model of service rendering centres on a bottom-up approach of tailor making public services. Similar to their private sector counterparts, who are consistently treated with courtesy and diligence, designing public goods and services on the preferences of the public service customers can be a positive move towards social inclusion. The study therefore recommends the intensification of private sector customer practices in the sustainable provision of social welfare services in the Province and the Republic in general.

A client-like culture of delivering state funded social security services implies that the government and Agency consider the consequences of returning and old dissatisfied customer to be unbearable than recruiting a new one, thus the need to satisfy existing customers while enrolling new social security clients. Adopting a client-like approach to social security provision would inevitably erase the 'beneficiary' tag which has distorted the social contract implication of social security in many staff tasked with managing grants in the Province as detailed in the discussion in Section 5.4.8 of the thesis. A client-like approach would ensure that customers have recourse for impartial appeal channels if their grant application has not been successful, have a watchdog to whom they can undertake whistleblowing without being reprimanded and can 'sing praises' for their Agency and government. On the contrary, poverty will be alleviated and eradicated together with inequality as targeted in the NDP.

6.2.6.10. Promoting sustainable human capital development

The productivity of human capital and its subsequent contribution towards eradicating social exclusion in the Province has been dented by skills scarcity in the Province, a feature correlating with the Republic. Thus the framework views human capital training and development to be pivotal in solving social exclusion as discussed as follows. Another key intervention that can markedly aid build a socially inclusive management

framework is that of promoting training and development of human capital within the public organisations involved in the management of social security in the Province. In an ever-changing world, public organisations should adopt strategies to ensure that fresh skills and proficiencies keep flowing into their systems.

For Erasmus and Breier (2009:18) skills scarcity has been a thorn in the flesh of the Public Service in the Republic of South Africa. This is precisely complicated by the vulnerability to obsolescence that skills suffer especially if public servants become reluctant to upgrade these from time to time. Implications of such absence of time compliant skills are that the ever-changing character of problems makes them to become more complex to resolve, thereby affecting the attainment of the community development goals of government. As revealed in Sections *inter alia*, 1.1, 2.6.8, 5.4.3 and 5.4.8 in the thesis, skills scarcity has impacted adversely on the ability of the available human capital to effectively contribute towards alleviating and eradicating social exclusion in the Eastern Cape Province.

Although statutes such as the Skills Development Act (No. 97 of 1998) like the Skills Development Levies Act (No. 9 of 1999) obligate employers, including the government as the Public Service employer, to mutually contribute and ensure their employees constantly keep abreast with changing demands for skills in their jobs. Findings of the study indicate a bleak scenario within the SASSA and related public organisations to that effect. Resultantly, the study proposes a sustained utilisation of education, training and development interventions as an equally crucial component in establishing a socially inclusive management framework for sustainable fiscally funded social security in the Province and the Republic in general. These are interventions which both private sector and Public Service role players can collectively shape for shared economic development.

Furthermore, policies should be put in place to give effect to public servants to undergo in-service training on aspects which need improvement to boast their performance without regard to whether exit qualifications they get after such training are SAQA accredited or not. This stems from the findings of the analysis of empirical data in Section 5.4.3 of the thesis which revealed a growing trend where Public Servants in

the SASSA are only willing to get training that gives them SAQA accredited exit certificates. To also guard against the falsification of qualifications and aptitudes on the part of new staff entrants, interventions related to using practical or psychometric tests should be used for recruits at various levels of the Agency.

Psychometric testing should also be part of the recruitment flow process to curb the growing trend in the Republic of South Africa where applicants misrepresent their skills and competencies. Psychometric tests should be developed for various job echelons to scrutinise aspects of individual aptitudes that a job interview might fail to solicit. Such an intervention would ensure that the government, the SASSA in particular employs individuals who are as competent as required by their job. Practical testing of job applicants would also save on government expenditure on training into basic skills such as computer literacy. In a globalised world, the study proposes the SASSA to engage experts with regard to practical testing on the competencies which aids in predicting the performance of recruits before they are hired.

In a Province where poverty is prevalent and social exclusion has its own fair share to the matrix, the Agency needs to attract, employ, utilise and retain human capital that is competent and skilled to that effect. Despite the significant investment into ICT in the contemporary world, human capital remains a vital component of organisational success. In the Province and the Republic, having the requisite human capital can help the SASSA diagnose social exclusion, come-up with cost-effective and innovative ways of tailor-making social welfare for the unique needs of the diverse communities of the Eastern Cape Province and Republic of South Africa at large.

Discussed in this sub-section are ten key interventions that the study proposes to be instrumental in the development of a socially inclusive management framework for sustainable social security in the Republic of South Africa. As stated in Section 6.2 of the thesis, the interventions are both functions and values which have an effect in resolving the causal factor of social exclusion in the Province. As illustrated in Figure 4, the discussed interventions should collectively be implemented since they both shape Public Service delivery in an era where NPM has inspired a raft of reforms aimed at making government effective, citizen-owned and bottom-up.

From the need to foster public accountability, creation of a responsive bottom-up arrangement in government, revised supply chain management and PPP practices, and human capital training and development, the interventions revolved around the need to keep the developmental state afloat. This is especially critical given the need to address and redress poverty and inequality in the Republic of South Africa. And interestingly, the Eastern Cape Province is one of the poorest regions across the entire Republic.

The implementation stage of the proposed framework is succeeded by a step where an overall assessment of the progress in undertaken as discussed in the coming section.

6.2.7. Monitoring implemented interventions

The seventh step of the proposed socially inclusive management framework for social security covers the monitoring of implemented interventions. Monitoring of the process aims at ensuring if the interventions implemented in the preceding step have been effective in resolving the various challenges that affect social inclusion. During this particular phase, monitoring traces the implementation process of the various selected interventions. The mentioned interventions are covered in Section 6.2.6 of the thesis. The entire flow process is eventually evaluated as a final step as discussed in Section 6.2.8 of the thesis which follows.

As a constant activity, monitoring serves to correct variances beforehand to avoid the derailing of the proposed framework to address targeted challenges. Monitoring is undertaken to enable the determination of the need to modify part of the process as remediation towards effectively resolving the problems as the selected interventions are being implemented. For instance, in the context of the study, monitoring can timeously reveal the need to prioritise interventions afresh depending on the impact of the initial process in fulfilling the goal of addressing social exclusion and creating a socially inclusive management framework for sustainable social security in the Eastern Cape Province. Monitoring conceptually refers to the assessing of an implemented policy programme to ascertain if it is being implemented as designed and if it serves the intended target group or community (Govender, 2013:815).

Overall, monitoring is the pinnacle for improved government efficiency because of its ability to aid the public organisation to trace the paths of various policy programmes. This is also a cardinal factor in promoting NPM guided Public Service organisations, the ones which do not wait for variances to cripple the eventual attainment of goals. Therefore, timely correction of variances is critical both to the achievement of goals of, in this context, the SASSA and the strengthening of the understanding of the theory of NPM, which represent an approach towards effective government. The final step of the proposed framework for sustainable social security details the overall evaluation and assessment of the entire process.

6.2.8. Evaluating and reviewing the framework

Concluding the framework is a final step where an evaluation and review of the entire process is done. Such a final assessment serves to gauge whether the process has been able to overall achieve its intended objectives. Mention is hereby made, that unlike the constant monitoring of only the implemented interventions, the framework evaluates the entire process with continuous improvement as the motive. Principally, evaluation strives to assess various aspects of a policy programme from its design, implementation to results in a bid to determine relevance, ability to fulfil intended objectives, design, effectiveness and sustainability of a project (Govender, 2013:815).

Evaluation also serves to ensure that the framework retains relevant interventions, thereby enabling a designing of relevant interventions which can act as resolving emerging challenges. These are challenges which may not have surfaced originally when during the designing phase of the framework. The subsequent evaluation of policy interventions has assumed a crucial role in modern day organisations (Dunn, 2016:321). Deductively thus, evaluation has positively reshaped Public Administration and service rendering in the Republic of South Africa.

Logistically, this particular step begins with a review of the background from which the framework has been developed. This is done to ensure that the organisation does not implement some obsolete solutions to challenges which have evolved into assuming a new hardened character. Furthermore, the eventual evaluation aims to assess if the process framework has been following the dictates of the theoretical foundation of

NPM and complying with either existing and new statutes or regulations emerging after the commencement of the implementation of the various interventions. In the same vein, the evaluation covers aspects spread of the macro and micro organisational environment which are determinant in attaining social inclusion. Such as assessment of cardinal importance especially given the swift pace at which globalisation affects organisational functioning through introduction of new technologies and human capital expectations.

While existing challenges leading to social exclusion need a sustained effort towards their addressing, the review stage usually brings emerging challenges to the attention of those tasked with managing social security in the Province. Hence the development of sustainable solutions to the both existing and emerging challenges for the promoting of social inclusion. Particular attention should be paid in this stage, to the need for solutions to be within the bounds of an NPM paradigm and objective of improving government efficacy, the due promotion of socio-economic development together with the need to further the goals of the current socio-economic blueprint for the Republic of South Africa known as the NDP, which seeks to address the three ills of society namely, poverty, unemployment and inequality. The study also values the need to keep reviewing the stakeholders that the SASSA and DSD can engage towards effectively addressing poverty and inequality in the Province through social assistance.

In the event of some or all of the preceding steps and interventions being adopted and implemented in the Eastern Cape Province, the study outlines some of the various anticipated outcomes of the proposed a socially inclusive framework. Therefore, the following outcomes are features of a social inclusive social security management practice.

6.2.9. Anticipated outcomes of the framework

Also outlined in the illustration in Figure 4 is component of the framework that shows the cumulative outcomes of the process. The framework aims to develop a socially inclusive management framework for sustainable social security in the Republic of South Africa. The study observes that, after implementation of some or all of the

various suggested components of the framework, there are various positive outcomes that it anticipates. These are listed as:

(i) social inclusion of the poor;
(ii) improved image of the SASSA;
(iii) reduced inequality and poverty;
(iv) strong oversight arrangements;
(v) improved staff skills and morale;
(vi) improved government efficiency;
(vii) tailor-made social security services;
(viii) transparent and cost-effective PPPs;
(ix) customer-centred service rendering;
(x) professional and accountable government;
(xi) statutory insulation of social security customers;
(xii) improved fraud detection and prevention corruption;
(xiii) improved relations between citizens and government; and
(xiv) empowerment and delegation of middle and low level managers.

6.3. CONCLUSION

From the onset, the study sought to resolve the problem of social exclusion in provision of social security in the Eastern Cape Province of the Republic of South Africa. In the current Chapter, a socially inclusive management framework has been developed and its components discussed. Above all, the framework recommends the adoption of an all stakeholder approach to the management of fiscally funded social assistance. The proposed framework also, seeks to build a whole-of-government approach to public service rendering. Structurally also, the proposed socially inclusive framework, is an eight-step chronological process that has equally important components including environmental assessment and problem identification.

The developed process framework proposes the implementing of various interventions to promote social inclusion *inter alia*, using poverty mapping for targeting individuals, societies and communities, the utilisation of transparent and duly constructive PPPs, extensive investment into ICT and entrenched human capital development initiatives. Mention should be made that the framework has an equally important feature of tracing

and tracking Public Service programmes, which correlates with growing global trends in the need for monitoring and evaluation as an enabling tool to government efficiency.

Overall, the proposed framework strives to transform the plight of the poor excluded people domiciled in the Province. Such a goal is attainable if suggested improvements to the current management framework are adopted to give effect to social inclusion. The developed framework can effectively work towards ensuring that fiscally funded social security covers intended individuals in an efficient, economic and economic manner, one that sustainably satisfies the public service customers. Moreover, the developed socially inclusive framework strongly advises that the Agency needs to utilise appropriate technologies, skills and best practices to ensure that the entire system works towards “paying the right grant to the right client”.

In the same vein, the management framework should ensure that loses from the social security system through mal-administrative practices such as fraud and corruption are eliminated because social security expenditure similar to any other Public Service overhead, need to be sustainably managed. In the end, social inclusion will not only further the goals of the Republic of South Africa as a democratic developmental state but also lead to a host of other benefits such as *inter alia*, the improvement of government efficiency under the NPM paradigm, the improvement of living standards of living of the poor and destitute, addressing socio-economic inequality and improving the tainted image of the Agency.

Apart from the practical implications of the proposed framework, the Chapter also argued on the theoretical relevance of the proposed framework to the existing body of scholarship. Above all, the framework strengthens the fostering of accountability within the NPM inspired Public Service. The proposed management framework enriches the NPM understanding within the context of a democratic developmental state through the incorporation of new features for effective government encompassing *inter alia*, poverty mapping, community profiling, openness and transparency in PPPs and the need to interrogate PPPs to avoid choosing a less competent private sector contractor.

In a nutshell, the proposed framework enriches existing scholarship in both the NPM and developmental state contexts. Thus, the proposed management framework also balances economic and social development as the means through which collective development can be attained.

As the ultimate segment of the thesis, the following Chapter provides the summary, conclusion and recommendations of the study.

CHAPTER SEVEN
SUMMARY, CONCLUSION AND RECOMMENDATIONS

7.1. INTRODUCTION

Fiscally funded social security has become the fortress for the poor and destitute both in the developed and developing world. Nonetheless, there are instances where such social relief becomes inaccessible to some, for reasons ranging from *inter alia*, lack of access to social grant information, budgetary constraints to unnecessarily stringent eligibility criteria. Having pre-empted the above, the study sought to develop a socially inclusive management framework for sustainable fiscally funded social security in the Republic of South Africa, based on the case study of the Eastern Cape Province. This stemmed from the realisation of the existence of the problem of social exclusion in a Province perceived to be the poorest among the nine provinces in the entire Republic. Although the poverty status of the Province is a consequence of a myriad of factors such as scarcity of economic opportunities, social exclusion has an adverse effect of exacerbating the impoverished condition of those domiciled in the Province.

Furthermore, the thesis hinges upon the need for state-led interventions to promote both economic and social development as the foundational pillars of a developmental state. The study is further premised on an NPM foundation where the Public Service adopts private sector practices for improved government efficiency and client-like treatment of the consumers of the service rendering programmes of the government. In spite of government-wide efforts to address poverty, unemployment and inequality, the three ills identified in the NDP, there is room for improvement towards resolving the scourge of social exclusion in the Province and Republic in general. Additionally, such modifications would aid in making the social security system more impregnable, guarding against fraud and corruption and ensuring that the SASSA, “pays the right grant to the right person”, as inscribed in its slogan. In this regard therefore, the study gathered both theoretical and empirical evidence *en route* to developing the socially inclusive management framework for sustainable social security. These are covered in seven chronological chapters as covered in Section 1.8 of the thesis.

The aim of the Chapter is to summarise, conclude and make recommendations of the study. Thus, the following section presents the summary of the study.

7.2. SUMMARY AND CONCLUSIONS OF THE STUDY

In this section, the study discusses two key aspects, which are the summarisation of the seven chronological chapters. Additionally, the section offers a summary of the significance of the study in terms of its contribution to the existing body of Public Administration knowledge and the practice of public administration in the Republic of South Africa.

7.2.1. Summary and conclusions of the chapters of the study

In this section, a chapter-by-chapter summary of the study is presented. The study deems it necessary to state that the presented summary of the study is also linked to the attainment of the five research objectives as stated in Section 1.4 of the thesis. Furthermore, the various discussions in this section are premised on the overarching goal of the study, which was to develop a socially inclusive management framework for sustainable social security specifically in the Province and the Republic in general. As elucidated in the numerous syntheses of arguments and discussions across the thesis, such a framework is proposed guided by NPM as a theoretical foundation. Overall, the study summary shows evidence of the achievement of the theoretical and practical intentions of the study, which are, the expansion of the existing body of Public Administration knowledge and the practice of executing governmental policies for community development respectively.

Chapter One provided the introduction and general orientation of the study. This was covered under various headings. Such headings include the introduction, problem statement, research questions and objectives, central theoretical statements, research methodology and the trustworthiness of the study and an outline of the entire thesis. Additionally, the Chapter embedded the study onto the democratic developmental state trajectory where a background of the socio-economic situation in the Province was presented. The study therefore argued that, the Republic of South Africa is a democratic developmental state. Also, the Chapter discussed and contextualised the precarious socio-economic condition of the Eastern Cape Province to the SDGs, which

seek to guide the uplifting of the standards of living especially in the developing world. SDG number one and ten are of particular interest to the study. These SDGs seek to reduce poverty and inequalities respectively. Mention was also made that, the SDGs were promulgated from a background of 836 million people still living in poverty, while one fifth of the people in developing countries live on less than US$1.25/day. Showing a perpetual existence of poverty.

The opening Chapter also recognises the fact that the Eastern Cape Province lags behind in terms of socio-economic development, a scenario which has conferred the 'poorest province' tag and reputation in both academic and political circles. Highlights of the socio-economic plight to the Province as covered in the Chapter indicated that *inter alia*, a total of 73% of the rural people in the Province live on less that R300 per month. Further exacerbating the social-economic situation in the Province is that the little personal savings that people may have are expended on informal social security arrangements like burial societies to cater for funerals amidst a high prevalence of the HIV and AIDS.

Chapter One further gave a synopsis of the statutory stipulations of Section 27(1) (c) of the Constitution of the Republic of South Africa (1996) on the right of all deserving people to social security. This particular provision was discussion alongside rights to human dignity and equal enjoyment of rights as stated in Sections 10 and 9 of the Constitution of the Republic of South Africa (1996) respectively. The Chapter further discussed the problem of social exclusion in the Province. The Chapter further ran an in-depth exposition of the problem with regards to fiscally funded social assistance. Problems include the lack of access to information of social grants, social grant fraud, unnecessarily stringent eligibility criteria and poor poverty targeting mechanisms.

The five research questions and objectives of the study were discussed in the opening Chapter. The study made sure that the research questions and objectives mirror each other to ensure the study remains on the right track to sufficiently answer the research questions while concurrently achieving the research objectives. An illustration of the research questions and objectives with corresponding chapters is presented in Table 6 hereunder.

Table 6: Linkage of research questions, objectives and evidence

Research Question (RQ)	Research Objective (RO)	Corresponding Evidence Chapter
Which theoretical frameworks guide social security in the Republic of South Africa as a democratic developmental state?	Describe the applicable theoretical frameworks which guide social security with reference to the Republic of South Africa as a developmental state.	Chapter One & Chapter Two
What is the statutory and regulatory framework supporting social security in a democratic developmental state such as the Republic of South Africa?	Discuss the statutory and regulatory framework supporting social security in a developmental state with reference to the Republic of South Africa.	Chapter Three
What are the management challenges affecting the social inclusion by the social security system of a democratic developmental state with reference to the Eastern Cape Province of the Republic of South Africa?	Explain the management challenges affecting the social inclusion in the social security system of a democratic developmental state with reference to the Eastern Cape Province of the Republic of South Africa.	Chapter Five
Which international best practices can serve as leading examples towards an effective and efficient social security management framework devoid of social exclusion in a democratic developmental state?	Describe international best practices which can serve as leading examples towards an effective and efficient social security management framework devoid of social exclusion in the developmental state.	Chapter Four
What socially inclusive management framework applicable to a democratic developmental state can be developed to improve the manner in which social security programmes are being managed in the Eastern Cape Province and the Republic of South Africa in general?	Explore a socially inclusive management framework applicable to the democratic developmental state, which can be developed to help improve the manner in which social security programmes are being managed in the Eastern Cape Province of the Republic of South Africa.	Chapter Six & Chapter Seven

Source: Own illustration (2016)

Apart from the preceding discussions, Chapter One gave a snapshot of the theoretical foundation in line with **RQ1** and **RO1**. The Chapter also gave an exposition of the significance of the study. This was expounded to imply that the study both shapes policy practices in respect of provision fiscally funded social security service and theoretical aspects through the expanding of the existing body of scholarly knowledge. The study sought to develop the social development aspect of developmental states by way of an expansion of the existing body of scholarship knowledge. This was further

sought through the development of additional theoretical insights by way of using the grounded theory into qualitative data analysis.

Another aspect of the study with particular reference to Chapter One was its covering of the research methodology of the study. In summary the study uses a case study approach under the qualitative paradigm where data analysis was undertaken through grounded theory. Furthermore, the study used a constructivist ontological orientation of qualitative studies. Hence the analysis of the study data took shape of the deductive and inductive reasoning of grounded theory, hence exhibiting an independence from pre-existing theoretical assumptions. The study independently analysed how fiscally funded social security is being managed in the Province, free from any preconceived expectations, hence improving on the study's objectivity.

Chapter One provided the methodological aspects related to the aspects like target population, data collection, sampling and research ethics which were observed in the study. Thus data was collected mainly from with SASSA, with augmentation from the DSD, NGOs, social grant recipients and the OTP in the Province. Semi-structured interviews and questionnaires were used to collect empirical data from 60 respondents as shown in Table 1 of the thesis. The Chapter also offered a discussion on the ethical principles including privacy and confidentiality, informed consent and ethical clearance which were duly observed in the study. In closing, Chapter One provided a discussion on the yardsticks ensuring the trustworthiness of the findings of the study *inter alia*, crystallisation, authenticity, credibility and dependability. In brief, Chapter One played an important role in grounding the study and provided much needed impetus from which the rest of the thesis developed from. A summary of the second Chapter follows.

Chapter Two of the study detailed the central theoretical foundation of the study *viz*, the NPM paradigm in connection with **RQ1** and **RO1**. This was executed through the unpacking of the theoretical orientation, principles, core components, implications to the Public Service and the paradigmatic evolution on NPM approach. Furthermore, the Chapter discussed the relationship between administration and management in Section 2.3 of the thesis. NPM as a pro-efficacy reform movement has been traced to

the British, American and New Zealand inventions where it was a form a reactionary intervention to ancient mechanistic bureaucratic organisational structures.

The fundamental arguments of the Chapter flow from an analysis of existing literature and discussed as follows. Foremost, scholars argued that NPM would significantly improve the ability of African states to steer social, economic and political development since it coincided with an era of newly independent African states. Thus, an adoption of these private-sector inspired reforms would be a catalyst for state-led development as discussed in detail in Sections 1.6, 2.2, 2.3 and 2.4 of the thesis. Referred to as pro-reform movement with synonyms like entrepreneurial government organisational rightsizing and reinventing government NPM signifies a transformation of the manner in which public services are rendered. This brings in the grounding of the paradigm into the Public Choice Theory which compares citizens to customers in a marketplace where choices are made to select the best commodity and rationally do so. This has been covered in detail in Section 2.4 of the thesis. Hence citizens should be given a customer-like treatment by their government.

A discussion of administration and management was also undertaken in Section 2.3 of the Chapter. In short, the management functions of policy-making, organising and exercise of control were regarded as falling within the wider scope of administration. Chapter Two also gave an overview of the concepts P(p)ublic A(a)dministration, where the capitalised ones is the field of study (discipline) and the latter refers to the activity of the Public Service, usually undertaken by the government. Over the years, the discipline of Public Administration has since assumed an interdisciplinary character where it has mutually forged alliances with fields like political science, anthropology, sociology and engineering. As a discipline, Public Administration, underwent various epochs referred to as paradigms. As detailed in the Chapter, these paradigms evolve mainly due to changes or expiration of accepted beliefs, understanding and theoretical orientation, through paradigms shifts. Such changes emerge when difficulties emerge in the use of existing paradigms making them unable to fully resolve modern realities and challenges. Paradigm shift is discussed in Section 2.3 with a tabular illustration in Table 3.

As discussed in Chapter Two, paradigm shifts occurring in Public Administration over the years as a consequence of an ever-raging debate on whether the discipline an acceptable theoretical orientation. Therefore, the inevitable unending debates are resultantly due to an absence of a universally accepted theory in the discipline. The Chapter discussed six main paradigms through which the discipline has been studied from the Wilsonian separation movement through the reconciliatory period when the discipline reunited with Political Science. Mention was made that each of these periodic paradigms left some unique residue in the theory and practice of Public Administration, all of which has positively transformed NPM as a paradigm. As a way of locating the ancestry of NPM, Christopher Hood's principles of NPM have taken fame in what the study summarised as the core components of paradigm. Which comprise principles like the optimisation of the use of ICT, public-private sector customer concept, enforcement of public accountability and citizen-centred bottom-up approaches to management.

A discussion of the critique of NPM concluded the Chapter. Criticism includes its obsession with efficiency, which tends to undermine traditional public service values of like honesty and political control of the Public Service. The study thus argued that, despite the handful criticisms levelled against the theoretical foundation of the study, deductions were made which indicate that NPM remains relevant to the modern Public Service due to its diverse mix of reforms and interventions aimed at dismantling the ancient-era mechanistic and bureaucratic organisational structures in favour of smaller and effective public organisations. This is vital in democratic developmental states such as the Republic of South Africa. A summary of the third Chapter follows.

Aligned to **RQ2** and **RO2** shown in Table 6, **Chapter Three** of the study focused on the discussion of the statutory and regulatory framework for social security. This took shape through a three-pronged perspective encompassing the global, regional and local contexts of social security pieces of legislation and polices in relation to social security service rendering were discussed. Overall, the scope of the Chapter covered the emphasis of the statues of upholding human rights, social security rights, right to equity and the due prohibition of unfair discrimination. Above all, the covered statutory frameworks were guided by the UDHR which accords various rights to the peoples of

the world and mandates member states of the UN to enact enabling laws to give effect to these rights. Succinctly hence, the UDHR aims to build equal society through the promoting rights such as that of social security from a background where almost the majority of the global population lacks access to comprehensive social security.

The Chapter additionally discussed social security from a global, regional and local perspectives centred on the ILO's definition of fiscally subsidised social security, which calls it a galvanisation of the poor from economic and social distress as detailed in Section 3.2.2 of the thesis. Thus, the study deduces a significant need for statutory and policy interventions aimed to making sure the right to social security is enjoyed by all those who deserve are on the nastier end of poverty. Also mentioned with respect to social security rights is Convention 102 of the ILO which sets minimum standards for social security in UN member states. The global perspective of social security statutes also analysed the implication of the 2011 ILO Social Security Resolution which views social security as a necessity, a human right, an economic requirement and critical policy issue for states. Thus, the great need for a fiscally funded statutorily entrenched shield and refuge that can protect vulnerable people from misfortunes such as *inter alia*, old age, disablement and poverty.

Another key legal instrument which the Chapter expounded on is the ICESCR, which values social security rights as the panacea for an equal society. However, the Republic of South Africa has just ratified the ICESCR in January 2015, hence a need to align social security statutes to the stipulations of the particular convention. An observation made in Section 3.2.2 of the study. Furthermore, the Chapter discussed one statute that advocated for the social and economic empowerment of women, the CEDAW. The CEDAW was, as covered in Section 3.2.3, seen to correlate with Section 9 of the Constitution of the Republic of South Africa (1996) and the Employment Equity Act (No. 55 of 1998), which collectively promote gender equality within the state, from employment to the equal and unparalleled enjoyment of rights. Apart from women's rights, the study also covered the CERD as a key convention which guard against discrimination of any kind in respect to social security. Hence, the CERD prohibits discrimination based on, among other things, background and race. Children, as the future of contemporary society, have their right to social security safeguarded and

accorded by the CRC and ACRWC, which ensures that children are raised in a conducive environment to enable them reach their full potential.

Regionally, the African continent has made great gains in relation to the furthering of the social security rights of its peoples. Foremost, the ACHPR promotes the promotion of family unit, health and social welfare. In the same vein, the SADC region has had equal interventions to give effect to the UDHR and equal access to social security for Southern Africans. As discussed in Section 3.3.2 of the thesis, the interventions comprise the CFSR which promotes synergised regional integration and cooperation in the improving of the welfare of those domiciled in the bloc and the Code on Social Security (2008) which seeks to make everyone in the SADC eligible for social security. These SADC statutes are in line with Convention 102 of the ILO, which sets standards for social security rights. A discussion on the local statutes and policies supporting the right to access to fiscally funded social security were also presented. The study offered a detailed exposition of *inter alia*, the Social Assistance Act (No. 13 of 2004), South African Social Security Agency Act (No. 9 of 2004), PAJA (No. 3 of 2000) and various sections of the Constitution of the Republic of South Africa (1996) was also covered. These give effect to entrenching social security rights in line with the UDHR.

The third Chapter discussed the fundamental nature of social security as a human right. This was also traced to human dignity and *ubuntu*, implying that being vulnerable and succumbing to social distress is an infringement of the right to human dignity of such persons. Another point of interest in the Chapter was the implication of phrases, 'reasonable legislative and other measures' as well as 'within available resources' which were regards as antecedents for creating state led sustainable socio-economic interventions. Therefore, discouraging the state from acting in bad faith to limit right of access to social security and social assistance as detailed in Section 3.4.5 of the thesis. Additionally, the state should always honour the social contract by ensuring that its people have decent standards of living. In the end, discussions in the Chapter evidently demonstrated the obligation of the South African democratic developmental state to establish and sustain the right to social security for all citizens. A detailed summary of the fourth Chapter of the thesis is presented in the following section.

An analysis of the BRICS social security management examples was done in **Chapter Four** in line with **RQ4 and RO4**. Principally, this analysis aimed to establish global best practices in the managing of social security. Such a goal would effectively serve as learning curves for developing of a socially inclusive management framework for social security in the Republic of South Africa with a particular reference to the Eastern Cape Province. The BRICS make a unique case in the global perspective on social security management because of their clear impetus and current status as the world's emerging economies. Expressively therefore, the BRICS hold a cumulative GDP of US$11.539 trillion in 2010. As such, the study analysed social security practices from Brazil, India, Russia and China. The Chapter has grounded social security systems of the BRICS bloc in the Bismarckian and Beveridge principles of creating state led social protection to guard against the ravaging effects of poverty, squalor or inequality.

Foremost, the established a common feature in the selected examples in the form of having both PAYGO and fiscally funded arrangements in their social security systems. While Russia and China have faced difficulties with transiting from populist socialist and communist systems respectively, in adopting neo-liberal social security practices, they have equally reshaped the social security to enable a safeguarding of the poor. With respect to the Brazilian social security system, the study deduced in Section 4.2 that the state has a strong statutory stance towards social security rights, encourages school attendance and nutrition, emphasises on old age security as well as social protection of rural farmers and poor citizens. In the same sense, the Brazilian fiscally subsidised social security system was seen to benefit from *inter alia*, housed profiling, poverty mapping and engagement of various stakeholders in the overall management of social security as discussed in Section 4.2.4 of the thesis.

Such a plethora of benefits is in contrast with the design of the Chinese social security system, which oversimplifies individual and community need and uses a universal barometer to determine eligibility for fiscally subsidised social security and protection, mainly distinguishing between urban and rural beneficiaries. Thus creating some 'institutionalised' social exclusion for rural and urban dwellers. Some of the challenges affecting social inclusion in the BRICS include a lack of investment into ICT, a rising costs of administering social assistance, skills scarcity and absence of substantial sub-

contracting through PPPs with respect to fiscally funded social security. This is particularly affecting the social security system in Brazil.

India has faced challenges including the absence of proper information dissemination channels, social grant fraud and corruption and fragmented model of managing the various PAYGO and fiscally funded schemes across states and local municipalities. In China, there is a disjuncture between rural and urban social security system, posing a huge challenge to social inclusion. A challenge posed by the expansive territory in Russia has inevitably caused the modern government to use devolution in managing social security. Although such a decentralisation creates much needed public service competition across its *oblastis* and *raionies*, it further fragments fiscally funded social security provision especially given that some cities are richer than others.

In section 4.3.1, the study took particular interest in the legal entrenchment of social security rights in the Constitution of Russia, which declares it as a, “social state whose policy is directed at creating a conducive environment aimed at ensuring dignified life, unhindered and full development of man”. This transfers to the state, a commitment to create positive conditions which allow citizens to develop and reach their maximum potential. Another marked observation that is key to the success of the BRICS member states in the sustainable management of their social security systems is the ability of keeping the costs of expenditure on socials security in relation to the GDP at the minima. For example Russia’s expenditure on social security as a fraction of its GDP stands at 6% while Brazil has a 6.9%. Detailed in 4.3.2 are interventions by some BRICS member states, with particular reference to Russia to simplify eligibility criteria for its CSG and OAG.

Also part and parcel of the BRICS family are India and China, states sitting on ticking time bombs in the form of ageing populations, hence a need for old age security. In line with global statues advocating women emancipation and empowerment, India has a tailor-made social security arrangement in the form of the SEWA which serves to counteract patriarchy in society and accord women headed families a decent living as argued in Section 4.4.1 of the thesis.

Another key finding in the analysis of the BRICS examples is the utilisation of social security to incentivise gainful employment. This is particularly in reference to the Chinese policy of ensuring that any social grant benefit should always be below the local minimum wage. As analysed in greater detail in Section 4.5.4 of the thesis China also discouraged rural-urban migration be making sure rural social security schemes are more attractive than their urban counterparts. Rural social security is cheaper to rural PAYGO subscribe schemes such as the NRPP and more economic if on the other hand, it is economic to enrol and get benefits from a state funded rural social protection schemes such as the MLSGS.

Chapter Four, in summary was an exposition of the BRICS cases as a way of deriving practical lessons for the local social security system. A summative illustration of the analysis of the case studies is shown in Table 4 of the thesis. Such as achievable especially when paying attention to the homogeneity of challenges in the BRICS with respect to social security. Furthermore, the solutions to these challenges can also be collectively moulded since the bloc strives to harmoniously cooperate in good faith, with regard to common development agendas. An analysis of the empirical evidence related to the Republic or Province's context of the challenges and management practices to social inclusion are provided in summary of Chapter Five which follows.

RQ3 and **RO3** centred on the analysing of challenges which affect the managing of social security in a socially inclusive fashion for the Republic of South Africa with particular focus on the Eastern Cape Province. Overall, **Chapter Five** served to expose various social security management challenges which affect the realisation of social inclusion in the Province. This was done by a discussion of both environmental and management categories of challenges that is in, Section 5.3 and 5.3 respectively. Additionally presented in this Chapter is the social grant application flow process which shows the chronological process followed when beneficiaries enrol for fiscally funded social assistance in the Province and the Republic of South Africa at large. The study solidly links the various stages of the flow process for application of social security grants as being either directly or indirectly affected by the manner in which the social security system is being managed. These steps have been identified and elucidated

as the application, validation, quality control, adjudication and enrolment (payment) as shown in Figure 2.

A discussion of the current environmental setting of the Province centred on proving the impoverished status of almost half of its population with about 2.7 million of the 6.6 million residents of the Province are in the social assistance system. This was further substantiated by the dominant and common feature of overwhelming poverty and underwhelming socio-economic opportunities in the Province. Further complicating the socio-economic prospects of the people of the Eastern Cape Province is a dearth in subsistence agriculture and LED programmes which have seen a rise in emigration in recent times. Consequently, the Province is in a precarious position, making fiscally funded social security a fortress for the poor. A discussion on the environmental challenges was undertaken from the backdrop of the democratic developmental state and the need for concurrent state led promotion of social and economic development.

Management challenges were also discussed with a view of weighing on the shortfalls that exist between the *status quo* and an NPM inspired Public Service. Management challenges discussed in the Chapter covered a wide spectrum covering planning, organising, reporting, budgetary, public accountability and professionalism, customer centeredness, investment in ICT and eligibility. A significant challenge as discussed in Section 5.4.1 lies in the planning of social security targeting, which is crippled by an absence of individual, household and community poverty profiles for designing tailor-made interventions. The SASSA also faces challenges related to the consequences of a PPP which it entered into with the Net1 UEPS Technologies conglomerate. Due to the profit centeredness of private sector firms, the contractor has affected social inclusion through *inter alia*, preying on poor beneficiaries through loan sharks, illegal social grant deductions from children's grants and litigation battles with the Agency.

The Chapter further focussed on human capital challenges inhibiting social inclusion in the Province. These included *inter alia*, low staff dedication towards training and development initiatives, scarcity of skills, falsification of qualification by job recruits, poor coordination between supervisors and their subordinates together with fraud and corruption. Fraudulent social grant practices such as syndicates of 'ghost' application

and beneficiaries were diagnosed as a problem cutting across numerous public organisations such as the DoH, SASSA and DHA. Further affecting the sustainable eradication of social exclusion in the Province is the poor IGR in the SASSA, DSD and the entire Public Service. Also detailed in sections 5.4.2 and 5.4.4 of the Chapter are organisational and leadership challenges affecting social inclusion. The discussion analysed empirical evidence to the effect of discerning the centralised nature of the SASSA as problematic in the fighting of social exclusion. Apart from the organisational structure complications, an absence of sufficient arrangements for the devolution and decentralisation of authority and responsibilities has also ruined innovation by middle and lower level management in terms of the development of organisation management solutions.

A centralised organisational arrangement is a disincentive for the use of private sector managerialism efficiency as dictated by NPM. A specific example is the development of modern-day data management software packages to significantly move away of the obsolete SOCPEN. Centralisation also affects the deterring of fraud and corruption because the fraud and compliance units suffer from lack of a physical presence in the Province, district and local offices of the Agency. The Chapter further covered the challenge of moving away from the organic 'beneficiary' to the modernised 'client' or customer concepts as derived from NPM. For this reason, a perpetual reference of fiscally funded social security clients as beneficiary was seen to affect efforts towards social inclusivity. The expansion of the social security grant footprint in the Province to give effect to social inclusion is dented by the scarcity of citizen entrepreneurs to act as social security merchants.

Lastly, Chapter Five discussed the illicit existence of 'creditors' selling commodities to social security clients and illegally confiscating their SASSA ATM cards as surety. Such a practice affects social inclusion since it impoverishes the poor further due to debt deductions on the meagre social grants. This further bloats the SASSA ATM card replacement queues at the Agency due to some unfaithful 'debtors' dishonouring their debt, defaulting and getting new cards. In concluding, the challenges discussed in Chapter Five were multi-faceted, thus individually and collectively affect the enrolment of the socially excluded. In line with **RQ5** and **RO5**, the study finally proposed the

socially inclusive framework for the sustainable management of fiscally funded social security in the Republic of South Africa, which was detailed in Chapter Six of the thesis is summarised in the section that follows.

Chapter Six of the study proposed a socially inclusive management framework for sustainable social security in the Province and Republic in general. This was done in line with **RQ5** and **RO5**. As the ultimate objective of the study, the study proposed an eight-step flow process framework that encompasses both functions and values as its components. In the same sense thus, the developed framework has derived some of the best practices for fiscally funded social security management from the BRICS examples presented in detail in Chapter Four of this thesis. Chapter Five also gave an exposition of the definitional perspective of the term framework and phrase social inclusion in relation to the proposed framework. In addition, the developed socially inclusive social security management framework sought to resolve challenges and problems leading to social exclusion in the Province within the context of NPM as a foundational paradigm of the study and the democratic developmental state. Much on the NPM foundation and the democratic developmental state status of the Republic of South Africa was covered in Chapters One and Two of the thesis.

The premise of the Chapter was additionally based on the need to expose the relative contribution of the developed framework to the expansion of the existing theoretical understanding of NPM and the discipline of Public Administration. For instance, the Chapter inferred that emphasising on people-centred approaches such as bottom-up whole-of-government approach to service delivery and a multi-stakeholder approach to service rendering to be expanding on the current focus of NPM and government efficacy. An illustration of the proposed framework is shown in Figure 4 of the Chapter, which has *inter alia*, a background to the framework which serves to expose gaps in policy frameworks and the *status quo* as well as the theoretical and statutory pillars of the framework.

Furthermore, the proposed framework has eight chronological steps that include the undertaking a situational analysis, conducting a stakeholder analysis, identifying target areas, implementing of selected interventions promoting social inclusion, monitoring

of implemented interventions and eventually evaluating the entire process framework. Chapter Six gave a discussion and analysis of the implications of various dependent components of the framework encompassing an analysis of the macro and micro organisational environment of the SASSA as a crucial aspect of determining the kinds of interventions that can be adopted and implemented to give effect to social inclusion. Another key feature of the framework is the multi-stakeholder analysis, which involves various role players in solving social exclusion as illustrated in Figure 5.

The sixth step of the proposed socially inclusive framework details the implementation of selected interventions including, establishing a functional and stronger Inspectorate of Social Security, amendments to existing statutes and policies, poverty profiling and new conceptual understanding of PPPs. A majority of these interventions have some commonalities with fellow BRICS member states. For instance the intensification of investment in ICT has been a success story in Brazil, India, Russia and China. Similarly so, the Indian social security system which had been confronted with the challenges of rampant corruption and social grant fraud has established a fiscally funded social security watchdog in the form of the PFRDA, an equal of the local dysfunctional Inspectorate for Social Security. A further example of inferences was the utilisation of poverty mapping and a multi-stakeholder approach to eradication social exclusion in Brazil and India.

The Chapter further recognised the NPM-inspired practice of sub-contracting private sector service providers had been effective in creating socially inclusive grant system in Brazil, India, Russia and China. A crucial feature of the process is its incorporation of contemporary practices of monitoring evaluation, which serves as timely trace and track of activities aiming to timeously correct variances and keep policy programmes on the right trajectory. Traditionally, the NPM paradigm was not implicitly characterised by monitoring and evaluation practices, hence the paradigm can be enriched through the augmentation of its current form by extra pro-government features such as constant monitoring and evaluation. Lastly, Chapter Six gave an exposition of the numerous anticipated outcomes of the implementation of the framework, most of which speak to the much needed scenario of social inclusion. A summary of the final chapter of the study follows.

As the closing section of the thesis, **Chapter Seven**, as mentioned in Section 7.1 of the thesis, offers the summary, conclusions and recommendations of the study. The Chapter covers the summary of the sequential chapters and significance of the study. Chapter Seven also provides a linkage between the RQs and ROs as well as the evidence gathered to sufficiently answer the questions and achieve of the research objectives. Such detail is covered in Figure 6. The Chapter presents recommendations for social inclusion in the management of fiscally funded social security in the South African Public Service. The Chapter provided recommendations on further studies. In closing the thesis, the Chapter offers comprehensive concluding remarks on the study, its attainment of the intended aims, social inclusion, inequality, poverty, NPM-inspired reforms and the democratic developmental state.

The following section offers a summary on the academic and practical significance of the study.

7.2.2. Summary and conclusions on the contribution of the study

Discussed in this section are the summaries and conclusions of the significance of the study, both from an academic and practical perspective. The study begins by providing a summary on the academic contribution of the study to the existing body of knowledge hereunder.

7.2.2.1. Contribution to the discipline of Public Administration

As mentioned in section 1.5 of the thesis, the study seeks to expand on the theoretical enrichment of the current body of scholarship in Public Administration. In this regard thus, since the study was rooted in the NPM paradigm and developmental state, the section offers a summary of the key contributions of the study to the expanding on the current state of scholarship with respect to these. Also, the theoretical significance of the study is contextualised to the scope of socially inclusive management of fiscally funded social security.

Foremost the study infused existing features and principles of NPM namely public accountability, privatisation and intensive investment in ICT with new approaches. These new approaches include poverty mapping, utilisation of psychometric testing of

human capital recruitment, social security oversight arrangements promoting values like professionalism, monitoring and evaluation and the infusion of the stakeholder theory in the promoting government efficacy. The study established that the emerging enabling features discussed here serve as enablers to the existing understanding of the NPM paradigm as a private sector inspired approach to efficient government. The features of NPM that emerged in the course of the thesis aid in the furthering of the original goals of the paradigm. For instance, using the bottom-up whole-of-government approach to delivery social welfare services can aid in tailor-making government services. In succinct terms, NPM not only seeks to establish effective, efficient and economic government but to also improve the image of the government in the eyes of its citizens.

The study also did justice to the social development branch of the developmental state, something of which recent studies have not taken cognisance of. Specifically thus, the study played a crucial role in advocating for the equal valuation of socio-economic development as the pillars onto which a democratic developmental state is premised on. In addition, equally promoting social development and economic prosperity create a complementarity nature of addressing the sustainable establishment and nurturing of developmental states. Overall, the study expanded the existing body of scholarship on the developmental state by revealing the need for a complementary method to the study of developmental states. On the contrary, emphasising much on the economic development branch of the developmental is tantamount to the stalling of development since neglected social development can negatively affect the realisation of economic development. As a result, the complementarity does not only lie in the scholarship aspects since it also has some practical implications on service rendering.

7.2.2.2. Contribution to the activity of public administration

The practical significance of the study rests in the ability of the proposed socially inclusive social security management framework to eradicate social exclusion. This targets both the provincial and national context of social development. It also centres on the ability of the theoretical, secondary and empirical evidence to establish social inclusion in the sustainable provision of fiscally funded social security grants in the Province. In addition, the analysed empirical data shows practicality in the ability of

the study to describe a problem, design methodology that can aid the collection of empirical data to resolve such a problem. Therefore, the findings of the study from the various specialised chapters in the thesis, collectively serve as a collectively synthesis of arguments and discussions on how the Republic of South Africa can improve the manner in manages its fiscally funded social security grants to give effect to social inclusion..

In a nutshell, practical implications of the study has far reaching implications which the Agency, DSD and other relevant stakeholders can collectively work towards socially inclusive social security. Such a scenario can lead to a marked improvement of the standards of living for citizens domiciled in the Republic of South Africa.

7.3. RECOMMENDATIONS OF THE STUDY

Presented in this section are recommendations of the study. As shown in the coming sub-sections, the recommendations are two-pronged covering the current study and the areas of further study. The study discusses the recommendations based on the overarching RO, which sought to develop a social inclusive management framework for sustainable social security in the Republic of South Africa, in the section that follows hereunder.

7.3.1. Recommendations on the socially inclusive management framework

Cognisance is taken on the various inferences and quasi-recommendations included in Chapter Five of the thesis. Furthermore, the study equally values proposals made in Chapter Six towards promoting a socially inclusive managing of fiscally funded social security in the Republic of South Africa. Specifically, the key recommendations of the study are proposals detailed in Chapter Six where there are various components and interventions in the unpacking of the proposed socially inclusive framework. In this regard thus, the recommendations discussed in the coming sub-sections complement the ones proposed in the developed framework.

The study provides implementable recommendations for consideration by the SASSA, DSD and relevant stakeholders in the reduction of social exclusion and creation of a socially inclusive management framework. These recommendations are in line with

RQ5 and **RO5** which sought to establish socially inclusive practices that can improve the management of social security in the Eastern Cape Province and the Republic of South Africa.

7.3.1.1. Utilisation of monitoring and evaluation in the Public Service

Monitoring and evaluation of Public Service policies and programmes has become a pinnacle for the attainment of both people-centred and efficient government in the 21st century. This incorporates the monitoring and evaluation of socio-economic roadmaps such as the NDP. The current socio-economic development blueprint for the Republic of South Africa, the NDP, is instrumental in the promoting of social inclusion. This is critical since it declares war on the three ills of contemporary society namely, poverty, unemployment and inequality. Thus, interventions such as the rendering of fiscally funded social security becomes and enabler to this cause. However, social-economic development blueprints are not immune to emerging challenges that might require them to be modified to suit the changing macro and micro environmental requirements.

For instance, the pace at which globalisation has taken would mean that governments need to keep abreast with changes in ICT, global statues, regional bloc alliances and local demands. Hence a progressive and periodic review of the socio-economic policy programmes is required. Overall, social inclusion resulting from reviewing the NDP will ensure equal enjoyment of rights and implementation of interventions towards social inclusion. This can intensify the war on poverty and inequality and keep the Republic on track with the stipulations of the global statutes like the UDHR on socio-economic rights. Furthermore, constantly reviewing these roadmaps for social and economic development ensures that the government sustainably maintains its impetus towards building an equal and liveable society for its peoples.

The adoption of monitoring and evaluation in the Republic of South Africa signifies the robust stance that the government has towards the need to improve its efficiency in the rendering of public services. This encompasses social development policies which have been remarkable in the alleviation of poverty and inequality since the dawn of the era of participative democracy in 1994. However, the prevalence of incidences of social exclusion is evidence that social welfare initiatives and programmes are not

being fully monitored and evaluated. In relation to the proposed socially inclusive management framework highlighted in Figure 4, monitoring and evaluation (steps 7 and eight respectively) are recommended to enable the tracing and tracking of socially inclusive interventions.

Essentially using monitoring and evaluation does not only seek to diagnose variance in the implementation of a policy programme, but also further serves to ensure that a continuous improvement practice is sustainably used to resolve both existing and emerging challenges to social inclusion in the Province and Republic at large. As mentioned previously in this Chapter, the suggested optimal utilisation of monitoring and evaluation is dependent on the success of the implementation of some or all of the components of the proposed socially inclusive framework in Figure 4 and other short and medium term interventions such as community profiling which can set a perfect foundation of tracing and tracking a socially inclusive management framework for social security. Moreover, monitoring and evaluation has a cross-cutting effect which can help markedly improve in the manner in which the SASSA and DSD pool their human capital, budgetary and other socio-economic inputs into the creation of social inclusion in the Province. In this regard hence, existing monitoring and valuation arrangements need to be improved towards resolving the existing challenges of fragmented implementation of social welfare policies in the Province and the Republic in general.

7.3.1.2. Establishing strong oversight structures for social security

The government should establish an oversight body specifically dedicated to oversee the management of the Agency in terms of accountability enforcement. Establishing such an agency can expedite decision-making and the strengthening of the mandate of the Agency from its current scope of obligations. The study recommends the establishment of a board of directors in the SASSA, similar to parastatals to ensure that the Agency is weaned from the house of its natural birth, the DSD. Resultantly, in the same fashion like existing State-Owned Enterprises (SOE), a board of directors in the Agency can significantly improve social inclusion due to the independence that the Agency would enjoy. Such a board would enable the Agency to perform optimally

without devoid of bureaucratic delays which it encounters daily when dealing with the DSD.

The implementation of the proposed framework for social inclusion as illustrated in Figure 4 can best be accelerated when the SASSA has a functional board to expedite the adoption and implementation of a raft of suggested interventions to curb social exclusion. With the milestones which SASSA has reached this far, the government should acknowledge the need to create a separate SASSA, as an independent SOE for fiscally funded social assistance grants. Encouragingly, as a SOE, the Agency would benefit from having a budget allocation and forge beneficial partnerships with private sector business to improve its financial sustainability. For example, as a SOE, the Agency would also improve the foster care programme and process to help OVCs in the Province. That can be significant unlike the *status quo*, where the SASSA utilises its own 'family finders' to counteract the bureaucratic delays in the DSD, which normally administers the OVC and foster processes.

7.3.1.3. Quasi-privatisation of fiscally funded social security

Another social security initiative that the government of the Republic of South Africa should consider is adopting and implementing quasi-privatisation initiatives aimed at improving service quality in the management of social grants. This can be done when the government establishes a parastatal that solely manages and administers social grants on behalf of the government. The government will be the major shareholder in such a quasi-privatisation initiative. Furthermore, the parastatal will be premised on delivering state subsidised social assistance, a noble motive which should not become distorted by the profit-seeking profit objective of the private sector.

At present the SASSA can been affected by its current organisational arrangement of being housed within the DSD as a mere directory. Such an arrangement can help address inconveniences that the current management framework has faced from the profit obsession of CPS, the PPP contractor which has been engaged to pay social grants in the Province and the Republic at large. Russia, Brazil and China are the BRICS member states that have noticeably improved efficiency in the managing of their fiscally funded social grants by quasi-privatisation interventions. Principally thus,

quasi-privatisation can help reduce the contemporary paternalistic by the state in social welfare provision through substantial sub-contracting of private sector role players.

However, the state needs to maintain oversight over balancing private sector security interests and the social contract obligations of state funded social relief services. For example, Brazil has made interventions to ensure that private sector managed social security does not result in high costs of grant administration or bloated social security budgets. The Republic of South Africa can gain fiscal advantages through spending cuts enable by allowing quasi-privatisation of social security while reigning over the monitoring and evaluation of the practices of private social security agencies. In addition, the minimising of social security administration costs by way of transparent quasi-privatisation can be another benefit that the Republic of South Africa can derive from its fellow BRICS member states since the cost-cutting measure is transmitted to the vulnerable and poor in society through more social inclusion.

7.3.1.4. Revision of eligibility criteria for social security

In a state whose population is relatively young, the Republic of South need to revisit and revise eligibility to *inter alia*, the CSG and FCG. This is in line with the suggested interventions of legislative amendments, which is part and parcel of the proposed socially inclusive management framework for sustainable social security illustrated in Figure 4. In a 21st century where the social fabric and family structure have changed from the traditional to diverse family structures in the contemporary world, making eligibility and means-tests for social grants such as the CSG less stringent becomes the ideal route to invest in the future of the BRICS nations. Such an arrangement has produced resounding outcomes in Russia as well as in Brazil. In the case of Russia, eligibility for the CSG has been made less stringent to cater for the welfare of children and OVCs while clients of the OAG get more benefits if they have child dependants.

Particularly focussing on the local demographic profile which shows a relatively young population, securing the welfare of children becomes a sensible investment in the securing future of the country. Without disregard to the current eligibility criteria for the CSG and FCG, the Republic of South Africa should consider the rise in single parents

and ageing breadwinners in child social grant applicants. The study recommends the structuring of child social security benefits based on unique individuals, household and societal features. Although the study advocated for the relaxation of qualification criteria for children's grants checks and balances should thus be put in place to avoid making the social security system permeable from grant fraud and corruption.

Another key fiscally funded social security grant that needs to be revisited is the DG, which needs a more robust regulation. As fiscally funded social assistance grant, the DG has faced is fair share of challenges mostly related to its regulation in the Republic of South Africa. Unlike in the developed world where economic opportunities are not as limited as in the developing countries, administering and regulating the DG locally has been complicated in recent times. The study recommends the adopting of the following strategies to give effect to resolving the challenges related to disability and its grants. Above all, there is need to define disability in the context of social security to be the starting point towards social inclusion with regards to disabled persons since the medical definition of disability (the one which most medical doctors are trained to assess) is limited to physiological and mental capabilities thereby failing to consider social and environmental factors which might limit one's ability to live a decent life.

While people suffering from chronic illnesses such as HIV and AIDS are not classified as disabled in the current disability framework, the study recognises the bearing that being on antiretroviral therapy has on one ability to lead a normal life. The situation is further complicated by the lack of economic opportunities which makes the job market stiff. This begs a conceptual consideration of the administration of disability and the DG in the wake of the HIV and AIDS pandemic. Conversely, the high unemployment levels in the Eastern Cape Province and the Republic of South African at large, makes it difficult to determine whether enrolment for the DG is as a result of a disability or un-employability. *Mutatis mutandis* hence, interventions should be adopted to ensure that unemployment-induced is minimised.

The study further recommends balancing of poverty-induced disability and permanent disability to avoid social exclusion resulting from the administering of the DG. There is also a need for social security aligned medical officers to certify disability since there

is prevalent quagmire of the falsification of disability, since the falsification of disability is rampant, something that the study regards as a matter of great concern. Something that further complicates the use of medical certification of disability is the escalating problem of the scarcity of medical doctors in some rural communities. Deductively hence, the study advises on the tightening of DG eligibility criteria. However, such can only be implemented after a due process of defining disability, moving away from the medical conceptualisation of disability, ergonomically emancipating the disabled and sector-wide promotion of LED initiatives.

7.3.1.5. Utilising government-led economic development initiatives

Experiences from the NREGS and SEWA social security initiatives in India indicate that the government can use LED to augment social grants and redress poverty and past discrimination to resounding effect. Observably, this recommendation is in unison with the suggested intervention of promoting social development in the developmental state as detailed in Section 6.2.6.8 of the thesis. The mentioned social assistance schemes in India are tailor-made to suit rural people and women respectively. As an employment assurance scheme, the NREGS has contributed towards eradicating rural unemployment in India, a gain which has an effect of guarding against the social assistance grant dependency syndrome. Although, it is a seasonal employment scheme, the NREGS has managed to keep rural Indians sustainable to an extent where they cannot solely rely on social grants for livelihoods as detailed in Section 4.4.1 of the thesis. In this regard therefore, the Republic of South Africa can utilise such incentives to guard against social grant dependency. Such schemes can also help improve the confidence of the people in their government.

The study cannot exclusively ignore the existence of a legacy of patriarchy in African societies. The government should look at how hence SEWA can inspire women-specific social security schemes in the Republic of South Africa. A locally relevant SEWA would harbour positive impact to the economy, whose demographics indicate that a significant segment of the citizens, more than 51% of the population are women. Furthermore, social security schemes such as the SEWA can improve the welfare of rural women in the Province through tailor-made socio-economic services. This is of particular importance to the Province due to an exponential rise in single mothers and

women-headed households. Observably, such a trend has been credited to rural-urban migration of economically active men and the HIV and AIDS pandemic.

7.3.1.6. Vocational education and training interventions

In the absence of proper education or qualifications, the study suggests the introducing of government-led vocational training interventions for the rural folk. These can help improve the employability of most social grant customers in the Province and the Republic who are not formally educated but are young, able-bodied and promising. Vocational skills training in various aspects such as art and craft, catering, gardening and other life skills can be availed to address skills shortages and un-employability in the Province. The skilling of economically active but currently unemployable people in the Province and the Republic can aid in addressing poverty caused by lack of skills. In the Province and the Republic in general, there are able bodied or partially disabled people who, due to underwhelming economic opportunities in the Province, have become reliant on fiscally funded social security. Some have enrolled for the DG while some are young mothers who survive on the CSG or FCG stipends of their children.

The government needs to champion this intervention to restore hope for better lives for most people who had been reliant of fiscally funded social security grants. With respect to economically active disabled or partially disabled people to be relegated to a life of social grant dependency, the government has to make available vocational training and related funding to training people and prepare them for employment both into the formal and informal sector. In this regard hence, training the able bodied and economically active in the Province would significantly reduce the social assistance expenditure since the vocational skills open windows of hope in the trainees who can secure employment.

7.3.1.7. Ergonomically emancipating the disabled

As briefly elucidated in Section 6.2.6.2 of the thesis, there is need for the workplaces and facilities in the Public Service to be ergonomically improved towards making them disabled friendly. There are instances in the Province where potentially productive persons are excluded from workplaces hence relegating them to a life of dependency on the DG. For instance, a person who has matric and is an amputee without both

legs, with nothing else wrong with them, is physically adjudged to be eligible for the DG, thus no interventive are made to ergonomically emancipate such individuals in the workplace, thus ensuring they are productive.

The plight of disabled person is further complicated by the underwhelming economic opportunities in the Province, a situation that has made most disabled citizens to be unemployable due to the manual nature of available jobs. In this case, disability can cruelly imply inability. Thus, it is the government as the custodian of the state, to lead the cause to emancipate disabled persons in the Republic. Thereafter, state-wide policy interventions should be implemented to include regulations on both public and private sector employers to employ disabled persons.

Foremost, the disabled are regarded as part of HDIs in the Employment Equity Act (No. 55 of 1998) therefore, they should inherently be given preference in employment and economic opportunities. In a nutshell, the ergonomic emancipation of the disabled persons in the Republic of South Africa should be expedited both through physically modifying the workplaces to make them disabled-friendly and through intensification of opening up opportunities across the education, training and employment spectrums of life. Thus, such a practice would be an indication that a developmental state can champion the cause ensuring that disability is not an inability.

7.3.1.8. Capacitation of local leadership

Politics and administration have to interface for the good for community development, in the understanding of the system of government, local government and relations among local government and the public entities such as the SASSA needs to be harnessed through well-informed local leaders such as councillors. Social exclusion, as discussed in the study, is sometimes as consequence of an absence of detailed community poverty profiles. This can be mitigated by the training and capacitation of local leadership such to help them acknowledge their role as the bridge between the government and the people. As the grassroots government, municipalities should develop an intimate relationship with the societies which they serve.

Such training and capacitation serves to ensure that those entrusted with representing the people understand both the broad and minute features of the societies that they serve. For instance, poverty mapping can be smoothened by having councillors who are well versed with their communities. Such local leaders would be able to pinpoint poverty hotspots from an individual household and community level. Having such informed leadership would catalyses to the implementing of the basket of government services using the whole-of-government approach. The social security in Brazil has benefited significantly from the ability of local leadership to champion poverty mapping in their municipalities. Such is a move that can also improve the social inclusivity in the social security system of the Eastern Cape Province and the Republic of South Africa at large. On the contrary, the absence of the input of local leadership in poverty mapping can amount to some 'shot gun' approach to social inclusion, which is in most cases not effective in addressing the pressing challenge of social exclusion.

7.3.1.9. Subsidising of economic development at grassroots level

The Republic of South Africa and the Eastern Cape Province in particular should make efforts towards the creation of a favourable environment for the development of citizen entrepreneurs. In order for the renowned whole-of-government approach to public service rendering to be a success, public organisations in the local context need to promote, maintain and sustain socio-economic development. The study recommends the promotion of the growth of local business and entrepreneurs as another avenue to the eradication of social exclusion in the Province. This stems from the challenges of absence of local business people in the Province, a problem which has crippled the ability of the SASSA to establish social security merchants in the rural parts of the Province as discussed in Sections 5.3 and 5.4.9. Further challenges caused by this domination have been the over-pricing of lowly stocked groceries and unscrupulous confiscation of IDs and SASSA ATM card as collateral security. Hence the Department of Small Business Development should substantially subsidise the development of local entrepreneurs as a way of addressing the dominance of *spaza* shop ownership by non-citizens.

Having citizen entrepreneurs will not only address the expansion of the social security footprint into the deep-lying rural areas of the Province, but also helps cushion the

residents from unfair pricing and monopolising of the rural retail market. In the end, subsidisation of local entrepreneurship can be implemented alongside an injection of investment by other public organisations in the various parts of the Province thereby resuscitating LED. Such a scenario can help attract further investors from other parts of the country and around the world. The study gave an example of a boosting of the tourism industry in the Province, especially with the pristine Wild Coast environment.

Furthermore, the subsidising of growth of local economy and entrepreneurship can also be augmented through the disincentivising rural-urban migration through social security in the Province. The Eastern Cape Province has been adversely affected by its high net emigration in recent years. In this regard therefore, the study recommends that the South African government designs social security packages which have an effect in reducing this trend of migration. That would be attainable through making rural social security schemes more attractive than urban ones. China has made gains in addressing rural-urban migration by guaranteeing of minimum living standards for its rural citizens, and making sure that urban fiscally funded social security remains lower than the minimum wage thus promoting gainful employment. On another note, China has ensured that its MLSGS grants for urban dwellers are less attractive than those received by those domiciled in the rural areas.

Citizens have to choose between receiving a less attractive social grant in an urban setting and remaining and going back to their rural areas where the grant can do more. In a country where rural-urban migration is keep ever-increasing, the government can design a social grant catering for the destitute and vulnerable victims of poverty and inequality. One that motivates them to stay in the rural areas as social grant clients, engaging in LED initiatives and other locally available opportunities.

7.3.1.10. Empowerment of staff and devolution of responsibilities

In an era where private-sector management styles have greatly influenced the manner in which public organisations are managed, the Agency and relevant stakeholders should cooperatively promote the practice of managerialism. As detailed in Section of 2.6.2 the thesis, this principle centres on the use of private sector best practices such as internal competition among the SASSA's employees, regions and districts of the

Agency, delegation, devolution and freedom to innovate. Managerialism can be in use by various successful and profitable organisation in the private sector. Borrowing this practice into the SASSA, DSD and relevant stakeholders would liberate innovation and improve on internal competition thereby producing viable contemporary solutions to the socially inclusive managing of data and social security beneficiaries.

The study further recommends that the SASSA devolves and liberates innovation to empower middle and lower level managers to create new business solutions to replace for instance, the obsolete data management systems like SOCPEN. A key merit of empowerment of subordinate regional and district management would create public service competition in the Agency. If there is a mutual IGR spirit, developed solutions can be shared and adopted by other Provinces. In this regard thus, the obsession in centralisation of innovation in the Agency needs to be dismantled and replaced by contemporary decentralised approaches to management. Devolution can also serve as input in aspects of PPP and quasi-privatisation to avoid blunders such as that of sub-contracting CPS to pay social security grants.

Conclusively, the various recommendations given in this section augment the socially inclusive management framework developed in the preceding Chapter of the thesis. In addition, the suggested recommendations rely on the success of the implementation of some or all of the various components of the proposed framework as illustrated in Figure 4. Social inclusion can be achievable when some amends are undertaken to the current manner in which fiscally funded social security is managed in the Province and Republic in general. Such changes covers a wide spectrum as discussed, from the need to sustainably promote socio-economic development to the establishment of a robust oversight body in the Agency.

The following section covers the recommendations on the areas of future research.

7.3.2. Recommendations on areas of further studies

The study has developed a socially inclusive management framework for sustainable social security in the Republic of South Africa, based on a case study of the Eastern

Cape Province. An analysis of both literature and the empirical findings of the study suggests the following as areas of future studies:

(i) Exploring the multi-stakeholder approach to social inclusion in the managing of social security in the Republic of South Africa.

(ii) A marriage of (in)convenience: analysing the challenges to Public-Private Partnerships and sub-contracting in the rendering of fiscally funded social security in South Africa, the case of the Eastern Cape Province.

(iii) Developing a sustainable socio-economic framework for addressing effects of high net emigration in the Eastern Cape Province.

(iv) Developing a sustainable framework for social security provision in the wake of the HIV and AIDS pandemic: The case of the Eastern Cape Province.

(v) A framework for establishing a comprehensive fiscally funded social security system in South Africa: Exploring universalisation of fiscally funded social assistance.

7.4. CONCLUSION

The Chapter served to provide closing summary and conclusions of the study, together with the recommendations of the study. Also, the closing Chapter gave a conclusion on the academic and practical contribution of the study. Overall, the chapter concluded on a study which sought and developed a socially inclusive management framework for sustainable social security in the Republic of South Africa, the Eastern Cape Province in particular. This was undertaken through a qualitative research paradigm where a case study approach was utilised to gather theoretical and empirical data to attain the five ROs and answer the corresponding RQs as outlined in Table 6 of the thesis. Guidance of the study by the NPM theoretical foundation, the developmental state and the BRICs social security management case studies enabled the study to expose various challenges inhibiting the Province to manage its grants in a socially inclusive fashion. These challenges ranged from human capital development to institutional arrangements with the SASSA and the DSD. The study sought to resolve the problem of social exclusion of poor deserving citizens, from fiscally funded social security grants.

Overall, from the synthesis of various discussions on the summary, conclusions and recommendations covered in this Chapter, the study deduces that it has sufficiently answered the RQS and duly attained the ROs. Therefore, the various readers and audience of the study including scholars, policy makers and other stakeholders can consider the various suggestions and recommendations to both improve the discipline of Public Administration and service rendering not only in the Eastern Cape Province but also in the entire Republic of South Africa. Presented in the following section are the concluding remarks of the thesis.

7.5. CONCLUDING REMARKS

Traced back to the 19th century and former German statesman Otto Von Bismarck and 20th century British Economist, William Beveridge, fiscally funded social security is beyond reasonable doubt a vital shield for the poor. In the same vein, state led social development initiatives aimed at insulating the impoverished and destitute from the adverse effects of poverty are always the core objective of democratic developmental states. Guided by global, regional and local statutes and regulations, social security in the Republic of South Africa has played a significant and pivotal role in the addressing of poverty and inequality. The inequalities are traced to past imbalances where service rendering was executed along racial lines. Despite rights to social security, human dignity, equality and prohibition of unfair discrimination being vividly engraved in black and white, there are some deserving poor who remain excluded from social security. This creates the need to adopt pro-poor people-centred approaches to social inclusion in the Republic of South Africa.

Environmentally, with the Eastern Cape Province being branded as the poorest in the Republic, state led interventions are instrumental in addressing social ills of poverty and inequality towards improving the socio-economic plight of its residents. Such interventions have been pinpointed in the NDP as the main targets of the current socio-economic blueprint of the Republic of South Africa. In a bid to mitigate the adverse effects of these challenges on prospects of the social security management framework to be socially inclusive, the study proposed a pro-poor socially inclusive management framework shown in Figure 4. Multiple stakeholders are required to actively participate

in the eradication of social exclusion, the due implementation of socially inclusive pro-poor interventions and constant tracing of the implementation of such interventions.

In addition to the framework, the study suggested additional recommendations to promote social inclusion. Such recommendations include vital issues such as the fiscal subsidisation of the development of citizen entrepreneurs. The study also emphasises the due importance relevant stakeholders to consider the proposed socially inclusive framework and suggested recommendations as complimentary strategies collectively seeking to attain the ultimate goal of social inclusion. Mention is also made that, the proposed framework is premised whole-of-government approach to service rendering which duly advocate the establishing of tailor-made public services and the delivery of single basket of government services to the people. On the contrary, however, the Agency should take cognisance of various factors that are *ultra vires* to its jurisdiction, those like the effect of globalisation. Hence the need to stay abreast with global such trends in social security management such as always adopting appropriate data management technologies.

From the preceding synthesis, it is evidently vivid how the social security management framework in the Republic of South Africa can get a much-needed facelift. Although the suggested strategies can appear to be of the same magnitude, consideration should be taken on the short, medium and long-term nature of these interventions as a catalyst to guide their adoption and subsequent implementation. In a Province where environmentally there is overwhelming poverty and inequality, and underwhelming economic opportunities, fiscally funded social security grants remain an impregnable fortress of the poor and vulnerable. This is particularly critical since we are in an era where the SDGs have intensified the war wedged against poverty and inequality. Moreover, the Republic of South Africa needs to sustain its current socio-economic development trajectory as a democratic developmental state. Furthermore, the state should sustainably promote access to socio-economic rights in line with the UDHR. Lastly, the Republic can derive best practices in managing social security from its BRICS counterparts, to keep abreast with regional and global social development trends.

In a nutshell, fiscally funded social security can *mutatis mutandis*, sustainably alleviate poverty and reduce inequality in the Republic of South and elsewhere in the world. As originally postulated by Bismarck, citizens require an insulation from the ravaging effects of poverty, disease, squalor death and inequality. Cognisance should further be taken that, the rendering of fiscally funded social security in the 21st century has to be client-like in nature based on the NPM paradigm where citizens, as the Public Service customers are 'spoilt for choice' and offered a qualitative assortment of public goods and services. Therefore, states and governments have to progressively ensure they adopt sustainable strategies to promote human dignity, social inclusion, equal rights and collective advancement of living standards and humanity.

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Appendix 1: NWURERC ethics approval letter

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Ethics Committee
Tel +27 18 299 4849
Email Ethics@nwu.ac.za

ETHICS APPROVAL OF PROJECT

The North-West University Research Ethics Regulatory Committee (NWU-RERC) hereby approves your project as indicated below. This implies that the NWU-RERC grants its permission that provided the special conditions specified below are met and pending any other authorisation that may be necessary, the project may be initiated, using the ethics number below.

Project title: Developing a socially inclusive management framework for sustainable social security in South Africa: The case of the Eastern Cape Province

Project Leader: Prof HG van Dijk
Student: M Haurovi

Ethics number: N W U - 0 0 1 1 1 - 1 4 - A 7
(Institution | Project Number | Year | Status)

Status: S = Submission; R = Re-Submission; P = Provisional Authorisation; A = Authorisation

Approval date: 2014-06-23 **Expiry date**: 2019-06-22

Special conditions of the approval (if any): None

General conditions:

While this ethics approval is subject to all declarations, undertakings and agreements incorporated and signed in the application form, please note the following:

- *The project leader (principle investigator) must report in the prescribed format to the NWU-RERC:*
  - *annually (or as otherwise requested) on the progress of the project,*
  - *without any delay in case of any adverse event (or any matter that interrupts sound ethical principles) during the course of the project.*
- *The approval applies strictly to the protocol as stipulated in the application form. Would any changes to the protocol be deemed necessary during the course of the project, the project leader must apply for approval of these changes at the NWU-RERC. Would there be deviated from the project protocol without the necessary approval of such changes, the ethics approval is immediately and automatically forfeited.*
- *The date of approval indicates the first date that the project may be started. Would the project have to continue after the expiry date, a new application must be made to the NWU-RERC and new approval received before or on the expiry date.*
- *In the interest of ethical responsibility the NWU-RERC retains the right to:*
  - *request access to any information or data at any time during the course or after completion of the project;*
  - *withdraw or postpone approval if:*
    - *any unethical principles or practices of the project are revealed or suspected,*
    - *it becomes apparent that any relevant information was withheld from the NWU-RERC or that information has been false or misrepresented,*
    - *the required annual report and reporting of adverse events was not done timely and accurately,*
    - *new institutional rules, national legislation or international conventions deem it necessary.*

The Ethics Committee would like to remain at your service as scientist and researcher, and wishes you well with your project. Please do not hesitate to contact the Ethics Committee for any further enquiries or requests for assistance.

Yours sincerely

Prof Amanda Lourens
Chair NWU Research Ethics Regulatory Committee (RERC)

Appendix 2: Requisition letter of the study

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TO WHOM IT MAY CONCERN

RE: REQUEST FOR PERMISSION TO UNDERTAKE AN ACADEMIC RESEARCH STUDY WITHIN THE SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA) - EASTERN CAPE PROVINCE

Title of study: Developing a socially-inclusive management framework for sustainable social security in South Africa: the case of the Eastern Cape Province

My name is Maxwell Haurovi a full-time student (No. 25426974) engaged in an academic research study with the above mentioned tittle towards fulfilling academic requirements for the degree of Doctor of Philosophy (Public Management and Governance) at the North-West University in Potchefstroom. Principally, the study seeks to gather data on the current framework utilised in the management of social security in the Eastern Cape Province by the South African Social Security Agency (SASSA) and other subsidiary entities. Specifically, the study examines the processes, procedures and activities undertaken in the process of enrolling, administering and evaluating social security in the Province, with a look at exploring ways through which the management framework can be improved to alleviate the problem of social exclusion and make hence make it more socially inclusive thereby aiding in the fight against poverty and inequality.

In light of the above, this letter seeks to request permission from the SASSA to allow the researcher to interact with the relevant office-bearers, officials and stakeholders in the collection of empirical data through interviews and questionnaires. The researcher pledges to abide by strict ethics and professionalism principles in the process of collecting, analysing and publishing data, hence the ethical rights of privacy and confidentiality for those participating in the study are duly guaranteed. The researcher anticipates the study to be of significant benefit to the SASSA in the Eastern Cape Province and the Republic of South Africa at large. Upon the completion of the study, the findings can be made available to the SASSA upon request and the researcher will publish these in an academic thesis as well as academic journals.

Your cooperation and assistance in this academic endeavour is gratefully appreciated.

Sincerely yours

Maxwell Haurovi.

Appendix 3: Approval letter from the SASSA

Mr Maxwell Haurovi
School of Social and Government Studies
Faculty of Arts
Private Bag X6001
Potchefstroom
2520

Dear Mr Haurovi,

Request for permission to undertake an academic research study within SASSA – Eastern Cape Province

Receipt of your letter, attached to your email dated 10 December 2015 is acknowledged.

Please be advised that permission is granted for you to undertake this research in the offices of SASSA in the Eastern Cape. Please present this letter when you need to access either SASSA offices or engage with staff.

You are kindly requested to discuss the engagement with the Regional Executive Manager : Mr Sakhumzi Yawa, who can be located at the SASSA Regional Office, BKB Building, corner of St Patricks and Marion Roads, Quigney, East London. His phone number is 043 – 707 6300.

SASSA would like to request a copy of your thesis in due course, as the subject will be of relevance to the organisation.

You are wished well in your studies.

Kind regards

Ms V Petersen
Chief Executive Officer

Date: .....2015.12.11.....

Appendix 4: Language editing confirmation

cumlaude
languagepractitioners

Director: CME Terblanche - BA (Pol Sc), BA Hons (Eng), MA (Eng), TEFL
22 Strydom Street
Baillie Park, 2531
Tel 082 821 3083
cumlaudelanguage@gmail.com

DECLARATION OF LANGUAGE EDITING

I, Christina Maria Etrecia Terblanche, hereby declare that I edited the following research study:

Developing a socially inclusive management framework for sustainable social security in South Africa: The case of the Eastern Cape Province

for Maxwell Haurovi for the purpose of submission as a thesis for examination. Changes were suggested in track changes and implementation was left up to the author.

Regards,

CME Terblanche

Cum Laude Language Practitioners (CC)

SATI accreditation nr: 1001066

Registered with PEG

Appendix 5: Consent form for Interviews



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INFORMED CONSENT FORM: SEMI-STRUCTURED INTERVIEWS

Title of study: Developing a socially-inclusive management framework for sustainable social security in South Africa: the case of the Eastern Cape Province

You are invited to participate in the study with the title outlined above being undertaken by myself, Maxwell Haurovi (Student No. 25426974) as part of an academic degree of Doctor of Philosophy (Public Management and Governance) at the North-West University. Principally, the purpose of the study is to gather data on the current framework utilised in the management of social security in the Eastern Cape Province by the South African Social Security Agency (SASSA) and other subsidiary entities. Specifically, the study examines the processes, procedures and activities undertaken in the process of enrolling, administering and evaluating social security in the Province, with a look at exploring ways through which the entire management framework can be improved to make it socially-inclusive thereby aiding in the fight against poverty and inequality.

Please note that by signing and consenting to participating in the study:

(i) Your participation in this semi-structured interview is voluntary and you may choose to withdraw from the interview at any particular time without getting reprimanded;

(ii) You are guaranteed of your ethical rights to privacy and confidentiality and thus you are not obliged to disclose personal information that can identify you as a participant to this study;

(iii) You agree to have your responses to be captured by a voice recorder;

(iv) The results of the study shall be ethically handled, made available to all stakeholders, and will be published in an academic thesis as well as academic journals;

(v) Your cooperation and participation in this academic endeavour is gratefully appreciated since it will concurrently enable the study to realise its objectives and help improve the social inclusivity of the management framework used for social security in the Eastern Cape Province and the Republic of South Africa at large.

_____

Participant's Signature

_____

Date

Appendix 6: Consent form for Questionnaires



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INFORMED CONSENT FORM: QUESTIONNAIRES

Title of study: Developing a socially-inclusive management framework for sustainable social security in South Africa: the case of the Eastern Cape Province

You are invited to participate in the study with the title outlined above being undertaken by myself, Maxwell Haurovi (Student No. 25426974) as part of an academic degree of Doctor of Philosophy (Public Management and Governance) at the North-West University. Principally, the purpose of the study is to gather data on the current framework utilised in the management of social security in the Eastern Cape Province by the South African Social Security Agency (SASSA) and other subsidiary entities. Specifically, the study examines the processes, procedures and activities undertaken in the process of enrolling, administering and evaluating social security in the Province, with a look at exploring ways through which the entire management framework can be improved to make it socially-inclusive thereby aiding in the fight against poverty and inequality.

Please note that by signing and consenting to participating in the study:

(i) Your participation in this semi-structured questionnaire is voluntary and you may choose to withdraw from the interview at any particular time without getting reprimanded;

(ii) You are guaranteed of your ethical rights to privacy and confidentiality and thus you are not obliged to disclose personal information that can identify you as a participant to this study;

(iii) The results of the study shall be ethically handled, made available to all stakeholders, and will be published in an academic thesis as well as academic journals;

(iv) Your cooperation and participation in this academic endeavour is gratefully appreciated since it will concurrently enable the study to realise its objectives and help improve the social inclusivity of the management framework used for social security in the Eastern Cape Province and the Republic of South Africa at large.

_____

Participant's Signature

_____

Date

Appendix 7: Interview guide for SASSA Regional Offices



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INTERVIEW GUIDE FOR RESPONDENTS AT THE SASSA PROVINCIAL HEAD OFFICES

Title of Study: Developing a socially-inclusive management framework for sustainable social security in South Africa: the case of the Eastern Cape Province

You are invited to participate in the study with the title outlined above being undertaken by myself, Maxwell Haurovi (Student No. 25426974) as part of an academic programme of Doctor of Philosophy (Public Management and Governance) at the North-West University. Principally, the purpose of the semi-structured interview is to gather data on the current framework utilised in the management of social security in the Eastern Cape Province by the South African Social Security Agency (SASSA) and other subsidiary entities. Specifically, the interview examines the processes, procedures and activities undertaken in the process of enrolling, administering and evaluating social security in the Province, with a look at exploring ways through which the entire management framework can be improved to make it socially-inclusive thereby aiding in the fight against poverty and inequality.

The researcher would like to bring to your attention that your participation in this semi-structured interview is voluntary and you may choose to withdraw from the interview at any particular time without getting reprimanded. Above all, the researcher guarantees your ethical rights to privacy and confidentiality and thus you are not obliged to disclose personal information that can identify you as a participant to this study. Eventually, the results of the study shall be ethically handled, made available to all stakeholders, and will be published in an academic thesis as well as academic journals. Your cooperation and participation in this academic endeavour is gratefully appreciated since it will concurrently enable the study to realise its objectives and help improve the social inclusivity of the management framework used for social security in the Eastern Cape Province and the Republic of South Africa at large.

Interviews Items:

(i) What are the prospects of the current management framework in relation to the promotion of the rights to social security?

(ii) What is the scope, distribution and cause of poverty in the Province on demographic and geographic basis?

(iii) Can you shed a picture on the gravity and effects of social exclusion of the poor from social security in the Province?

(iv) Does the current management framework augment the achievement of the objectives of South Africa as a developmental state where social development is the panacea for the improvement of standards of living?

(v) Based on the manner in which the SASSA is currently managing social security, can you describe how the management framework enables social security to serve its protective, promotive, preventative and developmental aims?

(vi) How is the current social security management system ensuring that the public service rendering system is economic, efficient and effective, with a view of giving the citizens a greater value for money?

(vii) The need to continuously improve on the quality of service rendering requires robust human capital management practices including training and development; how is the SASSA utilising these in the management of social security?

(viii) Has the practice of managerialism been infused in the management of social security in the Province so far?

(ix) How is the SASSA fostering and sustaining a culture of accountable and ethical behaviour in the management of social security? Do such levels of accountability aid in stemming-out social exclusion?

(x) What has the government and the SASSA done towards gender equality and access for women (and children) to social security especially taking into account the patriarchal beliefs common in the Province?

(xi) What are the constraints that SASSA have encountered to somewhat limit access to social security to certain categories of persons in the Province, and what strategies have been put in place towards ensuring that such limitations do not result in social exclusion?

(xii) Means-testing serves as useful yardstick for ensuring transparent social security management, although sometimes it has been perceived to be causing social exclusion. How is the current means-test minimising social exclusion and promoting social inclusion in the Province?

(xiii) Discuss the various challenges that the SASSA and the Department of Social Development face in managing social security.

(xiv) How is the state of coordination and integration relations on social security management between the Department of Social Development and the SASSA in the wake of the need to eliminate social exclusion?

(xv) Can you provide a detailed summary of how the social security system is managed by outlining the various interdependent processes?

(xvi) Can you discuss the prospects of improving the current management framework social security towards social-inclusivity and which aspects of the framework do you recommend to be transformed to that effect. The new-look management framework should be socially-inclusive, sustainable and addressing and redressing poverty and inequity.

<<< >>> Thank you for your participation <<<< >>>

Appendix 8: Interview guide for SASSA District Offices



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INTERVIEW GUIDE FOR RESPONDENTS AT THE SASSA DISTRICT OFFICES

Title of Study: Developing a socially-inclusive management framework for sustainable social security in South Africa: the case of the Eastern Cape Province

You are invited to participate in the study with the title outlined above being undertaken by myself, Maxwell Haurovi (Student No. 25426974) as part of an academic programme of Doctor of Philosophy (Public Management and Governance) at the North-West University. Principally, the purpose of the semi-structured interview is to gather data on the current framework utilised in the management of social security in the Eastern Cape Province by the South African Social Security Agency (SASSA) and other subsidiary entities. Specifically, the interview examines the processes, procedures and activities undertaken in the process of enrolling, administering and evaluating social security in the Province, with a look at exploring ways through which the entire management framework can be improved to make it socially-inclusive thereby aiding in the fight against poverty and inequality.

The researcher would like to bring to your attention that your participation in this semi-structured interview is voluntary and you may choose to withdraw from the interview at any particular time without getting reprimanded. Above all, the researcher guarantees your ethical rights to privacy and confidentiality and thus you are not obliged to disclose personal information that can identify you as a participant to this study. Eventually, the results of the study shall be ethically handled, made available to all stakeholders, and will be published in an academic thesis as well as academic journals. Your cooperation and participation in this academic endeavour is gratefully appreciated since it will concurrently enable the study to realise its objectives and help improve the social inclusivity of the management framework used for social security in the Eastern Cape Province and the Republic of South Africa at large.

Interview Items:

(i) How effective has the management framework for social security used by the SASSA been able to alleviate poverty and inequality in your region?

(ii) Describe how the current framework for social security is promoting sustainable development with regard to the social development initiatives in the Province.

(iii) Can you discuss how the current social security management framework is putting citizens to the fore in promoting access to social security?

(iv) As the managing agency, how is the SASSA ensuring service quality, clientelistic and pro-poor management culture in the rendering of social security service in you region and the Province at large?

(v) Has the current management framework cushioned the vulnerable and poor to consistently cope with social distress especially to those affected and infected by the HIV/AIDS pandemic?

(vi) Discuss the various challenges that the SASSA faces in managing social security.

(vii) How has SASSA ensured that means-testing and other eligibility criteria for social security do not result in the emergence and escalation of social exclusion?

(viii) Which factors can you credit to have a causal effect on social exclusion and the continued existence of poverty and inequality within your region and the Province at large?

(ix) Has the current social security management adopted an all-stakeholder (such as NGOs) approach, either directly or directly in your region and the Province at large?

(x) Besides social security grants, have other Local Economic Development (LED) and pro-poor poverty alleviation initiatives been significant in helping fight poverty in your region and the Province?

(xi) Are the processes and procedures related to the management of social security well-coordinated and integrated in the smooth manner to ensure that social security management is uniform across all districts and regions across the entire Province?

(xii) Provide a detailed discussion on the challenges faced by SASSA in the process of managing social security for the sustainable alleviation of poverty and inequality?

(xiii) Advisably, how can the management framework for social security in the district, regional, Province and the Republic of South Africa be improved towards ensuring that all deserving citizens have equal access to social security towards sustainably eradicating poverty and social exclusion?

<<< >>> Thank you for your valuable participation <<< >>>

Appendix 9: Questionnaire for social security beneficiaries



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QUESTIONNAIRE FOR BENEFICIARY RESPONDENTS

Title of Study: Developing a socially-inclusive management framework for sustainable social security in South Africa: the case of the Eastern Cape Province

You are invited to participate in the study with the title outlined above being undertaken by myself, Maxwell Haurovi (Student No. 25426974) as part of an academic programme of Doctor of Philosophy (Public Management and Governance) at the North-West University. Principally, the purpose of the semi-structured questionnaire is to gather data on the current framework utilised in the management of social security in the Eastern Cape Province by the South African Social Security Agency (SASSA) and other subsidiary entities. Specifically, the semi-structured questionnaire examines the processes, procedures and activities undertaken in the process of enrolling, administering and evaluating social security in the Province, with a look at exploring ways through which the entire management framework can be improved to make it socially-inclusive thereby aiding in the fight against poverty and inequality.

The researcher would like to bring to your attention that your participation in this semi-structured questionnaire is voluntary and you may choose to withdraw from the interview at any particular time without getting reprimanded. Above all, the researcher guarantees your ethical rights to privacy and confidentiality and thus you are not obliged to disclose personal information that can identify you as a participant to this study. Eventually, the results of the study shall be ethically handled, made available to all stakeholders, and will be published in an academic thesis as well as academic journals. Your cooperation and participation in this questionnaire is gratefully appreciated since it will concurrently enable the study to realise its objectives and help improve the social inclusivity of the management framework used for social security in the Eastern Cape Province and the Republic of South Africa at large.

SECTION A: BIOGRAPHICAL PROFILE

Indicate by way of marking with an **X** the selection that best matches you

1. Gender

Male		Female	

2. Age group (Years)

18-24		25-34		35-44		45-54		55-64		65+	

3. Race group

Black		White		Coloured		Indian		Other	

SECTION B: SOCIAL SECURITY MANAGEMENT IN THE EASTERN CAPE PROVINCE

1. Social grants seek to promote access to certain rights such as the right to social security, human dignity and equality. In your opinion which rights does social security seek to promote? Explain your answer.

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2. To what extent do you perceive the current management framework for social security giving effect to the promotion of the rights which you have identified in item 1 (above)?

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3. Are there cases of poor and vulnerable individuals being unable to receive social security, and what might be the probable cause of this social exclusion?

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4. Is this social exclusion linked to the processes and procedures used by the SASSA to manage social security grants in the Province?

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5. Advisably, what can be done to ensure that those presently socially-excluded can also enrol and benefit from social security?

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6. What is your understanding of sustainable management in the context of social security, and how is the current management framework for social security enabling sustainable social development in the Province?

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7. Developmental states are defined as “states where there is state-led pro-poor socio-economic development initiatives aimed at improving the living standards of the citizens”. In so far, has the management framework for social security in the Province played a critical role towards the achieving of the objectives of a developmental state?

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8. Social security helps cushion the vulnerable and poor people in society, including children, against poverty and inequality. Based on how it is being managed at present, has it given effect to cater for these categories of people? Discuss.

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9. The aims of social security are to prevent, protect, promote, transform and develop the poor, in the context of the Province, has the social security management system achieved these aims, if not, how can it be improved?

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10. Does the SASSA treat you in the same manner which private sector business treat their customers? Explain your answer.

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11. Citizen participation is hugely dependant on access to information as well as information dissemination has the SASSA and related entities improved on access to social security information be it for existing and potential beneficiaries?

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12. The efficiency of social security management in developmental states has been significantly improved through the use of Information and Communication Technology (ICT), does the current management framework invest more into employing ICT to make the system more socially-inclusive?

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13. How does the SASSA ensure that the management framework it employs is economic, efficient and economic towards promoting equal access to social security?

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14. Which human capital strategies has the SASSA and its subsidiary entities used to improve the performance, productivity, ethics and professionalism of its staff in the management of social security?

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15. Can you discuss the role played by social security on those people affected and infected by the HIV and AIDS pandemic?

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16. Has means-testing been linked to social exclusion, If not how is the eligibility for social grants being managed to avoid escalation of social exclusion. Discuss.

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17. Does the SASSA involve key stakeholders such as NGOs in the various interdependent process involved in the management of social security in the Province?

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18. Can you highlight the challenges which the SASSA is facing in the management of social security in the Province is encountering?

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19. In the wake of the highlighted challenges, what can you recommend to be changed towards transforming the current management framework to make it socially inclusive?

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20. Is there any other issue with regard to social security management in the Province that you deem to be important which you would like to bring to the attention of the study?

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<<< >>> Thank you for your valuable participation <<< >>>

Appendix 10: Questionnaire for Eastern Cape Province residents



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QUESTIONNAIRE FOR NON-BENEFICIARY RESPONDENTS

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SECTION A: BIOGRAPHICAL PROFILE

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Black		White		Coloured		Indian		Other	

SECTION B: SOCIAL SECURITY MANAGEMENT IN THE EASTERN CAPE PROVINCE

1. Do you perceive social security to be effective in the fight against poverty and inequality?

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2. Based on your understanding of how SASSA is managing social security in the Province, do you think the framework is effective to give effect to the right to social security and equal access amongst the citizens?

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3. Are there instances of poor and vulnerable individuals being unable to access social security across the Province, and what might be the probable cause of such social exclusion?

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4. Does the current management framework for social security have loopholes that can be either directly or indirectly lead to social exclusion in the Province?

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5. Advisably, what strategies can you suggest to the SASSA to best deal with the problem of social exclusion in the Province?

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6. Have the people in Province been able to cope with poverty, unemployment, illness and loss of earnings from the social grants which they are receiving through the SASSA?

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7. From your own opinion, has the management framework for social security been able to employ citizen centredness in its delivery of social security to the people of the Province?

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8. How can describe to be the standard of the SASSA's service quality in the management of social security?

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9. How has Information and Communication Technology (ICT) affected the provision of social security?

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10. In the process of delivering social security services to the people, does the SASSA employ a clientelistic approach to the treating of the customers (citizens) who are beneficiaries of the various types of social grants?

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11. Do you perceive the staff tasked with the rendering of social security in the current framework to be in possession of the requisite skills?

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12. Are there instances where social exclusion in social security can be traced to means-testing and other eligibility criteria?

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13. Which challenges can you highlight is affecting the full utilisation of social security to address poverty and inequality in the Province?

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14. Advisably, what strategies can you recommend to the SASSA and other stakeholders involved in the management of social security, towards significantly improving the social security management framework, making it devoid of social exclusion?

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15. Are there other critical aspects with regard to the current social security management framework employed by the SASSA in the Province that you would like to bring to the attention of the study?

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<<< >>> Thank you for your valuable participation <<< >>>