

Social Security in Southern African countries: Lessons from abroad

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Chapter 1: Conceptual framework

“The quest for knowledge is like scooping water from the vast ocean. It is not the ocean that will tire out. It is you”.

Tatalo Alamu

1.1 Introduction

A core function of a state, be it a developed or developing nation, is the provision of adequate social security to its citizens. Since Africa remains the continent with the highest level of poverty, unemployment and incidence of HIV/AIDS, it is of the utmost urgency to create a framework for social welfare. An estimated 22.5 million people were living with HIV/ AIDS in sub-Saharan Africa at the end of 2009, including 2.3 million children.¹ According to Statistics South Africa, the unemployment rate as at 2009 was 25, 2%. In Zimbabwe, unemployment rose from 50% in 1999 to a staggering 95% in 2009.² The poor state of social security (of which social welfare forms part) in Africa can be attributed to a number of factors.³ Firstly, governments are constrained by limited resources to provide for their citizens. Secondly, excessive corruption and maladministration has depleted resources to the extent that very little money is available to address the social problems of nations.⁴ Thirdly, governments have been unable to

¹ <http://www.avert.org/africa-hiv-aids-statistics.htm>.

² http://www.indexmundi.com/zimbabwe/unemployment_rate.html.

³ <http://www.sadc.int/archives/read/news/326> (Accessed 20 January 2010); see also International Social Security Association, *Dynamic Social Security for Africa: An agenda for development: Developments and trends*. ISSA: Geneva (2008) 3. (Here after referred to ISSA 2008).

replace the inherited colonial social security system, which only covered the few elite, either as a result of poor planning or bad governance.⁵ The example of Zimbabwe is discussed in great detail in the subsequent chapter.

It is against this background that this dissertation intends to dissect the state of social security in selected Southern African states. With the exceptions of Botswana, Mauritius and to some extent, South Africa, social security in Southern Africa leaves very little to be desired.⁶ This situation has led to the establishment of a number of national and sub-regional frameworks, such as the Southern African Development Community (SADC) Charter on Fundamental Social Rights and the Regional Indicative Strategic Development Plan (RISDP). The intention of these documents is to harmonise social security policies in the SADC region. In addition, African leaders, made the following commitments in 2008 with regard to social security:⁷

1. Assert social protection as a human right and a state obligation;
2. Expand coverage progressively;
3. Establish national 'minimum' packages covering non-contributory pensions, child benefits, disability allowances and access to healthcare;
4. Invest in national institutions and cross-sectoral coordination;
5. Set in motion viable national plans linking social security to national development and poverty reduction plans;
6. Work closely with civil society to ensure coverage and appropriate design and delivery.

⁴ *Ibid.*

⁵ *Ibid.*

⁶ *Ibid*; see also Barbone N & Sanchez L, 'Pension and social security in sub-Saharan Africa: Issues and options' Available at <http://www.worldbank.org/afr/wps/wp4.htm> (Accessed 20 January 2010)

⁷ ISSA (2008) 1.

Despite these efforts, the Southern African sub-region and Africa as a whole continues to face numerous hurdles in terms of providing adequate social security.

As such, this study will investigate the social security policies of selected Southern African states and regional frameworks in order to highlight best practices and to establish how such practices can influence the development of a feasible and coherent framework. In order to address the bedevilling social problems in Southern Africa, there is need for a uniform framework. This paper will investigate how good governance, sustainable policies and adequate human resources can impact on the development and implementation of a cohesive social security framework in Southern Africa. In this vein, the social security policy of the following countries will be examined: South Africa, Botswana and Zimbabwe.

1.2 Definition of concepts

The scope of this study is underlined by two broad concepts which require brief clarifications at the onset. They are social security and regional integration. Since this study aims at dissecting the situation of social security in selected Southern African states and then suggests recommendations for a viable regional framework, the need to provide a definition for regional integration is necessary.

1.2.1 Social Assistance

In an effort to narrow down the scope of this study, only social assistance will be examined. The umbrella term “social security” is wide and covers both social insurance and social assistance. Social insurance is described as a scheme which is aimed at maintaining ‘one’s income by providing earnings-related benefits derived from employee and employer and sometimes from state contributions’.⁸

⁸ See Olivier M & Mpedi L, *Understanding social security law*. Juta: Cape Town (2009).

Under social insurance, there are three major schemes:⁹

1. Unemployment (through the Unemployment Insurance Fund). This is based on equal employer and employee contributions. Payment is made to the unemployed based on termination of employment, sickness, maternity, adoption and dependant's benefits and will include pensions; provident funds and medical benefits.
2. Occupational injuries and diseases (through the Compensation Fund)
3. Road accidents (through the Road Accident Fund). This is funded from a compulsory fuel levy. It pays out compensation for loss and damage suffered as a result of any bodily injuries or death, caused by negligent driving.

Social assistance is the 'minimum income protection (a 'safety net') for ... particular poor and excluded people'.¹⁰ It is how people, communities and institutions in a society take action to provide certain minimum standards and certain opportunities. It is generally about helping people face contingencies.

These terms are intrinsically linked and one cannot discuss social assistance without, to some extent, mentioning social insurance.

1.2.2 Social security

Social security is a concept which gives room for numerous interpretations. While social security is susceptible to different interpretations, the common theme that runs through

⁹ *Ibid*, 20-22.

¹⁰ *Ibid*.

the various definitions is the provision of welfare by the state to its citizens. The International Labour Organisation (ILO) defines social security as:

The protection which society provides its members, through a series of public measures, against the economic and social distress that otherwise will be covered by the stoppage or reduction of earnings resulting from sickness, maternity, employment injury, unemployment, invalidity, old age, death, provision of medical care and provision of subsidies for families with children.¹¹

This definition has been criticised on a number of grounds. Pieters¹² argues that the above definition is nothing more than a description and as such may frustrate the move to provide answers to new social problems. Olivier & Mpedi further note that the ILO definition overlooks the irregular nature of developing countries in the sense that it only highlights formal employment and that it only refers to ‘public measures’ to the exclusion of informal and private measures.¹³ In Zimbabwe, for example where the unemployed are the majority of the population, an informal social security measure operated by community members is not considered. Such measurement provides for a safety net in the form of societies and “stokvels”. The African adage of ubuntu¹⁴ is not considered as a contribution to social security.

Baker & Holtzhausen defines social security as:

A system of assistance guaranteed by the state, granted to people in need when their normal source of income has been interrupted or ended (for example through sickness,

¹¹ International Labour Organisation, *World labour report 2000: Income security and social protection in a changing world*. Available at <http://www.ilo.org/public/english/protection/socsec/wlrblurb.htm> (Accessed 20 December 2009).

¹² Pieters, D *Social security: an introduction to the basic principles*, Kluwer, 2006, 137p. (1-109)

¹³ See Olivier M & Mpedi L, *Understanding social security law*. Juta: Cape Town (2009) 4-5.

¹⁴ An African saying implying that a person exists due to the existence of others.

unemployment and retirement). It could entail assistance to certain disadvantaged groups (for instance the handicapped, the families of deceased workers or people suffering from industrial injuries), or supplementing the income of pensioners. It could also include social insurance schemes but in a more strict sense of the word it refers to assistance schemes financed from taxation.¹⁵

In the South African context, Olivier & Mpedi define social security 'as an umbrella concept which includes both social insurance and social assistance.'¹⁶ Social insurance is described as a scheme which aims to maintain one's income by providing earnings-related benefits derived from employee and employer, and sometimes from state contributions', while social assistance is the 'minimum income protection (a 'safety net') for ... particular poor and excluded people'.¹⁷

Olivier *et al* rightly opined that there is no uniform definition of social security, rather each country or region should provide a definitional framework that takes into account its history and unique socio-economic problems.¹⁸ Southern Africa and Africa are faced with peculiar problems such as the high incidence of HIV, high infant mortality rates, endemic poverty and poor infrastructure. As such, these social problems should form the basis of designing policy frameworks and objectives.

In light of this, the definition(s) chosen for purposes of this dissertation concurs with Olivier *et al* in that each country investigated herein has a definition unique to its socio-economic circumstance.

1.2.3 Regional integration

¹⁵ Cited in Olivier *et al* (1999) 11.

¹⁶ Olivier & Mpedi (2009) 8.

¹⁷ *Ibid.*

¹⁸ Olivier *et al* (1999) 11.

Similar to social security, regional integration is a concept with no uniform definition. Regional integration is multi-disciplinary and as such is defined within the scope of each applicable discipline. For example Haas defines political integration as:

[T]he process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities toward a new centre, whose institutions possess or demand jurisdiction over the pre existing national states. The end result of a process of political integration is a new political community, super imposed over the pre-existing ones.¹⁹

Further, Cantori & Spiegel view integration as ‘the process of political unification’ based on a ‘degree of similarity or complementarity’ between the political entities involved.²⁰ Venables provides an economics definition of regional integration as the process through which ‘countries come together to form free trade areas or customs union, offering members preferential trade access to each other’s markets’.²¹

The underlying theme of the above definitions is the idea of enhancing interactions and cooperation between and among states. It prescribes the pooling together of resources as a means of addressing problems that have assumed a trans-national status. In Southern Africa, there are two frameworks for inter-state cooperation. The first, Southern African Customs Union (SACU) is the oldest customs union in the world.²² Established in 1910, it is composed of Botswana, Namibia, Lesotho, Swaziland and

¹⁹ Haas E, *The uniting of Europe: Political, social and economic forces 1950-1957*. Stanford: Stanford University Press (1958) 16.

²⁰ Cantori L & Spiegel S, *The international politics of regions – A comparative approach*. Englewood Cliffs: New Jersey: Prentice-Hall (1970) 10-11.

²¹ Venables A, ‘International trade: Regional economic integration’. *International Encyclopaedia of Social and Behavioural Sciences* (2000) 1. Available at <http://www.econ.ox.ac.uk/members/tony.venables/regenc2.pdf> (Accessed 25 February 2010).

²² Available at <http://www.sacu.int> (Accessed 30 March 2010).

South Africa.²³ The second, Southern African Development Community (SADC) is composed of fourteen members.²⁴ The organisation was founded in 1980 as the Southern African Development Coordination Conference (SADCC) and was transformed in 1992 into SADC. As pointed out above the SADC already have sub-regional frameworks dealing with social security in Southern Africa.²⁵

1.3 Aim of study

As mentioned above, the objective of this study is two-fold. The first is aimed at understanding the social security policies in selected Southern African states. The purpose of this exercise is to highlight the best and worse practises in these states. Granted that there are similar problems bedevilling these countries, this study will also take into account specific issues affecting the needs of each state. The second builds on the first by investigating how the best practises identified can aid the design of an effective regional framework. While the recommendations of this study are not aimed at replacing existing sub-regional frameworks, they rather provide a framework for strengthening such existing framework.

The recommendations of this study are guided by the ethos of democratic governance and fundamental rights. In other words, this study places good governance, respect of fundamental rights and democracy as central to the design of any policy framework and the effective implementation of social security measures.

²³ *Ibid.*

²⁴ They are Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

²⁵ They are the SADC Charter on Fundamental Social Rights and the Regional Indicative Strategic Development Plan (RISDP).

1.4 Outline of chapters

Chapter one deals with the conceptual framework, that is, the definition of concepts such as social security and regional integration. In addition, it provides the background to the study.

Chapter two examines the selected countries and their social assistance policies. It also deals with the SADC.

Chapter three looks at the European Union and the strides made on the continent in terms of social assistance.

Chapter four investigates the feasibility of a regional social assistance framework, especially based on best practices identified in the countries examined.

Chapter five provides a brief summary by tying a golden thread through the preceding chapters.

Chapter 2: Examination of selected countries and their social security policies

“Acquire new knowledge whilst thinking over the old, and you may become a teacher of others”.

Confucius

2.1 Introduction

This chapter examines both regional and national social security schemes. As mentioned in chapter one, the focus will be on the SADC and two Southern African countries: South Africa, Zimbabwe. It begins with an analysis of social security in the selected states, including the SADC and ends with a brief discussion of the common problems facing social security in the region.

2.2 Social security policies in Southern Africa

2.2.1 SADC

The Southern African Development Community (SADC) was established in 1980 as the Southern African Development Coordination Conference (SADCC). It was later transformed to SADC in 1992. Since the scope of this dissertation is social assistance, the discussion on SADC will only be limited to its policy and objectives with regard to social security issues. In this vein, there are four sources of social security policies in SADC:

- The SADC treaty (1992)
- The Charter of Fundamental Social Rights in SADC (Social Charter) (2003)
- The 2007 Code on Social Security in the SADC Code
- The 2006 Draft Protocol on the facilitation of Movement of Persons

The SADC treaty, in article 5, sets out the following as the socio economic objectives of the organisation:

- Sustainable and equitable economic growth and socio economic development
- Enhance the standard and quality of life in the region
- Poverty eradication
- Self-sustaining development
- Combat HIV and AIDS
- Sustainable utilisation of natural resources

The 2003 Social Charter is the regional framework on labour issues. The Charter highlights issues such as freedom of association, collective bargaining, and protection of children, young people and persons with disabilities. Other essential elements of the Charter include:

- Improvement and harmonisation of working and living conditions
- Creation of enabling environment for purpose of protection of health, safety, employment and remuneration, and education and training of workers
- Importance of ratifying and implementing ILO standards
- Social protection of workers
- Protection of the elderly
- Provision of post-employment security schemes

The 2007 Code on Social Security in the SADC provides a guideline for the development of social security at the national level. It particularly suggests the involvement of civil society, non-governmental organizations (NGOs) and community based associations in the formulation, implementation and enforcement of social security standards. The Code further recognises the reality that government alone cannot provide social security needs; the private sector can play an equally important part in this regard.

The 2006 Draft Protocol on the facilitation of Movement of Persons seeks to illuminate one of the primary objectives in the SADC treaty: freedom of movement of persons. It highlights the importance of the free movement of capital, labour, goods and services. A key recommendation is the recognition of visa free travel for up to 90 days within SADC.

2.2.2 South Africa

South Africa inherited a fragmented social security system. Its main objective was to protect whites against contingencies either by way of social insurance or social assistance.²⁶ As early as 1910, the main features of the social security system, namely social assistance for the elderly, disabled and children were financed by the state.²⁷ The provision of the elderly was introduced in 1928 through the Old Age Pensions Act. It provided grants for “coloreds” and “whites”. The exclusion of “Africans” was based on the argument that rural kinship provides security in old age. In 1937, the same racial groups benefited from the introduction of the disability grants. Old age pensions and disability grants were extended to “Indians” and “Africans” in 1944 and 1947 respectively. However, inequality on the basis of race remained due to the level of the grants. In 1947, the maximum pension for whites was five times that of Africans. Coloreds and Indian pensioners were paid half as much as whites.²⁸ The support for children developed in a similar manner. The Employment of Children’s Act of 1973 extended coverage of the maintenance grants, but still whites benefited the most. When the National Party came to power in 1948, they furthermore tried to protect white workers from the rapidly urbanizing “African” workforce.²⁹ The National Party introduced

²⁶ Social assistance in South Africa: Its potential impact on poverty. Claudia Haarmann 2000.

²⁷ *Ibid.*

²⁸ Bhorat , Haroon 1995. *The South African social safety net: past, present and future.* In: *Development Southern Africa*, Vol. 12., No. 4, pp. 595-604.

²⁹ *Ibid.*

a minimum income level for Africans to qualify for benefits from the Unemployment Insurance Fund, and by doing so, effectively excluded them. The benefits for Africans decreased continuously and by 1954, most of the recourses in the fund were paid to whites. However, in the beginning of the 1970's, the economy started to stagnate and this influenced social policy as well. The period between 1972 until 1990 has been described as a *trend towards re-incorporation and reduced inequality* (emphasis added). It has been argued that the National Party realized the economic importance to integrate blacks into the economy at the time and this resulted in changes to the social security system. Job reservation laws were abandoned and trade unions for blacks could be registered. In 1977, African old age pensions were increased and by 1993 these pensions had reached a level of 85% of white pensions.³⁰

In light of this, one can realize that the new government took over a much distorted system. The rationale behind this system was to provide social security to a white minority. The development under this system was also financially possible as it was only meant to cover a minority whereas the new government was faced with a task of transforming the existing system, into one that served the population as a whole.

The White Paper on Social Welfare, written in 1996 and gazetted in 1997 contains the policy framework for the restructuring of social welfare. The main feature of the developmental approach is that social development and economic development are interdependent and mutually reinforcing. The Paper acknowledges that economic growth without social development is meaningless, as growth on its own does not benefit the whole population. By the same token, social development cannot take place without economic development.³¹

³⁰ Ibid.

³¹ Midgley 1996:3.

Social assistance benefits in South Africa covers the following categories:³²

- 1) Old age grant
- 2) Child support grant
- 3) Disability grant
- 4) Care dependency grant (for children with disabilities under the age of 18), and
- 5) The foster grant
- 6) War veterans grant

The South African social security system is further reinforced by the highly acclaimed 1996 Constitution which stipulates the right of access to social security.³³ In addition, the courts have contributed immensely to the progressive development of social security by embarking on a liberal and purposive interpretation of the right to social security. In this regard, the Constitutional Court in the *Government of the Republic of South Africa and Others v Grootboom and Others*, ordered the government to be more proactive about housing, by increasing the coverage of housing grants.³⁴ In *Minister of Health and Others v Treatment Action Campaign and others*, the court ordered the government to:

... implement within its available resources a comprehensive and coordinated programme to realise progressively the rights of pregnant women and their newborn children to have access to health services to combat mother-to-child transmission of HIV.³⁵

³² Olivier & Mpedi (2009), 23-25.

³³ See sec 27 (c) of the Constitution of the Republic of South Africa, 1996.

³⁴ 2000 (11) BCLR 1169 (CC).

³⁵ 2002 (5) SA 721 (CC).

Interestingly enough, in *Khosa and others v Minister of Social Development and others*³⁶ the applicants brought an action challenging the Act, which limited entitlement to social grants for the aged to South African citizens, and would prevent children of non-South African citizens in the same position as the applicants from claiming any of the childcare grants available to South African children (regardless of the citizenship-status of the children themselves). The Constitutional Court held that the exclusion of permanent residents from the scheme was an infringement on their rights to equality. The court held further that the Constitution vests the right to social security in “everyone” and that permanent residents are bearers of this right. The exclusion of permanent residents from the welfare scheme is not a reasonable way to achieve the realisation of the right to social security.

In spite of the laudable social security frameworks in South Africa, there are numerous obstacles. As Olivier *et al* notes, the amount of social grants is extremely low.³⁷ This is as a result of the fact that these benefits do not only cover the recipient but also additional household members.³⁸ The high rate of unemployment is another factor that thins out the available resources. 23% of the population was unemployed in 2008. In 2009 this rate grew by 1% to 24%. The unemployment trend seems to grow year by year. As at December 2011 unemployment stood at 23.3 per cent.³⁹ And like other countries in the region, South Africa faces endemic poverty and growing unemployment, and this makes the provision of a true safety net an arduous task.⁴⁰

³⁶ 2004 (6) BCLR 569 (CC).

³⁷ Olivier et al (1999) 32.

³⁸ *Ibid.*

³⁹ <http://www.indexmundi.com/g/g.aspx?c=sf&v=74>. Viewed 29 May 2012.

⁴⁰ *Ibid.*, 33.

The South African Social Security Agency (SASSA) is responsible for the payment of social assistance benefits.⁴¹ Its vision is to manage quality social security services to eligible and potential beneficiaries effectively and efficiently. This however is not the reality. Bureaucratic bottlenecks and corrupt public service officials have depleted scarce resources that should have been used for social security purposes, to fill individual purses.⁴² As at March 2011, a Price Waterhouse Coopers investigation found that fraud and corruption had cost the Eastern Cape Health Department alone R45 million.⁴³ Furthermore, in a research conducted by the Institute for Security Studies' Corruption and Governance Programme in Cape Town,⁴⁴ into Corruption and Social Grants in South Africa, it was found that fake documents were often obtained from doctors taking bribes to falsely certify that someone had a disability in order to be eligible for a disability grant. In other instances, medical officers complain of threats to their lives if they do not issue favourable reports.⁴⁵ Adding to the problem is the lack of a uniform system of objective assessment procedures. Assessment of disability is highly subjective and varies from one medical officer to another. The Department of Social Services is itself inefficient. The department lacks internal controls. In a 2006 interview, the Provincial Auditor-General of the Eastern Cape, Singa Ngqwala, stated that the provincial Department of Social Development was faced with severe problems of internal control.⁴⁶ He furthermore noted that 'activities were not adequately monitored, supervised [and] authorised so it impacted on the Department'. As though these evils

⁴¹ Ibid, 23.

⁴² See Mpela (2008) 38-39.

⁴³ <http://www.timeslive.co.za/local/article953247.ece/Corruption-costs-Eastern-Cape-Health-R45m>. Viewed 29 May 2012.

⁴⁴ Corruption and Social Grants in South Africa T Reddy and A Sokomani November 2008.

⁴⁵ Corruption and Social Grants in South Africa T Reddy and A Sokomani November 2008.

⁴⁶ Ibid.

were not enough, the social grant delivery bottlenecks continue to compromise the realisation of indigents' right to access social security. The inaccessibility and violation of the fundamental right to social security, exposes the provincial departments to numerous class action litigations.⁴⁷ It is therefore no surprise that the bulk of cases that the Black Sash⁴⁸ advice office in Grahamstown encounters, relate to the Department of Social Development. Litigation has had major cost implications for the department. Within a space of three years litigation costs increased by 25 per cent from over R5 million in 2002/03 to R20 million in 2003/04. In most cases that end up in court the department opposes the payment of the grants to recipients. This occurs in spite of the contention that poor administration or maladministration by the department itself lies at the root of the problems. The consequences are therefore explained as follows:

Each time the Department opposes a case in this nature it costs in the region of R40000 in legal fees. This would mean that for the Port Elizabeth High Court alone, in one week R892 000 was spent fruitlessly and wastefully by the Department of Social Development in the province. What this means is that the Department is paying out huge sums of money, which would be better used helping the poor and needy in the province, because of its inability to timeously process social applications. The problem is made even more serious because the Department does not budget for litigation costs which means that resources are clearly being diverted from departmental programmes to cover these costs, thus hindering the Department's ability to properly fulfill its mandate in the province⁴⁹

In addition, the rapid growth and size of the South African social grants system have given rise to concern about its longer-term sustainability, within as well as outside of

⁴⁷ Ibid

⁴⁸ An independent, non-governmental Human Rights organisation that aims to enable all with an emphasis on women and children, to recognise and exercise their human rights, particularly their social and economic rights. And to create a society that has effective laws and delivery systems, including comprehensive social protection for the most vulnerable

⁴⁹ Joseph, S 2006. Resorting to the courts: Litigation and the crisis in the administration of social grants in the Eastern Cape. Grahamstown: Public Service Accountability Monitor.

government.⁵⁰ In 2002 the number of beneficiaries of the Old Age Grant were 1, 903 042. In 2006 the number had risen to 2, 131 820.⁵¹ As at 2011 the number of recipients stood at 2.7 million according to an article in Good news Africa.⁵²

2.2.3 Zimbabwe

While social security schemes in South Africa, although faced with internal struggle problems, have improved from pre 1994 where schemes were for a select few to post 1994 where assistance schemes are more inclusive, Zimbabwe has gone the opposite direction.

Similar to South Africa, development of social security in Zimbabwe is inextricably linked to the country's colonial history. Racial discrimination in colonial Rhodesia led to the introduction of fragmented social security schemes for the colonialists where the same protection was not extended to the indigenes of the country. As at 1988 there was no act of parliament governing the operation of public assistance in Zimbabwe. The Department of Social Welfare ran a public assistance programme which provided financial assistance to destitute members of society, destitution which may have risen from such factors as old age, unemployment, sickness, disability, death or desertion of a bread winner. A major weakness of the public assistance programme run by the department is that benefits given under public assistance were often inadequate to meet the basic needs of the recipients.⁵³

⁵⁰ Social assistance reform during a period of fiscal stress, S Van Der Berg & K Siebrits.

⁵¹ 2003 Inter Governmental Fiscal Review: figures for March 2003; and SAHRC reports from 1998 to 2006.

⁵² http://www.sagoodnews.co.za/social_development/more_south_africans_to_benefit_from_grants.html. viewed 18 January 2012.

⁵³ E. Kaseke "Social exclusion and social security: the case of Zimbabwe" vol 18 NO 1 2003 Journal of Social Development in Africa.

Zimbabwe did not, at this time, have a comprehensive social security scheme. The schemes in operation namely the old age pensions, war victim's compensation, workers compensation and public assistance were specific to defined target groups thus leaving the majority of the country uncovered by any social security scheme.⁵⁴

The Zimbabwean government in the 1980's formulated and made great strides in the 2 aspects of social protection. Firstly social insurance, whose objective was protection of employees from life-cycle and work cycle changes and whose funding was from employer and employee contributions. Secondly, social assistance which aimed at protection from poverty and was public- tax financed.⁵⁵

The National Social Security Authority (NSSA) is a body corporate, established by an Act of Parliament in 1989, to administer social security schemes in Zimbabwe. It started operations in October 1994 with two schemes namely the National Pension Scheme (NPS) and the Workers Compensation Insurance Fund (WCIF), also known as the Accident Prevention Scheme. These two schemes covered members in formal employment and therefore referred to as occupational schemes. The NPS based on a 50/50 contribution from the employers and employees. The workers were entitled to a number of benefits after contributions for a minimum set period and having met the qualifying condition of each of the benefits. It provided an important cushion for Zimbabwean citizens during invalidity, retirement or death of a breadwinner who was a member of the scheme. It is the noble duty of the employers and employees to ensure that contributions are paid to NSSA.⁵⁶

⁵⁴ *Ibid.*

⁵⁵ *Ibid.*

⁵⁶ *Ibid.*

The WCIF is established and administered in terms of statutory Instrument 68 of 1990. The objectives of the scheme is to provide financial relief to employees and their families when an employee is injured or killed in a work related accident or suffers from a work related disease or dies thereof, creating an awareness of, and promoting health and safety at all places of work, encouraging adoption of health and safety legislation through factory and machinery inspection as well as to provide rehabilitation services to disabled employees so as to reduce their disablement and enable them to return to their former employment or otherwise prepare them for a useful and meaningful place in society. The scheme is employer funded and currently all employers, except the Government, employers of domestic employees and informal sector employers are required by law to contribute to the Scheme. The benefits entitled under the scheme can be classified as periodical payment in respect of loss of earning, medical costs, funeral grants and a lump sum for permanent disablement.⁵⁷

With respect to social assistance, the comprehensive approach that the government pursued contained 5 major social assistance programmes:

1. In the first instance, the government sought to improve the interests of unskilled and semi-skilled labour through **minimum wage legislation**. The wages for domestic workers, agricultural workers, industrial and mine workers were increased in an attempt to address aspects of the welfare gap produced by colonialism⁵⁸. The Minimum Wage Act of 1980 established a minimum wage of Z\$85 (US\$133) per month for workers who qualified under the Industrial Conciliation Act, and Z\$67 (US\$105) for others in industry. Minimum wages were set at Z\$58 (US\$91) per month for mine workers and Z\$30 (US\$47) per month for agricultural and domestic workers⁵⁹. In 1982, minimum wages were

⁵⁷ *Ibid.*

⁵⁸ Minimum Wages Act of 1980

⁵⁹ *Ibid.*

again raised. The government further enhanced its minimum wage policy by forcing the price control system through which the government kept the price of basic food commodities (maize meal, cooking oil, bread etc) relatively low by subsidising producers.

2. Secondly, significant welfare improvements were made in the 1980's by providing **free health care** to those earning less than Z\$150 per month. Hospitals and rural health centers were erected and upgraded and the immunization programme was expanded to cover pregnant women and the 6 major childhood diseases.⁶⁰ Several programmes were initiated namely the Traditional Midwives Programme to train local village-based health care providers and the Village Health Worker Programme. The government also declared diarrhea a national priority by launching the Diarrhoea Disease Control Programme which trained mothers to properly prepare the oral hydration therapy solution. The National Nutrition Unit and a Child Supplementary Feeding Programme adopted a number of nutritional programmes which saw over 250 000 mal-nourished children in over 8000 feeding points provided with an energy rich meal⁶¹.
3. As noted in the United Nation social indicator⁶² Zimbabwe boasts one of Africa's highest literacy rates. After independence, the new government aggressively reformed **the educational system**. As bottlenecks in the education system inherited from the colonial period were removed, there were dramatic increases in the enrolments at secondary schools and technical colleges. In addition to expanding student access to education, the government also addressed the quality of education provided. This began the 1982 decision to standardize

⁶⁰ Polio, measles, hepatitis B, whooping cough, diphtheria and tetanus.

⁶¹ Journal of Social Development in Africa (1990) 5,1 5-22.

⁶² <http://unstats.un.org/unsd/demographic/products/socind/> viewed 28 May 2012.

student-teacher ratios nationally at 1:40 for primary education, 1:30 for secondary education and 1:20 for sixth form students. To capture adults, the governments also adopted an adult literacy programme. These advancements in education had a dual effect; they contributed to the overall welfare of the population through valuable education and the free primary education increased real incomes for households with school age children⁶³. Furthermore, it helped reduce the amount of social assistance of those aided by the new school system in future⁶⁴.

4. The new government also sought to transform **the agricultural sector** which was characterized by a highly distorted land ownership pattern. It is estimated that 70% of prime agricultural land was vested in white ownership compared to 30% black ownership that formed 90% of the population as at 1978. In the 1980's the new government did not immediately redress the issue of unequal land ownership but instead took advantage of the Agricultural Marketing Authority and its marketing organs the Grain Marketing Board, and the Cotton Marketing Board. These boards were used as instruments for transferring income and providing some opportunity for social advancement to the rural population. The government offered generous prices for many of the crops grown by peasants and provided welfare-improving incomes to the rural population. Land distribution did not come about until the infamous fast track program which started in 2000. It was from this point on that the advancements made to provide social assistance to many Zimbabweans were derailed.⁶⁵

⁶³ E. Kaseke "Social exclusion and social security: the case of Zimbabwe" vol 18 NO 1 2003 Journal of Social Development in Africa.

⁶⁴ *Ibid.*

⁶⁵ *Ibid.*

5. Finally, in the 1980's the government provided protection from absolute deprivation through **drought relief programmes**.⁶⁶ In 1981, the country experienced infrequent mid-season dry spells and by the middle of 1982 severe drought was experienced throughout the country. The national newspaper, *The Herald* estimated that close to 1 million people were in need of government assistance if starvation were to be averted.⁶⁷ In response to the food crisis, the government adopted a drought relief programme that lasted from 1982-1984. The programme involved large-scale distribution of take-home food rations to the adult population and a supplementary feeding programme for children under 5 and lactating mothers. About 850 000 people received a ration of 10.34kg each month. In 1987-1988, the government was once again called aid its citizens from a drought- induced famine. This time the government changed its response which had 2 components. Firstly, the free food distribution for households that did not have an able-bodied adult and the food-for-work program for households with an able bodied adult.⁶⁸

By the end of the 1980's, Zimbabwe had an admirable social assistance indicator for a country at its level of development.

From the mid to late 1990's government rolled back assistance programmes in favour of the market. Scholars disagree about the explanation for the switch from a development strategy that stressed equity and the welfare needs of the poor in the 1980's to one in which government social assistance was minimal in the 1990's. Some scholars place the blame on international pressure from the International Monetary Fund and the International Bank for Reconstruction and Development (World Bank) whose austerity

⁶⁶ *Ibid*

⁶⁷ The Herald Newspaper, 27 and 30 April 1982

⁶⁸ *Ibid.*

measures undermined the advances made in the agricultural sector. Other scholars blame the shift on the ruling elite. From 2000 (known as the crisis period) one can observe a steady decline in social assistance policies in Zimbabwe, however, in 2005 the government launched *Operation Murambatsvina*. Through this “operation”, the government purported to clean up the cities of all illegal homes, stores and vending stalls across the city. This *murambatsvina* resulted in the destruction of entire neighborhoods and countless informal businesses. In July 2005 data released indicated that close to 92500 housing structures and over 32500 small and medium- sized businesses across the country had been demolished.⁶⁹ In the Tibaijuka report it is estimated that close to 570 000 people lost their homes and an additional 98 000 lost their livelihood as a direct result of the operation.⁷⁰ The only form of social assistance post 2000 was characterized by the increased privatization. In particular, the reliance of remittances from Zimbabweans living abroad.⁷¹

2.3 Common problems facing social security in Southern Africa

The above discussion outlines the current state of social security in selected Southern African states. From this discussion, South Africa and Mauritius show some best practises while Zimbabwe and Malawi still lag behind. The SADC frameworks also point to the understanding and need to combine hands in addressing social security issues in the sub-region. In light of this, this section will discuss some of the common problems facing social security in the sub-region. This is meant to provide the background for addressing the next chapter: feasibility of a viable regional social security framework.

⁶⁹ Report of the Fact-Finding Mission to Zimbabwe to assess the Scope and Impact of Operation Murambatsvina by the UN Special Envoy on Human Settlements Issues in Zimbabwe Mrs. Anna Kajumulo Tibaijuka 2005.

⁷⁰ Report of the Fact-Finding Mission to Zimbabwe to assess the Scope and Impact of Operation Murambatsvina by the UN Special Envoy on Human Settlements Issues in Zimbabwe Mrs. Anna Kajumulo Tibaijuka 2005.

⁷¹ Bracking and Sachikonye 2008.

The problems are broadly classified under the following headings:

- Bad governance
- High levels of poverty and diseases
- Hydra-headed policies on social security
- Limited coverage

2.3.1 Bad governance

In order to have an effective social security system, it is important to have an accountable and fair system of governance. As Barbone & Sanchez remarks:

If governance issues are not forcefully addressed, other actions to deal with the present problems (of social security) will only have a short-term and limited effect.⁷²

Bad governance is not only limited to corruption and inefficiency of government agencies responsible for social security, it also negatively impacts on the ability to craft effective policy frameworks. In addition, there is little effort to include the civil society in the planning and implementation of social security policies. According to Barbone & Sanchez, at the root of poor governance is a faulty institutional design'.⁷³ In this sense, bad governance ensures that there is weak implementation of social security measures. Another effect of bad governance is that social protection policy is not government driven and therefore lacks ownership and purposefulness.⁷⁴ The consequence of this is the involvement of actors, who are not conversant with the peculiar needs of the

⁷² Barbone & Sanchez (1999) 21.

⁷³ Ibid, 13.

⁷⁴ Chinsinga B, 'The social protection policy in Malawi: Processes, policies and challenges'. (2007) 11. Available at http://www.future-agricultures.org/pdf%20files/SP_policy_malawi.pdf (Accessed 10 April 2010).

population, in the design of social security policies.⁷⁵ Fraud and corruption is rife in the respective social assistance departments, not only from officials (as alluded to in the South African case study) but also from beneficiaries who do not inform the department in change of circumstances.

2.3.2 High levels of poverty and diseases

As noted above, the Southern African sub-region is plagued by endemic poverty and high incidence of HIV/AIDS. Since most countries in the sub-region fall within the definition of 'low income countries', this ensures that there are little or no financial resources to tackle urgent social needs.⁷⁶

2.3.3 Hydra-headed policies on social security

Mpela notes that one of the problems facing social security in South Africa is the haphazard and scattered number of legislative Acts.⁷⁷ He further points to the unsystematic manner in which these Acts are repealed, amended and enacted.⁷⁸ The problem with this is that there is really no certainty as to which law is applicable or defunct.⁷⁹ As shown above, SADC also has the same problem since its policies are written in four different frameworks.

2.3.4 Limited coverage

⁷⁵ *Ibid*, 11-12.

⁷⁶ See e.g. Chinsinga (2007) 14.

⁷⁷ Mpela (2008) 38.

⁷⁸ *Ibid*.

⁷⁹ *Ibid*.

Social protection schemes across Africa are primarily structured for people in the formal sector. Other critical sectors of the civil society such as self-employed others in the informal sector, are usually not covered.⁸⁰ Since the informal sector in African society make up the majority, it is of pertinence that policies are put in place to cover such persons.

2.4 Conclusion

Except for few countries on the continent, the state of social security leaves much to be desired. While this cannot be solely blamed on deliberate attempts by African states to deprive their people of social benefits, other factors such as weak economic structures, drought or other climate changes and limited resources (human and financial) equally contribute to this situation. This chapter has provided an overview of social security in Southern Africa and pertinent problems affecting the effective realisation of a sustainable social security system. The next chapter will build on this by looking at the feasibility of creating an effective regional framework on social security.

⁸⁰ *Ibid* 39.

Chapter 3: The feasibility of a viable regional social security framework in Southern Africa

“Leadership and learning are indispensable to each other”.

J F Kennedy

3.1 Introduction

The concept of social security originated in Europe. The term commonly used is welfare and refers to the provision of a minimal level of wellbeing and social support for all citizens who temporarily or permanently could not provide for themselves.⁸¹ In most European countries, welfare is largely provided by the government, in addition to charities, informal social groups, religious groups and intergovernmental organizations⁸². This chapter aims at looking at the origin of social security and the evolution it has undergone to present day and the influence of the European Union (EU) as a whole on providing social security, namely social assistance. A select number of countries⁸³ social security schemes are investigated and finally a look at the United Nations and the initiatives it has engaged to grow the safety net of social assistance.

3.2 The origin of European Welfare and Social Security

⁸¹ http://en.wikipedia.org/wiki/Welfare_state#Criticisms_of_welfare

⁸² Wikipedia.

⁸³ Greece, Spain, Italy and the United Kingdom.

Social welfare to help the poor originated in the Roman Empire and was enlarged by the Ceasar Trajan in 117AD. According to an officer of the British army and a young African explorer between 1887 and 1889 Robert Henry Nelson described the medieval Roman Church as having operated a far-reaching and comprehensive welfare system for the poor⁸⁴. Although there is little statistical data on welfare transfer payments before the Middle Ages, the function of welfare payments in Europe was principally achieved through private giving or charity. The first documented welfare program in Europe included the English Poor Law of 1601⁸⁵ which operated at a time when the population was small enough for everyone to know everyone, therefore people's circumstances would be known and the idle poor would be unable to claim on the parishes' poor rate. The Elizabethan Poor Law of 1601 formalized earlier practices of poor relief contained in the Act for the Relief of the Poor 1597 yet is often cited as the beginning of the Old Poor Law system.⁸⁶ It created a system administered at parish level, paid for by levying local rates on rate payers. Relief for those too ill or old to work was resolved by the so called 'impotent poor' who was in the form of a monetary payment or the handing out of items of food ('the parish loaf') or clothing also known as outdoor relief. Some aged people were accommodated in parish alms houses, though these were usually private charitable institutions. Meanwhile able-bodied beggars who had refused work were often placed in Houses of Correction or even subjected to beatings to mend their attitudes. Provision for the many able-bodied poor in the workhouse, was relatively unusual, and most workhouses developed later. The 1601 Law stated that parents and

⁸⁴ Charity And Welfare: Hospitals And The Poor In Medieval Catalonia James William Brodman. The library of Iberian Resources online.

⁸⁵ Also known as the Elizabethan Poor Law of 1601.

⁸⁶ Charity And Welfare: Hospitals And The Poor In Medieval Catalonia James William Brodman. The library of Iberian Resources online.

children were responsible for each other and elderly parents would live with their children.⁸⁷

The system provided social stability yet by 1750 needed to be adapted to cope with population increases greater mobility and regional price variations. The Chancellor of Germany, Otto von Bismarck introduced one of the first welfare systems for the working class which was later copied by the Americans in the 1800's. Germany became the first nation in the world to adopt an old age social insurance program in 1889 which was designed by Bismarck and described as "...those who are disabled from work by age and invalidity have a well grounded claim to care from the state".⁸⁸ The German system provided contributory retirement and disability benefits. Participation was mandatory and contributions were taken from the employee, the employer and the government. The system was coupled with the workers' compensation program established in 1884 and the "sickness" insurance that gave the Germans a comprehensive system of income based on social insurance principles. Interestingly enough, the German social security policies influenced a number of European Countries.⁸⁹ The difference between the Bismarck system and the Beveridge system (discussed below in 3.4.4) is that the Bismarck system is based primarily on social insurance contributions; the financing of the other system, the Beveridge system, is from taxes. In other words, an optimal Bismarck system leads to no redistribution between various income groups, but the Beveridge system does contain a redistribution.⁹⁰

The Bismarck system is characterised by the following three points:

⁸⁷ *Ibid.*

⁸⁸ *Ibid.*

⁸⁹ Poland; Italy and France.

⁹⁰ Kolmar, M. (2007), "Beveridge versus Bismarck Public-pension Systems in Integrated Markets", *Regional Science and Urban Economics* 37, 649–69.

- The insured persons are employees or gainfully employed;
- The financing is via contributions, graduated according to income;
- The contributions to be paid are based on wages or salaries.⁹¹

The Beveridge system is marked by the following:

- It includes the entire population;
- It is primarily financed from the state budget;
- It calls for uniform, lump-sum contributions.

The aim of the Bismarck system is thus to assure a standard of living while the Beveridge system focuses on securing a subsistence level.⁹²

3.3 The European Union

The European Union (EU) is made up of 27 member states and covers a large portion of the European continent. However, not all countries in Europe are members of the EU. The Copenhagen criteria are a series of political and economic conditions laid down by the Heads of State and Government of the Member States at the European Council meeting in Copenhagen in 1993. The Copenhagen criteria can be divided into three conditions, which must be met before a decision is taken on whether a country can become a member of the EU. These conditions are discussed below:

1. The political criterion:

The country must have stable institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities.⁹³

⁹¹ Franke, S. F. (2004), *Soziale Sicherungssysteme, Wirtschaft, Arbeitswelt und Globalisierung*, Universitat Stuttgart, Diskussionsbeitrag.

⁹² Ibid.

⁹³ Copenhagen European Council.

2. The economic criterion:

The country must have a functioning market economy and must be capable of withstanding the pressure of competition and market forces in the European Union.⁹⁴

3. The criterion presupposing the ability to incorporate the entire body of laws and regulations of the EU – the ‘acquis communautaire’:

The country must be able to assume all the obligations flowing from membership, including the aim of political, economic and monetary union.⁹⁵

What comes closest to a catalogue of concrete requirements which must be met by applicant countries is the third criterion, according to which the countries must be in a position to implement all the EU's laws and regulations.

The history of the origin and concept of the Union was largely due to the devastating effects of war, namely the human and economic cost which hit Europe during the Second World War. There was a desire to ensure that these horrors could never happen again. The European Union was therefore formed upon a number of treaties⁹⁶ with the Euro coming into effect in 1999.

With the formation of the EU it became necessary to unify a number of Europe's cross-boarder laws. The Union objective of free movement of workers required the regulation of migration and access to National welfare. Herein comes the term "welfare", used mostly in Europe. The term "welfare" is used to describe a state in which the government

⁹⁴ *Ibid.*

⁹⁵ *Ibid.*

⁹⁶ Treaty of Lisbon of 2009; The Maastricht Treaty of 1992 and the Euratom Treaty of 1957

provides the majority of welfare services. The term holds certain implications regarding the provision of a minimum level of well being and social support for all citizens without the stigma of charity.⁹⁷

The European Union shares policies across many aspects of economic, political and social life. It is multi-semantic and subject to various degrees of understandings and interpretations,⁹⁸ and yet there are areas in which states retain primary competence and the EU's influence is indirect or relatively minor. The regulation of social welfare is one of this kind where responsibility for the regulation and delivery of welfare lies largely within each state.⁹⁹

The 2 chief European welfare systems are the residualist and institutionalist models. The "institutionalist" welfare state is based on the notion that welfare provision is a normal and primary function of a modern industrial society.¹⁰⁰ This model is associated with the redistributive function of welfare, in the sense that public welfare provision aims to redistribute resources in favour of those who derive the least advantage from the market based economic system.

The "residualist" model is coupled with a strong economic commitment to the economic needs of society and a heavy dependence on the role of industry in providing

⁹⁷ The meaning of welfare, viewed 17 January 2012, <http://en.wikipedia.org/wiki/welfare>

⁹⁸ Moreno, L 2003 'Europeanisation, mesogovernments and safety nets' *European Journal of Political Research*, vol. 2. no. 48 185-199

⁹⁹ *Ibid.*

¹⁰⁰ Bryson, L 1992 *Welfare and the state*, London: Macmillan.

occupational benefit. The focus falls on achievement in the market, and welfare provision is strongly linked to the occupational status and employment record of the recipient.¹⁰¹

The providing of social security and social welfare remain largely within the competence of the government of the member state of the EU and are governed mainly by national rules and policies. However, the social welfare systems of member states no longer operate in isolation from the obligations of the EU community as a whole.¹⁰² Therefore, in the EU, social security and welfare might be described as a field of 'multi-level' governance', in which rules, principles and norms emanating from the EU national and sub-national levels interact to create the overall picture of law and policy.¹⁰³

There are 4 basic models of interaction between the EU and national levels relevant to social security and social welfare law:¹⁰⁴

- 1) regulatory co-ordination by the EU of national social security systems
- 2) EU level harmonised regulatory social security norms
- 3) The promotion of harmonisation or convergence through soft law¹⁰⁵ norms and financial support
- 4) Modified de-regulation in the context of the EU's laws of the internal market

¹⁰¹ Harris, N 2000 'Welfare state and social citizenship rights' *Social Security Law in Context*, Oxford University Press.

¹⁰² *Ibid.*

¹⁰³ Liebfried, S Pierson, P 1995 *European social policy: between fragmentation and implementation* Washington DC: Brookings.

¹⁰⁴ *Ibid.*

¹⁰⁵ "soft law" measures are non-binding measures which neither place legally enforceable obligations on member states or individuals. Soft law measures may, in some instances pave the way for future hard law action at EU level.

The EU's competence to regulate EU level law or policy measures which are directly concerned with social security or social welfare are limited. The Treaty of Rome of 1957¹⁰⁶ contains a small number of specific legal basis provisions which are relevant to the social security and welfare field namely article 118 which states:

Without prejudice to the other provisions of this Treaty and in conformity with its general objectives, the Commission shall have the task of promoting close co-operation between Member States in the social field, particularly in matters relating to:

- employment;
- labour law and working conditions;
- basic and advanced vocational training;
- social security;
- prevention of occupational accidents and diseases;
- occupational hygiene; the right of association, and collective bargaining between employers and workers

These provisions empowered the Council of Ministries to "adopt" measures in the field of social security as necessary to provide freedom of movement for workers. The Treaty of Amsterdam of 1999 empowered the council to "adopt means of directives, minimum requirements for gradual implementation, the aims of 'proper social protection' and may adopt measures designed to encourage co-operation between member states... in order to combat social exclusion".¹⁰⁷

3.4 National Profiles

3.4.1 Spain

¹⁰⁶ Treaty establishing the European community, as amended by subsequent treaties, Rome, 25 March 1957.

¹⁰⁷ New Arts 136-7 EC.

The social security system in Spain is its principal system of social protection. The concept of social security first appeared in Spain in 1883 under the Committee for Social Reform, it was expanded several times during the twentieth century and finally the right to social security was enshrined in the Spanish Constitution of 1978 under Article 41 which states "that the public authorities shall maintain a public social security system for all citizens, guaranteeing sufficient support and social benefits in situations of need, especially in the event of unemployment, and that the support and additional benefits shall be free".¹⁰⁸

More recently the social assistance of Spain is marked in 1988 as the beginning of a cycle of major developments concerning social assistance in Spain, and of a big expansion of social spending.¹⁰⁹ 1988 saw the establishment of the Ministry of Social Affairs aimed at the development of a social policy, and area of public intervention which had been 'hidden' within the organisational structure of the Ministry of Labour. The newly created Ministry of Social Affairs pursued a course of action of co-ordination with the meso-governments¹¹⁰ in the development of General Plans. In particular, they paved the way for the future transfer of the social services of the Social Security (*INSERSO*) to the regional systems of social services (the base for social assistance regional policies).¹¹¹

During this period the major reform carried out by the central government was the universalisation of old-age and disability pensions. In 1990, the Law of Non-Contributory Pensions of Social Security put into effect the awarding of means-tested

¹⁰⁸ Spanish Constitution of 1978

¹⁰⁹ Moreno, L Europeanisation, Mesogoverments and 'Safety Nets', European Journal of Political Research

¹¹⁰ Also known as local government

¹¹¹ Moreno, L, Arriba, A Welfare and Decentralization in Spain", EUI Working paper EUF 99/8. Florence: European University Institute.

benefits for old-age and disabled citizens outside the social security system . The Law also established the awarding of means-tested benefits to low-income families for children under 18 years and/or handicapped, and to which both families in the contributory and non-contributory systems were entitled to claim.¹¹²

The single most innovative contribution in the construction of ‘safety nets’ in Spain was the addition of the Autonomous Communities’ responsibility. From 1988 in the Basque Country to 1995 in the Balearic Islands, the Autonomous Communities elaborated and implemented their regional programmes of minimum income for insertion (*Rentas Míminas de Inserción*), as policies directed to fight poverty and social exclusion.¹¹³

In 1994 the Spanish government entered into “social pacts” with trade unions. The Toledo Pact¹¹⁴ was an agreement for the improvement and development of the social security system. The goal of this agreement was to overhaul pensions in Spain and

¹¹² *Ibid.*

¹¹³ Matsaganis, M, Ferrera, M, Capucha, L and Moreno, L Mending nets in the South: Anti-poverty Policies in Greece, Italy, Portugal and Spain. *Social policy and Administration* Volume 37.

¹¹⁴ The Toledo Agreement proposes a gradual reform of the social security system with the aim of guaranteeing in the future a fair, balanced and solidaristic public pensions system according to the principles that inspired Article 41 of the Spanish Constitution, which gives the public powers a mandate to maintain a public social security system based on universality and sufficient services. It also stressed that it would be advisable for future improvements and adaptations of the social security system to be made with the widest possible political agreement and the greatest possible support of the social partners. The Toledo Agreement thus paved the way for the Agreement on the Consolidation and Rationalisation of the Social Security System signed by the Government trade union organisations.

encourage people to work beyond the age of 65, discourage early retirement and to provide incentives for private persons.¹¹⁵

Currently in Spain, the forms of cash assistance available to low-income citizens are:

1. Income- tested pension supplements to raise pensions to a legally established minimum
2. Unemployment assistance provided on a means-tested basis to jobless workers who are no-longer eligible for contributory unemployment insurance
3. Non-contributory pensions for old age and disability
4. Family benefits to those with dependent children
5. Minimum income programmes operated as a safety net of last resort

Spanish regions have been able to integrate social services and social assistance into common local networks of provision; however, most programmes are severely under funded. In order to continue the fight against poverty and social exclusion, regions could face the dilemma of either requesting co-funding from central government or limiting the scope of existing programmes.¹¹⁶

The Spanish social security system is similar to the British one. Monthly contributions etc entitle you to a pension, unemployment benefit, sick pay, maternity pay and the right to receive free healthcare. The amount of pension or benefit you receive depends on the level of contributions you have been paying

¹¹⁵ “New pensions agreement” in European Industrial Relations Review, June 2001, No 329.

¹¹⁶ Matsaganis, M, Ferrera, M, Capucha, L and Moreno, L “Mending nets in the South: Anti-poverty Policies in Greece, Italy, Portugal and Spain”. Social policy and Administration Volume 37.

3.4.2 Greece

Greece, a mountainous country located in Southern Europe is populated by 11 million people. The Grecian economy relies on tourism and agriculture although it has a significant shipping industry. From its independence in 1821 until 1974, democracy in Greece witnessed several different types of military interventions. In 1909, the military initiated a short-coup and quickly returned to its barracks, allowing democracy to function until the 1920s. During the 1920s, the armed forces intervened in politics frequently, without establishing any form of dictatorship. This trend has changed in 1936, when the Greek military set up an authoritarian regime that lasted until the Second World War. In 1967, again, the Generals established a dictatorship, only to be replaced by democracy in 1974. Since then, the Armed Forces in Greece do not intervene in politics, permitting democracy to be consolidated¹¹⁷. In 1974 the restoration of democracy ushered in a period of welfare state expansion. The growth in social spending was a response to the expectations nurtured by large sections of society over decades of politically motivated discrimination¹¹⁸. When Greece joined the European Union in 1980 it was considered to be a guarantee of political stability legitimized by the other members of the Union. Social assistance is a largely neglected part of the welfare state in Greece and like the other southern European countries, in particular Italy, Portugal, and Spain, is similar to several other "Bismarckian" western European countries such as Germany and Austria in that it has a contributory social insurance, social protection system. However, unlike these latter continental countries and more like the other Mediterranean countries, the system is weighted towards old age pensions, disability (invalidity) benefits and health care - although in recent years, expenditures on family benefits have grown. "The scope of protection of the Greek

¹¹⁷ Gursoy, Y. "Military Rule and Democracy in Greece and Turkey" *Paper presented at the annual meeting of the American Political Science Association, Marriott Wardman Park, Omni Shoreham, Washington Hilton, Washington, DC, Sep 01, 2005.*

¹¹⁸ Mending nets in the South: Anti-poverty policies in Greece, Italy, Portugal and Spain. Manos Matsaganis, Maurizio Ferrera, Luis Capucha, Lois Moreno *Social policy and administration* Vol.37 No 6.

social protection system is not universalistic, but categorical, and work focused. The bulk of income transfers is traditionally absorbed by old age pensions."(Katrougolos, 1996). Unlike most other EU countries, family allowances are contingent on employment and linked to income and to the ordinal position of the child. The Greek welfare system also lacks any kind of universal minimum income support scheme for non-contributory benefits. Only recently has it established a means-tested minimum old age pension.

Recently, Greece, along with Spain and Portugal, was known as a laggard in social protection development and spending. This pattern changed in the 1990s. In most European countries, social protection expenditures rose during the first half of the 1990s and thereafter fell below 1991 levels by the year 2000. Greece and Portugal were notable exceptions to this pattern. Greece's social expenditures rose from 21.6 percent of GDP in 1991 to 26.4 percent in 2000, exceeding the European Union average of 22.9 percent. Greece's per capita social expenditure in 2000 was 3,073 Euros, still below the EU average. Expenditures on old age and survivor pensions continues to dominate social spending (64 percent), though spending on family and children benefits has increased to 3.7 percent of all social expenditures, it is well below the EU average of 8.5 percent in this category.

Greece has a discretionary and local social assistance program. The National Health Service and Family Allowances are financed by the state.

Poverty is a general issue in Greece, one affecting not only individual families but communities and Grecian towns. In recent years, issues of income inequality and poverty have become particularly important themes in the media as well as in the political debate. Factors that tend to affect poverty are a low educational level, unemployment of the head of household and residence in an agricultural area. The poverty rate is relatively high, and the most vulnerable groups are the elderly, lone mothers, large families, and those living in rural areas. According to a UNICEF report, child poverty rates in Greece in the late 1990s were 12.6 percent, using the standard

comparative measure of poverty-income less than 50 percent of the national median (UNICEF, 2000).

The current Greek recession has further put social security on the back burner. In 2008 the country suffered badly during the global economic recession. Austerity¹¹⁹ measures were first introduced in 2009. By 2010, Greece had a huge public debt which caused a crisis when it struggled to borrow money to pay back its debt. The most recent austerity measures effects the social assistance programs in place. The measures include:

- 1) Pensions of more than €1200 a month cut by 20% and payments for those who retired before 55 cut by up to 40%. A 10% pension cut had already been agreed in previous austerity plans
- 2) An increase in VAT from 19% to 23% and taxes on everything from cars, tobacco and alcohol to a windfall tax on large companies
- 3) Putting 30 000 civil servants on 12 months notice with a 60% pay cut and extending to 2014 a move to replace only 1 in 10 of those leaving or retiring from the public sector

In a 2010 annual forum on the future of the social security system in Greece, the Scientific Director of the Labour Institute Servas Robolia stated that the majority of workers in Greece are at the age of 50 which means that if the recommendations of the supervisory to reduce social assistance costs to 2.5% should be followed the government would have to “kill” pensioners not to spend money.¹²⁰

¹¹⁹ Austerity is a policy of deficit –cutting, lower spending and a reduction in the amount of benefits and public services provided. Austerity policies are often used by governments to reduce their deficit spending while sometimes coupled with increases in taxes to pay back creditors to reduce debt

¹²⁰ GR Reporter; Nation aging and prolonged recession change social security in Greece forever. Viewed 11/1/2011.

“The purpose of social security is not to produce costs in the state budget. It is a system for transferring costs from the present to the future. Therefore, contributions are not calculated in the state budget as current income but as deferred expense”.¹²¹

The Greek social security system has been compromised significantly due to the financial turmoil in the country. It is therefore complex to talk about a current social security system in the midst of all the confusion. As of a year ago, 2011, social assistance was a largely neglected part of the welfare state in Greece. Recent surveys of social assistance arrangements in developed countries from a comparative perspective tend to portray Greece as the most 'rudimentary' member of the 'rudimentary' group of countries or social assistance regimes, i.e. Southern Europe.¹²²

3.4.3 United Kingdom

In the United Kingdom, modern social policy can be dated from the New Poor Law Act of 1834. The Poor Law Commission emphasised two principles. Firstly, less eligibility: the position of the employer must be "less eligible than that of the labourer". Secondly, the workhouse test: no relief outside the workhouse. The period before World War 1 witnessed the introduction of old age pensions, school meals and the first social insurance scheme.

Fastforward 24 years to the Beveridge report¹²³ of 1942 and the modern welfare state. The British government asked Sir William Beveridge to write a report on the best ways of helping people on low incomes. In December 1942 Beveridge published a report that proposed that all people of working age should pay a weekly contribution. In return, benefits would be paid to people who were sick, unemployed, retired or widowed.

¹²¹ Secretary General of the Ministry of Labour and Social Security Athina Dretta.

¹²² Social assistance in Southern Europe: the case of Greece revisited; Manos Mataganis. University of Crete, Greece Journal of European Social Policy February 1, 2000 vol. 10 no. 1 68-80.

¹²³ Social insurance and allied services. Report by Sir William Beveridge. London, HMSO, 1942.

Beveridge argued that this system would provide a minimum standard of living "below which no one should be allowed to fall". These measures were eventually introduced by the Labour Government that was elected in 1945. Based on the recommendations of the Beveridge report, the National Health Service (NHS) was created in 1946. The NHS is the pioneer of universal, publicly financed health insurance and could probably be credited with much of the improvements in the health of the British population since its creation¹²⁴.

The Labour Government elected in 1997 was strongly influenced by the United States reforms in the 1980's and 1990's.¹²⁵ During this time substantial extensions to the provision and generosity of in-work benefits through the working family tax credit (WFTC) were introduced. A large number of social assistance benefits remain in place however, some modifications tightened eligibility requirements for unemployed people of working age to be discussed later in this section.

Currently the Social Assistance programs in Britain look as follows:

- 1) Income support
- 2) Job seekers allowance
- 3) Housing benefit
- 4) Council tax benefit

It is interesting to note the dynamics of social assistance benefit among working- age adults in Britain between 1991 and 2005. Apart from a rise in receipt at the beginning of the 1990's when Britain went into recession, the percentage of working age adults in

¹²⁴ Musgrove, P 2000 Health insurance: the influence of the Beveridge report *Public Health Classics*.

¹²⁵ Cappereli, L Jenkins, SP 2009 The dynamics of Social Assistance benefit receipt in Britain *Institute for Social and economic research*

receipt of SA halved, falling from a peak of 12% in 1993 to 6% in 2005¹²⁶. According to an article “The dynamics of Social Assistance benefit receipt in Britain”, this trend was primarily driven by two factors. Firstly, the increasing health of the labour market and secondly, reforms made on SA entry rates namely the introduction of job seekers allowance (JSA) and the introduction of WFTC.

The JSA was introduced in October 1996 with “income based” and “contribution based” components. JSA replaced income support and unemployment benefits for unemployed job seekers. The JSA was accompanying more stringent job search requirements for those assessed as available to work. Income support becomes available to those not available to work.¹²⁷

3.5 Conclusion

Throughout this and preceding chapters, we have come to learn of the social assistance features and structures of a few countries in Europe and Southern Africa. The origin of welfare in Europe and its evolution to the modern policies implemented today. Neither one of the continents has a utopian social assistance system but the United Kingdom does come close to providing that safety net for its citizens. The next chapter discusses the importance of the Grootboom and other judgements in the litigation of access rights (socio- economic rights) as well as investigates lessons that Southern Africa can learn from its European counter part, if at all.

¹²⁶ Cappereli, L Jenkins, SP 2009 The dynamics of Social Assistance benefit receipt in Britain *Institute for Social and economic research*

¹²⁷ Cappellari, L and Jenkins, SP The dynamics of social assistance benefit in Britain. Institute for social and Economic Research. 2009

Chapter 4: Social security in Southern Africa: Which way forward?

"A house divided against its self cannot stand".

Abraham Lincoln

4.1 Introduction

This chapter investigates the lessons SADC can learn from other social assistance structures in providing substantial social assistance in the region. Furthermore, this chapter takes into consideration the problems that are unique to Southern Africa such as the porous borders, inefficient and mostly corrupt governments and perhaps the most prohibitive predicament, the lack of funding. The chapter concludes with a proposal for an idyllic social assistance structure in Southern Africa.

4.2 The importance of the Grootboom and other judgements in the litigation access rights

The success of any social security, or any state initiative for that matter, depends on the rule of law or lack thereof. The South African constitution in this regards serves as a good example of an honourable system, albeit bedevilled by its own problems, as opposed to the failed state of the once prosperous 'bread basket of Africa' Zimbabwe.

The South African Constitution in Chapter 2 known as the Bill of Rights embodies 3 groups of rights known as blue rights, green and red rights. The right to social assistance and other socio-economic is a constitutional right and have been given effect by the Constitutional Court and High Court.

In terms of section 27(1)(c) of the Constitution everyone has the right to have access to social security, including, if they are unable to support themselves and their dependants, appropriate social assistance. The above section goes further to say “the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation off the right”. The argument of “appropriate social assistance” must be understood within the context of other significant sections of the Constitution. Firstly, the Preamble of the Constitution states the goal of establishing “a society based on democratic values, social justice and fundamental human right” and improving the quality of life of all citizens...”.¹²⁸

In *S v Mhlungu*¹²⁹ Judge Sachs stated as follows:

“The preamble... connects up, reinforces and underlies all of the text which follows. It helps to establish the basic design of the Constitution and indicates its fundamental purposes”

From the above, it is clear that socio economic rights in South Africa have an impact on the dignity of people and their quality of life and can therefore be enforced and are justicable via the courts and the institution of the South African Human Rights Commission (SAHRC). The SAHRC has the power to investigate and to report on the observance of all human rights and take steps to secure appropriate redress where human rights have been violated. The commission has a precise role in socio-economic rights in that each year the SAHRC may require applicable organs of state to provide information on the measures that they have taken towards the realisation of the rights in the Bill of Rights concerning housing, health care, food, water, social security, education and the environment.

¹²⁸ Similar to Beveridges “5 Giants of want”.

¹²⁹ 1995 (7) BCLR 793 (CC)

The jurisdiction of the Constitutional Court is set out in section 167 of the Constitution and states that the Constitutional Court is the court of final instance in relation to “constitutional issues”. This court also has concurrent or shared jurisdiction with the High Court and Supreme Court of Appeal in most constitutional matters. However, despite the justiciability of socio-economic rights, judges and authors have generally been unable to envisage effective judicial remedies for their enforcement. It has been suggested¹³⁰ that in so far as a negative aspect of a socio-economic right is infringed, the appropriate remedy would be a declaration of invalidity of the infringing measure. In respect of a failure to fulfil a positive measure a structural interdict¹³¹ and declaratory relief have mainly been granted by South African courts. In *Bacela v MEC for Welfare (Eastern Cape Provincial Government)*¹³², the respondent who was responsible for the administration of the Social Assistance Act¹³³, issued a circular to regional directors in the department, in which she set out her decision to suspend the payment of arrear pensions due to budgetary constraints. The appellant, a pensioner, challenged the decision of the respondent as being unconstitutional, as well as unlawful and invalid. After examining the powers of the respondent under the Act and regulations, the court concluded that the respondent was not authorised to suspend the payment of pensions. As such, the decision of the respondent was declared unlawful and of no force and effect, and the respondent was forced to pay the arrear pensions. This case was important as it served to dispel an incorrect impression held by some lawyers that socio-economic rights could not be enforced in a court of law.

¹³⁰ Currie and De Waal *The New Constitutional and Administrative Law: Constitutional Law* (2001) Vol 1 399.

¹³¹ A structural interdict directs a violator to take steps to rectify a violation of rights under court supervision.

¹³² (1998) 1 ALL SA 525 (E) 527.

¹³³ Act 59 of 1992.

In another case, *Tsatsawane and Three Others v The Member of the Executive Council for Health and Welfare*¹³⁴, the appellant lodged an application for an order stating that it was unlawful for the respondent to refuse to receive, process and consider applications for social grants payable to aged persons merely because the date of birth reflected in the persons' identity documents indicated that they had not yet attained the prescribed age. This case was settled out of court and thus unfortunately as opportunity to decide on the implementation of socio-economic rights was missed.

An interesting question arose in the Eastern Cape Division of the High Court when the Eastern Cape government terminated disability grants without giving notice to its recipients¹³⁵ of which the recipients were the very poorest in society. They also had the least chance of vindicating their rights through the legal process. The court scathingly observed that the government's actions "were a contempt for people and process that did not befit an organ of government under our constitutional dispensation..."¹³⁶ accordingly the court stated that "in an attempt to place the applicant in the position in which he would have been had his grant not been terminated, it is just and equitable and 'appropriate' to order the government respondents to pay interest on the amounts that the applicant would have been paid as a social grant".

Finally, in *Grootboom v Oostenburg Municipality*¹³⁷ the Constitutional Court has laid the foundations for its future adjudication of socio-economic rights. The facts of the *Grootboom* case are briefly as follows: The applicants had been evicted from their informal homes situated on private land earmarked for formal low-cost housing. They

¹³⁴ TPD 1998 Case No 16784/98.

¹³⁵ *Permanent Secretary, Department of Welfare, Eastern Cape Provincial Government and Another v Ngxza and Others* 2001 (10) BCLR 1039 (SCA) 1040.

¹³⁶ *Permanent Secretary, Department of Welfare, Eastern Cape Provincial Government and Another v Ngxza and Others* 2001 (10) BCLR 1039 (SCA) 1040.

¹³⁷ 2000 (3) BCLR 227 (C)

applied to a High Court for an order requiring the government to provide them with adequate basic shelter or housing until they obtained permanent accommodation. The High Court held

- that, in terms of the Constitution, the State was obliged to provide rudimentary shelter to children and their parents on demand if the parents were unable to shelter their children;
- that this obligation existed independently of and in addition to the obligation to take reasonable legislative and other measures in terms of the Constitution;
- and that the State was bound to provide this rudimentary shelter irrespective of the availability of resources. The appellants were accordingly ordered by the High Court to provide those among respondents who were children, as well as their parents, with shelter.

The importance of this judgment goes to the heart of enforcing socio- economic rights of which social assistance forms a part of. Fifteen salient principles have been extracted and paraphrased from the judgement itself in order to narrow its real meaning and evaluate the argument for the extension of the provision of social assistance in South Africa.

1. The question of how socio-economic rights can be enforced should be decided on a case-by case basis. To do so it is necessary first to consider the terms and context of the relevant constitutional provisions and their applications to the circumstances of the case;¹³⁸
2. The interpretation of a socio-economic right must occur in a textual setting, which requires a consideration of the entire Bill of Rights and the Constitution as a

¹³⁸ Grootboom para 20.

whole. All the rights in the Bill of Rights are inter-related and mutually supporting;¹³⁹

3. The state is obliged to take positive action to meet the needs of those living in extreme conditions of poverty, homelessness or intolerable housing;¹⁴⁰
4. It is a complex task to determine a minimum core obligation of a right without having the requisite information on the needs and the opportunities for the enjoyment of the right. The real question in terms of the Constitution is whether the measures taken by the state to realise the right are reasonable. There may be cases where it may be possible and appropriate to have regard to the content of a minimum core obligation to determine whether the measures taken by the state are reasonable. Even if this were appropriate, it could not be done unless sufficient information is placed before the court to enable it to determine the minimum core in any given content;¹⁴¹
5. A right of “access” is broadly interpreted so that the state is obliged to create conducive conditions for access to the right at all economic levels of our society;¹⁴²
6. The poor are particularly vulnerable and their needs require special attention. It is in this context that the relationship between sections 26 and 27 and the other economic rights is most important. If under sections 27 the state has in place programmes to provide adequate social assistance to those who are otherwise unable to support themselves and their dependants, that would be relevant to the state's obligations in respect of other socio-economic rights;¹⁴³

¹³⁹ Grootboom para 22,23.

¹⁴⁰ Grootboom para 24.

¹⁴¹ Grootboom para 33.

¹⁴² Grootboom para 35.

¹⁴³ Grootboom para 36.

7. The positive obligation imposed upon the state is to devise a comprehensible and workable plan to meet its obligations. The obligation imposed upon the state is not an absolute or unqualified one. The extent of the states obligation is defined by:
 - a) The obligation to take reasonable legislative and other measures;
 - b) To achieve the progressive realisation of the right;
 - c) Within available resources
8. The measures must establish a coherent programme directed towards the progressive realisation of the right within the states available means. The programme must be capable of facilitating the realisation of the right while the precise content and contours of the measures to be adopted are primarily a matter for the legislature and the executive. The measures adopted must be reasonable.¹⁴⁴
9. A court considering reasonableness will not enquire whether other more desirable or favourable measures could have been adopted, or whether public money could have been better spent. A wide range of possible measures could be adopted by the state to meet its obligations, many of which would meet the requirements of reasonableness.¹⁴⁵
10. The state is required to take reasonable legislative and other measures as legislative measures by themselves are unlikely to constitute constitutional compliance. The legislative measures have to be supported by appropriate, well directed policies and programmes implemented by the executive and these policies and programmes must be reasonable both in their conception and their implementation¹⁴⁶ and with due regard to the urgency of the situations it is

¹⁴⁴ Grootboom para 41.

¹⁴⁵ Grootboom para 41.

¹⁴⁶ Grootboom para 42.

intended to address.¹⁴⁷ Effective implementation requires at least adequate budgetary support by the national government.

11. The programme must be balanced and flexible and make appropriate provision for attention to crisis and to short, medium and long term needs. A programme that excludes a significant segment of society cannot be said to be reasonable.¹⁴⁸ The national government bears the overall responsibility for ensuring that the state complies with the obligations imposed upon it. Those in desperate need are not to be ignored in the interests of an overall programme focussed on medium and long-term objectives. It is essential that a reasonable part of the budget be devoted to this, but the precise allocation is for national government to decide in the first instance.¹⁴⁹
12. To be reasonable, measures cannot leave out of account the degree and extent of the denial of the right they endeavour to realise. Those, whose needs are the most urgent and whose ability to enjoy all rights therefore is most in peril, must not be ignored by the measures aimed at achieving realisation of the right.¹⁵⁰ Recognition of such needs requires it to plan, budget and monitor the fulfilment of immediate needs and the management of crises. This must ensure that a significant number of desperate people in need are afforded relief, though not all of them receive it immediately.¹⁵¹
13. The term “progressive realisation” shows that it was contemplated that the right could not be realised immediately. But the goal of the Constitution is that the basic needs of all society be effectively met and the requirement of progressive

¹⁴⁷ Grootboom para 67.

¹⁴⁸ Grootboom para 43.

¹⁴⁹ Grootboom para 66.

¹⁵⁰ Grootboom para 44.

¹⁵¹ Grootboom para 68.

realisation means that the state must take steps to achieve this goal. Hurdles should be examined and where possible, lowered over time and the right should be made more accessible not only to a large number of people but to a wider range of people as time progresses.¹⁵² This should not be interpreted as depriving the obligation of all meaningful content. The term “progressive realisation” imposes an obligation to move as expeditiously and effectively as possible towards the goal. Any deliberately retrogressive measures would require the most careful consideration and would need to be fully justified by reference to the totality of the rights provided for and in the context of the full use of the available resources.¹⁵³

14. Both the content of the obligation in relation to the rate at which it is achieved as well as the reasonableness of the measures employed to achieve the result, are governed by the availability of resources. There is a balance between goal and means. The measures must be calculated to attain the goal expeditiously and effectively but the availability of resources is an important factor in determining what is reasonable.¹⁵⁴
15. A society based on human dignity, equality and freedom strives to ensure that the basic necessities of life are provided to all.¹⁵⁵

From the above synopsis it is evident that the Constitutional Court through its decisions endeavours to implement the guarantee of social assistance. However, in South Africa the right to social security is an “access” right. This implies that the state should not be the sole provider of social security in all circumstances. The state must therefore create

¹⁵² Grootboom para 45.

¹⁵³ Article 2.1 of the International Covenant on Economic, Social and Cultural Rights quoted with approval in Grootboom para 45.

¹⁵⁴ Grootboom para 46.

¹⁵⁵ Grootboom para 44.

a favourable legislative and policy environment which makes it possible for individuals or groups to obtain financial security either through private arrangements or state programmes.¹⁵⁶

The South African Constitution remains the most progressive in Southern Africa. It attempts to provide a utopian state and does so fairly well on paper and through the judiciary. The reality however is far from utopian. The vast differences in wealth, the ever increasing unemployment levels and the never ending soaring levels of corruption and bureaucratic red tape, will continue to widen the gap and leave the poor worse off.

4.3 What determines a decent standard of living?

When one speaks of the amount of social assistance, the question of what determines a decent standard of living must be investigated. A number of factors are relevant to consider such as household composition and the promotion of independence amongst other things.

1. From the above, we know the role of government play a significant role. The different levels of government, national, provincial and local governments must interact in a cohesive and consistent manner in the providing of a basic living standard.¹⁵⁷ In Germany, for instance, local, rather than central authorities, deliver social assistance support as such support is targeted at alleviating individual hardship which is best adjudicated at the government closest to the individual. However, even though delivery of such support is decentralised in many countries (Belgium and Denmark), the payments rates of minimum income support are largely or full determined by central government.

¹⁵⁶ Govindjee, The constitutional right to have access to social security. December 2001

¹⁵⁷ Adema, W, Social assistance Policy Development and the provision of a decent level of income in selected OECD Countries. OECD Social, Employment and Migration WORKING Papers. 2006.

2. Internal reason in the setting of benefit payments is perhaps the most important factor in guaranteeing a decent standard of living. The basic benefit amount should be designed to cover essential purchases such as food, clothing, utilities and according to a paper on Social Assistance Policy Development and the Provision of a decent Level of Income in selected European countries, the benefit amount should cover the giving of small gifts. In the EU this “benefit amount” is referred to as the social minimum and attempts to cover a variety of social items including social drinks and tobacco.¹⁵⁸ In Norway, the decision on what is a decent income level is taken locally. Each social assistance claim is treated as being different, and therefore there is no nationally determined social minimum. Each applicant is visited to determine the basis of their outgoings and reasonable levels thereof and what the benefit payments should be on an individual basis.

3. The effect of household composition ought to be a consideration. Germany serves as a good example in this regards where the standard payment rate structure in Germany includes a standard rate for the head of the house hold, (known as the primary applicant), a standard rate for other adults in households and standard rates for each child.¹⁵⁹

4. The Social assistance policy development and the provision of a decent level of income in selected European countries, suggest a social assistance scheme that makes provision for specialised client groups. For example, the inclusion of senior citizens and the disabled and/ or those with impaired earning capacity. South Africa in terms of this specialised client groups meets the EU standard. South Africa’s social assistance program is based on providing for the specialised groups.¹⁶⁰

¹⁵⁸ *Ibid.*

¹⁵⁹ *Ibid.*

¹⁶⁰ *Ibid.*

5. A country must at some point adjust benefit payments over time in an attempt to promote independence. Social assistance policies in European countries have developed measures that focus greatly on labour market reintegration, including a stronger emphasis on “reciprocity” in social assistance delivery. Social assistance clients must be required to sign agreements or contracts about steps they will take to end their dependency on assistance payments. Failure to fulfil the conditions specified in the conditions may lead to loss of benefit. In many European countries for example, receipt of social assistance by young people is conditional on them completing their education or engaging in work.¹⁶¹

4.4 Conclusion

There are many lessons Southern Africa can take from the European Union models. The idea of social assistance initially is to provide sufficient means for those who need it. However, this is not the sole purpose of social assistance. Policy makers have realised that for social assistance policies to be effective, support must have a greater focus on addressing the underlying reason for social assistance receipt. In South Africa, the growth of the proportion of employable clients on social assistance benefit must be addressed by providing and investing in employment supports for labour market re-integrating.

We can learn a lot from Beveridges “five Giants” of want that is by providing social protection through money transfers, disease by providing sufficient health services, both preventative and curative, squalor thorough housing, and ignorance through efficient education ministries and idleness through comprehensive employment policies.

Social security needs are unfortunately the result of inefficiencies of governments and government policies. Education for instance ought to be mandatory at primary school level. This increase the chances of avoiding low level citizens being caught up in the

¹⁶¹ *Ibid.*

social grants system. Health structures are of paramount importance in reducing the dependence on social grants. The disability grants could be reduced dramatically if the health system was able to provide aids that would assist disabled people to function and contribute to the society and the community.

Over and above the roles of other government departments, the Department of Social development should regulate its own procedure in terms of qualifying for grants and introducing mechanisms that will not keep a recipient on a grant but rather use the grant as a stepping stone out of poverty. In the last chapter, a few proposals are provided as initiatives of these stepping stones.

Chapter 5: Conclusion

“Every accomplishment starts with the decision to try.”

Anonymous

5.1 Introduction

As the investigation into social security in Southern Africa comes to an end, I conclude with proposals on how countries in the SADC and Africa in general, while providing social assistance, can also improve the general livelihood of its recipients. The obligation of the state, I believe, is not only to provide but to teach its lowly citizens to provide for them.

5.2 Final remarks

The need for social assistance does not begin suddenly and without warning. It is a measured and gradual need that culminates with the application for an old age grant, child support grant etc. In order to curb this increasing need for social assistance, the government must take a leading role in eradicating the triggers that set off the social assistance spiral. Education for instance is perhaps the most important stride against poverty alleviation. Quality education where learners are given an equal opportunity to improve their circumstances, it is not enough that “education” is provided in circumstances where the quality of teaching is poor and teaching resources are not supplied. The purpose of education should be to make a difference in the lives of those that need the uplift the most. The domino effect of having an efficient education system is wide spread. It will in turn affect the HIV/AIDS statistics in the country, the underage pregnancy rates that contribute to the high requirement of the child support grant, as well as the unacceptable crime rate in South Africa. The employment of young people

who do not have tertiary education also lies at the doorstep of government. Zimbabweans in spite of Mugabe¹⁶², have managed to keep the country afloat. With the exodus of a large portion of the working class in the early 2000's, Zimbabweans provided their own informal social assistance programme by sending billions of money in foreign currency to their families at home. Perhaps President Mugabe has after all is said and done, successfully left the legacy of education to the Zimbabwean people.

There ought to be initiatives that absorb young people with matric into the working class. This will have a positive effect on the need for governments to provide social assistance. Employment puts the onus on citizens to lift themselves out of poverty instead of waiting on ones government to do so. Employment drives ambition and in turn lessons the reliance to social assistance programmes.

5.3 Conclusion

From this chapter and preceding chapters one has gleaned the role of social security, namely social assistance in several countries. Social assistance plays a vital role in poverty alleviation and can not be disregarded. However, social assistance must be stream lined, made efficient and focused in order for it to reach the poorest of the poor. The most deserving recipients of social assistance must be foremost on the agenda of social assistance.

¹⁶² Discussed in Chapter 2: Zimbabwean case study.

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