THE ADMINISTRATION OF SOCIAL WELFARE
IN SOUTH AFRICA:
A STUDY OF ITS ORIGINS,
DEVELOPMENT AND RATIONALISATION

BY

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DEDICATION

To my late brother, Ntuthuzelo Maquubela, and my late son, Bavuyise Maquubela, for the many times you had to suffer and stay without me because of my studies. I owe this one to you!

UNIVERSITY of the
WESTERN CAPE
DECLARATION

I declare that this mini-dissertation is my own, unaided work. It is being submitted for the degree of Magister Administrationis at the University of the Western Cape.

I further testify that it has not been submitted for any other degree or at any other university or institution of higher learning.

Nolufefe T. Maquibela
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(iii)
ABSTRACT

The main objective of the National Party Government that was replaced by the Government of National Unity after the April 1994 elections was to secure the well-being of Whites. In the field of social services this policy meant solving the poor-White problem. But the obvious challenge facing the Government of National Unity is how to transform the welfare system in a manner that would make historically disadvantaged groups to equally benefit from social security grants and pensions.

This study explores the changes that have been undertaken in the structures, procedures and system of social welfare delivery in attempts to make it accessible to historically underprivileged individuals, families and communities. It hypothesized that the need to ensure more effective management of social welfare was poorly understood by not only the political leaders but also by the public officials and clients of social security grants and pensions. Three assumptions guided the study: (a) that rationalisation of social security was to lead to a more just and equitable delivery of social services; (b) that any continued administrative fragmentation of social service delivery was only to sustain the discriminatory practices of the past that were based on race; and
(c) that a unified welfare organisation was to lead to the streamlining of administrative procedures and practices, and to the efficient and effective use of scarce material and human resources.

The study had several objectives. It considered the origins of the modern social security system against the backdrop of the indigenous social security system based on kinship and family relations. Secondly, it examined the national social welfare delivery system. Thirdly, it sketched the history, principles and practices of the Canadian social security system with a view to drawing certain lessons for South Africa. Fourthly, it compared and contrasted the policy proposals of the National Party and those of the African National Congress regarding the needed transformation of the social welfare system. Fifthly, it examined the reactions of various stake-holders to rationalisation of social welfare. And, lastly, it sought to establish administrative shortcomings in the manner the government rationalised social welfare.

The inescapable conclusion of the study is that remarkably little progress has been achieved in the development of a systematic and useful approach to the rationalisation of social welfare. Therefore, the rationalisation of the many systems used by provincial governments to administer social grants, the implementation of a centralised information base, and the adoption
of a computerised data processing system are needed. These and related measures would not only streamline administrative procedures and practices but would also reduce fraudulent practices and duplicate payments of social security grants and pensions. Such actions must be coupled with improvements in personnel conditions of service and salaries. Above all, the social welfare system in the country should be undertaken in the spirit of constant consultations between the national Department of Welfare and Development and the various provincial welfare departments, and the various provincial welfare departments, and the legislature portfolio committees of the legislature.
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CHAPTER ONE
INTRODUCTION

South Africa has been swept by a number of dramatic transformations since the April 1994 elections. The National Party apartheid government was replaced by the Government of National Unity which espouses democratic principles. At the same time, pressing problems of economic growth, unemployment and social welfare have increasingly been demanding government attention. These problems loom when the government is attempting to cope with severe revenue and budget difficulties and limited institutional capacity. It is in this context that the present study focuses on government efforts to improve the management of social welfare grants and pensions.

STATEMENT OF THE PROBLEM UNIVERSITY of the WESTERN CAPE

In September 1984 all welfare related activities and services were delegated to a specific department which focused on a specific race. This essentially created two types of policies: a centralised one for Blacks and 'own affairs' for Whites, Indians and Coloureds respectively. A co-ordinating committee on welfare tried to control welfare services along strictly racial lines while, at the same time, reducing government responsibility for such services.

A related development was the creation of the tri-cameral parliament which excluded Blacks. The apartheid government
delegated 'own affairs' departments dealing with Blacks to the provincial administration. The Minister who was responsible for Bantu Affairs was also the Minister of Local Government and National Housing (South African Institute of Race Relations, 1988). While welfare, social security and health matters were combined the responsibility was shared with the Minister of National Health and Population.

A separate government department, through contractual arrangements with voluntary welfare organisations, was responsible for statutory services, social security and the subsidisation of welfare organisations. More importantly, the allocation of resources and the administration of social security grants and pensions were unequal among races. This created a situation of wastage and administrative duplication making rationalisation of social security inevitable after the 1994 elections. The Government of National Unity was expected to bridge the gap between different racial groups by assisting many historically marginalised communities. Indeed, the primary objective of the new government was no longer the securing of the well-being of Whites alone but the countering of the overwhelming problems of historically disadvantaged groups living in abject poverty and violence.

This is the context the present study investigated the extent to which the national welfare system was rationalised in order to alleviate poverty in South Africa. It is hypothesized that the need to ensure more effective management of social welfare is
poorly understood by political leaders, public servants and recipients of social security grants and pensions. As a result, remarkably little progress has been achieved in developing a systematic and useful approach to the rationalisation of social welfare. The study is based on at least three guiding assumptions:

(a) that rationalisation of social security would lead to a more just and equitable delivery of social services;

(b) that any continued administrative fragmentation of social service delivery would only sustain the discriminatory practices of the past that were based on race; and

(c) that a unified welfare organisation would lead to the streamlining of administrative procedures and practices, and to the efficient and effective use of scarce material and human resources.

There exists in South Africa today one national Department of Social Welfare and Development and nine provincial Social Welfare and Development Departments. This organisational complexity naturally creates analytical problems. But the present study is confined although not restricted to the national government. Some illustrative examples of problem areas are, however, drawn from both national and provincial levels of government.

OBJECTIVES OF THE STUDY
The aims of this study are to explore the changes that have been undertaken in the structures, procedures and systems of social welfare delivery in order to make it more accessible to historically disadvantaged groups and to establish the responses of target groups and practitioners to those changes. In this context, the following are the objectives of the study:-

(a) to consider the origins of the modern social security system against the backdrop of the traditional social security system that was based on kinship and family relations;

(b) to examine the national social welfare delivery system in terms of its nature, structure and methods of operations;

(c) to briefly sketch the history, general principles and practices of the Canadian social security system in order to draw certain lessons for South Africa;

(d) to compare and contrast the policy proposals of the National Party and the African National Congress regarding the transformation of the social welfare system;

(e) to examine the reactions of consumers, staff and management to social welfare rationalisation in terms of factors such as equity in payments, work conditions, administrative effectiveness and efficiency, and racial...
discrimination; and

to establish the shortcomings of the rationalisation of social welfare regarding structures, personnel, language, and finance.

METHODOLOGY

At least two methodological techniques were used to gather data for this study, namely, the review of secondary data and the conducting of structured interviews. The review of secondary data sources included books, journal articles, policy documents and reports, newspaper cuttings, conference reports, and minutes of meetings. The data gleaned from these sources provided both theoretical and factual underpinnings of the study.

There was also need to establish their opinions, impressions, and attitudes of welfare recipients on rationalisation issues. This was done through the administration of 100 simple questionnaires. The questions focused on factors such as equity in payments, administrative effectiveness and efficiency, racial discrimination, and language (i.e., medium of communication used between the staff and the recipients). The sample of 100 people comprised 25 Coloureds, 25 Whites and 50 Africans. No other characteristics besides ‘race’ were used in order not to complicate the research and data processing efforts. Admittedly the sample chosen was small in a population of thousands of welfare recipients. We took
cognisance of the fact that the media do often report on the shortcomings of the rationalisation process and, therefore, what we chose to do was just to get a feel of the impressions and opinions of welfare recipients to complement the data gathered from secondary sources.

A limited number of personal interviews was also conducted with the staff responsible for the delivery of social welfare grants and pensions. The personal interviews were carried out among the staff in Cape Town office of the Department of Social Welfare and Development. The interview schedule comprised open-ended questions so that mere ‘yes’ or ‘no’ answers could not be provided. These questions were complemented by personal interviews that were designed to provide face-to-face interaction between the respondents and the researcher. The personal interviews were considered to be an effective way to yield qualitative information on conditions of service, salaries and affirmative action.

The respondents were made to reveal their own definitions of the situation pertaining to social welfare delivery. The questions also made it possible for the researcher to detect instances in which the respondents appeared not to understand what was asked of them. The researcher was aware that reactivity was a threat to the validity of such research findings because interviewees often tend to be evasive. This point is aptly made by Mouton and Marais (1990: 82) when they warn that:

Rather than being the exception....evasiveness is the common
situation in field research. People rarely tell the whole truth as they see it about the most important things, but they are generally being evasive or misleading rather than lying. A field researcher must understand this and the reasons for it: primarily a fear of exposure, of being caught in a lie, and an unwillingness to appear less than absolutely 'moral' to an academic stranger.

The image of the researcher is frequently that of a stranger and/or an intruder. But despite the dangers of superficiality in answers, this researcher felt that personal interviews were necessary to solicit information on the rationalization of social welfare. This was because they could potentially provide comprehensive data on people's opinions and impressions that could not be gleaned from secondary data sources. In addition, data processing from personal interviews would be relatively less complicated albeit time-consuming as compared with the situation of structured questionnaires.

SIGNIFICANCE OF THE STUDY

This study has both practical and theoretical value. Since institutional capacity to implement and improve social welfare delivery hinges on the ability to critically analyses and provide information to decision-makers, the study will be a source of feedback information to them as they devise new or better strategies to meet national social welfare goals. Of particular
importance is the highlighting of administrative constraints in the delivery of social security grants and pensions. The theoretical value of the study lies in the fact that it contributes to the existing body of knowledge in the management of social services.

DELIMITATION OF KEY CONCEPTS

The following are the meanings in which some concepts will be used in this study:-

**SOCIAL WELFARE:** This refers to all government activities which are designed to enable individuals, families, groups and communities to cope with social problems of changing conditions. The major role of social welfare is the mobilisation and development of the human and material resources of the country to deal successfully with the social requirements of change and, thereby, participating in nation-building. This conception of social welfare is similar to that offered by Kotze when he suggests that social welfare 'includes all those activities geared towards achieving the highest possible form of independence and natural fulfilment of the needs of each member of society and those of the community at large. Social welfare covers the broad spectrum of life and consists of measures and facilities to strengthen and maintain community life. It includes aspects such as health-care, provision of employment, housing, education...' (1995:67).
SOCIAL SECURITY: This refers to the form of any financial assistance offered to by the government to deserving citizens and it is often given in the form of grants and pension funds.

RATIONALISATION: The mere mention of the word 'rationalisation' these days tends to send shivers down the spines of many public servants because it is associated with losing one's own job or being redeployed elsewhere away from the existing governmental unit. Without entering into the current debate over the meaning of 'rationalisation', the concept is used in this study to refer to the amalgamation of all the welfare departments into a single organisation.
CHAPTER TWO

ORIGINS AND DEVELOPMENT OF SOCIAL SECURITY SERVICES

The aim of this chapter is to discuss the origins and development of social security in South Africa. It is pointed out that although modern social security began with the advent of colonial rule, African societies did have some kind of social security through which members of a family received care. This makes it imperative for us to consider certain aspects of social security in the traditional society before delving into the dynamics of modern security systems.

SOCIAL SECURITY IN TRADITIONAL SOCIETIES

In the pre-colonial societies members of a family were provided for through kinship systems. Since all the needs were met by extended families, Achenbaum (1980) was prompted to describe it as an institution that secured the needs of its members from the "cradle to the grave". The headman in the traditional kinship system, held a position of seniority and was, therefore, responsible for distributing food among the family to which the elderly person belonged. This function would sometimes be delegated to the senior wife of the headman when the need arose. According to Ayisi (1979) should the kraal head die this responsibility was taken over by his sons or brothers. This system ensured that women, children, the disabled and the aged were provided for by the family.
According to Kofele-Kale (1961) Black people tended to care for their elderly and ensured that they had means of sustenance. An illustration of this is when grandchildren helped to look after and fetch food for and carry the elderly. African culture showed great concern for the elderly relatives in a family. This partly contributed to the mentality of large families among Blacks as children were considered an “insurance” in old age, a situation that may still be true today. The contrary was largely true of White families who, for reasons best known to themselves, often sent their elderly relatives to old age homes and other institutions. They did so mainly to avoid having to care for them. We hasten to add, though, that the dictates of the cash economy were also making it practically impossible even among Black families in the urban areas to continue depending on extended family support.

COLONIAL ADMINISTRATION AND SOCIAL SECURITY

As mentioned above, the advent of colonial rule in the 19th century brought with it a cash economy. Able-bodied young men left the rural areas for the urban areas in search of employment. The resultant urbanisation meant that the kinship system which sustained social security in the rural areas was now largely absent. The colonial authorities had, therefore, to introduce a new system of social security. This system, according to Lund (1993), was introduced because of industrialisation. The loss of the traditional role of the elderly was inevitable due largely to
the influence of western education and the introduction of a cash economy. This modernisation process, with its emphasis on the nuclear family institution as a typical feature of social organisation, led to fewer and fewer elderly Black people living in the same house with their children. In addition, education under the pre-supposition of the western culture often instilled, and almost continuously encouraged ideas of individual independence.

While modernisation has been hailed by some Blacks as having brought about improvements in their lives, others have pointed out certain disadvantages. There are, for example, some changes in the attitudes among young men and women regarding their traditionally defined obligations towards their parents (Kinnaird, Brotherton, and Williamson, 1981). They no longer feel that they have the duty and responsibility to care for the elderly in the traditional extended family system.

At the inception of the Union of South Africa in 1910, following the Anglo-Boer War, a pension office was created under the Treasury. Its main role, as elsewhere in territories under colonial rule, was to provide pensions to the White settler community (Midgley, 1984). The indigenous Black peoples were naturally of no concern to the colonial government. After the Second World War, an important role in the development of social security, such as the provision of social insurance, was played by certain international agencies. Such organisations operated civilian schemes which catered for the dependents of those suffering royal warrant
injuries. They paid children allowances, pensions for disability and other grants. Thus, international conventions and expert missions greatly influenced the emergence of the modern social security system in South Africa.

In the 1920s, as Midgley (1984) points out, social security measures such old age pensions were introduced for the Whites especially those serving in the public service. Similar measures were only gradually extended to other population groups albeit with unequal payments based on the criterion of race. It is important to note that South Africa had now two social security systems. The first was one based on traditional values of family care and the second was based on the intervention of the government. The uneasy co-existence between the two social security systems became problematic as cash employment expanded and as urbanisation became the norm than the exception. In 1942, for example, the monthly old age pension of 70 Shillings was paid to each White recipient and 30 Shillings to each Coloured and Indian recipient. The Blacks were not covered by this governmental social security system (Official Report of the Social Survey Conference in Cape Town, 1942).

THE APARTHEID GOVERNMENT AND SOCIAL SERVICES

The Nationalist government came to power in 1948 and adopted the policy of apartheid, based on separate development. This engendered the unequal payment of social security referred to above. Towards the end of the 1950s, separate departments to serve
Four different racial groups, namely Africans, Coloureds, Indians and Whites was further followed by the creation of the six homelands, namely KwaZulu, Lebowa, Ovamboland, Gazankulu, KaNgwane and KwaNdebele, as well as the four areas which took independence, namely Bophuthatswana, Ciskei, Transkei and Venda. Each of these ten Homeland governments established its own department of welfare. In some instances, such a department was part of the larger combined South Africa’s Department of Health and Welfare (Lund, 1993).

It must be emphasised that the development of social security in South Africa has been characterised by racial overtones and cumbersome and complicated administrative arrangements. The Coloureds, the Indians and the Whites had "own affairs" departments through their Houses of Representatives, Delegates and Assembly, respectively. The Blacks in the common area of South Africa were provided for through the Cape, Natal, Orange Free State, and Transvaal provincial administrations. The Homelands and the Independent States had their own departments. Above all, transfer payments to the Whites, the Coloureds and the Indians were made directly to individual beneficiaries through commercial banks. This mode of payment was not extended to Black beneficiaries who had to queue up for their meagre pensions payments.

SUMMARY
This chapter has discussed the nature of social security in traditional societies in South Africa and elsewhere, and the origins and development of modern social security during the colonial and apartheid periods. It was observed that traditional societies had social security based on kinship relations. Individuals received care from the extended family systems. However, the cash economy brought about by colonial rule in the 19th century tended to weaken the operations of the kinship system. Young men and women increasingly felt that they were not obliged to care for the aged, the young and the disabled in their families. The social security system introduced by the colonial authorities whereby the government partially took over the responsibility for social welfare did not, however, replace the traditional social security system that had been inadvertently weakened. It catered only for the Whites. The apartheid regimes that followed legally entrenched social welfare policies based on racial discrimination. This was accompanied by administrative fragmentation and payment disparities between racial groups.
CHAPTER THREE
THE NATIONAL SOCIAL WELFARE DELIVERY SYSTEM

During 1993 the future management and delivery of social security and social welfare were some of the issues for negotiation between the National Party (NP) as the political party in government and the African National Congress (ANC) as the main opposition political party. It is the purpose of this chapter to examine three conceptual policy models and then to describe the policy positions on social welfare. The chapter also considers the Canadian social security system in order to draw lessons for South Africa in her attempt to establish a social security and social welfare system which would be responsive to the needs of all the citizens but with a particular bias towards the historically disadvantaged groups.

CONCEPTUAL POLICY MODELS ON SOCIAL WELFARE

The three conceptual policy models that have informed policy-making and practice on social welfare over time include the ‘residual model’, the ‘institutional model’ and the ‘developmental model’. It is important at this stage to consider their nature and implications prior to our discussing the policy positions of the National Party and the African National Congress.

The residual model of social welfare advocates social assistance only as an emergency measure. The argument is that public
assistance should be extended to individuals when the family fails to cater for the persons concerned. The residual model operates well on the principle of the failure of the market system and the family. In this context, social welfare is considered as a ‘privilege to be earned, an undeserved charity’. This suggests that welfare services should be used only to relieve destitution and that there should be no clearly defined and accepted national minimum standards towards which the social welfare system is directed. The only exception is the need to prevent the incidence of starvation and destitution (Mishra, 1981). This negative view of social welfare implies that the role of the state should be minimal in the provision of social security grants. However, the residual model fails to recognise the fact that in a situation of abject poverty it is majority poor that deserves public assistance. As such, the ‘ideology of individual responsibility and by-your-own bootstraps progress’ cannot be relied upon without doing injustice to social equity.

The second conceptual model is the institutional model and/or the social democratic model of social welfare. It is a needs based distribution of resources in which social welfare is regarded as a normal and necessary function of the society. More importantly, it recognises the fact that social problems are rooted in individuals as well as in the social order. It developed out of the conviction that the government has a special role to play in promoting the welfare of its citizens and in exercising control over them (Mishra, 1987). This suggests that citizens are entitled to a range
of benefits and services which are seen as rights of citizenship. The provision of such services is made possible by the taxes and contributions which are paid by those in gainful employment. Thus, social welfare constitutes a form of nation-wide assistance to all. It would seem that the institutional model compensates for the weaknesses of the residual model.

However, Midgley (1996) points out that both the residual and the institutional models have had little impact on social welfare delivery in South Africa. He argues for an alternative approach to social welfare delivery that will give legitimacy to social welfare programmes. The developmental model is advocated for because it directly addresses the economic dimensions of social welfare and seeks to identify social interventions that have a positive impact on economic development. This integrating of social and economic policies is what distinguishes the developmental model from both the residual and the institutional models (Midgley, 1996). In fact, the developmental model of social welfare is now increasingly attracting attention in social policy-making in government at present. With this background in mind, let us now turn to a consideration of the viewpoints of the National Party and the African National Congress on social welfare.

THE POSITION OF THE NATIONAL PARTY

The National Party (NP) believed in the existence of a social
security and social welfare system that placed a premium on the role of individual citizens taking care of themselves with the government playing largely a facilitative role. This was to be achieved by individuals making own retirement provisions from their salaries and wages (NP, 1993:50-53). The NP assumed that the majority of the people would be in gainful employment. Therefore, its position may be summarised as follows:-

a) The creation of a system in which all citizens can make proper provision for their old age. This meant that the state had to establish the necessary socio-economic programmes which would create opportunities for high living standards.

b) The introduction of a national compulsory contributive pension scheme. Each citizen that is employed was to contribute part of his/her salary to the scheme. Naturally, the unemployed persons could not benefit from such a scheme.

c) The provision for the obligatory transferability of pensions. In the case of a married couple, this meant that if a spouse died the pension of the deceased would be transferred to the surviving spouse.

d) The protection of pension funds from party politics in the new political dispensation so that they should not be adversely affected by political changes. In this way, it was envisioned that recipients would continue enjoying the same levels of benefits regardless of regime change.
e) The government provision of financial grants after retirement to those individuals who were insufficiently provided for during their active years. This meant that the state had to have sufficient resources to support the pension scheme. However, it seems obvious that rural communities, who live in abject poverty and are characterised by illiteracy, would not benefit from such governmental financial aid.

f) Welfare grants must be subject to a means test and be paid out on an equal basis to all. This suggested no changes to the existing situation.

g) War veterans' allowances should be available to only those who qualify.

h) Maintenance and foster care grants should be available to only those who qualify.

Like in the past, the NP sought to restrict the provision of social security and social welfare by the state to historically privileged White groups. This restriction, by definition, excluded the majority of the Black people. Secondly, the NP appeared lukewarm to expanding the role of the state in the provision of social security and social welfare. The immediate consequences of this position would be a small national budget devoted to social security and social welfare and increased numbers of people who would not provide for themselves.
THE POSITION OF THE AFRICAN NATIONAL CONGRESS

The African National Congress (ANC) believed, unlike the NP, in the creation of an equitable and comprehensive national social security system. Such a social security and social welfare system would be designed to promote and protect the human rights and fundamental freedoms of all South Africans through state action through the implementation of the Reconstruction and Development Programme (ANC, 1993). Thus, the ANC position may be summarised as follows:-

a) The improvement of the efficiency of the delivery of social security and social welfare to all who were qualified.

b) The harnessing of technology and creativity of local and provincial authorities to ensure that pensions and grants are delivered where people live.

c) The elimination of administrative corruption and maladministration, and the reduction of excessive travel and long waiting periods by social security and social welfare recipients.

d) The reviewing and changing of the determination of free income and assets (means test) in order include the principle of equality in the delivery of social security and social welfare services.
e) The creation of a social security and social welfare system which is responsible to the needs of the historically disadvantaged and increasingly dis-empowered groups. These groups included the women, the youth and the disabled in rural communities and in the informal settlements in the urban areas.

In essence, the ANC believed that the urgency of the socio-economic changes people wished to see in their everyday lives, and the need for economic stability demanded a proactive approach to social security and social welfare delivery. Thus, it stressed the removal of the socio-economic inequalities that were created by the apartheid policies in South Africa. The ANC saw the social security and social welfare programmes as the vehicle for social change in the new political dispensation due to their potential for the progressive redistribution of income, goods and services to the vulnerable people.

COMPROMISES BETWEEN THE NATIONAL PARTY AND THE AFRICAN NATIONAL CONGRESS

Both the ANC and the NP acknowledged that the existing social security and social welfare delivery system was incapable of addressing the critical needs of the majority of the people. They both sought to create a social security and social welfare delivery system which would emphasise accessibility, effectiveness, equity
and efficiency factors. Secondly, both political parties agreed that the state was duty bound to create the necessary social and economic conditions that would improve people’s quality of life. As such, a uniform policy was agreed upon whereby compulsory contributions to pension schemes would involve employees and employers. Both political parties also agreed that the state needed to finance community-based projects which would be designed to improve the social security and social welfare of the underprivileged social groups.

THE CANADIAN SOCIAL SECURITY SYSTEM

As a fledging democracy South Africa has a lot to learn from countries such as Canada. In 1930 Canada experienced an economic depression which shook many people’s faith in the stability of the social security system. The economic conditions were characterised by general unemployment. As a result, the government was compelled to intervene in the economy with a view to stimulating economic activities (Robson, 1948). It succeeded in stabilising the economy, assisted by municipal and private organisations. In addition, the government shouldered the financial burden of the families of the aged, the disabled and those who lost their jobs during the economic depression. The government found itself with social responsibilities it never expected. Nonetheless, it acted urgently through the provision of financial assistance to needy citizens through social security and social welfare programmes.
More importantly, Canada established a social security and social welfare system that minimized the potential for public abuse and which reflected the values of independence and fairness in the utilisation and distribution of national resources (Lalonde, 1973). This meant that needy Canadians benefited from an improved social security and social welfare delivery system in which the family unit and the support of the community were emphasised. The government also passed laws setting up facilities for the aged. Furthermore, the assets of persons whose age was above 70 years were not determined by a free means test. A two-tier scheme was also introduced which was in favour of old age social security payments for men and women. This system benefited the Indian and Eskimo segments of the Canadian society as the only requirement was a reasonable residence in Canada (Martins, 1951).

The government embarked on various projects to supplement general economic policies. Such projects were looked upon as basic elements of the social security and social welfare system. They were needed to assist recipients of social security. The guiding principles the government employed in the delivery of social security and social welfare were as follows:

(a) that a meaningful social security and social welfare system must assure people who cannot work, the aged and the disabled a compassionate and equitable guaranteed annual income;

(b) that social security and social welfare must contain
incentives to encourage those who are able to work to return to work by, for instance, renewing their grants on a regular basis; and

(c) that a fair and just relationship must be maintained between the incomes of the people who are in employment at or near the minimum wage, the guaranteed incomes assured to those who cannot work and the allowances paid to those who can work but are unemployed.

This social security and social welfare system never sought to support incomes beyond the levels justified by productivity in the economy and did not redistribute incomes to an extent which would impair economic growth. The stress was on the humane and fair treatment of all the citizens in the administration of social security and social welfare in order to help beneficiaries to live in both decency and dignity. It was a social security and social welfare system that was also fair to the contributors to social insurance funds and to those who contributed through taxation to income support and supplementation. As a result of the smooth running of social security and social welfare, there were no significant complaints from the taxpayers about the misuse of their contributions to the social security and social welfare fund.

The above observations indicate that government social security and social welfare programmes can, and do combat poverty by assuring eligible persons acceptable minimum incomes, whether those incomes
come from stable employment, social and private savings or from the
government. Thus, South Africa can learn that a viable social
security and social welfare system needs to be equitable as between
persons in different situations. The social security system needs
to be capable of effective administration and be ready for co-
ordination, both in the interest of the beneficiaries, and in the
interest of achieving the programme objectives. It must seek to
take account of the views of local communities on issues that
directly affect them. Government policies on social security and
social welfare must be formulated and implemented in ways that are
reflective of the fundamental values of the community.

SUMMARY

This chapter has discussed inter alia the policy positions of the
NP and the ANC. It has show that while there were philosophical
differences between the NP and the ANC they compromised on the
nature and scope of government involvement in social security and
social welfare delivery. Both political parties stressed the need
for equity in social security and social welfare delivery and the
achievement of economic growth. The chapter also considered certain
aspects of the social security and social welfare system in Canada
and suggested that South Africa could learn much from that
experience. The social security and social welfare system in Canada
was fair to taxpayers, and had an effective administration.
Community values and economic growth were simultaneously promoted, and the social security and social welfare system was accessible and affordable to all the eligible Canadians. This is what South Africa must aim to achieve in the new social security and social welfare system.
CHAPTER FOUR

RATIONALISATION OF SOCIAL SECURITY AND SOCIAL WELFARE

The Government of National Unity, in the past three years has concentrated its effort on the rationalisation of social security and social welfare. This chapter examines the social security and social welfare budget, the role of the directorate, personnel redeployment and conditions of service, affirmative action, and stakeholders' reactions to rationalisation.

BACKGROUND TO RATIONALISATION

The review of the policy and legislative framework on national social security and social welfare was intended to change the provisions of the National Welfare Act of 1978, the Social Work Act of 1978, and all relevant Acts dealing with child and family welfare. The institutional review was to achieve at least four broad goals of the new developmental social welfare programme:

(a) the attainment of basic social welfare rights for all South Africans through an effective social delivery system;

(b) the redressing of past imbalances through a deliberate process of affirmative action;

(c) the empowerment of individuals, families and communities to participate in the process of deciding on the range of
needs and problems to be addressed; and

(d) the recognition of the role of organs of civil society in the welfare system.

It will be recalled from the previous chapters that social security and social welfare in South Africa was introduced primarily as a safety net for the protection of the standard of living of the White people. Small segments of the Black population were only catered for in a highly selective fashion. Therefore, the departments that were created were essentially ineffective in responding to the issue of welfare delivery for all. Other undesirable consequences of the racially-based social security and social welfare delivery system included bloated bureaucracies, inefficiency of separate departments, fraud and corruption and the lack of financial control.

The bloated bureaucracies were best illustrated by the administrative fragmentation of the social security and social welfare delivery system. This racially-based arrangement meant that services and personnel were located in different departments. While the social security and social welfare services for the Whites and the Blacks were the responsibility of the House of Assembly, the Coloureds and the Indians were served by the Houses of Representatives and Delegates, respectively. But although the Whites and the Blacks fell under the House of Assembly, the two groups were served by distinct administrative units, compounding
the issues of personnel duplication and inefficiency. This wastage of resources was worsened by the existence of Homeland and Independent state governments which run parallel social security and social welfare services.

The second consequence was the apparent insensitive treatment of Black pensioners by the administrative personnel at pay out points. They were required to stand in long queues of between 400 and 500 people for extended periods of time for their benefits. Such pay out points lacked medical facilities, water, toilets, shelter and furniture. As a result of such appalling conditions, two elderly persons at Mpumalanga Magistrate's Court in the Natal Midlands died while awaiting their pensions. In some places, Black pensioners could wait for eight hours before receiving their payments. This was a common occurrence in many parts of the country (Cape Times, 1 February, 1994).

The incidence of fraud and corruption was another consequence that was costing the country about R 1 billion per annum. In Natal alone, for instance, there were 5000 duplicate welfare claims because people applied from different departments under different names (Cape Times, 18 November 1994). As a result, about 10% of the total national budget on social security and social welfare involved pensions and grants to persons who did not qualify for government assistance. Secondly, certain people continued to draw money even if their circumstances had changed. In other instances, people tended to move from one place to another to receive cash and
some drew disability and children grants to which they not entitled. This chaotic state of affairs of the multi-million Rand social security and social welfare system was initially made public in a 1994 report which disclosed widespread fraud, corruption and inefficiency in government (Cape Times, 19 October 1994). While this report was being released, most pensioners in parts of the country were not paid for three months as they were told that no money had been received from Pretoria to cover their payments.

In addition to personal greed, fraud and corruption were promoted by the fact that the records of the social security and social welfare system were no computerised. Payments were made through complicated and time-consuming application procedures and methods. In some cases, the personnel serving their own racial groups abused the payments system by either under-paying recipients or simply receiving bribes from beneficiaries who sought to 'short circuit' the long queues. In other instances, officials took advantage of the ignorance of recipients most of whom did not know the amounts of money due to them.

The lack of proper transportation did create problems of security for social security and social welfare funds. Pension money for Blacks was transported by vans and kept in largely unlocked containers. At one time the Argus (20 February, 1994) reported that the total amount involved was R 5 million. The security problems were such that in a Khayelitsha van attack R 600 000 was stolen; 6 armed robberies were committed, targeting post office motor
vehicles in 1993; and the robbery of post office vans in the Western Cape during five months was ten times higher than in 1992. Approximately R 3 527,99 was the total amount of money robbed from post office vans in 1993. These criminal acts naturally adversely affected the recipients of social security and social welfare services.

Two other undesirable consequences deserve mention. One is the problem of inadequate financial control by senior personnel. This led to large government departments staying for over 10 years without public audits (Cape Times, 24 May 1995). The second embraces the incorrect calculations of financial grants, the use of incomplete and/or forged medical certificates, and the payment to ghost recipients. The latter involved payments to deceased beneficiaries (Sunday Times, 10 September 1995).

The Government of National Unity has been aware of the significance of the foregoing factors as well as their undesirable consequences for the delivery of social security and social welfare. In the Western Cape on 15 August 1996, for instance, public complaints compelled the Health and Welfare MEC to pay a surprise visit to a payout point at the Bonteheuwel Civic Centre. He found the venue overcrowded with beneficiaries and procurators. This situation had the potential for the exploitation of beneficiaries by unscrupulous individuals because, among other things, procurators were responsible for very many grants. He ordered that prompt remedial action be instituted forthwith. As Aneez Salie put it:
Local welfare authorities are cracking down on pension and other grant fraudsters in a pilot project which will empower beneficiaries and eliminate the uncontrolled, multiple collection of payments. A campaign to warn the elderly and the needy of several pitfalls is under way and the payout procedure has been streamlined. Also, procurators - appointees who collect grants on behalf of beneficiaries unable to do so because of illness or physical inability - will have to register afresh and have been restricted...

Now, the Post Office, which administers the payouts on behalf of the department, has undertaken to install security gates and steel bars where cash is kept, provide an extra payout counter in the civic centre and refuse payment in the absence of positive identification. All procurators now have to submit their own identity books as well as letters of authority. Also, access to the payment area will be strictly controlled.

No voluntary workers, community leaders or hawkers will be allowed in. Procurators must register tomorrow, on Thursday and next Tuesday (Cape Times, 9 September 1996, p. 3).

The state of affairs described above is not confined to the Western
Cape. Other provinces may also have experienced worse situations. However, what is important to note is the fact that the government at various levels seems determined to improve the delivery of social services in the country.

SOCIAL SECURITY AND SOCIAL WELFARE BUDGET

The welfare budget is dominated by pensions and grants provisions. In 1990, for example, 45% of expenditure went to Whites, Coloureds and Indians combined through the tri-cameral department. Welfare spending takes up more than 30% of the South African budget. However, when compared with other allocations this 30% seems rather little to combat South Africa's massive poverty and to enable people to regain their dignity that so many lost under apartheid. Since 1991 the percentage allocation has also been on the decrease (South African Institute of Race Relations, 1990/1991: 8). This decrease was due to the fact that there was an increase in defence expenditures. The defence budget increased because the perceived external threats to national security as a result of the liberation wars against the apartheid regime.

South Africa directs quite a large part of GDP to social security needs when compared with other developing countries (Commission of Investigation, 1992:593). The reason for this is that the number of people becoming dependent on social security is increasing daily (HSRC, 1992:7). The HSRC maintained that of the 3.9 million people who benefited from Welfare grants, 2.6 million received pensions
and 830,000 received disability grants. It is also estimated that this figure could increase by 300,000 people if all those eligible for pensions were aware of their rights. In 1992 the Minister of Finance, Mr Barand du Plessis, said in his Budget Speech that the government would allow for an increase of 10% in its social assistance allowances for all races and allocated R 165 million to achieve parity between races.

According to the Budget Review of 17 March 1993, R 521,5 million was set aside in the 1993/94 budget for a general increase of about 7.5 percent. This can be said to be a move towards racial parity because while the real value of the pension has risen substantially for Black people over the three past years, that of Indian and Coloured people stayed more or less the same and that for the White people fell. A further examination of the social welfare budget shows that social security and social services were allocated R 13 billion while health received about R 14 billion. From 1991 to 1994/95 the social welfare provision in the national budget was the second fastest growing item, at 22 percent per annum, in comparison to the overall budget growth of 14 percent (Le Roux, 1984). The main explanation for this growth is the already alluded to equalisation of pension payments between race groups rather than an increase in the number of beneficiaries or an increase in the amounts of pension.

The size of the social security budget still causes concern, particularly considering the urgent needs in the areas of
education, housing and health. The recent increase in Black pensions to achieve parity in pensions across race groups has reduced poverty more and more directly than most of the other development efforts that have been going on for decades and social security does get to the poor, but one wonders whether the Government of National Unity can afford to either pay or expand the social welfare budget. According to the National department of Welfare and Population Development, for example, the allocation for social services for the 1994/95 financial year amounts to approximately R 12,4 billion. Of this amount, 87% is for social security, 8% for social services and the remaining 5% is for capital and administrative expenditure. The department’s budget is 3.2% of the Gross Domestic Product and 9.4% of total government’s expenditure (Patel, 1994 : 51). These financial outlays are unlikely to decrease in the years to come. The problem then will be the extent to which the public purse will sustain the envisioned increase in social security and social welfare expenditures.

THE ROLE OF THE DIRECTORATE

After the amalgamation of the former separate departments into a single state department, the structure of the new Department of Social Welfare and Development was administratively headed by the Chief Director, assisted by two directors. The functions of the Directorate (ANC, 1994) include the following:–

(a) to develop national policies, standards and norms; to set priorities and targets; to draw up the national budget on
social welfare and to allocate resources and grants to targeted areas;

(b) to develop conditions of service and professional standards to guide the training, education and employment of social service personnel; and

(c) to monitor and evaluate the implementation of the social welfare goals and priorities cited above.

Extensive investigations into alternative methods of social security have been launched in collaboration with the Public Works Department. These activities are in the Government of National Unity's conception of social welfare as embracing basic needs and development. The basic needs are to include shelter, food, health care, work opportunities, income security and all those aspects that promote the physical, social and emotional well-being of all people in our society, with special provision made for those who are unable to provide for themselves.

The conditions of service are being rationalised. The aim is to bring about professionalism in the delivery of social security and social welfare. It is hoped that the morale of personnel will ultimately be boosted by the administrative measures being adopted. It is also recognised that human resource development and training require urgent attention in the successful implementation and delivery of the Reconstruction and Development Programme. This
means that investment in people must benefit the government in the long-run through increased productivity, efficiency, and the broadening of the tax base as more people get employed.

AFFIRMATIVE ACTION

For affirmative action to be implementable, according to the National Institute for Economic Policy (NIEP, 1995), the Government of National Unity needs to make explicit provisions across the social services. Presently in social security there are no established targets and monitoring systems regarding affirmative action. This can be observed by looking at some posts which have remained vacant. The constitutional requirement for representative social security has also not been met. Certain departments have been slow in making appointments. As such affirmative action programmes have not been developed to address the disadvantages that were experienced particularly by Blacks in their communities.

Effective programmes are being developed based on an analysis of the workforce and a review of personnel policies and practices. The programmes are to focus, among other things, on recruitment and policies, staff appraisals and promotions; staff training and development programmes and the creations of a facilitative environment within organisations and institutions for the successful implementation of affirmative action programmes. There is also an active process in the Directorate of social security personnel to serve the rural areas. Incentives are being
developed to attract personnel to work in the rural and other areas which are hard to reach (White Paper for Social Welfare, August 1995: 32).

REDEPLOYMENT OF PERSONNEL AND CONDITIONS OF WORK

The development of human resources is taking place in response to the needs articulated by communities and welfare authorities. Personnel is being moved from over-serviced and under utilised programmes to those areas which are in need of additional staff. Such redeployment of personnel is being conducted in consultation with those directly affected.

There is an investigation that is focusing on salaries and conditions in both public and voluntary welfare sectors. The aim is institute an equitable rate for jobs in the whole Department. Therefore, it is expected that the results of the investigation on working conditions of welfare personnel will inform policy planning and financing of programmes.

STAKEHOLDERS’ REACTIONS TO RATIONALISATION

In this section the respondents’ views and impressions about rationalisation are noted. The data collected provides a rich description of the peoples reactions to social security and social welfare delivery. The reactions to rationalisation were based on factors such as equity in payments, work conditions, administrative
effectiveness and efficiency, and racial discrimination.

On the question of equity in payments whereas 60% of the respondents felt that there is no equity in terms of payments of social pensions and grants, 30% felt that there is equity in terms of payments to people in social security, pensions and grants, and 10% of the respondents were unsure whether or not discrimination exists in social security and social welfare management. Whereas 50% of the respondents felt that the Coloured and the White peoples were not entitled to, namely, family relief allowances and monthly food parcels, 10% of the respondents were not sure whether there was equity or not in terms of pensions and grants.

Concerning the question of racial discrimination, whereas 50% of respondents felt that the House of Representatives and the House of Assembly were still dominating in the social services, 50% of the respondents felt that there was no discrimination. According to the 50% respondents who maintained that discrimination existed, they mentioned that high positions in the social services were still occupied by Whites and Coloureds and that they felt that the question of affirmative action was never addressed. 80% of the respondents felt that discrimination does exist even in the methods of payment. It was argued that Black people queued up for long hours in order to get old age pensions in comparison with Whites and Coloureds who received their old age pension through their commercial banks or through the post office. 20% of the respondents felt that discrimination no longer existed. Some
respondents also said that there was even discrimination about time of payment. Whites and Coloureds were backdated from the day of application of an old age pension or grant but the Black people were backdated only after the grant or pension had been approved. The respondents highlighted discrimination even in the budget system where the other racial groups were budgeted for more than Black people. The budget for Coloureds, for instance, had higher social security and constitutional subsidies.

70% of the respondents who were mainly the administrative staff said that their working conditions were very poor. They stated that they had to administer and do their applications in a very big hall with no electricity, sometimes with no chairs. 30% of the respondents said that they did not experience poor working conditions. 90% of the Black staff complained about the heavy work-load and that they were understaffed. On the contrary, the Coloured people got contract workers shortly before the 1994 election period in order to assist with the applications of the grants. 70% of the respondents mentioned that they had to use manual labour when making payments. As a result, many mistakes were made. 40% of the respondents mentioned that huge sums of money were carried by vans which were robbed several times, and also that pension recipients were contributing to fraud by, for example, continuing to get pension even if the particular recipient had died a long time ago.

95% of the respondents felt that the methods of payment of the old
age pension and grants were open to corruption and abuse. This was due to time-consuming, costly and inaccurate manual processing procedures of documents. According to responses from staff, many recipients missed out on their pensions on several occasions due to certain administrative problems. Hence, some cheques were not paid to their owners. Again, 90% of the respondents felt that some unauthorized people received money to which they were not entitled. They attributed this situation to lack of facilities such as computers and to the absence of proper audit in the different departments. There was also the lack of supervision of the staff. 60% of the respondents felt that the administration was inefficient because some of the files were missing, and some people were reported to be dead while they were still alive and vice versa. Another 60% of the respondents recommended administrative reforms, based parity in terms of race and gender.

The participants’ responses to the questionnaire guide highlighted a number of interesting points. The questions pertaining to change in the new South Africa clearly showed that respondents felt that racial discrimination still existed. Nothing much had changed. The fact that some of the respondents did not have knowledge of what was going on in the community cannot be associated with ignorance but with illiteracy rate in the Black communities especially in the rural areas. This is because some of the people are unable to read and write. Furthermore they are unable to count the money they receive.
The questions pertaining to work conditions showed that the administrative staff worked under poor conditions. For example, they worked in halls where there was no furniture, electricity and toilets. The staff was over-worked and could not cope with the work load. Hence, additional staff was needed to make social security more accessible and efficient. Lack of supervision and audit showed that the administrative system was clearly inefficient. Fraud was committed by the staff, the recipients, the managers, and the directors of social security and social welfare.

SUMMARY

This chapter discussed consequences of a racially-based social security and social welfare system, welfare budgetary allocations, organisational and managerial issues, affirmative action, and personnel deployments. It was observed that there were disparities in the allocation of expenditure between various population groups which needed to be redressed. The new organisation and management provided for a new directorate of social security with personnel focusing on developmental approaches that would best serve communities within the context of the Reconstruction and Development Programme. Concerning staff, it was found that the question of affirmative action remains unresolved, raising the need for aggressive in-service training programmes. There were also problems relating to the re-orientation as well as redeployment of personnel.
Lastly, the chapter considered different people’s reactions to rationalisation. The findings revealed that most of the respondents felt that racial discrimination still existed. A salient shortcoming was that officials were not thoroughly trained in their work, and there seems to be little positive reaction between supervisors and subordinates. Of crucial importance is the fact that better control mechanisms must be in place and that a reliable two way communication system be implemented. The amount of manual work needed to obtain information is, for example, time consuming, costly and inaccurate. The amount of paper work involved allows numerous areas to be open to fraud and other shortcomings resulting in huge financial losses to the department. Administratively, therefore, there is no central database held, resulting in numerous beneficiaries being able to obtain more than one payment at different offices.
CHAPTER FIVE

SUMMARY AND CONCLUSION

It is generally agreed that social services play a key role in the social, economic, and political life of poor individuals, families and communities in both the rural and urban areas. However, there is considerable disagreement regarding the responsibility of the state in the delivery of social welfare to all citizens. While some decision-makers and analysts believe that the state should play a minimal role in the provision of social welfare, we strongly believe that it is the responsibility of the government to promote equitable socio-political and economic development with a view to increasing the capacity of individuals, families and communities to meet their own basic needs.

SUMMARY

This study hypothesized that political leaders, public servants responsible for the administration of social services, and clients poorly understood the need for the effective management of social welfare. Consequently, little progress was achieved in the development of a systematic and useful approach to the rationalisation of social welfare. At least three assumptions guided the study. The first was that rationalisation of social welfare would lead to a more just and equitable delivery of social security grants and pensions. The second was that any continued retention of administrative fragmentation of social welfare
delivery would only sustain racial practices of the past. The third was that a unified welfare organisation would lead to the streamlining of administrative procedures and practices, and to the efficient and effective use of scarce material and human resources.

In line with the foregoing, the study (a) considered the origins of the modern social security system against the backdrop of the indigenous social security system that was based on kinship and family relations; (b) examined the national social welfare delivery system in terms of its nature, structure and methods of operations; (c) sketched the history, principles and practices of the Canadian social security system in order to draw some lessons for the local situation; (d) compared and contrasted the policy proposals of the National Party and the African National Congress on the desired transformation of the social welfare system; (e) examined the reactions of consumers of social welfare, staff and management to issues of the rationalisation of social welfare; and (f) established shortcomings of the rationalisation of social welfare.

Social security in the traditional societies was based on kinship and family relations. The family unit played a major role in terms of caring for the elderly and the destitute. This was not the case under colonial rule which brought with it a cash economy. The government assumed some responsibility to care for those in need of public assistance. In essence, therefore, the traditional and the modern social security systems co-existed although the former could not be sustained in the urban areas. After 1948, the government
adopted the policy of apartheid which emphasised the provision of social security on the basis of race.

The primary objective of the government was to secure the well-being of Whites and, in particular, to solve the poor-White problem. Administrative fragmentation accompanied social security payment disparities among racial groups until the April 1994 elections. The obvious new challenge was to transform the welfare system and to structure society in a manner which would reflect democratic ideals and principles. Social welfare programmes were now to be used to counter the overwhelming problems of vulnerable groups such as women, children, the elderly and the handicapped.

As such, the national welfare delivery system needed to be rationalised in terms of structure, personnel, procedures, and resource allocations and distribution.

Both the National Party and the African National Congress had definite philosophical views on the subject of social welfare reform. While the former essentially wanted to see a reduced role for the government in the provision of social security grants and pensions by placing the burden on the shoulders of the individual, the latter believed that it was the responsibility of the state to cater for all the citizens in need. Indeed, the Canadian experience that was briefly sketched in this study suggests that the state ought to play some role in the delivery of social welfare services. In Canada, community values and the goals of economic growth were simultaneously promoted and vigorously pursued by the government.
In addition, the social welfare and social security system was not only accessible but affordable to all eligible Canadians.

According to the reactions of stake-holders, the government in this country has yet to achieve social welfare ideals akin to those of Canada. There are at least three factors that may explain the general failure of policy-makers to learn from the experiences of countries such as Canada. Firstly, the local institutional and policy environment of social welfare has merely placed greater emphasis on the insufficiency of funds than on what is actually accomplished with those funds. Secondly, social welfare practitioners have tended to ignore local realities of abject poverty and changing political conditions in making policy decisions. And, thirdly, the focus of measurement of the success of the rationalisation of social welfare has largely been in terms of the reduction of resource wastage instead of making social welfare as the vehicle for improving the living standards of the historically disadvantaged segments of the society. This is despite the government’s avowed desire to make rationalisation of social security a key component in the development and facilitation of a sustainable programme for the reduction of poverty. We believe that in order for social security to be efficient, effective and accessible to the underprivileged people in this country, there must be changed mind set of political leaders and public officials; different methods that would include modern technology; shared responsibility with other stake-holders such as local government structures and non-governmental and/or community-based
organisations; and all other relevant government departments at the central and provincial tiers.

CONCLUSION

The Government of National Unity eliminated race-based disparities in the levels of social pensions and other social grants during the 1993/94 fiscal year. But as this study has shown, a co-ordinated and cost-effective social grants system has yet to be realised between the national Department of Welfare and Development and the Departments of Welfare in the nine provinces. This situation suggests that there must be continued governmental efforts to review the existing social welfare policies with a view to developing an integrated social security network for the country as a whole.

The steps that must be undertaken should, of necessity, include the rationalisation of many systems used by provincial governments to administer social grants, the implementation of a central information base, and the adoption of a computerised data processing system. The ultimate goals of such policy initiatives would be (a) to remove altogether and/or reduce fraud and duplicate payments of social security grants and pensions; and (b) to streamline administrative procedures. These actions must be coupled with improvements in personnel salaries and conditions of service. Above all, the rationalising of the social welfare system needs to be based on constant consultations between the national Department
of Welfare and Development and the various welfare departments of the nine provinces.
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