

Addressing Poverty in South Africa: An investigation of the Basic Income Grant

By

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Declaration

I declare that this dissertation is my own unaided work, and hereby certify that unless stated, all work contained within this study is my own to the best of my knowledge. I have duly acknowledged all sections where I have referred to the work of authors.

I further declare that no part of this dissertation has been submitted at any other institution for examination or publication.

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Abstract

The study investigates to what extent would the introduction of the Basic Income Grant (BIG) address poverty in South Africa. The BIG, which was recommended by a government led Taylor Committee of Inquiry into a Comprehensive System of Social Security for South Africa in 2002, is recommended as one of the most likely strategies through which the high poverty levels could be mitigated. Exponents of the BIG argue that this far reaching policy is desperately needed to rid South Africa's communities of poverty. However, critics argue that the introduction of the BIG would be unaffordable, unsustainable and would increase dependency on the state.

The study presents three case studies. The first case study gives an overview of poverty in South Africa. It asserts that an estimated 15.4 million people are still living in poverty. The second case study provides a general idea of the current social protection system. It examines how the current system has performed its function of addressing poverty. The third case study examines the possibility of introducing the BIG in South Africa and considers the arguments presented by its proponents as well as its critics.

The study further evaluates the different options which could be utilised to finance the implementation of the basic income grant. The potential impact of the grant is scrutinised, and specific attention is focused on its possible social and economic impact. The impact of the current government anti-poverty programmes to alleviate income, asset and human capital poverty is considered briefly. The study concludes that the current social security programmes are reasonable as a supplement to the anti-poverty initiatives; however because of the continuing inequality in our country it also accepts that the social security system needs to be improved in order to close the existing gaps.

Acronyms and abbreviations

ANC: African National Congress

BIG Coalition: Basic Income Grant Coalition

BIG: Basic Income Grant

COSATU: Congress of South African Trade Unions

DA: Democratic Alliance

EPWP: Expanded Public Works Programme

FET: Further Education and Training

GDP: Gross Domestic Product

HIV/AIDS: Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome

LSM: Living Standards Measure

MTEF: Medium Term Expenditure Framework

NSNP: National School Nutrition Programme

SAM: Social Accounting Matrix

SPII: Studies in Poverty and Inequality Institute

Taylor Report: Taylor Committee of Inquiry into a Comprehensive System of South Security for South Africa

TB: Tuberculosis

UNDP: United Nations Development Programme

VAT: Value Added Tax

Definitions of key terms

In order to enable the reader to understand the content of the study, the following section provides the definitions of the key terms used in the study –

Affordability: Able to be paid for, done, or spared without unacceptable difficulty or disadvantageous consequences.

Alleviate: To make something, for example pain or hardship, more bearable or less severe.

Balance of Payments: An accounting statement of the money value of international transactions between one nation and the rest of the world over a specific period of time. The statement shows the sum of transactions of individuals, businesses, and government agencies located in one nation, against those of all other nations (Thurlow, 2002).

Basic Income Grant: A universal guaranteed minimum income to be provided to all citizens of the country (Taylor Report, 2002).

Budget Deficit: The amount each year by which government spending is greater than government income (Development Indicators, 2008: 9).

Current Account: The net balance of a country's international payment arising from exports and imports together with unilateral transfers such as aid and migrant remittances. It excludes capital flows (Samson et al, 2002).

Dependency: The reliance, either direct or indirect, of one process or activity upon another. For the purposes of the proposed research study, dependency refers to the citizens' reliance on the state for social grants.

Economic growth: An increase in a nation's capacity to produce goods and services (Van der Berg et al, 2005).

Growth Domestic Product (GDP): Is a measure of national income and output for a country's economy. It is defined as the total market value of all final goods and services produced within the country in a given period of time (usually a calendar year) (Development Indicators, 2008: 5).

Human development: A multifaceted notion of development, based on the main concern of human welfare, and meant to ensure and broaden human options which lead to parity of prospects for every one in society as well as empowerment of people in order to enable them to partake in - and gain from - the development process (Taylor Report, 2002).

Investigate: To carry out a detailed examination or enquiry, especially officially, in order to find out about something or somebody.

Living Standards Measures: A measure of minimum necessities, comforts, or luxuries considered essential to maintaining a person or group in customary or proper status or circumstances (Development Indicators, 2008: 24).

Means Test: Is a set of rules which determines whether individuals qualify for receipt of a grant, depending on their economic means (income or assets). It is necessary if policymakers wish to redistribute income and to target limited resources on the most needy (Makino, 2004).

Per Capita Income: Total income divided by total population; in other words, average income per person (Development Indicators, 2008: 23).

Percentage Points: Are the unit for the arithmetic difference of two percentages. For instance: in 1980, 40 percent of the population smoked, and in 1990 only 30

percent smoked. We can thus say that from 1980 to 1990, the incidence of smoking decreased by 10 percentage points even though smoking did not decrease by 10 percent. Smoking actually decreased by 25 percent (Thurlow, 2002).

Poverty line: The poverty line is the measurement of take-home pay below which a person cannot manage to pay for all the resources he or she needs to live. By definition, citizens who earn less than the poverty line have no disposable income on which they can exercise their authority to make a decision on what to purchase based on their state of affairs. In a nutshell, this is a measure of the amount of earnings needed to manage to survive in a society and differs on where you are living and changes over time based on the cost of living and peoples' expectations. It is typically delineated by governments and quantified as that amount of income by which a household will allocate two-thirds (to three-quarters) of its earnings to vital necessities like food, water, shelter, and clothing (Studies in Poverty and Inequality Institute, 2007).

Poverty: The condition of living below socially accepted living standards mostly connected to suffering and dearth of resources in a broad scope of situations. The application of the word consists of depictions of material need, which includes the lack of necessary goods and services, a variety of deprivations, and a repetitive form of deficiency in a specific time period. Poverty is succinctly described as a situation of living without the indispensable goods and services for a proper well-being such as sufficient shelter, foodstuff, adequate earnings, a job, access to essential public services and societal standing (Studies in Poverty and Inequality Institute, 2007).

Social Accounting Matrix (SAM): It represents flows of all economic transactions that take place within an economy (regional or national). At the core, it is a matrix representation of the National Accounts for a country, but can be extended to include non-national accounting flows, and created for whole region

or area. It refers to a single year providing a static picture of the economy (Bhorat et al, 2006).

Sustainability: The capability to afford to pay for the needs of the present populace with no negative impact on the capacity of future generation to supply for their own necessities. When a course of action is sustainable, it can be implemented continually with no damaging environmental outcomes or ridiculously excessive costs to any concerned person.

Sustainable livelihoods: A profession or a job that enables an individual to afford to pay for his or her basic necessities and to be certain that this condition shall remain to be so in the upcoming years of his or her life (Pauw and Mncube, 2007).

Taylor Committee of Inquiry into a Comprehensive System of Social Security for South Africa: A committee of enquiry that was instituted to investigate the possibility of developing a comprehensive social security system for South Africa (Taylor Report, 2002).

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CHAPTER 1

Introduction of the Study

INTRODUCTION

Since taking office in 1994, the South African democratic government is still faced with the almost insurmountable challenge of increasing unemployment, extensive poverty and rising inequality. However, approximations demonstrate that the percentage of individuals living in poverty has decreased drastically since then. Aliber (2002: 2) argues that the particular configuration of poverty – the lack of ability of individuals, households or communities to own satisfactory resources to assure a generally accepted minimum living standard – in South Africa is a clear result of colonial and apartheid finagling. The most prominent aspects of this contravening were sweeping dispossession of land, the creation of crammed and inadequately resourced residential areas for the majority black population, and the nomadic employment system that shaped the core of the country's mining and industrial sectors. The geographical, racial, and gender facets of the poverty experienced in recent times are essentially the legacy of this past epoch.

For a great section of the South African populace, social welfare grants are an important source of income to alleviate poverty and ameliorate living conditions in their households. Since 2000, rapid increases in government expenditure on social security have further enhanced the contribution of welfare grants to the income of poor households and have thus been important in the fight against poverty. According to Pauw and Mncube (2007: 2), after coming into power in 1994, the African National Congress (ANC) administration dedicated itself to particular objectives in relation to social policy, which included eliminating poverty, achieving an acceptable distribution of income, lowering unemployment levels and increasing social assistance programmes. Government even went so far as to entrench the right to social assistance in the Constitution [s27 (1) (c)], a

bold move that has made it vulnerable to Constitutional Court challenges, as seen in the State versus Grootboom case in 2000. It is evident that there was a clear policy decision to increase welfare spending, in particular with regards to the value of the grants paid and their coverage.

However, it is worthy to mention that even though a considerably high amount of South Africa's population subsist in poverty, almost half of all underprivileged persons live in homes that do not benefit from social assistance programmes. This indicates to one of the fundamental challenges of the South African Social Security System, that it is not as far reaching and accessible as it is required. This goes against its basic objective of catering for all the poor.

Acknowledging that the country's social security system is not doing enough to address poverty, the Department of Social Development assigned the Taylor Committee of Inquiry into a Comprehensive Social Security System for South Africa (Taylor Report) to examine the present system's advantages and weaknesses. One of the main inferences of the Taylor Report (2002) is that the current social security programmes do not satisfactorily deal with the predicament of poverty. In a bid to seal the cracks in the system and to promote an improved take-up of the offered grants, the Taylor Report (2002) proposed complete transformation plus the launching of the Basic Income Grant (BIG). It was recommended that this grant be a sum of R100 per month, and be rewarded to persons in addition to the current government remittances. In spite of the suggested introduction that would see children below the age of 18 being the initial group to get the grant, in due course this transfer of funds would be made accessible to all South Africans irrespective of age or earnings. Without a doubt, this proposed strategy would render South Africa the first African welfare state.

The Taylor Report (2002) gives an extensive effort to blend the diverse components of a disjointed system of social protection in order to deal with the constitutional and democratic priorities and the socio-economic conundrums that

South Africa is confronted with in a logical and gradual manner. Even though extensive research has been carried out on matters of social protection, the Taylor Report (2002) is vital on the following grounds:

- i. It is one of the broadest investigations into both public and private types of social protection in South Africa and strives to identify the members of the population who do not benefit from the system and thus do not have any form of social security.
- ii. It identifies the need to make certain that there are measured and complementary links between social and economic goals.
- iii. It offers proposals that might eventually play a pivotal role towards an all-inclusive social security that falls inside the ambit of a combined public-private benefit system.
- iv. It pays particular attention to the needs of those that are destitute and marginalised in accordance with the policy framework of government.
- v. It gives a baseline of social policy data and examination that may possibly make a marginal contribution to developing knowledge and capacity inside and outside of Government to make well thought out choices on existing alternatives to change the lives of indigent people and safeguard the future of each and every one.

The Taylor Report (2002) accepted that albeit a long-term plan and strategy framework is fundamental to guarantee a balanced response to social and economic goals, there is also a pressing necessity to respond to the needs of the people whose daily survival is exposed to abject poverty and its effects.

This study is essentially on poverty in South Africa, it studied how poverty could be addressed. It draws attention to the fact that there is general agreement that poverty is in the top list of critical societal issues that this country needs to tackle. Nevertheless, there is not much accord on the best way of doing this.

In addressing this great social problem, the new democratic government can take some pride in what has been achieved thus far, but it should not take things for granted. South Africa (SA) as a whole must swiftly and smartly build on what has been accomplished so far, and indeed, continuous review of mechanisms, new strategies, and a great sense of urgency amongst the different stakeholders in our society are required. As indicated in the opening remarks, one of the proposed mechanisms by which poverty could be addressed is by introducing the BIG. This grant would be a guaranteed minimum income to every South African citizen. The arguments in support of and against the introduction of the grant are discussed.

Furthermore, the study presents three case studies that seek to give background to the poverty problem and how this problem could be resolved. The first case study provides a general idea of the poverty situation in South Africa, the second takes a closer look and gives a summary of the current social protection system, and the third and last case dissects the proposed introduction of the BIG.

Purpose of the Study

The purpose of this study is to investigate to what extent would the introduction of the Basic Income Grant address poverty in South Africa. The Taylor Report (2002) asserted that more than any other feasible social security contribution, the Basic Income Grant holds the possibility to diminish poverty and advance human development and sustainable livelihoods. Even so, National Government remains opposed to the introduction of the BIG, and instead, has come up with a proposal to find ways of developing exit strategies to reduce reliance on social grants.

Statement of the Problem

There is a definite, long-standing social problem of poverty amongst many of South Africa's communities. It is estimated that about 15.4 million South Africans

live in poverty (Gumede, 2006). The current social policies, the social security system in particular, are not doing enough to break the poverty cycle. The social security system, meant to cater for all the poor, is not as far reaching and accessible as required. Thus, the policies have proved to be insufficient in thoroughly addressing the problem of poverty.

Due to this perceived inadequacy, the universal Basic Income Grant for all South African citizens is recommended as one of the most likely strategies through which the high poverty levels could be mitigated. As mentioned above, the current form of South Africa's Social Security System is not reaching out to as many poor people as it should be, hence the advocates of the BIG have proposed the need to introduce a basic income. The reality that the introduction of the BIG was recommended by a government led Taylor Committee of Inquiry into a Comprehensive System of Social Security for South Africa cannot be underplayed. The recommendation enjoys the unwavering support of the Basic Income Grant Coalition, a structure which was solely established to advocate the implementation of the BIG policy in South Africa.

Albeit a considerable number of poverty alleviation programmes are in place, e.g. Expanded Public Works Programme, it could be plausibly proposed that a new, far reaching strategy is desperately needed to rid South Africa's communities of poverty. However, the arguments against the introduction of the BIG are judicious and leave one wondering whether South Africa could really afford to be a welfare state.

The problem is the extent to which South Africa's communities are hard hit by poverty and the seemingly sluggish, unsatisfactory response from government in terms of formulating a comprehensive strategy for addressing poverty. As a consequence of government's lack of innovative ways of effectively dealing with poverty, calls for the introduction of the Basic Income Grant have increasingly

gained momentum and it remains to be seen whether government would accede to this blanket approach to addressing poverty.

Research Question

To what extent would the implementation of the Basic Income Grant address poverty in South Africa?

Limitations and Delimitations of the Study

The limitations of this study are:

- i. The findings are based on data gathered by qualitative research methods only;
- ii. The findings are presented in qualitative form, however, statistics are sparingly used to illustrate the qualitative findings made; and
- iii. The validity of the findings might be threatened by the non-use of quantitative research methods.

The delimitations of this study are:

- i. It focused only on the subject of poverty in general by giving an overview of the problem, in qualitative format and sparingly supported by quantitative data;
- ii. It only gave a succinct outline of the existing social security system and did not get into the nitty-gritty details of the system;
- iii. It only focused on establishing to what extent could the proposed implementation of the BIG address poverty, and did not conduct a survey or sample to determine how many people are currently living in poverty; and
- iv. The research methods that were used are triangulation and case studies. Triangulation was used because it enabled the researcher to corroborate the quantitative set of findings with qualitative findings to converge on a single proposition. Essentially, triangulation was employed to enable the

researcher to mix data and methods in order that diverse viewpoints, expressed quantitatively and qualitatively, cast light upon the subject of poverty. It would have been impossible to write about poverty and not illustrate the severity of the problem without using statistics. The case study technique was applied to enable the researcher to study the problem of poverty in detail and ensure a thorough understanding of the case being investigated.

Significance of the Study

The eradication of poverty has been the focal point of government strategies and programmes ever since it took power in 1994. Although much has been done to address this social problem, a considerable amount of people are still living in poverty. Acknowledging that a lot of work still needs to be done before this problem could be solved, President Thabo Mbeki, in his 2007 State of the Nation Address stated that the present government has to keep on responding to the standpoint it spoke of when it commenced its term of office, completely mindful that not any of the enormous social challenges it has to unravel can be resolved outside the framework of the creation of employment and the mitigation and abolition of poverty, and therefore that the effort to wipe out poverty has been and shall persist to be a vital component of the state endeavour to construct the new South Africa. As a consequence, the research study was interested to investigate to what extent would the Basic Income Grant address poverty if it were incorporated as an element of the national attempt to create the new South Africa.

The statement made by the President signifies the importance of intensifying the degree to which particular attention must be focused on properly developing and implementing policies and programmes that are primarily aimed at alleviating and eventually, eradicating poverty. The importance of the study is that it will extend existing knowledge in terms of understanding the extent to which the BIG could

address poverty. In addition, the study is very important as it will assist policy-makers, politicians, political parties and relevant stakeholders in discovering and understanding the major gap that could be bridged by the introduction of the BIG.

The study will also assist in terms of establishing the major challenges that could be faced and possibly drive home the point that the implementation of the BIG would be unaffordable, unsustainable and would seriously increase dependency on the state. This will be achieved through the findings and recommendations that are made in the study.

Organisation of the Study

This study is arranged into six chapters:

Chapter One gives a background to the study. It highlights the purpose of the research, providing a specific and accurate précis of the overall rationale for the study. The statement of the problem is stated, thereby describing the context for the study and identifying the general analysis approach. The research question of the study is provided as well as the limitations and delimitations of the study. The importance of the study is presented, bringing to light how the research will extend existing knowledge in the area under study.

Chapter Two examines the research methodology that was utilised in the study. In particular, the research methods that were most suitable for collecting the data used in the study are explained in detail. The research methods that were utilized in the study are case study and triangulation. The interviewing method is also examined, as it was initially considered as a possible research method but after thorough consideration it was not used. This chapter also examines the combination of qualitative and quantitative approaches to social research. This was made necessary by the fact that even though the study is qualitative, some

of the data used was quantitative in nature, indicating that a quantitative and qualitative mixture of data was used to reach the conclusions of the study.

Chapter Three is on literature review. It takes a closer look at the concept of public administration, its origins and how it has developed over the last few centuries. It also examines the organisational theories that are pertinent in the efficient and effective functioning of public organisations. The chapter also examines the concept of public policy, its conceptualisation and implementation. The chapter emphasises the significance of understanding public administration and public policy in order to propose plausible and practical policies for implementation in the public service.

Chapter Four presents the case studies examined in the study. The first case study gives an overview of poverty in South Africa. It asserts that poverty remains one of the major blights and shame on our country, with an estimated 15.4 million people still living in poverty. This case study brought to light, both qualitatively and quantitatively, the extent to which poverty is generally prevalent in communities. The second case study provides a general idea of the current social protection system. In relation to both coverage and value, the existing support is deemed insufficient to successfully eliminate poverty. The case study examined how the current system has gone about serving its purpose of addressing poverty. Finally, the third case study examines the introduction of the BIG in South Africa and considers the arguments presented by the proponents of the BIG as well as its critics.

Chapter Five presents a summary of the arguments presented in the previous chapter on the three case studies examined in the study. The chapter takes a closer look at the question of whether South Africa could afford to implement the BIG policy. This section presents a critical evaluation of the different options which could possibly be utilised to finance the implementation of the grant. The envisaged potential impact of the proposed basic income grant is also

scrutinised, and specific attention is focused on its possible social and economic impact. Moreover, the chapter briefly looks at the contributions that have been made by the current government anti-poverty programmes.

Chapter Six is the conclusion of the study. The main focus of this chapter is on the conclusions and recommendations made in the study. The chapter commences by giving a précis of the previous five chapters by highlighting the most crucial arguments presented in the chapters. The next section presents the key findings and recommendations made in the study. Finally, the chapter concludes by stating whether the research question has been answered.

CHAPTER 2

Research Methodology

INTRODUCTION

In the course of generating truthful knowledge, social scientists are committed to utilise methods and procedures which are based on facts that would enhance the probability of attaining validity. Accordingly the social scientist has to decide on which research approaches, methods and techniques are to be used to reach the goal of valid knowledge. Webb and Auriacombe (2006: 21) assert that it is important for social scientists to choose suitable techniques and methods that would enable them to carry out their research task well. Whereas a research method refers to the means required to execute a particular stage of the research process, such as data collection methods, research techniques refer to the variety of tools that can be used when data is collected, such as questionnaires, interviews and observation.

What is important in a research design is to select those methods and techniques which are appropriate to the research goal. Thus, different studies use different methods and a particular method, appropriate for the task at hand, should be used. The researcher not only selects the methods and techniques, but also the methodological paradigm: quantitative or qualitative, or even a combination of both (Webb and Auriacombe, 2006: 21). Social research has two essential research paradigms, namely, quantitative research designs and qualitative research designs. Quantitative research largely seeks explanations; while qualitative research aims at in-depth description. Quantitative research quantifies what it imagines to be a standing reality to developing generalisations. Qualitative research is an examination of what is presumed to be a dynamic reality. It does not claim that what is established in the process is universal and therefore, replicable.

More often than not, social researchers prefer to work within one of these principles even though there is growing evidence of multi-method strategies referred to as triangulation.

In a nutshell, this chapter firstly examines the concept of research as a way of studying observable facts. Secondly, the chapter studies the two types of scientific research, namely, quantitative and qualitative research. The four types of quantitative research, namely, descriptive, correlational, cause-comperative, and experimental are mentioned, but not discussed in detail. In qualitative research, the three types that were most relevant to the study are discussed. These are, namely, case study, interviews, and triangulation. Thirdly and lastly, the chapter takes a closer look at the longstanding debate in social research about whether qualitative and quantitative research approaches should, or even can, be combined.

RESEARCH AS A METHOD OF STUDY

Research is a process that entails acquiring scientific knowledge through a variety of objective methods and procedures. According to Welman et al (2005: 2), the term objective indicates that these methods and procedures are not influenced by individual views, and that particular means are employed at each stage of the course of conducting research. These techniques consist of measures for outlining a sample, measuring variables, collecting information, and analysing this information. There are various methods and techniques available and, in general, the aim of a specific research project will determine which of these methods are the most appropriate. In particular, research methodology considers and explains the logic behind research methods and techniques. It thus has a much wider scope than research methods, which, in turn, have a wider scope than research techniques.

Welman et al (2005: 5-6) distinguish between three distinct features of scientific knowledge –

- a) Systematic observation: this feature requires that researchers must use specific scientific methods such as an investigation to gather data. This data must not be based on selective observation, which entails paying attention only to data that supports one's presumptions and ignoring that which does not support one's presumptions. By so doing, researchers will be able to reach valid conclusions.
- b) Control: it is vital that scientific data is acquired in a guarded method. This means that other rationalisations for the achieved outcomes should be done away with in a well organised manner.
- c) Replication: the approach by which researchers obtain systematic information must be replicable, that is, it must be possible to replicate the research results. This refers to the fact that similar results should be obtained by other researchers, involving other research participants in other circumstances. This should be independent of the original research yet must still be compatible with the same theory.

Other researchers state that scientific knowledge can also be defined by considering its key features. According to Mouton et al (2006: 5-6), the features include, among others, that science is founded largely on the collective, validated experiences of the members of the scientific community rather than on the individual experiences and observations of any single person. Researchers agree that scientific knowledge is the outcome of rigorous, methodical, and systematic inquiry, as opposed to the haphazard way in which ordinary knowledge is acquired. Moreover, science rejects the value and importance of any personal authority, the only authority that is accepted is the authority of evidence. Finally, science is not based on taking second-hand sources at face value but is inherently sceptical. It questions all claims, irrespective of the authority and origin, until they have been tested and, furthermore, withstood the test of time.

These four elements underline that scientific knowledge is innately collaborative in nature, based on thorough and systematic investigation, is evidence based and naturally sceptical as it treats all knowledge claims to be provisional and opposed to absolute.

Within scientific research, there is social research. In distinction from natural and health scientists, social scientists carry out research in order to try to find answers and comprehend facets of the social world. The social world consists of social beings, institutions and organisations, actions and events, interventions (such as policies and programmes) and all cultural products of human endeavour.

The concept of the social world is not straightforward and much of the twentieth century discussions in the philosophy of the social sciences have been dedicated to debates between various schools of thought (positivism, phenomenology, hermeneutics, critical theory and post-modernism) in relation to their interpretations of this term. Many of these debates began because of the recognition that the social world – the world of human beings and their actions – is poles apart from the natural and material world. The social world is a world formed through human meanings and signification, is inherently context-specific and historical. It consists of various open social systems that are complex and undefined. All of these dimensions of the social world pose enormous challenges to the social researcher, not the least in terms of methodological considerations (Mouton et al, 2006: 5-6).

Basically, obtaining scientific knowledge is not a private matter; in fact, the way in which scientists make well-founded conclusions is presented before the scientific community for comprehensive scrutiny. For that reason the research is open to critical assessment, and anybody who cares to do so may replicate, or repeat, the procedures used to establish whether similar outcomes are obtained.

TYPES OF SCIENTIFIC RESEARCH

There are two main processes to scientific investigation, namely, qualitative and quantitative research. Punch (2005) argues that the quantitative and qualitative approaches to research have imperative dissimilarities. In spite of these differences, the two approaches share several similarities. In truth, both types of empirical inquiry are in a number of ways driven by the same logic. The major differences between the two approaches lie in the character of their information, and in ways of gathering and analysing information. Even so, these variations ought not to make vague the parallels in sense that enables integrating the methods feasible.

QUANTITATIVE RESEARCH

The quantitative approach, also known as positivist approach, is founded on a philosophical system called the logical positivism. The positivist system inspires the natural-scientific method in human behavioural research and maintains that scientific examination must be restricted to things we can attentively watch and assess without bias, which means objects that survive autonomously of the beliefs and attitudes of persons. The natural-scientific approach strives to formulate laws that apply to populations (that is, are universally valid) and that explain the causes of objectively observable and measureable behaviour. As explained earlier, the term objective implies that people other than the researcher should agree on what is being observed, such as the score that the observation should register on a measuring instrument (Welman et al, 2005: 6).

Punch (2005: 238-239) asserts that the quantitative approach conceptualizes reality in terms of variables, and relationships between them. It rests on measurement, and thus prestructures data, and usually research questions, conceptual frameworks and design. Samples are typically larger than in

qualitative studies, and generalisation through sampling is usually important. It does not see context as central, typically stripping data from their context, and it has well developed and codified methods for data analysis. Its methods in general are more one-dimensional and less variable than qualitative methods. It is thus more easily replicable.

The quantitative approach has some important strengths and advantages. Quantitative data enable standardized, objective comparisons to be made, the measurements of quantitative research permit overall descriptions of situations or phenomena in a systematic and comparable way. This means we can sketch the contours or dimensions of these situations or phenomena. That is often what we want to do, either independent of deeper-level qualitative inquiry, or in conjunction with it. Procedures for the analysis of quantitative data, being well developed and codified, bring objectivity to the research, in the sense that they increase the chances that the results of the analysis do not depend on the researcher doing the analysis. The quantitative approach means that certain types of important questions can be systematically answered, opening the way to the development of useful knowledge (Punch, 2005: 238).

Types of quantitative research methods

There are four different types of quantitative research methods (Welman et al, 2005):

Descriptive

This type of scientific investigation entails gathering information so as to examine the hypothesis or respond to queries in relation to the present position of the topic at hand. It establishes and provides data on how society is shaping up. The core objective of this type of method is principally to describe. The investigation may attempt to describe a small-scale organised occasion such as a political

rally, the societal customs of a specific grouping, or the allocation of attributes in the populace.

Correlational

This kind of research endeavours to ascertain whether and to what extent a correlation is present amid two or more quantifiable variables. However, it is not within its mandate to determine a cause-effect link. The relationship is expressed by correlation coefficient. The correlation coefficient is a precise and clear technique of demonstrating the link between variables. The correlation coefficient is a mathematical approximation of the extent to which the points on the scatterplot come together around the regression line. The correlation coefficient is worked out by establishing the average distance of every dot on the scatterplot from the regression line.

The correlation coefficient symbolises the potency of covariation between two variables through a number that can range from -1 to 1. If every dot on the scatterplot descended precisely on the regression line, we would have an ideal correlation that would have a correlation coefficient $r = 1$ if the link was positive, or $r = -1$ if the link was negative. In a nutshell, the closer the dots to the regression line, the stronger the relationship and vice versa (Terre Blanche et al, 2006: 206).

Cause-comperative

Causal-comperative scientific investigation determines the cause-effect relationship, compares the link, but the cause is not influenced. This method strives to discover a cause-effect link between variables, i.e. independent and dependent variables. An independent variable is the supposed cause of the dependent variable, which is the supposed outcome. Independent variables are

assumed to be the variables that are generating or causing particular upshots as quantified by the dependent variable or variables.

Experimental

Experimental research ascertains the cause-effect connection and compares the relationship, but the cause is manipulated. While the cause, which is the independent variable, creates the variation. The effect, which is the dependent variable, is reliant on the independent variable. The investigator manipulates at least one independent variable, controls other pertinent variables, and monitors the result on one or more of the dependent variables.

Exponents of experimental research argue that experimentation is the commonsensical point of closure of research, the largely favoured course in the pursuit for knowledge in social science. Experiments maintain conclusions about causes in a fairly straightforward way, and causes in turn logically support explanations of observable facts. They seem to nudge us closer to the objectives of understanding and explaining than do other forms of investigative study (Terre Blanche et al, 2006: 168).

For the purposes of the qualitative nature of the research conducted in this study, the afore-mentioned types of quantitative research methods are not discussed in detail.

QUALITATIVE RESEARCH

The qualitative approach to research deals more with cases. It is sensitive to context and process, to lived experience and to local groundedness, and the researcher tries to get closer to what is being studied. It aims for in-depth and holistic understanding, in order to do justice to the complexity of social life.

Samples are usually small; its sampling is guided by theoretical rather than probabilistic considerations (Punch, 2005: 238).

Prestructuring of design and data is less common, and its methods are less formalised than those in the quantitative approach. They are also more multidimensional, more diverse and less replicable. It thus has greater flexibility.

As with the quantitative research method, the qualitative research method has important strengths and advantages. Qualitative methods are flexible, more so than quantitative methods. Therefore they can be used in a wider range of situations and for a wider range of purposes. They can also be more easily modified as a study progresses. Because of their great flexibility, they are apposite for the examination of real-life situations that occur by nature. Qualitative methods are a superlative way of getting the insider's perspective, the meanings individuals affix to things and events. This denotes that they can be applied to study real-life experiences of people, including people's meanings and purposes (Punch, 2005).

Holism and richness are some of the most imperative characteristics of qualitative information, and this trait ensures that qualitative research is capable of dealing with the complexity of social observable facts. This kind of data provides substantial descriptions in qualitative research, and indeed, qualitative research is well suited to investigating process.

Types of qualitative research methods

Qualitative researchers study verbal and written accounts and records of human experience, using multiple methods and multiple sources of data. Several types of data collection methods might well be utilised in one qualitative project. This section draws attention to the different types of research methodologies used in qualitative research. In particular, it focuses mainly on the qualitative types of

research methods that were apt for conducting the research for this study, namely, case study, interviews, and triangulation.

CASE STUDIES

It is arguably accepted that case study research is one of the most pertinent methods that can be used to enable people to understand a complex issue or object and can extend or add strength to what is already known through scientific examination that has already been conducted by other researchers. Case studies put emphasis on in-depth contextual analysis of a limited number of events or conditions and their relationships. The case study research method has been used for many years by researchers across a variety of disciplines. Social Scientists, in particular, have made wide use of this qualitative research method to examine modern real-life situations and offer the basis for the use of ideas and extension of methods. Soy (1997: 1) argues that the case study research method is an empirical investigation that examines an existing observable fact in its actual context when there appears to be some ambiguity between phenomenon and context, and in which various providers of reliable information are utilised.

The basic idea of a case study is that one, or perhaps a few subjects of scrutiny, will be considered carefully, making use of an assortment of systems that appear to be suitable. While there may be a range of specific rationale and research questions, the general objective is to develop an absolute understanding of that case. According to Soy (1997), critics of the case study technique contend that the study of a small number of instances can offer no grounds for establishing reliability or generality of findings. Others feel that the intense exposure to study of the case biases the findings. In other quarters, some dismiss the case study research method as valuable only as an exploratory tool. However, researchers continue to use the case study research method with success in carefully planned and crafted studies of real-life situations, issues, and problems.

Advocates of the case study research method like Garson (2002: 1), argue that this method is a respected and conventional technique in relation to the scrutinising of subject matters in the fields of social science and management. Considering that the least amount of cases are usually scrutinised, the researcher generally comes across a sizeable number of variables than he or she has information points, which makes controlling the statistics not practical to execute effectively. This may be deemed as a strong point of case study research since it demonstrates that this form of scientific examination has the propensity of uncovering causal paths and instruments, and because of in-depth data, is also able to identify causal influences and interaction effects which might not be treated as variables that have been put to use in a statistical investigation. As such, it may be particularly helpful in generating hypothesis and theories in developing fields of inquiry.

Ritchie et al (2003: 52) observe that case studies have particular features associated with them and these include, among others, the fact that only one case is selected, although it is also accepted that several may be; the fact that the study is detailed and intensive; the fact that the phenomenon is studied in context; and the use of multiple data collection methods.

Albeit these descriptions are helpful, it remains difficult to ascertain exactly what it is that makes a case study unique. In a nutshell, we see the primary defining features of a case study as being multiplicity of perspectives which are deep seated in a particular context or in a number of specific contexts if the study involves more than one case. Indeed, those multiple perspectives may come from multiple data collection methods, but they may also derive from multiple accounts – collected using a single method from people with different perspectives on what is being observed.

In this regard, the combination of different views on the context means that case study designs can construct very meticulous in-depth understanding. They are applied where no single perspective can give a full account or explanation of the research problem, and where understanding needs to be holistic, comprehensive and contextualised (Ritchie et al, 2003).

The case study method mainly seeks to understand the various dimensions of the case, in its natural setting, accepting its complexity as well as its context. Moreover, it also has a comprehensive area of concern, aiming to preserve and understand the wholeness and unity of the case. For these reasons, the case study is more a strategy than a method. The case study cannot be classified as a particular procedure; instead it must be viewed as an approach of arranging societal facts in order to protect the unitary nature of the social entity under scrutiny (Punch, 2005).

With the preceding arguments in mind, the question begs, what then is a case? In attempting to answer this question, researchers concur that it is not easy to provide a comprehensive answer to this question, as almost anything can serve as a case, and the case may be straightforward or multifaceted. Despite difficulties in answering the above question, it is generally accepted that a case may be described as an occurrence of sorts that transpires in a specific background; it could be people, a policy, an incident, etc.

There are various categories of case studies. Researchers discern three principal kinds – (i) the intrinsic case study: this study is conducted when the researcher seeks an improved comprehension of a specific case; (ii) the instrumental case study: it is undertaken when a case is examined to provide clarity into the nature of a complex subject, or to improve a hypothesis; and (iii) the collective case study: this study is carried out when the instrumental case study is broadened to cover a number of cases, to discover additional information on the phenomenon, or general condition (De Vos et al, 2005: 272).

The first two categories are classified as single case studies because their focal point is within the case. The third category is classified as a multiple case study because it considers several cases, where the focus is both within and across cases. This type is often referred to as the multiple case study, or the comparative case study.

A case study is an examination of a specific phenomenon such as a program, an event, a person, a process, an institution, or a social group. Willis (2007: 238-239) argues that case studies are – (a) Particularistic because they focus on a particular context such as a person, a family, an office, a company, a classroom, or an apartment. (b) Naturalistic because they are about real people and situations, and much of the data collection occurs in real environments. (c) Thick descriptive data because sources of case study data include participant and nonparticipant observation, interviews, historical and narrative sources, writing such as journals and diaries, a variety of quantitative data sources including tests, and almost anything else you can imagine. (d) Inductive because case studies are largely dependent on inductive logical thinking. Elements such as hypothesis or generalizations come out from the assessment of information that emanates from the very context of the case. Occasionally one may have tentative working hypotheses at the outset of a case study, but these expectations are subject to reformulation as the study proceeds. (e) Heuristic because case studies illuminate the understanding of the readers of the phenomenon under study. They can bring about the discovery of new meaning, extend the reader's experience, or confirm what is known.

The foregoing paragraphs have attempted to define exactly what a case study is and it appears that there is consensus with regards to the basic elements of a case study. A case study may be correctly described to be a system of learning societal events and trends by a detailed scrutiny of a single case. The area under study could be a person, a process, a community, or any entity that relates to the social order.

When a particular case is under study, every useful piece of information is collected and arranged accordingly. By inter-relating a variety of facts to a single case, the case study technique provides a unitary quality to the information under scrutiny. Moreover, it makes it possible to intensively evaluate the scores of particulars that other techniques frequently choose to disregard (Punch, 2005).

Case studies and generalizability

The case study research method has been criticised by many social scientists for various reasons, however the most common criticism of the research method is that of its perceived generalizability. It is said that case study research is based on only one case. The big question is how do case studies generalize? Given the nature of the importance of case study as a research technique, there is a need to consider this question seriously.

The vital point is to ascertain whether the purpose of the study is to take a broad view from a particular case study. Punch (2005) argues that there are two types of case study situations where generalization would not be the objective. First, the case may be so important, interesting, or misunderstood that it deserves study in its own right. Or it may be unique in some very important respects, and therefore worthy of study. This is an example of intrinsic case study. The intention of such a study is not to generalize, but rather to understand the case in its complexity and its entirety, as well as in its context. Second, a strong argument is often made about studying the 'negative case'. This is where a particular case seems to be markedly different from the general pattern of other cases, perhaps even completely opposite to them, creating the need to understand why this case is so different. The logic is that we can learn about the typical by studying the atypical, as when we study a disease in order to learn about health. This is an example of the instrumental case study.

Thus, whether a case study should even seek to generalize, and claim to be representative, depends on the context and purposes of the particular project. Generalization should not necessarily be the objective of all research projects, whether case studies or not.

Salkind (2006) points out that aside from these two situations, there are many case studies where we do have in mind more than just the case being studied, and where we do want to find something more broadly applicable. How can a case study produce something that might be generalisable? A case study is capable of generating generalizable results in two primary ways and both depend on the purposes of the study, and especially on the manner its information is evaluated. The first involves conceptualising, while the second entails developing propositions. Considering the cases in point mentioned above, it is important to add that conclusions drawn from a case study can be recommended for application to other cases to which they may be relevant.

To conceptualise means that using methods for analysis which focus on conceptualising rather than on describing, the researcher comes up with a single or numerous original ideas to explicate aspects of the subject under scrutiny. Indeed, the exercise of coming up with such new concepts may require the sort of in-depth study that is only possible in a case study.

To come up with proposals indicates that the research recommends a single or more proposals in relation to the case being investigated, which could be referred to as hypothesis. In this regard, these can be evaluated for their relevance as well as their ability to be applied to other circumstances. This turns the traditional model of research around. In conventional quantitative scientific investigation, researchers often start off by presenting hypothesis, which are primarily inputs into the research. In this view of case study research, we end with them: they become outputs of the research (Babbie, 2007).

In neither of these instances will the one case study have proved generalisability of its findings. But it can certainly suggest such generalizability, putting forward concepts or propositions for testing in further research. Clearly, every case that can be studied is in some respects unique, but it is also true that each case is also, to some extent, similar to other cases. The issue really is deciding whether to pay particular attention to the unique aspects of the case or focusing on the general elements that are commonly shared with other cases.

Punch (2005: 146-147) stressed that at different times we need to do each of these, and we need to be aware of when we are doing each. This is a matter to be addressed in the purposes and research questions which are developed to guide a case study. When generalisability is a goal, and we are focusing on the potential common elements in a case, it is necessary for the analysis of the case study data to be conducted at a sufficient level of abstraction. The more abstract the concept, the more generalisable it is. Developing abstract concepts and propositions raises the analysis above simple description, and in this way a case study can contribute potentially generalisable findings.

It then follows that because of the criticisms levelled against and the diversity of the case study research, it appears especially significant that the rationale and purpose of the case study must be lucidly determined from the onset. This entails devising credible methods for organizing and conducting the research successfully.

Preparing a case study

A considerable number of authors have written about case study research and suggested techniques for organizing and conducting the research successfully. Punch (2005: 148) asserts that case study researchers have thus proposed that a credible case study would need to be distinct about the identify of the case, which also includes clarifying exactly what will be done and what will not be done

in the case study. There is also the need to clarify the significance for the examination of the subject as well as provide data vis-à-vis the common objectives of this case study. In addition, it is also important that a case study must, inter alia, translate that general purpose into specific purposes and research questions (these may emerge during the early empirical work); identify the general approach of the case study, especially whether it is a single or several cases, and why; point out the kind of information that is to be gathered, including sources of data and methods that will be employed; and give an idea on the techniques that will be used to evaluate the information.

And with the above mentioned guidelines in mind on how best to prepare a case study, case study researchers further recommended that six steps should be used to ensure an effectively organized and conducted research. These are, namely, determine and describe the research questions, decide on the cases and establish the methods that will be utilised to collect and assess the information, get ready to bring together the information, gather the information from the identified sources, assess and analyse the information, and start putting together the report (Soy, 1997: 1).

The literature on the case study as a research method reveals that the case study has been one of the most criticised and ironically, most used forms of social science research.

Perhaps the most succinct criticism of the case study as a system of scientific investigation is that it has an alleged complete lack of managing its process that it does not make any meaningful contribution to science. However, advocates of case study research maintain that it is one of the most effective ways of conducting qualitative research because it allows researchers to collect rich, detailed data in an authentic setting. Moreover, it is holistic and therefore supports the idea that much of what we can know about human behaviour is best understood as lived experience in the social context; and that, unlike

experimental research, it can be done without predetermined hypotheses and goals (Willis, 2007).

So in a nutshell, case studies are rigorous examinations of specific observable facts and are typically descriptive in character and offer remarkable data about the phenomena they study, be it a policy, a situation, an individual, an event, etc. Terre Blanche et al (2006: 461) argue that case studies boast the benefit of permitting fresh proposals as well as assumptions to come out from meticulous examination.

INTERVIEWS

Interviews are considered as informal talks between people about opinions, ideas, feelings or general matters. Qualitative research interviews are described as efforts to grasp the world from the perspectives of persons, to unfold the meanings that people affix to their experiences, and to understand their lived world prior to scientific explanations.

The interview is one of the principal data gathering tools in qualitative research. It is an exceptional approach of accessing people's insights, meanings, definitions of situations, and constructions of reality. It is also one of the most potent ways of understanding others. So in order to understand other persons' constructions of reality, we would do well to ask them in such a way that they can tell us in their terms, rather than those imposed rigidly and a priori by ourselves, and in a depth that addresses the rich context that is the substance of their meanings (Salkind, 2006: 186-187).

Qualitative research involves forming questions and asking them, in particular, interviewing is fundamentally the process of posing these questions and obtaining responses. However, there is much more to it than that when one

considers that there are different types of interviews that can be used in many different ways for different reasons in qualitative research.

The most commonly known type of conducting an interview is individual, face-to-face verbal interchange, but it is not limited to this approach only as face-to-face group interviewing, mailed or self-administered questionnaires, and telephone surveys can be utilised to obtain the required information from the identified sources of data.

Interviewing can be structured, semi-structured, or unstructured. Among others, it can be used to gather political opinions or to generate information for academic analysis. It can also be used for the purpose of measurement or its scope can be to uncover the understanding of an individual or a group perspective. In terms of duration, an interview can be a once off concise telephonic exchange of a few minutes, or it can be lengthy sessions that may go on for days.

From this description of interviewing as a data collection technique, it is apparent that there are several different kinds of interviews.

Types of interviews

The most commonly used typology in social science research is the three-way classification of structured, semi-structured and unstructured interviewing, which is applicable to both individual and group interviews. Punch (2005) provides a useful continuum of interviewing methods, based on the degree of structure involved.

Figure 1: The continuum model for interviews

Structured	Semi-structured	Unstructured
Standardized interviews	In-depth interviews	In-depth interviews
Survey interviews	Survey interviews	Group interviews
Clinical history taking	Group interviews	Oral or life history interviews

The typologies presented here are very similar; therefore, whichever one researchers prefer to use would be suitable as the main elements of this variation are the level at which the interview is organised as well as how deep the interviewer seeks to go in relation to the information to be elicited from the interviewee. As clearly seen in the continuum above, interviews are tightly structured at the left-hand end of continuum. At this end, interview questions are planned and standardized in advance, pre-coded categories are used for responses, and the interview itself does not attempt to go to any great depth. At the right-hand end, interviews are unstructured and open-ended. Interview questions are not pre-planned and standardized, but instead there are general questions to get the interview going and to keep it moving. Different types of interview have different strong and weak points; hence it is always critical for the form of interview chosen to be aligned to the approach, intention and research questions of the study.

Structured interviews

In structured interview the interviewer possess a number of predetermined questions to the interviewee, who has to choose from categories of set responses. There is not much opportunity for variation in reply, albeit open-ended questions can occasionally be utilised. The same questions are given to every

respondent in the same order in a standardised way and the levels of flexibility and variation are reduced while standardization is upheld.

Unstructured interviews

The basic characteristics of an unstructured interview are that they are in-depth, open-ended, and non-standardized, and as a consequence also known as the ethnographic interview. This form of interview is often used as a way to understand the complex behaviour of people without putting any a priori categorization that may possibly limit the field of inquiry. The non-standardized interview is a powerful research tool capable of producing rich and valuable data.

Semi-structured interviews

The traditional way of conducting a semi-structured interview is by using a questionnaire that consists of a set of open-ended questions aimed at guiding the respondent's frame of reference, whilst simultaneously affording the respondent the choice to answer in whatever way he/she deems appropriate.

Researchers argue that in order to elicit more information from the respondent and allow some level of flexibility, it is acceptable that some standardized questionnaires can comprise semi-standardized and/ or unstructured questions. This should not be interpreted to suggest that the interview was unstructured or semi-structured, but merely that a few questions ought to be posed in that manner at some point in the structured interview.

Advantages and disadvantages of using interviews

It is generally accepted that each type of qualitative interview has its own advantages and disadvantages. Once the researcher has decided to embark on interviewing as part of data collection, it becomes necessary to consider the

strengths and weaknesses of the technique in relation to the overall objectives of the research project and the resources available to carry out the interview.

In terms of understanding the various ways in which researchers can interpret answers that respondents give in open-ended interview, the most widely used approach is to take respondent's responses to be describing some external reality (e.g. facts, events) or internal experience (e.g. feelings, meanings). Silverman (2005) argues that following this approach, it is proper to build into the research design a range of devices in order to make certain the correctness of the researcher's interpretation, so as to keep alive the possibility of checking the accuracy of what the respondents tell by other observations. And you can apply such measures as computer-assisted qualitative data programmes as a means of securing a fit between your interpretations and some external reality.

Ethical issues in qualitative interviewing

Researchers stumble upon numerous ethical posers in the course of acquiring scientific knowledge. Over the years, dynamic codes of conduct have been formulated to guide researchers in order to ensure that basic principles of ethical research are adhered to. Ethical considerations in qualitative research are regularly understated than issues in experimental or survey studies. Such considerations are connected to the features of field or qualitative methods which contain interviewing. The very personal and conversational nature of interview situations underscores many of the basic ethical issues of any research method.

The researcher must take into cognisance four ethical issues when conducting an interview (Welman et al, 2005: 201):

1. *Informed consent.* A fundamental ethical principle of social research is that participation ought to be voluntary. Getting informed consent entails that sufficient data on the aim of the research, the methods which will be

- applied in the course of the research, the likely advantages, drawbacks and hazards to which participants could be exposed must be provided to prospective participants or their legal representatives. The researcher should attain the required consent from the respondents after they were comprehensively and honestly enlightened regarding the intention of the interview and the research.
2. The respondents must be guaranteed of their *right of their privacy*. In other words, it should be explained to them that their identities will be kept a secret. To ensure confidentiality, the researcher must refrain from reporting personal information that would reveal the identity of the respondent. This will ensure that it would not be possible for anyone besides the researcher to match the views expressed in the interview with the respondent who gave the inputs.
 3. *Protection from harm*. The basic ethical tenet of social research is that it must not cause damage or injury to research subjects. De Vos et al (2005) contend that participants must be comprehensively told in advance about the possible effect of the study. This data gives the participants the opportunity to pull out of the survey if they are uncomfortable with the overall modus operandi to be followed. Therefore, an undertaking must be made to the participants that they will be covered against any emotional, social, financial, psychological, physical or legal harm.
 4. *Involvement of the researcher*. Investigators are morally compelled to make certain that they are capable and sufficiently trained to conduct the planned research. Even well-intentioned and well-planned investigation could be unsuccessful or generate flawed outcomes if the principal investigator does not possess the necessary knowledge and skills (De Vos, 2005: 63). Moreover, researchers must be cautious of improperly

influencing participants or treating them as objects or numbers rather than individual human beings. They should not make use of unscrupulous approaches of interviewing. Furthermore, Babbie (2007) argues that the investigator has a responsibility to the scientific fraternity to report accurately on the examination of information as well as the outcomes of the research.

When the study is complete it is advisable that the researcher should share the results of the investigation with the respondents as a way of recognising the inputs of the participants as well as to exhibit appreciation to the respondents for taking part in the exercise.

Practical aspects of interviewing

Once a decision has been made on the type of interview to be conducted in relation to the research strategy, purpose and questions of the study, a number of practical aspects of interviewing must then be considered. These include, among others, interview respondents, managing the interview, and recording.

i. Interview respondents

The main issues that need to be considered here are:

- a) Who will be interviewed and when?
- b) How many will be interviewed?
- c) When and for how long will each respondent be interviewed?
- d) Where will each respondent be interviewed?
- e) How will access to the interview situation be organised?

ii. Managing the interview

An interview can be properly managed by applying the following principles:

- a) Getting ready for the interview, includes working out a timetable for the interview
- b) Commencing with the interview, includes creating a rapport
- c) Ensure good communication and listen well
- d) Pose questions, ensure that questions are asked in a proper order
- e) Conclude the interview, includes thanking the respondent for the opportunity

iii. Recording

A common to do list for recording an interview should contain:

- a) Checkmarks on a response sheet
- b) Tape recording, video recording, and/ or note taking

Interpretation of interview data

The great variety and versatility of the interview as a research instrument gives it broad applicability, with different types of interview suited to different situations. In some ways, interview data are nevertheless problematic, considering that they are never simply raw, but are always situated and textual. The interview is a conversation, the art of asking questions and listening. It is not a neutral tool, for the interviewer creates the reality of the interview situation. In this situation answers are given. Thus the interview produces situated understandings grounded in specific interactional episodes. This method is influenced by the personal characteristics of the interviewer, including race, class, ethnicity and gender (Salkind, 2006).

How should researchers interpret the responses received in the research process? De Vos et al (2005) contend that on a technical level, this entails the validity of interview responses, which comprises aspects such as the likelihood of interviewer prejudice, the precision of respondents' recollections, persons'

response tendencies, dishonesty, and social desirability. In exceptional cases, the interpretation of interview responses is made challenging by cross-cultural research. However, meticulous design, planning and training are normally the right remedy to such problematic technical issues.

The more challenging situation is in relation to the connection between verbal responses and behaviour, the relationship between what people say, what they do and what they say, and the supposition that language is a good indicator of thought and action.

What is the relation between interviewee's accounts and the worlds they describe, and are such accounts potentially true or false, or do these concepts not apply? Researchers are so doubtful about the status of such data that they abandon any concern with the content of response in favour of examining its form. In this regard, interview data are not a report on external reality, but are a reality created by both parties in their attempts to complete the interview, and can be studied as such. In focusing on form rather than content, researchers treat interview data as a topic, and not as a resource.

Lastly, it must be emphasised that the world view within which researchers are conducting research plays a defining role in how they prepare for the interview, who they choose as interviewee, what questions they ask, how they structure the interview, and how they interpret the data.

TRIANGULATION

Triangulation entails the application of different methods and sources to test the integrity of, or extend, conclusions drawn from the data. It has been commonly adopted and developed as a concept by qualitative researchers as a mode of investigating the convergence of both the data and the conclusions derived from them. Quite often it is mentioned as one of the key approaches of validating

qualitative research evidence. De Vos et al (2005: 361) assert that the idea of triangulation is found on the presumption that any partiality intrinsic in a specific source of information, researcher and approach would be defused when utilised in juxtaposition with other information sources, researchers and techniques. Moreover, they explain triangulation in qualitative research as the merging of several standpoints that can give better confidence that the subject of study is being precisely represented. Accordingly the idea of triangulation is occasionally applied to designate an intentional blending of qualitative and quantitative methodology.

Olsen (2004) argues that in social science triangulation is defined as the combination of data or methods in an attempt to enable various perspectives to shed light on a subject matter. The mixing of data types, known as data triangulation, is often thought to help in validating the claims that might arise from an initial pilot study. The mixing of methodologies, e.g. mixing the use of survey data with interviews, is a more profound form of triangulation.

Corroborating a single unit of results with another expecting that more than one set of results are to assemble on one proposal appears to be some of the prime aspirations of triangulation in social research. Massey (1999: 4) argues that the moment a proposal has been verified by more than one autonomous measurement procedure, the doubt of how it has been construed is lessened immensely. The most convincing evidence is achieved through a triangulation of measurement processes. Indeed faith ought to be placed in a proposal that endures the attack of a string of imperfect methods.

Researchers who carry out qualitative research would tend to put more trust in the reliability of their findings when various information gathering systems generate comparable results. Multiple along with autonomous measures present a firmer representation of the phenomenon in situations where a matching conclusion is accomplished.

Furthermore, in qualitative research triangulation is regularly used as a qualitative equivalent of validity and reliability. Thus, the idea of triangulation is to discover multiple sources of confirmation when a researcher seeks to draw a conclusion. From this it then follows that triangulation is a conservative way of preventing researchers from drawing unsupported conclusions from data. As a result, it seems to be a way of dealing with the matter of validity.

In the context of triangulation as an ideal approach to validating qualitative research evidence, there is a longstanding debate in relation to the extent to which triangulation offers qualitative researchers a way of proving their findings. According to Ritchie et al (2003), the two key points on this debate are recurrent in the challenges to its validating functions. First, there is criticism from an ontological point of view that there is no single reality or conception of the social world to establish and that attempting to do so via the use of multiple sources of information is pointless. Second, on epistemological grounds, all methods have specificity with regards to the type of data they yield and accordingly they are unlikely to produce perfectly concordant evidence.

Following the aforementioned concerns, some authors are currently arguing that the significance of triangulation lies in broadening understanding or placing more intensity in the analysis, which is achieved through the application of multiple views or different types of readings. In other words, the security that triangulation provides is through giving a much more comprehensive representation of phenomenon, not necessarily a more certain one.

Triangulation presupposes that using dissimilar sources of data automatically provides the much needed support to validate and ameliorate the correctness of a scientific investigation outcome.

As highlighted earlier, there is a debate among qualitative researchers about the extent to which triangulation can be of use in checking the validity of data or whether it is more a means of widening or deepening understanding of a subject through the mixing of multiple readings. Despite this ongoing debate some writers still contend that triangulation also has a role in the validation of findings. Ritchie et al (2003: 276) states that “it is in data analysis that the strategy of triangulation really pays off, not only in providing diverse ways of looking at the same phenomenon but in adding to credibility by strengthening confidence in whatever conclusions are drawn”.

Types of triangulation

There are four basic types of triangulation (Terre Blanche et al, 2006: 380):

Data triangulation

This refers to the use of a variety of data sources in a study. Given that it employs various types of data such as qualitative and quantitative to investigate the research question, this remains the most popular type of triangulation. Denzin (1970) describes three forms of data triangulation, namely, time, space, and person.

In *time triangulation*, investigators gather information about an observable fact at different time periods. *Space triangulation* is based on gathering information at a number of sites. From the beginning, the investigator should make out how time or space are connected to the research and formulate a contention advocating the application of diverse time or space gathering points in the investigation. Through gathering information at various time periods and in dissimilar spaces, the investigator obtains a distinct and perfect description of decision making and is in a better position to make a distinction between features that span time periods and spaces from features specific to definite times and spaces.

Utilising *person triangulation*, investigators gather information from a numerous level of person, i.e. a set of individuals, groups, or collectives. Moreover, investigators may possibly find out information that is different amongst levels. In such an instance, investigators would bring together additional information to decipher the inconsistency.

Investigator triangulation

This means the use of several different researchers in the course of the investigation. This form of triangulation is regarded as being very important in terms of drawing attention to previously unnoticed researcher effects (i.e. the effects of the researchers on the research context). Denzin (1970) argues that investigator triangulation takes place when two or more investigators with different backgrounds and proficiency work together on the same research. For this type of triangulation to be successful, several researchers should each have major responsibilities in the investigation and their fields of aptitude should complement one another. Every one of the researchers has to discuss their results and come to a conclusion that will encapsulate all the findings. It is important to note that the application of methodological triangulation generally necessitates investigator triangulation as a limited number of investigators are specialists in more than one method of research.

Theory triangulation

This denotes the application of multiple viewpoints to interpret a single set of data, and this also means ascertaining that the research findings can be incorporated into a more macro-analytical level of inference. In qualitative search for scientific knowledge, a few speculative rationalisations surface from this information. Investigators examine the efficacy and strength of these rising

theories by continuously repeating the process of producing and examining information until they get to an inference (Denzin, 1970).

Methodological triangulation

This refers to the multiple applications of several techniques to study one problem, looking for converging evidence from different sources, such as interviewing, participant observation, surveying, and a review of documentary resources. Denzin (1970) asserts that methodological triangulation takes place at the level of *design or data collection*. Design methods triangulation frequently utilises quantitative methods blended with qualitative techniques in the research design. Theory has to come out from the qualitative results and ought not to be coerced by investigators into the theory they are applying for the quantitative segment of the research. The combining of quantitative and qualitative methods does not transpire at the stage of either information production or examination. Instead, investigators merge these techniques at the level of interpretation, blending inferences from every approach to gain a congruent end result.

The procedure of combining inferences is an educated thought process, which entails judgement, wisdom, creativity, and insight and comprises the advantage of generating or fine-tuning theory. In the case of conflicting results coming into sight or investigators finding unhelpful cases, the researchers will probably have to further investigate the phenomenon. Occasionally triangulation design method may utilise two dissimilar qualitative research techniques. When investigators mix approaches at the design stage, they ought to think firmly about the intention of the study and construct a shrewd contention for employing each technique (Denzin, 1970).

Applying methods triangulation at the level of information gathering, investigators utilise two diverse approaches of gathering information, but every method falls inside the same investigative practice. The principle of merging the information

gathering techniques is to give a broad and improved comprehension of the observable fact being researched. Using method triangulation to complete a study is a daunting job as it is costly and takes a considerable amount of time (Denzin, 1970).

Terre Blanche et al (2006) argue that we may add a fifth type, referred to as **interdisciplinary triangulation**. This form of triangulation signifies the use of the findings of other disciplines to test the effects of the disciplinary perspective that a researcher might have adopted. Comparing the findings of medical sociologists, epidemiologists, and health psychologists on socio-cultural factors affecting HIV transmission might be considered a basic example of this type of triangulation.

Having looked at the different types of triangulation, it is evident that the use of triangulation as a way of doing social research is widely recommended by some social scientists. This method of research entails examining the main question of the study from several standpoints, and thus becoming a series of steps associated with changes in the researcher's conceptual map of the area being studied. Olsen (2004) contends that researchers describe the result of multi-method research strategies as convergent validity. As quantitative and qualitative techniques are combined, increasingly, remarkable common ground emerges between social constructionist and realist research techniques, despite the epistemological differences.

It must be highlighted that as data triangulation mixes research methods often associated with conflicting methodologies, methodological triangulation on the other hand attempts to make use of deeply contrasting methodologies, whilst not forgetting their differing epistemological and ontological assumptions (Olsen, 2004). The methodologies considered might correspond to two competing theories in the chosen research area, each of which is given a role in some part of the conceptualisation and design of the research.

So while data triangulation allows researchers to reach more complete models, methodological triangulation allows us to compare theories and methodologies by applying them, yielding important information about their practical adequacy.

In wrapping up this section on triangulation, it is worthy to mention that the common standard in the gathering of information is that the incorporation of various sources of information gathering in a study has the probability to boost the trustworthiness of the observations. Mouton (1996: 157) observes that the principal supposition is that since multiple approaches complement one another it is plausible to deduce that their individual limitations can be counterbalanced.

COMBINING QUANTITATIVE AND QUALITATIVE APPROACHES

There is much debate in social research about whether qualitative and quantitative approaches should, or even can, be combined. Some writers argue that the approaches are so different in their philosophical and methodological origins that they cannot be effectively blended. Others, while recognising the very different ontological and epistemological bases of the two paradigms, suggest that there can be value in bringing the two types of data together. But even within the latter context it is often emphasised that the purpose of bringing different approaches together is to yield different types of intelligence about the study subject rather than simply to fuse the outputs from qualitative and quantitative enquiry. Ritchie et al (2003: 38) observe that with multiple techniques the researcher has to deal with the tensions involving diverse theoretical perspectives whilst simultaneously considering the connection between the data sets produced by the different methods.

Ritchie et al (2003) are of the view that there can be benefit in harnessing qualitative and statistical enquiry provided that the two methods, and the data they generate, can be clearly delineated. Certainly, within social policy research, the potential for combining the two approaches is considerable. Many of the

questions that need to be addressed require measurement of some kind but also greater understanding of the nature or origins of an issue. Each of the two research approaches provides a distinctive kind of evidence and used together can offer a powerful resource to inform and illuminate policy or practice.

There is methodological justification for bringing quantitative and qualitative methods together. At a general level, the reasons for combining these methods are to capitalise on the strong points of each method as well as to make up for the Achilles' heel of both modes. At the same time, the precise grounds for combining the approaches need to be considered in particular situations bearing in mind the practical circumstances and context of the scientific investigation.

Punch (2005) insisted that there is more to this issue of combining the two approaches than first meets the eye. First there is the question of what 'combine' here might mean. The possibilities include adding one approach on to the other, interweaving the two approaches, integrating the two approaches and linking the two approaches. These different meanings lead to different models for combining the two approaches. Second, there is the distinction between combining methods, combining data and combining findings. There is continuum of complexity here. At the simpler end, combining findings denotes that the quantitative and qualitative data and methods are not combined, only the results from the two sorts of inquiry. Next, combining data means that the two types of data are brought together during the analysis, and contribute to the findings. At the more complex end, studies which combine methods, data and findings can be described as full multi-dimensional studies.

Multi-dimensional studies are said to be studies that focus on synthesising what are viewed to be the four main styles of social research, namely, fieldwork, surveys, experiments, and non-reactive studies. These studies ensure the synthesis at all stages of the research, from formulating research questions through to drawing conclusions. In addition to multi-method, the term 'mixed

methods' is also used to describe different types of combinations of the quantitative and qualitative approaches (Punch, 2005: 241).

A more general approach prefers the term 'linkage', and describes four general designs which link quantitative and qualitative data. In the first, there is the integrated collection of both types of data. In the second, a multiwave survey is conducted in parallel with continuous fieldwork. The third design alternates the two, with exploratory fieldwork leading to quantitative instruments, and the quantitative data collection and analysis being followed by further qualitative work. The fourth design also alternates the two, with a survey followed by in-depth close-up qualitative work, which then leads to an experiment to test some hypotheses (De Vos et al, 2005).

Researchers further simplify the possibilities down to three representations of mixed designs. The first is the two-phase design in which the quantitative and qualitative phases are fairly separated. The second is the dominant/less-dominant design, where the researcher carries out a research with one dominant theory, with a single tiny element extracted from the alternate theory. The third is the mixed-methodology design, where characteristics of the two approaches are merged on every step of the research process. This is the full multi-dimensional design referred to above (Punch, 2005).

The explanations for fusing the two approaches make it very clear that there are many models for making this combination possible, and that there is no one right way. How they are combined should be determined by the reasons for doing so, set against the circumstances, context and practical aspects of the research. Of course, common sense should stand behind these decisions, as it should behind the way research is evaluated.

CONCLUSION

This chapter highlighted that each of the quantitative and qualitative research methods that were discussed provide a distinctive kind of evidence and offer a powerful resource to enable the researcher to collect useful information for the writing of a good study.

The chapter examined the concept of research as a method of study by providing concise definitions of the concept. It studied the two forms of scientific research, namely, quantitative and qualitative approaches. For the purposes of this study, the four types of quantitative research were merely mentioned but were not discussed in great detail; mainly because this is a qualitative study and therefore considerable time was spent on discussing in detail the types of qualitative research. The four types of quantitative research are, namely, descriptive, correlational, cause-comperatitive, and experimental.

The chapter further discussed, in detail, the three types of qualitative research that were most appropriate and thus used in this study. The three types that were discussed are, namely, case study, interviews, and triangulation.

Lastly, the chapter undertook an examination of the longstanding debate in social research about whether quantitative and qualitative approaches should, or even can, be combined.

CHAPTER 3

Literature Review

INTRODUCTION

In academic research the classic way to identify a research problem is to do a thorough literature review. Literature review mainly deals with reviewing the literature dealing with the chosen topic and it plays a vital role in assisting researchers to formulate a clear research problem for their research project. By compiling a review of research findings on a particular topic that have already been published, researchers may become aware of inconsistencies and gaps that may justify further research. Such a review enables researchers to indicate exactly where their research fits in. Considered on its own, someone's research may elicit little interest. However, if its relation to the body of knowledge is evident, it achieves greater importance and may even persuade other researchers to do research on the particular topic (Welman et al, 2005: 38).

The form of literature review undertaken here is theoretical reviews in that its focal point is on existing theory that relates to the problem being studied. The literature review examines the concepts of public administration and public policy. In particular, with public administration it attempts to define the concept of public administration along with the organisational theories that have been highlighted as important in determining the levels of efficient and productive functioning of public organisations. Furthermore, it seeks to define the concept of public policy and attempts to highlight the all important attributes of public policies and how these eventually affect the citizenry. The importance of policy implementation can never be underplayed, and this literature review pays particular attention to this ingredient of public policy and brings to the fore the most basic elements for implementing policy decisions successfully.

The theoretical review is critical because it relates to some of the problems being examined in the study, which are poverty and the inadequacy of the current social security system. The study further presents the arguments for and against the introduction of the Basic Income Grant policy in South Africa. The issue of policy implementation is right at the heart of this basic income policy proposal as it talks to issues of, inter alia, content, context, capacity, etc.

The theoretical review provided a good conceptual framework for the planning and execution of this study.

CONCEPTUAL FRAMEWORK

THE FIELD OF PUBLIC ADMINISTRATION

Public Administration is the type of administration that is involved in the conduct of communal or public affairs by the various government and other public bodies. As a subject of study it is concerned with those activities of government and associated bodies that are administrative in nature and aim, and it is a grave though popular mistake to regard public administration and bureaucracy as synonymous (Gladden, 1972: 3-4).

Gladden (1972) observes that it has been only during the last hundred years that public administration has come to be widely recognized as a specialist activity of government, calling for its own distinctive approach and methods. Among the most vocal personalities to push for the recognition of its specialist nature was the teacher Woodrow Wilson, later to become President of the United States of America, who in an article published in 1887, advocated that such a study has to, among others, set straight the trajectory of government, make its business less unbusinesslike, reinforce and purify its organisation and to crown its duties with dutifulness.

Miewald (1978) mentions that as a field of study Public Administration began to emerge as a distinct branch of political science when Woodrow Wilson and Frank Goodnow developed the basic theoretical premise that politics and administration are two separable elements of the governmental whole. Wilson's essay on 'The Study of Public Administration' can be easily read as the source of the idea that administration is positioned beyond the literal scope of politics. Politics decide and administration carries out the decision.

Public Administration focuses on the administrative functions, structure, and assumptions of government, and the study of the institutions of government is the essential basis from which our studies must logically start. But government itself is a more practical feature of the broader field of politics, or political science, which has to be comprehended if the inspiration and shaping of public institutions are to be understood. Gladden (1972) observes that the serious student thus proceeds, through increasing specialisation, from political science and its interpreters, to government and its working, and from the institutions of government to public administration, both in its broad sense and its multiplicity of specialist spheres of activity.

The student is concerned, not only with the philosophy and inspiration underlying government action, with the structure and working of government institutions, and with the administrative conduct of public business in its more general sense, but also with the many activities for which the public administrator has been made responsible, and this, as we have seen, is an expanding field, not only reaching into spheres hitherto left to non-public sectors of the community but also expanding, each its own way, with the growth in scope and complexity of the administrative art itself (Gladden, 1972).

Public Administration as a scientific area of study mainly focuses on the execution of the policies of government. It entails each and every one of the different spheres of government, which include the central government, provincial

government, municipal government, regional authority or even an international institution that consists of representatives of government. As a science and academic field, Public Administration focuses on the study of every scientific field that has an impact on the modern practices of administration and management in the public sector (Botes et al, 1992: 257).

Defining Public Administration

The introduction into the field of Public Administration has provided some important background information on the subject. In terms of definition, public administration is difficult to define. This is partly because it covers a broad range of activities, and knowing what public administrators do does not necessarily resolve the problem of defining what public administration is. According to Rosenbloom & Goldman (1986: 4), public administration as a category is so abstract and varied that it can only be described in vague, general, amorphous, and somewhat competing terms.

Rosenbloom and Goldman (1986: 4-5) argue that as a result of this difficulty in definition, a wide variety of definitions have been offered, but the following are amongst the most serious and influential efforts to define the field:

- i. Public administration is the action part of government, the means by which the purposes and goals of government are realized.
- ii. Public administration as a field is mainly concerned with the means for implementing political values.
- iii. The process of public administration consists of the actions involved in effecting the intent or desire of a government. It is thus the continuously active, business part of government, concerned with carrying out the law, as made by legislative bodies (or other authoritative agents) and interpreted by the courts, through the processes of organisation and management.

- iv. Public administration is a cooperative group endeavour in a public setting that covers all three branches of government, namely, executive, legislative, and judicial and their interrelationships; furthermore, it plays a central role in the formulation of public policy, and is thus part of the political process. Moreover, it is different in significant ways from private administration and is closely associated with numerous private groups and individuals.

The conclusions that can be drawn from these definitions of public administration are that public administration is omnipresent since it overlaps a number of other disciplines (e.g. political science, sociology, economics, etc) and that it means different things to different observers.

All the above definitions provide insight into what public administration is. They highlight that public administration involves activity, it is concerned with politics and policy making, it differs from private administration, and it is concerned with implementing the law. Encapsulating this point, Rosenbloom and Goldman (1986: 6) accentuate that public administration is the use of managerial, political, and legal theories and processes to fulfil legislative, executive, and judicial government mandates for the provision of regulatory and service functions for the society as a whole or for some segment of it.

In essence, the activities of public administration mostly concentrate on the establishments of government that generate specific goods and/or services for the general public. Du Toit and Van der Waldt (1999: 8) observe that society expects governments to provide particular goods and services to its members as people do not have the capacity to satisfy some of their most basic needs. Quite often, private organisations are not keen on providing particular services and/or commodities since such exercises are not money-making. The consequence is that governments have to assume the duty of providing these services.

PUBLIC ADMINISTRATION ORGANISATIONAL THEORY

The 20th century has been characterised by the development of what has been referred to as an “organisational society” – meaning that we spend a great deal of our time in organisations of various types. Many of these are large organisations. Their structures and processes affect the behaviour of the organisations themselves, their employees, and those who interact with them (Rosenbloom and Goldman, 1986).

Coming to grips with modern organisations has influenced the formulation and growth of a body of thought known as organisational theory or in reality theories of organisation given the diversity of thought. These theories are in many cases applicable to both public and private sectors.

This section examines some of the most prominent organisational theories in the field of public management and administration. These theories are imperative in guiding public organisation managers to efficiently and effectively manage their organisations and have contributed enormously to the overall strategic development of public organisations. Each of these theories has their own strengths and drawbacks and it is generally up to managers to decide on which theory to apply in their respective organisations. The combination of any of these theories has never been dismissed, so managers are at liberty to employ any of them. This choice would largely depend on what works for each public organisation, respectively. The organisational theories to be scrutinised here are the following: the concept of bureaucracy, scientific management, human relations approach, leadership, motivation, and contemporary approaches to organisation theory.

Bureaucracy

Bureaucracy is the arrangement and set of rules that are implemented to manage activity, normally in government and big organisations. It is characterised by uniform modus operandi that dictates the implementation of most or all procedures in the organisation, official separation of powers, chain of command, and interaction (<http://en.wikipedia.org/wiki/Bureaucracy>).

Bureaucracy is so central to public administration that for some, modern organisation is virtually synonymous with bureaucracy. This is because many organisations make use of structural and procedural elements that have been considered attributes of bureaucratic organisation. These attributes were identified most influentially by Marx Weber in his development of a general theory of bureaucracy. In abridged form, bureaucracy in Weber's concept comprises the following structural elements (Rosenbloom and Goldman, 1986: 121):

- a) Specialised authority, offices, and responsibilities; that is, a distribution of labour and authority vis-à-vis the attainment of the organisation's objectives.
- b) A chain of command to ensure that the activities of specialized offices are coordinated and their jurisdictional authority is incorporated. In the most sensible bureaucratic design, a single individual authority usually leads the organisation.
- c) A career path that enables the workforce to move through various specialisations and ranks and progress is based on merit and/or seniority.
- d) A bureaucratic configuration that tends to be unchanging. It remains intact regardless of the changes in personnel. Society grows to be reliant on the bureaucracy's performance such that disorder results if it becomes dysfunctional.
- e) By implication, bureaucracies are large organisations.

Rosenbloom and Goldman (1986) observe that procedurally, bureaucracy is:

- a) Impersonal or dehumanising. This was considered by Weber to be bureaucracy's "special virtue" because it eliminates "irrational" emotional elements from the performance of the individual bureaucrats and the organisation as a whole. The individual is standardised to fit the particular organisational slot in which he or she is to be used.
- b) Formalistic. Since bureaucracy does not depend upon persons, but rather upon offices, virtually everything about its structure and operation is written down in a formal fashion. In addition, communion is in written form because it is between offices or persons in their official capacities, and at least theoretically is independent of the actual persons in those positions.
- c) Rule-bound. Bureaucracy operates according to formal rules that are in writing and can be learned. The object of the rules is to specify proper office procedure and to assure regularity in dealing with outsiders.
- d) Highly disciplined. Bureaucrats are obliged to follow the bureaucracy's rules and may be punished for violating them. These rules seek to insure impersonality and bolster hierarchical authority.

Rosenbloom and Goldman (1986) further observe that because of the above-mentioned structural and procedural attributes, this system of governance is:

- a) Highly efficient. Bureaucracy is regarded as the most efficient form of organisation. It acts with continuity, precision, rationality, expertise, speed, and discipline.
- b) Powerful. Its powers stem largely from its rationality, expertise, reliability, and continuity. Well-developed bureaucracy is virtually uncontrollable by outsiders. And that society becomes dependent upon it for the provision of services and the application of constraints. Thus, the organisational tool (bureaucracy) tends to emerge as the master of society. People comply

with bureaucratic orders and decisions because they accept them as legitimate.

- c) Ever-expanding. Bureaucratic expansion is prompted not only by efficiency and power, but also by the quantitative and qualitative growth of tasks requiring organised administration in a complex society.

There has been a great debate over the utility of Weber's concept and theory of bureaucracy. Although current consensus appears to be that Weber provided a brilliant and useful statement, three points of contention remain.

First, that however bureaucracy might function as an ideal type, we live in a real world in which bureaucratic organisational behaviour seems markedly at variance with Weber's ideas. Warren Bennis, a leading contemporary organisational theorist, seems to have captured this point best. He writes that real-world bureaucracy is characterised by:

- i. Bosses with no technical know-how;
- ii. Arbitrary and zany regulations;
- iii. An underworld (or informal) organisation which subverts or even replaces the formal apparatus;
- iv. Confusion and conflict among roles; and
- v. Mean treatment of subordinates based on inhumanity as opposed to rational or legal grounds.

A second criticism is that Weber failed to understand the extent to which specialised expertise is inherently at odds with formal hierarchical authority. The point here is that the formal superordinate ("the boss") becomes actually dependent upon subordinates who have greater specialised technical expertise in various areas of the bureaucracy's operation. This growing gap between ability and authority can be the source of great stress for the "boss", who is responsible for operations over which he or she has far less than full control.

Third, Weber's ideal-type analysis is widely considered of limited utility in designing real-world organisations because it fails to take into account the vast cultural differences among societies. Recognition of cultural variations that bear upon the operation of bureaucracies has prompted analysts to devote considerable attention to comparative public administration. It is hoped that by so doing, it will eventually be possible to identify environmental factors that affect the operation of public bureaucracies.

Scientific Management

This approach was developed, or at least popularized, through the work of Frederick Taylor; whose life span more or less coincided with Weber's. However, while Weber came to protest the transformation of employees into cogs, Taylor embraced it as a prerequisite for scientifically finding the most efficient way of accomplishing any given task. By contemporary standards, much of what Taylor had to say appears naïve, paternalistic, inaccurate, and sometimes just plain silly. However, Taylorism became a worldwide movement and continues to leave an important legacy in the public sector. Taylor developed four core principles of scientific management (Rosenbloom & Goldman, 1986: 125-126):

1. Management should study the mass of traditional knowledge possessed by workmen and devise a way to accomplish each task, reducing it to a body of scientific laws of production. This requires time-and-motion studies that determined precisely the one best way of performing a specific work operation. For instance, Taylor developed a science of shovelling.
2. Workers should be scientifically selected according to physical, mental, and psychological attributes. For instance, if the one best way of shovelling coal is to do it in twenty-one-pound loads, then a worker who has the physical strength and stamina to perform this operation would be

- selected. Equally important, Taylor stressed seeking workers who would appreciate management's help in making them more productive.
3. The worker should be scientifically motivated to do as management instructs. Taylor stressed attaching output to remuneration using piece-rate pay plans, which entailed paying workers in accordance with their productivity. He also thought the frequency with which pay should be given could be scientifically determined in the interest of maximum motivation. In addition, Taylor advocated formulating effective punitive measures against employees who do not follow instructions.
 4. Duties must be disaggregated so that management has further task for designing work processes and flow. This proposition promoted the ascendancy of a science of efficiency engineering.

Taylor assumed that scientific management would yield greater cooperation between workers and management. He believed this because he felt his system would lead to greater productivity and therefore a higher standard of living for any society in the long run. The greater productivity would yield more profit to go around, and that would reduce conflict over the distribution of revenues derived from the sale of products or services.

In the public sector, position classification and job design continues to reflect many of the attitudes and ideas of scientific management. It also contributed to the still prevalent idea that productivity is the primary objective of organisation and that the "good" organisation is the one that efficiently produces what it is intended to. In this view, the bottom line is output; what happens to the worker in the process – boredom, alienation, occupational disease – is of secondary concern. Work is to supply products and services, not to develop the full capability of workers.

This theory accentuated the improvement of productivity. Van der Waldt and Du Toit (1999: 58) observe that for the firm to enhance output actions and time in the

place of work is calculated and monitored. The employee is considered as nothing more than an addition of the piece of equipment that serves as a method of improving productivity.

The Human Relations Approach

The dehumanisation explicit in Weber's ideal-type bureaucracy and implicit in Taylorism has been considered by some to be dysfunctional even in organisational terms because it runs counter to the needs of the human beings who actually comprise the organisation (Rosenbloom and Goldman, 1986: 126-128).

It appears that the problem posed by highly rational, dehumanising organisations is that generally the less the organisation alienates its workforce, the more efficient it is. Happy workers typically work harder and better than frustrated ones. Within limits, contentment improves efficiency in organisations and, likewise, without efficient organisations much of our happiness is unlikely. Without efficient organisations our standard of living, our level of culture, and our democratic life could not be sustained. Therefore, to a certain extent, organisational rationality and human happiness go hand in hand. But a point is reached in every organisation where happiness and efficiency stop to support each other. Not every work can be well-paid and rewarding, and not all rules and instructions can be made acceptable. Here we face a true dilemma.

The primary purpose of the human relations approach has been to strive to alleviate this dilemma by formulating ways of making work in organisations more socially and psychologically acceptable to employees, while at the same time enhancing or maintaining efficiency. Thus, the human relations approach accepts efficiency and productivity as the legitimate values of organisations but seeks to maximize these by eliminating the dysfunctions caused by overspecialisation, alienating hierarchical arrangements, and general dehumanisation.

Ironically, the human relations approach grew out of an elaborate set of experiments in scientific management tradition. Elton Mayo, Fritz Roethlisberger, and others conducted studies at the Hawthorne Works of the Western Electric Company in Chicago from 1927 to 1932. The experiments started from the premise that the physical conditions at work would have a direct impact on output in a linear fashion. It was believed that an increase in illumination would lead to greater production per worker, this turned out to be the case, but as the experiment proceeded and lighting was reduced to the original level, it was observed that productivity remained higher than it had been before the study began. From a scientific management perspective this was puzzling indeed ([http://en.wikipedia.org/wiki/Elton Mayo](http://en.wikipedia.org/wiki/Elton_Mayo)).

The experimenters concluded that to some extent the workers were actually responding to the experiment itself, that is, the attention being devoted to them, rather than to the levels of illumination. This phenomenon was dubbed the Hawthorne Effect. In the context of organisation, it stands for the principle that societal along with psychological factors can significantly influence the productivity of workers. This conclusion was a radical departure from the Weberian and Taylorist traditions emphasising dehumanisation because it asserted that human factors were key contributors to organisational efficiency. The illumination experiment was taken to mean that if greater attention were paid to the worker as a person, the worker would feel a greater degree of self-esteem and happiness and would consequently be more productive.

Several very important conclusions were drawn from the Hawthorne experiments. These became the basis for further research and the development of the human relations approach to organisation. Among them were that Rosenbloom and Goldman (1986):

1. productivity is strongly affected by social and psychological factors, not simply by physical ability and stamina;

2. noneconomic rewards and sanctions are of central importance in motivating workers and determining their level of job satisfaction;
3. the highest degree of specialisation is not necessarily the most efficient approach to dividing labour; and
4. workers may react to management, the organisation, and work itself as members of groups or informal organisations rather than as individuals.

To the extent that these conclusions were accepted and acted upon, human relations became an explicit central facet of organisational theory and behaviour. It is important to remember, that the human relations approach did not assert that the ultimate objective of an organisation was to increase the worker's happiness – the end remained efficiency and productivity. In short, the human relations approach conceptually put the human being back into the organisation.

As this approach developed, organisation theory placed greater emphasis on serving both the economic and noneconomic needs of workers and designing jobs to make them socially and psychologically satisfying. It also began to emphasise worker-management communication and worker participation in decision making concerning the way a product was to be manufactured or a service rendered.

Leadership

There are many ways of describing Leadership as a term. Nevertheless, at its heart is the notion of consistent capability to influence people, to motivate them to serve a common purpose and to fulfil the roles required for effective group action. Researchers argue that the organisation theory approach to leadership raises at least two broad concerns: What are the qualities of leadership? How is leadership exercised?

The personality traits of good leaders remain a disputed ground; however the qualities and skills that seem to be prerequisites for effective leadership in a wide variety and large number of situations are generally accepted as (Rosenbloom and Goldman, 1986: 126-128):

1. Belief in the possibility of success. Leaders want to change or maintain some aspect of social, political, or economic life. They must believe that there is a significant, though possibly small, likelihood that their efforts will make a difference.
2. Communications skills. Leaders must communicate with followers. Generally, this requires substantial verbal skill. Followers must have a reasonably clear picture of what is expected of them, if they are to work in a coordinated way toward a desired common purpose.
3. Empathy. Leaders often have a deep understanding of the psychology, thought processes, aspirations, and fears of their followers. Empathy not only facilitates communication, but also enables the leader to find successful ways of influencing people. Empathy is not sympathy. The leader may remain detached or aloof, while nonetheless be able to enter the mental processes of the followers.
4. Energy. Leaders often have to devote tremendous time and attention to gaining detailed understanding of the projects and technologies that might be appropriate for their organisations, and they need to have great supply of energy for such activities.
5. Sound judgment. Continuing leadership may depend substantially upon the exercise of sound, reasoned judgement. One of the problems leaders may face is developing a feeling of infallibility, which will make sound judgment all the more difficult. In organisational terms, it is generally considered important for leaders to maintain an unbiased, disinterested (but not uninterested) posture with regard to the organisation's members. This helps the leader keep matters in perspective.

Of course there are a number of other qualities that leaders often possess, but which appear to be less essential. Intelligence is one. Certainly the best and the brightest are often in a position of leadership. But many leaders are not the most intelligent people found in a society. Nor does it appear crucial that leaders have technical proficiency in the work performed by their organisations, though many of them do. Finally, leadership is sometimes defined in terms of decision making, but some leaders have avoided decisions whenever possible.

In terms of how leadership is exercised, Rosenbloom and Goldman (1986: 133-134) assert that leadership styles can range from highly authoritarian through more democratic to laissez faire. Authoritarian leadership may be necessary when involvement is largely alienative. Here, even if physical coercion is unavailable, the leader can choose to keep organisational participants under a tight rein. Democratic leadership is often preferred where participation is calculative as it puts the leader in a better position to understand the participant's own reasons for willingness to work in the organisation. Laissez faire leadership, in which coordination and pursuit of group goals are organised almost entirely by the members, is potentially appropriate where involvement is moral.

A thoroughly developed analysis of how to choose a leadership pattern emphasises the desirability of congruence between forces in the manager and those in the subordinates. The analysis posited a continuum from a boss-centred leadership approach to a subordinate-centred approach. The continuum moves progressively from boss-centred to subordinate centred leadership (Rosenbloom and Goldman, 1986).

Figure 2: Leadership approach continuum

BOSS-CENTRED LEADERSHIP

1. The manager makes a decision and announces it.
2. The manager “sells” the decision to subordinates.
3. The manager presents ideas and invites questions.
4. The manager presents a tentative decision subject to change.
5. The manager presents a problem, obtains suggestions, and makes the decision.
6. The manager defines the relevant limits in relation to a decision and invites subordinates to make the decision as a collective.
7. The manager allows subordinates to make decisions within broad restrictions defined by the manager.

SUBORDINATE-CENTERED LEADERSHIP

The continuum illustrates that as the approach of leadership progressively oriented from highly boss-centred to more subordinate-centred, lower ranking officials were afforded greater freedom and opportunities to take part in the decision making processes of the organisation.

Irrespective of the leadership style employed, leaders in the main perform some similar functions for organisations. Leadership is only part of an equation. There are those who are led, followers who are willing to serve. Consequently, any discussion of leadership should be complemented by a consideration of motivation.

Motivation

Scientific management theory assumed that workers were motivated by the manipulation of remunerative rewards and sanctions. Heavy emphasis was

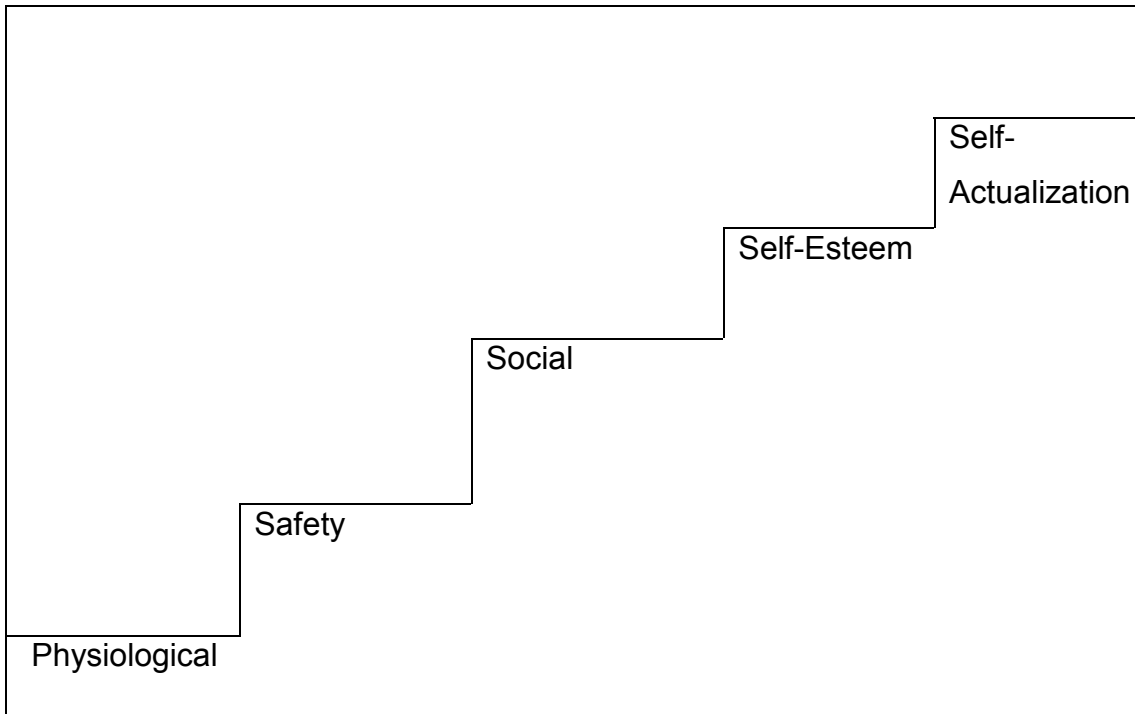
placed on piecework, under the assumption that if a worker could earn more by producing more, he or she would be motivated to work harder.

Similarly, if productivity and pay could be increased by the introduction of highly specialised work tasks, this body of theory assumed the worker would perform them, however boring, mind-deadening, and physically uncomfortable they might be. This approach to motivation was dealt a severe blow by the Hawthorne experiments and the human relations approach. Initially the human relationists had a set of observations about workers' motivation, but they lacked a theory that could explain them (<http://en.wikipedia.org/wiki/Motivation>)..

An important breakthrough occurred in 1943, when Abraham Maslow introduced "A theory of Human Motivation". Maslow hypothesised that there is a hierarchy of human needs; that humans are satisfaction-seeking animals; and that they are therefore motivated in a never-ending quest for greater satisfaction of their needs (Rosenbloom and Goldman, 1986: 136-137).

In Maslow's scheme, human beings first seek to satisfy their physiological needs, such as hunger and thirst; then, once these are met, they seek to fulfil safety and shelter needs. Next they focus upon social needs and seek a sense of belonging. At the fourth level of needs, they want self-esteem and social status; finally, they seek self-actualisation, or true self-fulfilment (<http://en.wikipedia.org/wiki/Motivation>).

Figure 3: Maslow's Hierarchy of Needs



When viewed in relation to the human relations approach, it is not difficult to see some immediate implications of Maslow's theory. First, if the happy worker is the productive worker, then work should satisfy the worker's needs at whatever level they may be. If workers seek social activity, then the organisation should provide opportunities for it. If they seek self-esteem or self-actualisation, then they will probably need some control over structuring of their jobs and some opportunity to participate in decision making. At the very least they cannot be ordered around as espoused in the Taylorist tradition.

In practical terms, this means that several elements of bureaucratic organisation may be at odds with human needs. Hierarchy and specialisation definitely militates against self-actualisation, self-esteem, and the social needs of those who are denied control over their work processes and social interactions on the job – meaning virtually all employees except those at the top.

Despite the enthusiasm of some for Maslow's theory and its implications, others have remained unconvinced. Rosenbloom and Goldman (1986: 138) further argue that at least two general criticisms are frequently directed at Maslow's hierarchy. First, although Maslow offered a theory that in principle could be empirically tested, it has been very hard to test it well. Moreover, some people find it counterintuitive, in that many of us may be at the same level in our hierarchy of needs, but nonetheless motivated by different stimuli. Second, Maslow's categories are so broad that unless further refined they seem to offer little connection between the design of work and motivation in the workplace. This problem has been addressed by Frederick Herzberg and his associates.

Herzberg hypothesised that two kinds of factors affect job satisfaction in the workplace, namely, hygiene and motivators. Hygiene factors include working conditions, supervisory relations, remuneration, and administrative policies. Hygienes are considered to have the capacity to make workers dissatisfied if they are inadequately met. However, they do not lead to job satisfaction per se. On the other hand, motivators, including advancement, responsibility, the job itself, recognition, and achievement, could produce greater job satisfaction (Rosenbloom and Goldman, 1986: 138).

The implications of the Herzberg model are similar to those of Maslow's hierarchy. Motivation depends more on opportunities for advancement, responsibility, recognition, and achievement than on the type of hygiene factors that were of greater concern to the scientific management approach. Even more important, Herzberg turned attention to the nature of the job itself as a motivator. This led to the prospect that the highest degree of specialisation, though seemingly productive, could dampen an employee's motivation. It also suggested that workers' motivation could be enhanced by allowing them to participate in the designing of jobs. However, Herzberg's theory has not been universally accepted.

Some believe that cultural, social, economic, and psychological variation among a large work force make it unreasonable to assume that all workers can be motivated by fulfilling the same needs. This theory, developed by David McClelland, also did not win universal acceptance. A new theory called the expectancy theory was later developed. Based on expectancy theory, organisations should emphasise recruiting personnel whose personal goals can be fulfilled while serving the needs of an organisation itself. Additionally, rewards and sanctions must be clearly linked to an individual's performance (Rosenbloom and Goldman, 1986: 139). This is the case with South Africa's most public organisations

Contemporary Approaches to Organisational Theory

Today, organisational theory is a diverse, interdisciplinary enterprise. If there is any unifying paradigm, it is methodological rather than substantive. Contemporary organisation theory seeks to develop and test empirical propositions pertaining to all important aspects of organisational behaviour, including structure, change, and psychology. Unlike some earlier approaches, it tries to separate facts from values and to use a modern social scientific method for determining relationships among observable aspects of organisational behaviour. For the most part, it relies on systems theory to aid in the conceptualisation of such relationships.

According to Rosenbloom and Goldman (1986: 142), the systems approach can be quite elaborate, but its core is the simple concept that an organisation (or other functional entity) constitutes a system that is distinct from its environment. It is a system because its parts are interrelated. The system responds to stimuli from the environment and obtains feedback (information) concerning the impact of its responses. Another way of thinking about a system is that it is an

organisation that converts inputs (stimuli) into outputs. There are two different types of systems, namely, open and closed systems.

Closed systems refer to the phenomena in which it is assumed that everything is known about their internal functioning and their relationship to the environment. This theory tends to focus on stability (equilibrium), control mechanisms, and predictable responses. Some relatively simple public administrative operations can be viewed as closed systems. For instance, the operations of a motor vehicle government department in renewing automobile registrations might be treated in this fashion (Rosenbloom and Goldman, 1986: 143).

Rosenbloom and Goldman (1986: 143) observe that open systems, by contrast, are viewed as too complex to be so predictable. It is recognised that the relationship between the parts of the system and the system and its environment are not fully understood. Both the environment and internal operations of the open system are viewed with an expectation of uncertainty. Many believe that the open systems concept is more useful for analysing most public organisations.

This foregoing discussion on how public administration should be organised has emphasised the importance of the efficient and effective functioning of public organisations for the realisation of set goals and objectives. All the theories point to one common factor, and that is, the development of policies that focus on how best can public organisations be organised in order to ensure optimal productivity in the quest to meet the goals and objectives embedded in government's public policies. The process of public policy development is a complex one that requires special attention. The following section examines the concept of public policy development and related matters thereof.

PUBLIC POLICY

Public policies have been defined by a fairly considerable number of scholars and public administration practitioners. Others have defined public policy as anything that governments decide to carry out or not to carry out. Public policies are generally defined as responses to public problems. Dubnick and Bardes (1983: 7-8) claim that this is so because they invariably deal with problems ranging from what is necessary for survival (e.g. the provision of food, clothing, and shelter for impoverished families) to demands for some of the amenities of life that only affluent society can afford (e.g. public swimming pools, public museums).

When government is faced with public problems it responds with statements and actions, and these statements and actions are at the heart of public policies. The statements express the intentions of government actors, while the actions reflect the steps taken to fulfil those intentions. Dubnick and Bardes (1983: 8) then argue that combining these elements gives us a problem-based definition which views public policies as the articulated aims of government actors concerning a public problem and the actions linked to those plans.

Similar definitions of public policies have been pronounced. Denhardt and Hammond (1992: 46) define public policies as statements of objectives and plans in relation to a specific problem or set of problems; public policies are those devised by legitimate government officials to tackle specific public problems. Those problems may be highly visible public problems, such as drugs and law enforcement, or they may be much less visible internal issues, such as the way travel vouchers are to be processed. Major public policies are arrived at through an often long and arduous process of debate and deliberation. Quite a considerable number of people may be involved, among them policy activists interested in a particular issue, members of the executive branch or the legislature, and citizens in general.

Denhardt and Hammond (1992) further argue that at one stage it was felt that administrators should not be part of the process of policy development; however, today it is evident that public managers are playing more significant roles in both the formulation and implementation of public policy. It has become common for public officials to be directed to develop new policy proposals in their respective areas of expertise. Public officials may be requested to prepare an analysis of the alternatives available with respect to a particular issue or to testify before the legislature, presenting their agency's position on the issue.

Likewise, after the legislature has passed a particular policy, public officials may be required to implement that policy. In so doing, public officials may find that the legislation was intentionally vague on certain issues, allowing a degree of discretion in interpreting the policy. It may be realised that establishing a workable way of implementing the policy may be difficult without altering the intent of the policy. In either case, and in others, public officials may bind themselves making policy.

Denhardt and Hammond (1992) observe that just as we recognise that administrators are deeply involved in the process of making public policy; we must also recognise that they must be guided by democratic principles as they embark in this process. As public officials are not publicly elected, they are consequently not directly responsible to the people. They may be held accountable by elected officials, but their linkage to the citizenry is far less clear than is the case for elected officials. On these grounds, those in public organisations have to constantly ensure that they act in the interest of the public.

In concluding this section on attempting to define public policies, it is worthy to emphasise that policies are, as Roux (2002: 424) writes, "authoritative statements made by legitimate public institutions about the way in which they propose to deal with policy problems".

The Attributes of Public Policy

The foregoing section has indicated that public policies are not isolated things with one-dimensional characteristics; in fact, they are often complex actions and statements characterised by a variety of attributes. Dubnick and Bardes (1983: 63-73) distinguish between two types of policy characteristics: intrinsic and extrinsic attributes. Intrinsic attributes are characteristics inherent to the policy being examined, while extrinsic attributes are those characterising a policy's relationship to external factors.

Intrinsic attributes

These attributes are the internalised qualities of a public policy. Such qualities are often central to our daily conversations about government actions or statements. We are discussing intrinsic attributes when we classify policies according to the substantive issues they address (e.g. economic policy, abortion policy). Even within these substantive issues classifications we can discuss subcategories further reflecting qualitative distinctions. For instance, when we divide economic policy into fiscal, monetary, and income policies we are highlighting the means intrinsic to the government action or statement rather than the issues involved. Fiscal economic policies are those using public sector taxing and spending mechanisms to bring about desired objectives, while monetary policies use the supply money, and income policies rely on the control or manipulation of prices, wages, and profits.

Other intrinsic attributes of public policy are those focusing on subject populations or policy objectives, e.g. East Africa policy or non-racist. These policies are categorised according to the specific geographic area on which they are intended to have an impact, and each label reflects the goal of the government action or statement.

Extrinsic attributes

These attributes do not concentrate on static qualities of public policies, but on how government actions and statements relate to their environment. Here accentuation is on the dynamic characteristics of public policies and consideration is given to patterns of relationships between policies and their surroundings.

According to Dubnick and Bardes (1983: 64), a major example of a descriptive scheme based on the extrinsic attributes of public policies is one used by political scientists to discuss functions performed by political systems. This scheme usually includes four such policy types: allocative, extractive, control, and symbolic.

Allocative policies are those involving the allocation of goods, services, honours, statutes, and opportunities of various kinds from the political system to individuals and groups in the society. These policies can have direct or indirect effects; that is, government can provide the benefits of its allocative activities directly or indirectly to the beneficiary. For instance, through National Students Financial Aid Scheme (NSFAS), students receive the direct benefits of government investments in education.

Extractive policies draw material and human resources from the environment and apply them in a deliberative way. The most common form of extraction occurs through taxation. For instance, payments at highway toll gates are an example of extractive policy actions.

Control policies are found in the laws, rules, and regulations which exercise control over the behaviour of individuals and groups. Control policies are effectively activities wherein government draws boundary lines around certain behaviours and requires that citizens, corporations, or groups remain within

those lines (e.g. Prevention and Combating of Corrupt Activities Act, No. 12 of 2004). Several notable characteristics of control policies are identified. First, the controls imposed by public policy activities may be direct or indirect. Second, controls can be based on either positive or negative sanctions. Controls are effective because they are backed by either rewards or punishments, and public policies will differ according to whether they impose controls through the use of incentives or disincentives.

Symbolic policies involve the manipulation of symbols to control the response of given audiences. Symbolic policies are often directly relevant to the public morale during a period of crisis and may be seen in activities such as parading the troops, waving the flag, or broadcasting patriotic speeches.

There are some policy description typologies that combine intrinsic and extrinsic attributes. For instance, researchers distinguished among three types of policies: distributive, regulatory, and redistributive. On the one hand, how a policy is classified in schemes developed by researchers depends on whether its benefits or costs can be divided and packaged by distribution or not. In this sense, the typology is based on the intrinsic qualities of a policy. On the other hand, researchers believe major differences among public policies can be linked to the different arenas of power in which they operate; i.e. how they interact with their environment.

Policy implementation

Policy implementation is one of most important activities that public organisations must discharge. Over the last few decades it has become lucid that there is a substantial gap that continues to exist between a policy decision and its implementation. This has led to the realisation that what comes after a policy decision is just as important as the decision itself.

Indeed, policymakers should use the likelihood of implementation as one criterion for evaluating policy alternatives.

Edwards III and Sharkansky (1978: 293) explain that implementing a public policy can require a wide variety of actions including issuing directives, enforcing directives, disbursing funds, making loans, awarding grants, making contracts, collecting information, disseminating information, assigning personnel, hiring personnel, and creating organisational units. For effective and efficient implementation; most policies require some positive action from implementers. This positive action is required to ensure that the policy yields its expected outcomes. Failure of implementation to meet the expectations of decision makers concerns us as it functions as a constraint on the decisions made in the first place.

The most succinct definition of policy implementation is provided by Brynard (2005: 4) when he writes that policy implementation includes much of those actions by public or private individuals (or groups) that are aimed at accomplishing the goals set forth in prior decisions. He makes a clear distinction between the interrelated concepts of implementation, performance, impact and stress.

As policy implementation research evolved, two schools of thought developed as to the most effective method for describing implementation, these are top-down and bottom-up. Advocates of the top-down approach see policy designers as the central actors and concentrate their attention on factors than can be manipulated at the national level. Proponents of the bottom-up approach put greater emphasis on target groups and service deliverers. Presently most theorists agree that some convergence of the two perspectives exists. This is exactly why a close relationship exists between policy implementation and service delivery. This means that the macro-level variables of the top-down model are tied with the micro-level bottom-uppers (Brynard, 2005: 9).

The most common meaning of implementation is to carry out, to accomplish, to fulfil, produce or to complete. Policy implementation is regarded as the accomplishment of policy objectives through the planning and programming of operations and projects so that agreed upon outcomes and desired impacts are achieved. Cockrel (1997) argues that public policymaking and implementation by extension, is difficult to describe. The process is obscure, at best, and at its worst it seems underhanded.

According to Brynard (2005: 16), in understanding implementation as a complex political process, rather than a mechanical administrative one, the study of implementation becomes an attempt to unravel the complexity of following policy as it travels through the complex, dynamic maze of implementation; to understand how it changes its surroundings and how it is changed itself in the process; and, most importantly, to see how it can be influenced to better accomplish the goals it set out to achieve.

Brynard (2005) further argues that while the maze through which policy travels in the course of its implementation is unique to each situation, our synthesis of the accumulated scholarship on the subject suggests that critical variables which shape the directions that implementation might take are identifiable. Consequently, five such variables emerge which are important causal factors for a multitude of scholars adhering to otherwise divergent perspectives (top-down or bottom-up), working on differing issues (environment, education, etc.), in differing political systems (federal, unitary, etc.), and in countries at various levels of economic development (industrialised or developing). The variables are, namely, content, context, commitment, capacity, and clients & coalitions.

Each of the five variables is linked to, and influenced by, the others – though, to varying extents depending on the specific implementation situation. For example, implementation capacity is likely to be a function of all the remaining four

variables: policy content may, or may not, provide for resources for capacity building; the institutional context of the relevant agencies may hinder or help such capacity enhancement; the commitment of implementers to the goals, causal theory, and methods of the policy may make up for the lack of such capacity – or vice versa; or the coalition of actors opposed to effective implementation may stymie the capacity which might otherwise have been sufficient – here, again, supportive clients and coalitions may in fact enhance capacity (Brynard, 2005: 16).

Content

The influential typology of policy content is the one alluded to above that characterises policy to be distributive, regulatory, or redistributive. In general terms, distributive policies produce public commodities for the wellbeing and non-zero-sum in character; regulatory policies specify rules of conduct with sanctions for failure to comply; and redistributive policies attempt to alter allocations of affluence or power of some groups at the expense of others. According to Brynard (2005: 17), the understanding of the criticality of policy content is best exemplified in the concept that views implementation as a seamless web and a process of interface involving the setting of targets and activities meant to reach them.

Context

Brynard (2005) observes that the focus here is on the institutional context which, like the other four variables, will necessarily be shaped by the larger context of social, economic, political and legal realities of the system. This is not an attempt to understate the importance of the larger contextuality, but merely to emphasise that of principal concern to us is how this impacts the implementation process, primarily via the institutional corridor through which implementation must pass the support of clients and coalitions.

Commitment

Governments may have the most sound policy that you can think of, that may pass cost/benefit analyses with honours, and may have a bureaucratic structure that would do honour to Max Weber, but if those entrusted with executing it are unwilling or unable to do so, not much will be achieved. This sentiment, most often associated with bottom-up scholars, is also central to the top-down perspective. While both consider the variable to be critical to effective implementation, a hard-line top-down perspective would view implementer commitment being fashioned primarily by the content of the policy and its capacity (resource) provisions – both of which can supposedly be ‘controlled’ from the top. A fundamentalist bottom-up view, even while accepting the influence of content and capacity, would tend to view commitment as being influenced much more by the institutional context, and clients and coalitions (Brynard, 2005: 18-19),.

The synthesis schema of key implementation variables reinforces the criticality of the commitment factor and makes two further propositions:

- a) First, commitment is vital at every phase of the policy formulation, development and implementation process.
- b) Second, in keeping with our conception of links among the five critical variables, commitment will be influenced by, and will influence, all the four remaining variables; content; capacity; context; and clients and coalitions. Those interested in effected implementation cannot afford to ignore any of these linkages and are best advised to identify the ones most appropriate to fix particular implementation processes.

Capacity

The capacity of the public sector is conceptualised in general systems thinking terms as the structural, functional and cultural ability to implement the policy

objectives of the government, i.e. the ability to deliver those public services aimed at raising the quality of life of citizens, which the government has set out to deliver, effectively as planned over time. It obviously refers to the availability of and access to concrete or tangible resources – human, financial, material, technological, logistical, etc. Capacity also includes intangible requirements of leadership, motivation, commitment, willingness, guts, endurance, and other intangible attributes needed to transform rhetoric into action. The political, administrative, economic, technological, cultural and social environments within which action is taken must also be sympathetic or conducive to successful implementation (Brynard, 2005: 19).

Clients and Coalitions

In policy implementation, it is important for government to join coalitions with interest groups, opinion makers, and other external stakeholders who are oriented towards a particular process of implementation. This is critical considering that power shifts can transpire and have an impact on how a policy decision is consequently implemented. Brynard (2005: 20) accentuates this point when he writes, “a power shift among different outside interest groups produces a corresponding shift in the implementation process”. Thus implementation is affected in a critical sense by the formation of local coalitions of individuals affected by the policy. The first task is determining the potentially influential clients and coalitions from the larger cast of characters in the implementation theatre. It is important then to underscore the saliency of consciously seeking to identify key relevant stakeholders, as opposed to all identifiable actors.

In addition to the five critical variables mentioned above, **communication** could easily be regarded as the sixth variable for implementation. Communication is an integral part of all the above-mentioned variables, but is also worthy to single out because of the importance of communication (Brynard, 2005: 20).

In addition, communication is vital for effective implementation as those responsible for carrying out a decision must know what they are supposed to do. Instructions to execute a policy must be delivered to the appropriate personnel, and they must be consistent, clear, and accurate in specifying the aims of the decision makers (Edwards III and Sharkansky, 1978).

What has come out of the discussion on policy implementation is that implementation cannot be seen as an activity to be planned and carried out according to a carefully predetermined plan; rather, it is a process that can only, at the very best, be managed and lessons learnt as one proceeds through the different implementation stages. Managing it, and steering it towards a more effective outcome, entails strategically 'fixing' those variables over which we have some direct or indirect influence so as to induce changes in the ones over which we do not have much influence. The defining variables either in that they define the main stumbling block to effective implementation or in that they can be better influenced – will vary in each case. The strategic imperative is to identify which, amongst the five, are the defining variables and how we might best influence them to arrive at the desired results (Brynard, 2005: 22-23).

CONCLUSION

The objective of this chapter was to provide a conceptual framework for this study by covering important aspects of public administration, public administration organisational theories, and public policy.

The first section focused on providing an overview of the field of public administration, highlighting its roots and origins. Over the decades that it has existed public administration has proved to be vitally important in the management of public affairs. It became clear that public administration is an activity by which the citizen is confronted at every turn; so much so that he often gets impatient with it, tending to regard it as an evil, often labelling it

'bureaucracy', and therefore something to be resisted and diminished if not abolished. In simpler terms it is an ingredient of all social activities and is therefore universal, operating as matter of course wherever persons and organisations are associated to achieve stated objectives. In fact, public administration is the sector of social activity which is involved in running the show and getting things done (Gladden, 1972).

The section on public administration organisational theory pays particular attention to the different specific theories on how public administration should be organised for efficient and effective functioning. This section examines concepts of bureaucracy, scientific management, the human relations approach, leadership, motivation, and lastly, the contemporary approaches to organisational theory. The father of bureaucratic theory, Max Weber, argues that for organisations to function optimally, they must be impersonal, formalistic, rule-bound, and highly disciplined. And as a result of these structural and procedural characteristics, bureaucracy is highly efficient, powerful, and ever-expanding.

Frederick Taylor, who developed the scientific management theory, came up with four core principles that would form the cornerstone of this theory. Taylor argues that, (1) management should study the mass of traditional knowledge possessed by workmen and devise a way to accomplish each task, reducing it to a body of scientific laws of production, (2) workers should be scientifically selected according to physical, mental, and psychological attributes, (3) the worker should be scientifically motivated to do as management instructs, and (4) work should be redivided so that management has more responsibility for designing work processes and work flows.

The human relations approach places emphasis on the importance of the worker in the organisation as well as the importance of creating a socially conducive environment for workers. This approach accepts efficiency and productivity as the legitimate values of organisations but seeks to maximise these by eliminating

the dysfunctions caused by overspecialisation, alienating hierarchical arrangements, and general dehumanisation.

At the core of the leadership theory is the notion of the power to sway people by inspiring them to serve the common good, and to fulfil the necessary functions that would ensure successful collective action.

The hierarchy of human needs is at the epicentre of the motivation theory. It is argued that humans are satisfaction-seeking animals; and that they are therefore motivated in a never-ending quest for greater satisfaction. The theory maintains that human beings seek, in their order, physiological, safety, social, self-esteem, and self-actualisation needs in order to perform optimally in their line duty.

The contemporary approaches to organisational theory attempts to separate facts from values and to use a modern social scientific method for determining relationships among observable aspects of organisational behaviour. For the most part, it relies on systems theory to aid in the conceptualisation of such relationships. The systems approach distinguishes between two systems, namely, closed and open systems.

The section on public policy strives to define the concept of public policy. It argues that there appears to be consensus on the definition of public policy as it is clear in Roux (2002: 425) when he writes that the concept is defined as a proposed course of action of government, or guidelines to follow to reach goals and objectives, and is continuously subject to the effects of environmental change and influence. Public policy is also an authoritative statement on what government chooses to do or not to do and incorporates, or implies, the authoritative allocation of values for the whole society. Of particular importance is that policy can never be static. It should always relate to current issues in society. It should constantly be adapted to match the impact of environmental variables and influencing factors. As a consequence, it should thus be dynamic.

The core attributes of public policy can either be intrinsic or extrinsic. There are other policy description typologies that combine intrinsic and extrinsic attributes and passionately argue that public policies can either be distributive, regulatory, or redistributive.

The last section of the chapter is on policy implementation. It asserts that policymaking does not end once a decision is made. The implementation of the decision can have just as great an impact on public policy as the decision itself. No policymaker can assume that decisions will be automatically carried out as envisioned. Top officials must take several steps to assure proper implementation. They must issue steps to assure proper implementation. They must issue directives that are clear and consistent; hire adequate staff and provide them with the information and authority necessary to carry out their orders; offer incentives for staff to execute policy as decision makers intended; and effectively follow up on the implemental actions of subordinates. None of these steps is easy and none can be ignored by policymakers who are sensitive to the problem of implementation.

CHAPTER 4

Case Studies

INTRODUCTION

This chapter presents the case studies examined in the study. The first case study gives an overview of poverty in South Africa (SA). It points out that poverty is the reality in SA, and this reality has been in existence since SA became a democratic society. Poverty remains one of the major blights and shame on our country with an estimated 15.4 million of South Africans still living in poverty (Gumede, 2006). Essentially, this case study brought to light, both qualitatively and quantitatively, the extent to which poverty is generally prevalent in SA.

The second case study gives a synopsis of the social security system in its current form. The argument is that in terms of coverage and quality the present support is not doing enough to adequately address the serious scourge of poverty. The case study critically examines how the current system has gone about serving its purpose of addressing poverty. Finally, the third case study examines the introduction of the Basic Income Grant in SA and considers the arguments presented by the proponents of the BIG as well as its critics.

POVERTY IN SOUTH AFRICA

Defining poverty

There is ongoing debate in South Africa as to the extent and rising levels of poverty between the government and other prominent actors. In the midst of the conflicting views is not only the meaning and definition of poverty, but also the question of who defines it. In a country with an extended record of racial discrimination that led to poverty being concentrated in only some groups in society, this is definitely an important point.

Most people of course claim that their understanding of poverty is the correct one, based on logical argument or scientific research. The exploration of the problem of understanding poverty reveals that there is no one correct, scientific, agreed definition because poverty is inevitably a political concept, and thus inherently a contested one...therefore the first thing to understand is that poverty is not a simple phenomenon which we can learn to define by adopting the correct approach. It is a series of contested definitions and complex arguments which overlap and at times contradict each other (Magasela, 2005a: 48).

Yet apart from asserting that the conceptualisation of poverty is highly contested, Magasela (2005a: 48) states that it is further insisted that poverty is not merely a condition, it is an undesirable condition that implicitly contains the question of what can be done to effectively rid our societies of it and its effects? In a contemporary South Africa, where many arguments (based almost entirely on quantitative analysis of income poverty) have been put forward that poverty has increased rather than decreased since the democratic government came to power, it is inevitable therefore that the debate about poverty has become a contentious one.

The concept and definition of poverty in a society is like a mirror-image of the ideals of that society: in conceptualising and defining what is unacceptable in a society we are also saying a great deal about the way we would like things to be. It is therefore vital that a concept and definition of poverty, as well as being theoretically robust, is appropriate to the society in which it is to be applied. Having agreed on a definition or definitions, the method of measurement must appropriately operationalise the definition (Noble et al, 2004: 3).

Poverty has indeed been defined in a variety of ways both nationally and internationally, in a broader point of view than simply the extent of low income or low expenditure in the country. It is generally recognized as the denial of opportunities and choices most basic to human development to lead a long,

healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-esteem and respect from others (Statistics South Africa, 2000: 54).

A more multi-dimensional definition of poverty was given at the World Summit for Social Development in Copenhagen in 1995. The Summit multilaterally agreed that poverty is a state of affairs characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, educational and information. It is measured in relation to income and access to social services (Noble et al, 2004: 6).

It is clear that poverty is the inability of individuals, households or communities to possess enough resources to satisfy an acceptable minimum living standard within society. May et al (1998) argue poor South Africans view poverty as, among others, the isolation from society, food insecurity, crowded homes, use of dangerous and inefficient forms of energy, lack of jobs that are adequately paid and/or secure, and fragmentation of the family.

In essence, when a society chooses a definition of poverty, and denotes specific characteristics with which to identify the poor, it thereby makes an explicit expression of its fundamental values. The state of being in poverty is directly related to a lack of an acceptable quality of life. Magasela (2006) argues that as being poor is an unacceptable and undesirable state, defining poverty is a statement that has its basis in the dominant political, economic and social ideology in a society. This ideology is central in informing how poverty is understood and how, when research on poverty is undertaken, poverty is conceptualised. Furthermore, definitions of poverty inform those in power how to source and allocate resources directed at its eradication, while different definitions of poverty require different policy responses.

So in order to identify the poor, what they lack and their location, it is necessary that we have ways of defining and measuring as many aspects of the

manifestation of poverty as possible in order to be able to develop appropriate and empirically based policy interventions.

The foregoing discussion makes it evident that poverty may be construed in a narrow or broad sense. In the narrowest sense it means lack of income. In a broader sense poverty can be seen as multidimensional, encompassing other issues such as housing, health, education, access to services and to other avenues of accessing resources, and what is somewhat controversially referred to as social capital, and access to social power relations. Studies in Poverty and Inequality Institute (SPII) (2007: 10) maintain that poverty can be construed in a minimalist or more expansive way: the most minimalist way is to consider people who are poor as being those who are unable to survive even in the short term, i.e. people who are utterly without the means of survival. A more expansive understanding of poverty is that people are poor if they are unable to participate in society as full citizens. The definition of poverty has been expanded over recent years from representing a state of bare survival, to embracing access to resources that would enable a person to participate fully in their broader society.

Measuring poverty – with specific reference to a poverty line

The tools for measuring poverty, such as a poverty line, are often mistaken for the actual definition of poverty, but this is a mistake that must be avoided. We can only develop mutually reinforcing measures of the different types and manifestations of poverty if we have first defined what the term means to us, as well as other terms such as poverty alleviation, reduction and elimination. The contestation and choices that exist need to be addressed in the definition stage, and thereafter it will be necessary to agree on which of the various ways of measuring poverty we will develop (SPII, 2007).

According to the SPII (2007: 20), some people might say that arguing about definitions and measures of poverty in South Africa is a futile exercise as the

presence of poverty is so obvious that there is no reason to undergo complicated processes to measure and quantify poverty – instead we should be concentrating on doing something to eradicate the causes of poverty and to alleviate its effects. While the existence of poverty might be all too clear, it is also true that government is currently directing many billions of rands to social spending – and specifically on spending that is directed at poor people, such as the social grants programme. However, being able to measure aspects of poverty helps ground debate, and is essential as part of the design of policy and government interventions. Clarifying what we mean by poverty can contribute to effective poverty eradication in the following ways:

- a) By being able to measure poverty we can also begin to map geographically where poverty is more severe and so direct resources accordingly.
- b) By understanding the various dimensions of deprivations experienced by people living in poverty government can focus its resources on specific programmes, such as housing and basic services.
- c) By having a poverty measure we are able at appropriate intervals to evaluate whether the poverty programmes are being effective and moving people out of poverty and improving their well-being, both in the short term and over an extended period of time.
- d) By placing information about the levels of poverty and the resultant inequality in South Africa in the public domain we can build a national commitment to eradicate poverty that goes beyond government.

Moreover, South Africa is bound by a number of international obligations to both adopt a poverty measure, and to work towards ending the current levels of poverty. South Africa's obligations include being a signatory in a number of covenants and treaties; including, namely, the 1995 Copenhagen Declaration, the United Nations Development Goals, and others which commit signatory

states to the advancement of the socio-economic rights of their inhabitants which have a direct bearing on people's states of well-being or impoverishment.

In addition, the Constitutional Court has ruled that an element of reasonableness is that the state must make short term provision for people who are living in intolerable circumstances, or who face irreparable harm to their health or lives, or who would face destitution without state assistance (SP11, 2007: 21).

In order for the state and society to know whether progress is being made towards the full realisation of these rights, comprehensive and accessible measures of poverty are vital.

Poverty line

There are two main options for measuring poverty in terms of socially perceived necessities which are mutually compatible. The first is to directly measure the numbers of people who are unable to acquire socially perceived necessities. A second approach is to create a poverty line in terms of the income (or expenditure) necessary to attain the socially perceived necessities. This poverty line could be created using a budget standards approach where all socially perceived necessities are costed in monetary terms (Noble et al, 2004: 14).

Woolard and Leibbrandt (1999: 8) observe that a poverty line divides the population into two groups on the basis of some measure: below the line a household/individual is considered to be poor, and above the line it is considered non-poor. Clearly, poverty lines are extremely useful for descriptions of poverty. By defining a line that is regarded as some kind of minimum living level, we are able to get a handle on the number of poor people, as well the depth and severity of poverty.

However, many approaches to identifying the poor begin with the specification of a set of basic needs. If we specify minimum levels for certain consumption items (e.g. food, clothing, housing) then an individual who does not meet these minimum levels for each commodity is clear poor. The difficulty arises that a person may be, for example, food-poor but not energy-poor making this a cumbersome measurement to use in practice. This can be termed the direct approach. An alternative to the direct approach is to work out the cost of a minimum basket of goods and use the required expenditure level as the poverty line. This approach is termed the income approach (Woolard and Leibbrandt, 1999: 8).

The conceptual peculiarity between the direct and income approaches is important. The direct approach identifies those individuals or households who fail to meet the accepted minimum standard of living, and the income approach identifies those that are unable to do so. Given the well known socio-economic conditions in SA, the construction of a poverty line seems to be the most appropriate at this moment in time as it has been found to be valuable to focus policies through reference to a minimum desirable level of income or poverty line.

Absolute versus relative poverty lines

The literature distinguishes between absolute and relative poverty lines. An absolute poverty line is not meant to change with the standard of living in society. People are defined as poor when they lack the command over resources to meet some absolute needs. A relative poverty line will move with standards of living (as represented, say, median income): the poor are then taken to be those persons that are suffering relative deprivation (Woolard and Leibbrandt, 1999: 9).

Woolard and Leibbrandt (1999: 9) further observe that the question of whether poverty should be seen as a state of absolute or relative deprivation has dominated the literature on the construction of a poverty line.

The distinction is important because it affects the way we perceive poverty reduction policies. For example, economic growth will generally result in a reduction in the number of people in absolute poverty, but only a change in the distribution of income will reduce the number of people in relative poverty.

The extent of poverty in South Africa

As was mentioned in the opening remarks of this section on poverty in SA, the definition of poverty depends on who defines it and remains a largely contested terrain. Civil society, independent analysts, academia, and most non-governmental entities argue that poverty has not receded meaningfully since South Africa became a democratic society. They assert that poverty remains one of the major blights and shame on our country with an unacceptably higher number of people experiencing extreme poverty. They further argue that a large amount of the population makes up the poorest bottom two quintiles.

The intensity of poverty in the country is rife even though it is classified as an upper middle income country. Studies conducted by the UNDP show that of a population of 46 million people in South Africa, 48.5 % of people were living in poverty in 2002 according to the national poverty line of R354 per month per adult equivalent (1995 value). In 2002, 23.8 % of people were living on less than two US dollars a day, and 10.5 % on less than one US dollar a day (UNDP, 2003 quoted in Frye, 2006: 1).

Chronic poverty is usually intergenerational in form mainly because a lack of access to assets prevents households from amassing sufficient resources to move out of poverty over time. Living in precarious circumstances also of itself negates people's ability to use their resources to eliminate poverty.

Notwithstanding the statistics mentioned above, in the recent past there have been many studies that imply that there are improvements in the lives of many,

although there remain scores of people that are still significantly deprived. One of these studies was undertaken by Haroon Borat et al (2006). In their study of welfare shifts in the post-apartheid period, they show that access to formal housing grew by 42 % and 34 % for deciles 1 and 2 between 1993 and 2004, and 21 % and 16 % for deciles 3 and 4. Access to piped water increased by 187 % in decile 1 over this period, while the growth was 31 % in the 4th decile. Access to electricity for lighting for the poorest households – those in decile 1 – grew by a phenomenal 578 %. It is clear from their statistics that the delivery of basic services has been strongly pro-poor. Perhaps the most concise measure of South Africa's young democracy's performance is that the level of asset and service poverty as well as asset and service inequality has declined dramatically since 1994. Hence, while in 1993, 40 % of all South African households were asset- (and service) poor, by 2004 this figure had been almost halved to 22 %.

Another important study is the one undertaken by Servaas van der Berg et al (2005). They find that poverty has stabilised since the political transition and decreased sharply since 2000. The authors used a poverty line set at a lower R250 household income per month or R3 000 per year in 2000 Rands. Using various techniques, this study concludes that the proportion of people living in poverty increased during 1993 – 2000, probably as a result of sluggish economic growth and poor labour market outcomes. However, according to Gumede (2006), in more recent years the proportion of poor people seems to have declined substantially, from 18.5 million in 2000 to 15.4 million in 2004. Over the same period, the number of non-poor rose from 26.2 million in 2000 to 31 million in 2004.

Per capita real incomes of individuals comprising the poorest two population quintiles rose by more than 30 % during 2000 – 2004. For all poverty lines ranging from R2 000 to R4 000 per capita income per annum, poverty decreased sharply since about 2002 after a modest rise at the end of the previous decade. The impact of the recent expansion of social grants on the poor is likely to have

been major, considering that real social assistance transfers from government increased by some R22 billion in the last two years (in 2000 Rand), an amount well in excess of R1 000 per poor person (Gumede, 2006).

Writing in ANC Today newsletter as the then President of the African National Congress, President Thabo Mbeki (2007) said “our movement and government have taken a leading position in drawing attention to and focusing on the challenge of fighting poverty. This struggle served as the central element in the Manifesto we presented to the nation during the 2004 and 2006 elections precisely because we recognise the critical challenge we face to alleviate and eradicate poverty. Government programmes have also focused on this important challenge. To indicate its seriousness in this regard, the government is working to elaborate poverty indices as well as further refine its integrated offensive against poverty, reaching down to individuals, to improve the effectiveness of work in this regard” (<http://www.anc.org.za/ancdocs/anctoday/2007/at45.htm>).

The statistics mentioned above clearly illustrate, as Gumede (2006) writes, that indeed progress has been made in relation to the reduction of poverty. Even so, we cannot afford to rest on our laurels because it is also clear that we still have a long way to go and we need to be more expeditious and efficient in dealing with poverty. But without a doubt the progress we have made is basis for confidence that South Africa is on course to halve poverty by 2014.

The social security system is one of government’s main drivers in ensuring that we meet this object of halving poverty by 2014, and thus meeting the Millennium Development Goal set at halving poverty by 2015.

THE SOCIAL SECURITY SYSTEM IN SOUTH AFRICA

Introduction

Social security has been established as policy throughout the developed and developing nations. There is consensus that social security plays a cardinal role in the prevention of poverty as it guarantees that people are able to maintain an indispensable minimum living standard and plays a valuable role in the quest to reach a more equitable distribution of income in society. Thus, the fundamental aim of South Africa's Social Security System is to address poverty and its effects. Some of the direct contributors to poor access to health care, education, housing, and social infrastructure are low and non-existent incomes. The present system's main pillar is the focus on supporting the elderly, while support for children and working age adults remains marginal.

Considering the levels of poverty in SA, it is clear that although the current system has made a vital contribution to the fight against poverty, in relation to coverage and quality; the present support is not doing enough to effectively eradicate poverty. The section examines how the current system has gone about serving its purpose of addressing poverty and having tangible developmental impact on people's lives. This section presents an overview of the current system and in general terms, estimates the impact of the income grant programme on the state of poverty in SA.

Types of grants offered in the social security system

As it has been repeatedly mentioned in this study, one of the biggest challenges facing government is the alleviation of poverty in South Africa. While much of this burden is shouldered by the Department of Social Development (DSD), it is generally accepted that everyone in the country has an important role to play. Exponents of this view argue that poverty will only be successfully overcome if all South Africans – business, the public and private sector – take on the

responsibility of eradicating it. The department has a mandate to develop a comprehensive social security system that will alleviate poverty and help those in need. Social Development policies also provide a plan to reach the poor before they fall further into poverty through unemployment, disability or old age.

The ANC administration committed itself to particular objectives with regards to social policy when it came into power in 1994. These included eliminating poverty, achieving an acceptable distribution of income, lowering unemployment levels and increasing social assistance programmes. Government even went so far as to entrench the right to social assistance in the Constitution [s27 (1) (c)], a bold move that has made it vulnerable to Constitutional Court challenges, as seen in the State versus Grootboom case in 2000. Social welfare transfers to households have stepped up significantly over the past decade, partly because social welfare was previously targeted mainly at White recipients. While the amount of persons eligible for grants has increased dramatically, there has been a clear policy decision to increase welfare spending in relation to the value of the grants paid and with regards to their scope and coverage (Pauw and Mncube, 2007: 2).

At present there are seven different types of grants that the South African government provides, and in brief, they are –

1. Old Age Grant: This grant benefits over 2, 2 million people each month, and each person gets R940.
2. Disability Grant: This is for adults unable to work due to a disability of sorts. In this case, over 1, 5 million South Africans benefit each month from this grant. The grant is set at R940 per month.
3. Child Support Grant: Presently, 8, 5 million child support grants are paid out monthly, to the amount of R210. Parents and guardians qualify for these grants when their threshold income is less than R800 in urban and less than R1 300 in rural areas.

4. Foster Care Grant: This grant is set at R650 per month and benefits 484 000 children. This money goes towards children who have been placed by a court of law into the care of foster parents.
5. Grant in Aid: This grant is paid to care givers or people who need 24-hour care. An amount of R210 is paid and 80 000 people benefit from it.
6. Care Dependency Grant: This grant is paid out for severely disabled children. Currently, an amount of R940 is paid to almost 100 000 children.
7. War Veterans Grant: At the moment, about 1 900 people benefit from this grant monthly and it is set at R940. A supplementary amount of R18 per month is also added.

The Child Support Grant, Old Age Pension, and Disability Grant are the main social assistance programmes in the government financed social security system, benefiting over 12 million people. The statistics demonstrate that the social security net has widened significantly in the past 14 years. However, it is important to balance competing priorities and ensure that enough is given to welfare while also providing education, health and infrastructure and balancing the budget (Botha, 2008: 9).

The impact of the major social security programmes

The recent expansion of social grants on the poor has had a major positive impact on poverty in South Africa as real social assistance transfers from government increased by some R22 billion in the last two years (in 2000 Rand), a huge amount by any measure. Since 2001, social protection and social support grants have been the most rapidly increasing area of government spending and in 2005, totalled R70 billion a year and 3, 4 % of gross domestic product (GDP). Social grants make up over half of the earnings of the poorest 20 per cent homes, and their value has multiplied by two in actual terms between 2000 and 2005 (Manuel, 2006: 4).

It goes without saying that South Africa has developed an extensive social security system. The Old Age Pensions, Disability Grants and Child Support Grants are arguably the most beneficial grants provided by the state. As alluded to earlier, social assistance transfers are designed to provide income support to the eligible poor and vulnerable individuals, mostly the elderly, the disabled and children under 14 years. In brief, the following section takes a glance at the three most beneficial social assistance programmes.

i. Old Age Pensions

This grant is a means tested benefit and is payable to people of retirement age or older. Retirement age is defined as 65 years or older for males – albeit it will be equalised to 60 over the next 3 years – and 60 years or older for females. The applicant must not be cared for in a state institution or be in receipt of another social grant.

The impact of the old age pension in mitigating poverty at the household level has been well documented. Pensions have been found to be a significant and reliable source of income leading to household security and contributing towards food security. Because of their wide reach – not only are there many beneficiaries, but also the pensioner households are typically larger in size than other households – old age pensions have been found to have a noteworthy effect on reducing poverty. Woolard (2003) analyses the poverty impact of various types of welfare grants, based on a ranking of individuals by their pre-transfer per capita income. Starting from the assumption that the poorest 40 percent of the populace are defined as poor, and the poorest 20 per cent are ultra-poor, she finds that if no form of social grants were paid, 55.9 per cent of the elderly would be in poverty and 38.2 per cent would be in ultra-poverty. If we assume that all those eligible for the old age pension registered for the grant, overall poverty would be reduced from 40 per cent (the base-poverty rate by definition) to 33.1 per cent.

In addition, poverty amongst the elderly would fall to 22.9 per cent and amongst the ultra-poor; the percentage would fall to a remarkable 2.5 per cent (Pauw and Mncube, 2007: 11).

Pauw and Mncube (2007: 11) observe that Woolard's (2003) estimates do not seem to consider the reality that household members often cluster around pensioners, as a result increasing the household size of pensioner households. This decreases the impact on poverty as the pension is shared amongst a considerable number of people.

ii. Disability Grants

The disability grant is means tested and subject to medical eligibility criteria. Applicants for this grant must be between 18 years of age and retirement age and must not be maintained or cared for in a State institution or be in receipt of another social grant. A medical doctor has to examine a claimant and declare a person disabled for the grant to be approved.

The level of the grant increased from R540 to R626 in real terms between 2000 and 2006, which is equivalent to an average annual real growth rate of about 2.5 per cent. The number of disability grant beneficiaries rose from about 750,000 in 1997 to approximately 1.3 million in 2006, for an average annual growth rate of 7.1 per cent – which amounts to about three per cent of the total population (Pauw and Mncube, 2007: 12). To date, over 1, 5 million recipients benefit each month from this grant and it is set at R940 per month.

iii. Child Support Grants

This grant was introduced in 1995 with the intention of providing social assistance to children in need. Initially the programme covered only children less than seven years of age but was extended to children under 14 years of age in

2005. The grant is paid through the primary care caregivers of children who qualify. It is a means tested grant. The means test measures the caregiver's financial ability to provide the necessary support to children.

The number of children receiving the grant increased by about 5.9 million, from just fewer than one million in 2001 to about 6.8 million in 2006. This increase was due to an increasing take-up rate and the extension of the grant to children up to the age of 14 years. The level of the child support initially declined from R160 in 1997 to about R100 in 2000. However, since then there has been a steady rise in the value of the grant. In real terms, the grant increased from R100 in 2000 to R142 in 2006, which was equivalent to an average annual growth of 6 per cent. This growth was much higher than that of most of the other grants (Pauw and Mncube, 2007: 13).

Pauw and Mncube (2007: 13) observe that Woolard (2003) also estimates the impact of the child support grant. Assuming that all the children eligible for the grant access it and that this money is pooled with all other financial resources (including full uptake of the old age pension), she estimates poverty to be lessened from 33.1 per cent to 28.9 per cent. The impact on child poverty is much larger, with the percentage of children in poverty falling from 42.7 per cent to 34.3 per cent and those children in ultra-poverty from 13.1 per cent to 4.2 per cent.

Using social transfer statistics of March 2001, the Taylor Report argues that the full amount of remittances was R18.1 billion, of which R11.6 billion was allocated to those languishing in the bottom two quintiles. About 60 per cent of the transfers were made to rural beneficiaries, in line with how poverty is spatially distributed in the country (Taylor Report, 2002: 306).

The existing social security programmes have not sufficiently addressed the scourge of poverty – the majority of the underprivileged reside in households that

do not receive any form of social security benefits at all, the rest remain poor despite the benefits they receive. However, the percentages reflected above show that government's spending on social assistance has made a meaningful contribution in the fight against poverty as social assistance transfers have progressively increased over the past few years. According to the Taylor Report (2002), by 2001, social security grants had reduced the average poverty gap by approximately 23 %.

However, even though a large number of South Africa's population live in poverty, nearly half of all poor people live in households that have no access to social assistance. This indicates to one of the fundamental problems of the South African Social Security System, that it is not as far reaching and accessible as it is required. This goes against its basic objective of catering for all the poor.

This implies that the country should adopt an inclusive method that would concentrate on constructing the organisational capacity that would render it fit to provide sufficient social support and services that when combined ensure that vulnerable groups have a strong foundation to survive and live with dignity. Taylor (2007: 15) argues that basic income and assets, liberties to have basic education and health remain critical for making certain that people attain quality social protection. Access to these fundamental resources gives individuals the power to make informed and improved choices and be able to make ends meet when they are in difficult circumstances. Those that are without jobs, who do not have the skill and knowledge foundation to take part in entrepreneurial activity and labour that can produce a wages, are deprived of the smallest amount of economic assets to develop themselves and enjoy the fruits of democracy.

It is widely suggested that in the meantime it is necessary to broaden the coverage of social assistance as poverty and joblessness remain the major blights of our democratic society. Social spending has to be valued as an investment, a perspective shared by the World Bank.

Investing in poor households is one of the most liberating and empowering means of assisting poor people to strengthen their ability to cope, to address their pressing needs, and to ameliorate their participation in economic activity. Adequate social security is a constitutional right that serves as an unambiguous approach to strengthen and support people's livelihood strategies that assist them to move out of poverty (Frye, 2006: 21-22).

With this in mind, the question then begs, to what extent would the proposed basic income grant alleviate poverty in South Africa?

THE BASIC INCOME GRANT

Defining the Basic Income Grant

The Basic Income Grant is defined by some scholars as an income by a political community to all its members on an individual basis, without means test or work requirement. It is also called a Citizen's Income. In contrast to conventional social assistance subject to means tests, the basic income is paid to everyone irrespective of income. This however does not mean the introduction of a basic income would make the rich become richer, because the basic income must be funded somehow, and the rich would contribute more (relative to their numbers, not necessarily to their income) to its funding than the relatively poor, not only if the funding were through a progressive income tax but also under a flat tax or even a regressive indirect tax (Makino, 2004: 3).

Albeit the proposal of an unconditional basic income has long historical roots in Europe, the recent growing attention to the basic income emerge specifically in the context of the identified gaps in the existing social assistance programmes due mainly to the means test in developing states (Makino, 2004).

In the South African context, the basic income grant is a universal guaranteed minimum income to be provided to all citizens of the country. The BIG would be

provided as a right and with no means test. By eliminating the stigma that depicts the beneficiary as poor, the grant would bolster economic support without draining psychological resources. The Taylor Report understood the BIG as a social policy alternative that would be classified as a universal social assistance grant for all South Africans. Further, the Committee had to determine what could be some of the concrete characteristics of this option (Taylor Report, 2002: 326-327).

The Taylor Report (2002: 327) argues that when implemented, the grant could be determined on an individual basis and be paid out to the person responsible for running the household. For example, the basic income grant of R100 would imply that someone who lives alone receives R100 a month and a home with 6 people (the average for the South African population) receives R600 per month, which would be paid to the principal caregiver. The applied supposition in the model used to evaluate the feasibility of the basic income grant is that there is no overlap between different grants. The grant is meant for people currently not receiving social assistance – those who fall through the social safety net.

The basic income grant would thus serve as a social entitlement for all South Africans. Such an entitlement supports the right to appropriate social assistance as entrenched in the South African constitution in section 27(1) (c) ;(2). The grant would make great inroads with regards to advancing the vision of an all-inclusive social security system as envisioned in the White Paper for Social Welfare (Taylor Report, 2002: 327).

Implementing the Basic Income Grant in SA

Providing people with a guaranteed minimum income as a right is both feasible and desirable to improve economic security. This was the view of an international group of policy-makers, academics and experts who met to discuss research on basic income as a fundamental right (Third World Network, 2002).

Acknowledging that the country's social security system was not doing enough to address poverty, the Department of Social Development assigned the Taylor Committee of Inquiry into a Comprehensive System of Social Security for South to examine the present system's advantages and weaknesses. One of the main inferences of the Taylor Report (2002) is that the current social security programmes do not satisfactorily deal with the predicament of poverty. In a bid to seal the cracks in the system and to promote an improved take-up of the offered grants, the Taylor Report (2002) proposed complete transformation and the launching of the BIG. It was recommended that this grant be a sum of R100 per month, and be rewarded to persons in addition to the current government remittances. In spite of the suggested introduction that would see children below the age of 18 being the initial group to get the grant, in due course this transfer of funds would be made accessible to all South Africans irrespective of age or earnings.

South Africa is considered an upper-middle-income country, even though large amounts of its people live in poverty. In 2001, the Basic Income Grant Coalition (BIG Coalition) was formed to fervently advocate for a basic income to cover all South Africans during their lifetime. The BIG Coalition unites members of religious organisations, human rights groups, labour unions, and groups that have focused on the sick and elderly. The BIG Coalition and other advocates believe that a basic income standard would enhance social cohesion where it is presently lacking in the country, and also spur development in very poor communities by providing a stable, constant flow of funds. This income would somewhat alleviate the most marginalised people from the worry of feeding themselves, and possibly spill over into the cash-starved entrepreneurial market (Policy Innovations, 2007).

Considering the high levels of poverty in the country, government is forced to constantly improve its social security system. The social grants offer many

households standard earnings and provide minimum security for food. A considerable number of adults and children presently live in households that do not have pensioners, and because of that many poor people are excluded from benefiting in the social security system.

Thurlow (2002: 4) argues that by doing away with the means test, it is anticipated that the BIG would minimise the poverty gap by 74 per cent and accordingly reach the 13.8 million people in the poorest households who are not beneficiaries of any form of social assistance presently. In addition, the Taylor Report (2002) points out that the grant is the most feasible social security intervention that has the greatest possibility of lessening poverty and supporting human development and sustainable livelihoods.

There are many potential benefits from the implementation of the basic income grant system. Most importantly, it would provide steady, stable flow of funds into the poorest households, which would alleviate some of the more pressing concerns like purchasing adequate food. And for those with a slightly better social position, the extra income could be put toward a better future – for instance, through education, or a small entrepreneurial venture. However, identifying the sufficient resources necessary for implementing a basic grant represents a major political and policy challenge in the country. Tight fiscal and budgetary constraints pose a significant obstacle for realising such a system. In this regard, most financing proposals are comprised of adjustments to the tax structure, usually focusing on a combination of tax instruments (Policy Innovations, 2007).

The general economic effect of the BIG is expressed in a number of ways. These include, among others: (i) an increase in factor productivity as an upshot of developments in education, health and social stability; (ii) an increase in labour supply as people would spend more time looking for employment and be able to fund their personal entrepreneurial projects, and an increase in labour demand

as an outcome of the increase in productivity; and (iii) an increase in economic growth resulting from an increase in aggregate demand, and through a compositional shift in income away from households with import- and capital-intensive spending patterns. The ability of the proposed grant to generate the afore-mentioned favourable effects on the economy is critical, as it is assumed that the predicted long-term economic growth will lower its net financial impact (Thurlow, 2002: 4).

A number of scenarios regarding how the grant could be financed have been suggested by the various entities that support the introduction of the grant.

Thurlow (2002: 5-6) wrote that one of the recommended scenarios is that sales taxes be increased so that the required revenue could be generated. Estimates by the BIG Coalition suggest that a raise in sales taxes by 2 percentage points, from its present 14 per cent, would be enough to make up for the added expenditure to government. On the other hand, the Congress of South African Trade Unions (COSATU) has advocated that a 'solidarity tax' be mandatory on people who earn high incomes. This is a strange proposal considering that COSATU has always been against increases in sales taxes because of their regressive configuration. Likewise, the research that informs the Taylor Report (2002) implies that the existing way in which direct taxes are arranged in South Africa could accommodate a raise in personal and corporate tax rates. In the end, it is argued that a fraction of the funding of the proposed grant may be attained using a compositional move in current government expenditure away from consumption spending on goods and services.

Though the Taylor Report (2002) made mention of its own evaluation of the fiscal practicality of the grant, it abstained from publicising the results, and chose to somewhat imply that such particular matters were outside its terms of reference. Considering the size of the BIG plus the debate regarding how it could be funded, it is crucial to commence a careful evaluation to ascertain the economic

feasibility of financing alternatives, as well as the effect of the grant and the proposed funding package on the economy of South Africa as a whole.

As evident in the preceding paragraphs, certain role players are campaigning for the institution of the BIG in SA as the main policy to combat poverty. In a number of respects their arguments are persuasive; however, good intentions and good credentials alone are not enough. Prior research is essential before an informed decision is possible concerning the wisdom of such a large and ongoing transfer of resources. It seems that research has not been completed yet (Archer, 2007: 2).

Archer (2005) argues that certain questions are still outstanding. First, any income grant is by design intended to put more resources into the hands of the poor to be used any way they want. This will certainly relieve poverty by being spent on consumables such as food, fuel and shelter, but it will enable relatively few to escape from poverty. Leaving poverty behind permanently, as opposed to softening the bit of poverty, requires individuals to invest some of the extra resources. A wide range of goods meet this investment requirement, including education, skills training, seeds, tools for production, working capital such as raw materials, and commodities for resale. At some point, one has to ask whether the idea of giving the poor alternatives to cash has been adequately researched, found lacking and then rejected. The answer is not at all clear that it has.

The standard way to raise investment by the poor – to enable them to engage in production – is through the supply of what economists like to call merit goods. Citizens of all states, irrespective of their ability to pay, have at least a minimum right to these goods. They include schooling, training, healthcare, child care, decent housing, enterprise grants, public transport and social services. Putting it badly, if we are going to spend R50 billion every year on the poor, it is not obvious that supplying it in cash form is clearly better – for the underprivileged and the privileged, now and in the indefinite future – than supplying R50 billion in

higher quantities and qualities of merit goods that by design provide the poor with long-term investment (Archer, 2005).

In essence, critics of the basic income programme question its financial sustainability, specifically the negative impact of changes in the tax structure possibly leading to a negative personal income tax effect, increased tax evasion, and/ or capital flight. Critics also express concern over the administrative costs associated with an income grant system. Yet the debate rages on, as civil society and community groups demand new public policy strategies for addressing the significant inequalities that continue to pose a serious challenge to the consolidation of democracy in the country (Policy Innovations, 2007). In addition, considering that the basic income would be paid unconditionally to all – whether the person works hard, surfs all day, or volunteers in local community groups – it would encourage dependency on the state as its unconditional nature discourages work or active citizenship.

Government has unequivocally come out against the BIG. The Minister of Finance, Trevor Manuel, has repeatedly pronounced that the BIG would be unaffordable, unsustainable, lead to more dependency, and thus bankrupt the State. Cabinet has, as an alternative, recommended that government should formulate methods to discover exit strategies to decrease dependency on social grants. The Cabinet's recommendation seeks to connect social grants to poverty alleviation programmes and other economic activities. Flowing from this proposal, the idea is that beneficiaries of social grants – most of whom are able-bodied individuals – would be given incentives linked to exit strategies. These exit strategies would include skills development and participation in labour intensive programmes such as the Expanded Public Works Programme. However, the nitty-gritty details of the strategies have not been finalised yet, as a proposed model was referred to the Social Cluster Ministers for further consideration and development.

Quite clearly, while the ideological underpinnings of the basic income grant are indeed desirable – helping the poorest – the feasibility and the sustainability of it are still subject to debate. The challenge remains in identifying viable means of funding and ensuring that it does not encourage a parochial culture of dependency on the state.

CONCLUSION

This chapter presented three cases studies that are very important to the socio-economic landscape of South Africa. The first case focused on poverty and argues that poverty is the reality in South Africa as it remains one of the major scars and shame on our country considering that a sizeable number of people still live in poverty. The case study acknowledges that in more recent years the proportion of poor people seems to have declined substantially. Gumede (2006) asserts that statistics show that the number of poor people declined from 18.5 million in 2000 to 15.4 million in 2004, and that over the same period, the number of non-poor rose from 26.2 million in 2000 to 31 million in 2004.

The second case study presented an overview of the current social security system. It accepted that the current security system has contributed meaningfully diminishing the quantity of households that are poverty stricken. However, it also asserts that it is evident at this moment in time that the nature of the existing grants system is unable to successfully disengage the poverty chain. The case study attempted to examine how the current system has gone about serving its purpose of addressing poverty and having tangible developmental impact on people's lives.

The third case study presented the proposed basic income grant as well as its pros and cons. It is widely known that proponents of the BIG argue that the immediate needs of the disadvantaged people would be most effectively addressed by the basic income grant, and further argue that by far appears to be

the only feasible way through which poverty could be effectively alleviated. Conversely, its critics argue that the introduction of such a grant would, among others, be unaffordable and would increase dependency on the State. Government has also come out to echo some of these sentiments by declaring that it would not afford to implement the grant as it would be unsustainable and lead to a great deal of dependency. This, it must be said, is indeed a complex argument that encompasses a number of distinct concerns.

CHAPTER 5

Analysis of the Case Study

INTRODUCTION

This chapter presents a brief analysis of the arguments presented in the previous chapter on the three main case studies examined in the study. It presents the findings that were discovered during the rigorous scientific research that was undertaken. The chapter takes a closer look at the question of whether South Africa could afford to implement the BIG policy. This section essentially presents a critical evaluation of the different options which could possibly be utilised to finance the implementation of the grant.

The envisaged potential impact of the proposed basic income grant is also scrutinised, and specific attention is focused on its possible social and economic impact. Moreover, the chapter briefly probes the question of whether current government anti-poverty strategies are adequately addressing the scourge of poverty.

CASE STUDIES: A summary of the cases

As mentioned above, the previous chapter presented three case studies that formed the core focus of this study. The case studies reflected on very pertinent issues that have a significant bearing on South Africa's state of social affairs. Basically, the focal point of the first case was poverty and it argued that poverty remains one of the main depressing features of our country considering that large numbers of our population are living in poverty. The case study accepted that in recent times the percentage of poor people has declined considerably. Gumede (2006) argues that figures demonstrate that the number of poor people declined from 18.5 million in 2000 to 15.4 million in 2004, and that over the same

period, the number of non-poor rose from 26.2 million in 2000 to 31 million in 2004.

The second case study presented a synopsis of the current social security system. It acknowledged that the current security system has made an important contribution in reducing the number of people living in poverty. However, it also claimed that it is clear at this point in time that in terms of coverage and quality, the current support still has a long way to go before it could adequately break the poverty chain. The case study attempted to examine how the current system has gone about serving its purpose of addressing poverty and having a tangible developmental impact on people's lives.

The third case study presented the concept of the proposed basic income grant as well as arguments for and against the introduction of such a social grant. Advocates of the BIG policy argue that the basic income grant would be the most effective way of addressing the instantaneous needs of the most vulnerable. Proponents of the BIG further contend that by far the proposed policy appears to be the only viable way through which poverty could be effectively and decisively alleviated. However, critics of the BIG policy argue that the implementation of such a grant would, *inter alia*, be unaffordable and would increase dependency on the state. Government has also come out to equivocally echo these sentiments by declaring that it would not afford to implement the grant as it would be unsustainable and lead to a great deal of dependency. This, it must be said, is indeed a complex argument that encompasses a number of distinct concerns that will be dissected in this chapter.

CAN SOUTH AFRICA AFFORD TO IMPLEMENT THE BIG POLICY?

It is widely believed by many that the provision of a guaranteed minimum income to poor people as a right is both feasible and desirable to improve economic security. However, the campaign of implementing this policy has stalled as

government has declared that the programme would be unaffordable and unsustainable. The Minister of Finance, Mr. Trevor Manuel, is on record stating that the country would go bankrupt if the state was forced to introduce the BIG. Notwithstanding the fact that government has officially denounced the BIG proposal, there are some members of the Cabinet who came out to publicly support the implementation of such a grant. One of these Cabinet members is the Minister of Social Development, Dr. Zola Skweyiya, who has repeatedly urged government to consider the proposal as he conceded that the government would be unable to reach the poorest of the poor and eradicate unemployment within the next ten years. For that reason, the Minister argues that joblessness, and by extension the country's social challenges, would reach unprecedented heights if a form of BIG was not initiated.

Proponents of the grant strongly believe that the state could afford to introduce the BIG. They contend that affordability has been utilised as a scapegoat to circumvent the introduction of radical social reforms. They argue that with affordability, government needs to consider the ramifications of inaction as history has shown that procrastinating necessary expenditure in the name of saving money is an ill informed financial system because the cost escalates even higher once the harm is done.

The official opposition, Democratic Alliance (DA), argues that government should not have difficulties funding the BIG. The DA (2002: 4) asserts that a R110 grant to every poor South African could be accommodated in a fiscally sound way that would ensure sustainability. The party made proposals on how the grant could be financed by citing the 2002/03 financial year to illustrate its point. The party proposes that (i) one third of the tax bonanza could be used, (ii) adhering to the 2001 Medium Term Budget Policy Statement budget deficit of 2,6 %, and (iii) increasing VAT by 1 %. The DA believes that these three sources would accumulate sufficient funds to make up for the expenditure incurred in the implementation of the BIG.

Bearing in mind that there have been many questions asked about the economic and political feasibility of implementing and financing the basic income grant in South Africa, quite a considerable number of financing scenarios have been recommended by the exponents of the grant.

Responding to the longstanding discussion regarding the macroeconomic effect of implementing and financing the BIG, the study presents five financing options that have been recommended by proponents of the BIG. Basically, the potential impacts of this universal income are discussed for each of the financing options.

i. Deficit Financing

The South African social accounting matrix (SAM) indicated that in 1998 the government deficit was recorded at 3.3 percent of GDP. In this first model it is supposed that the government is in a position to raise its deficit so as to cover the costs of the BIG, which comes to R41.3 billion in 1998 prices or 5.3 percent of GDP (Thurlow, 2002: 12).

The primary effect of the basic income is to increase household earnings and in that way enhance private consumption. As demand for consumption goes up in low-income households, there is a move away from import-intensive demand in the direction of products created by sectors that are broadly export-intensive. Thurlow (2002) argues that this scenario puts duress on the current account balance thereby forcing the real exchange rate to marginally gain value so as to limit the general increase in exports and stimulate imports

In this case real GDP is elevated by the increase in demand. Still, this increase does not go over 1 percent. The cause of this seemingly minor change is found on the effect of the option selected for funding, as opposed to the raise in the demand for consumption as a consequence of the transfer (Thurlow, 2002).

The budget deficit moves up to 9 percent of GDP as a result of the increase in government spending through extra remittances to households. Considering this reduction in savings by government, further savings are needed from the private sector to retain the intensity investment by private stakeholders in the economy (Thurlow, 2002: 13).

Under this option, it is assumed that household savings levels are at first very low with no BIG in place. However, because of the BIG, the marginal inclination of households to put money aside goes up noticeably, thus decreasing the rate of post-tax disposable earnings used on private consumption. To a degree, this counteracts the beneficial effect of the grant in relation to its use for personal purposes. In this regard, the requisite growth in money put aside halts private consumption spending. In this instance the BIG thus has a slight impact on the ultimate rate of real GDP (Thurlow, 2002).

In view of the fact that the majority of the necessary added savings are made in households with high earnings in which savings levels are likely to be considerably advanced, the effect of the BIG is encouraging regarding the effect it will have on consumption by households. As a consequence of poor household's low rates of consumption, the BIG becomes an important boost in consumption for the more deprived households. Nevertheless, households with high incomes are encouraged to increase their savings rates and the BIG thus causes a reduction in their actual levels of consumption.

The government would need to significantly raise the budget shortfall if it opts to use deficit financing to fund the proposed grant. Thurlow (2002) argues that in this model the BIG does not result into real growth in the economy. Nonetheless, if households with higher incomes can be swayed to enhance their inclinations to put money aside, subsequently the BIG would have a seemingly slightly positive effect with regards to its redistribution of actual consumption by households.

ii. Financing through Increased Indirect Commodity Taxes

Exponents of the basic income grant propose that it can be funded by instituting alterations in the system of tax, which would thrust aside the necessity to implement deficit expenditure. Responding to this claim, the following model provides for the BIG to be funded using a rise in sales taxes on goods which include all indirect taxes excluding import duties. The results of the first sales tax rates gauged using every household's consumption basket illustrate that the existing tax structure is not progressive. This is so because the group with the lowest earnings pay consumption levies that amount to 8.5 percent of their overall consumption expenditure, compared to a mere 5.9 percent for the decile with the highest income (Thurlow, 2002: 18).

The grant is primarily aimed at increasing the incomes and consumption of households but this envisaged favourable impact on actual consumption for private purposes is offset by the rising strain put on relative consumer prices resulting from soaring sales taxes. Declining actual earnings lessen the demand for local products resulting in an offset of the rise achieved earlier. In addition, the intensity of commodities sold to other countries declines as an upshot of reductions in local output. The supposed fixed rate of lending money from foreign entities compels the rate of exchange to decrease in value, consequently resulting in a fall in goods bought from other countries in order for the current account balance to be sustained. The general effect of the BIG represents a drop in actual factor profits and jobs, as well as a marginal decrease of 0.7 percent in real GDP (Thurlow, 2002: 19).

The redistributive impact of the grant on actual consumption by households continues to be favourable in spite of the drop in actual GDP. The increase in actual consumption in households that are underprivileged and the decrease in consumption in households with high earnings are somewhat not pronounced as much as they were in the preceding model. This is attributed to the fact that the

burden of extra savings espoused in the earlier model drops more seriously on households with higher earnings in comparison with the not so progressive added sales tax load applicable in the current model.

The BIG Coalition purports that adding 2 percentage points on the present official rate of sales tax would be enough to fund the grant. The outcomes from this model seem to forecast that a standard rise of nearer to 4 percentage points on the existing rate comes an inch closer to correctness. Moreover, in the event that no increases happen in output as a result of the grant, this funding alternative seems to have a slightly negative effect on actual GDP. This prediction emanates from the observation that outcomes from models that comprise a 5 percent output increase in unqualified workers shows that, even as actual GDP would drop by 0.2 percent less, the necessary standard rise in sales tax would drop to a mere 3.5 percent. This implies that a fairly sizeable rise in uneducated worker output is vital to produce a boost in actual GDP (Thurlow, 2002).

iii. Financing through Increased Personal and Corporate Tax Rates

COSATU, by far the biggest trade union in SA is against a rise in sales taxes due to its regressive character. The union has thus recommended a solidarity tax to be imposed on people who earn higher incomes as a more feasible way of funding the grant. It is worthy to note that at the moment South Africa has a progressive direct tax system. In this regard, households that take home low earnings are subject to significantly lower income tax rates in relation to those imposed on households that make high earnings. Responding to COSATU's proposed alternative of funding the BIG, this model assesses the effect of the grant if it was to be funded using only a rise in direct tax rates on households as well as businesses.

The effect of funding the grant by using direct taxes seems to be extremely comparable to the one predicted when deficit financing is applied.

This is for the reason that compulsory savings using taxes at this instant efficiently substitute the intentional savings from the earlier model. In this situation though, the government keeps away from raising the budget shortfall since the BIG is funded using a rise in rates for income and corporate tax. For the progressive configuration of direct taxes to be sustained, the funding of the grant necessitates that income tax rates be raised significantly on households with high earnings. Whilst households with low earnings put up with a slight fraction of the extra tax load, households with higher takings pay considerably more tax on their incomes. Additionally, a big fraction of the added tax revenue is obtained using high levies on enterprises. This has an adverse effect on households with high earnings as they are mainly the indirect recipients of proceeds to capital. In the end, for the BIG to be funded, the general standard direct tax rate would have to be raised by an envisaged 4.4 percentage points (Thurlow, 2002: 20).

It is clear that using this funding alternative, the effect of the BIG is more progressive in comparison to the sales tax situation, given that the disadvantaged households basically escape the load of direct tax rates that are higher. In addition, raised corporate tax rates decrease the direct weight on households with high earnings. Consequently, actual personal consumption in deprived households goes up, resulting in reduced import-intensive demand, and accordingly growing local productivity. The exchange rate is compelled to marginally gain value so as to lighten the duress on the current account balance and the effect of the grant is not growth oriented, with actual GDP going up by 0.2 percent (Thurlow, 2002).

Although the situation discussed above seems to defend the proposal that direct taxes should be employed instead of sales taxes as a method of funding the grant, consideration ought to be given to the fact that the present tendency in public policy is to decrease taxes on earnings. Accordingly, increasing direct tax rates in order to fund the grant would necessitate a considerable change in

National Treasury's policy. In addition, further thought would need to be given on the effect of raised tax rates on monetary as well as human capital flight, and on the occurrence of averting the payment of tax.

iv. Finance through Decreased Government Consumption Spending

This funding alternative may entail a compositional adjustment in the expenditure of government away from consumption spending on services and goods and towards improved remittances to homes. Government consumption expenses were 24 percent of GDP in 1998, which was nine times better in comparison to expenditure on remittances. This picture thus keeps the shortfall of the budget at its initial level by means of replacing supplementary remittances for consumption spending (Thurlow, 2002: 22).

The same as in the preceding modes, the first effect of the BIG is to increase private consumption demand. In contrast to the other funding alternatives, this rise in consumer demand is not counterbalanced by a decline in consumer expenditure by means of either improved investments or taxes. Instead, the government funds the grant by dropping its amount of consumption overheads by 20 percent. Actual private consumption rises by 6 percent, as a result increasing local output along with commodities sold to other countries. The limiting factor in the current account compels the actual exchange rate to gain value in order to sustain stability in the new equilibrium (Thurlow, 2002).

The adverse effect of the BIG on the actual levels of consumer expenditure of households with higher earnings is of a smaller amount compared to the other possible alternatives of funding. This is as a consequence of the government, instead of homes with above average earnings, bearing the load of funding the grant. At hand is also an element of stifling the redistribution impact on lower income households' actual consumption, since government consumption

expenditure, which has now been decreased, is one of the main employers of unqualified and partially educated workers (Thurlow, 2002: 23).

Eventually the big cutback in government consumption expenditure makes up for the increase in consumer expenditure demand (as a result of reduced concentration on imports), consequently causing a 1.3 percent general drop in actual GDP. Notwithstanding this funding alternative's adverse effect on actual GDP, it does encompass a favourable effect on overall actual consumer expenditure by households (Thurlow, 2002).

The foregoing discussion of this financing model did not aim at any specific sector of government consumption expenditure. This is a vital generalization, given that, for instance, the raised demand on government health expenditure for the provision of medical care to HIV/AIDS patients makes a comprehensive decrease in government expenditure unlikely. Alternative detailed descriptions could permit for a cutback in particular parts of government spending, for instance military expenditure, whilst sustaining other areas like health as well as education. Thurlow (2002) argues that although this model did not make a stab to rank government expenditure according to importance, aiming at specific goods would be a more practical picture if this funding alternative was to be put into practice.

v. A Financing Package

The outcomes from the funding models described above show that every one of the funding alternatives puts notable load on the different establishments in the economy if applied separately from others. With regards to deficit financing, households are supposed to fund the BIG by means of significantly raised savings levels, whereas in the two scenarios funded by means of tax, sales or income tax, rates go up significantly. Ultimately, a compositional change in government expenditure in the direction of the grant necessitates a sizeable

reduction in present government consumption expenditure. Considering that there is a possibility that these policy proposals would be deemed economically and politically unworkable, the next model examines the macroeconomic effect of a 'balanced' strategy to funding the grant. The effect of the BIG is equally distributed over the budget shortfall, sales and income taxes, and government consumption expenditure.

By taking out the reliance on raised sales taxes, private consumption demand is not eventually decreased through an increase in end user prices (which go up by a mere 1.8 per cent in this model). The required rise in the small inclinations of households to spare money is narrowed, the same as the increases in the rates on income tax. Even though there is no shift in the spread of the weight of the diverse alternatives for funding the grant, the distributional effect on actual consumption by households is at this instant reduced for households with high earnings. This is as a result of the incomplete funding of the BIG by means of a cutback in government consumption expenditure. Whilst the compositional adjustment in government spending reduces overall consumption, by means of causing a move to the notion of spending on commodities acquired from abroad, the adverse effect on actual GDP is partly eased through deficit and direct tax funding (Thurlow, 2002).

Other models (not presented in this study) illustrate that the output of untrained workers would need to go up by about 11 percent if they are to counteract the adverse effect of the BIG on actual GDP in the balanced funding possible scenario. Thurlow (2002: 24) argues that the possibility that such an increase in output is achievable could only be sufficiently ascertained by means of a small scale evaluation of the BIG.

Even though the size of the proposed grant is not changed in this scenario, the responsibility for the balanced funding alternative is distributed throughout the local institutions. Thurlow (2002: 24-25) asserts that the budget shortfall rises by

less in comparison to the scenario that is funded entirely by deficit, and the slight tendencies of households to invest money increases by an average of 2 percentage points contrasting the 7.2 percentage points achieved in the preceding model. Moreover, sales and direct tax rates both go up by 1 percentage point compared to about 4 percentage points. In the end, consumption spending by government falls by 5 percent as opposed to 20 percent.

The outcomes of the balanced funding alternative seem to be more economically and politically workable in comparison to the ones described in the earlier models (in which just one policy mechanism was changed to fund the grant). Nevertheless, even though the funding alternatives presented here yield a variety of macroeconomic effects, the redistributive effect of the grant stays constantly progressive in every one of the models presented above.

Thus, these outcomes imply that the present discussion has to be diverted in order to focus on discovering the right balance of policies that could be implemented to fund the grant in a way that would not instigate macroeconomic difficulties, as opposed to paying special attention almost entirely on the macroeconomic effects of the BIG and promoting one alternative for funding. A move of this nature would ease the strife amongst exponents of the universal grant, and thus result in a more structured debate in terms of discussing the merits of the grant.

At the moment the South African government expends roughly R20 billion, over 2 % of GDP, on social support remittances, which is financed straight from the national budget. Van der Berg (2002: 3) contends that this is a big amount for a middle-income country. Compared with Western European welfare states in the 1980s – the period when welfare states were at an all time high – the information at hand demonstrates that South Africa expends fairly more than a number of industrialised welfare states on social assistance.

Conversely, welfare states use up a significant proportion of their resources on programmes aimed ensuring human development and creating sustainable livelihoods for their citizenry.

So the South African government already pays out comparatively much more on direct remittances to the deprived and if the BIG was to be introduced, certain expenses would need to be included. Van der Berg (2002) argues that these include, among others, (i) a monthly grant of R100 to 45 million people, which would come up to R54 billion per annum, (ii) a monthly R20 fee of paying the money to 45 million people, which would translate to an annual R10, 8 billion. Extra staff would also be required to oversee the process, which would mean additional costs. Several people contend that electronic transfers may possibly decrease this expense. Condensing how often the grants are paid out would defeat the purpose of a basic income, for instance, transferring R300 per quarter. Moreover, transferring a combined grant to a household in order to decrease the number of grants would not be of any assistance as numbers of people in a household are very flexible and as a corollary a policy of that nature would decrease the choice of individuals on how best to utilise their social assistance grant.

Taking cognisance of the data above, the BIG would add a considerable amount to the current expense of social assistance. This might have negative repercussions for other government programmes aimed at reducing poverty and creating employment.

THE POTENTIAL IMPACT OF THE BASIC INCOME GRANT

This section of the study considers the potential of the basic income grant in terms of addressing the severe poverty that characterises the South African society.

THE SOCIAL IMPACT

It is expected that the one of the major social impacts of the BIG is that it would enable the social security system to trim down the poverty gap by a considerable margin as poor people would now afford to meet some of their most basic needs.

In South Africa, the coverage gap in the social assistance programme coalesced with the low amount of people who take-up the Child Support Grant highlight the necessity for broad transformation of the social security system. The character of structural joblessness in relation to the altering international economy that precludes the uneducated workforce increases the required size of a social protection network. A comprehensive system is needed to provide for the basic needs of children, retirees, the disabled as well as the millions of prospective employees who are exposed to joblessness and the deprivation that results from it (Samson et al, 2002).

The manner by which an income remittance is structured has vital ramifications on whether it will improve the socio-economic conditions of its recipients. This grant, to be supplied as a right and with no means test, seems most likely to cover the poorest people. Furthermore, by taking out the shame that brands the beneficiary as disadvantaged, the grant would reinforce economic assistance to the most impoverished sections of our society (Samson et al, 2002).

The make-up of the grant is imperative. For instance, transferring a predetermined amount for each home or working out the benefit on a per individual basis produces diverse social effects. A universal grant that is worked out on a per person basis would strongly benefit households with more members than households with fewer members. The availability of earnings would lead to economic effectiveness and a more equitable allocation of income within households, and play a vital role in empowering the vulnerable individuals in the family (Samson et al, 2002).

The most vital impact of a basic income is that it would alleviate poverty, raise the earnings of several households and as a consequence emancipate them from the scourge of deprivation. This would mean that every poor person would benefit from the implementation of this policy. Van der Berg (2002) remarks that there is no question that it would be ideal for the poor to receive more remittances, however, the most intricate question is whether the proposed grant is the proper approach to realise this ideal and whether a proper cost-benefit analysis has been done.

An evaluation of the existing social security system shows that the monthly basic income grant of R100 would make a significant contribution to the fight against abject poverty. The introduction of the BIG would substantially lessen to an absolute minimum the number of underprivileged South African citizens that would be left out of the social security system. The Democratic Alliance (2002) argues that the BIG is the one policy intervention that would effectively reduce poverty by an estimated 75%. The argument continues to state that even if the existing system would be accessed by all qualifying persons, the poverty gap would be decreased by a mere 36%.

Households that are made up of working age adults only would see their poverty levels going down by 56%, a considerable improvement to the meager 8% enjoyed in the present system. The poverty levels in households that have kids but have no pensioners would be lessened by 66%. The benefit would see the poverty levels of households with skip generations reduced by 95%; while the benefit would close the poverty gap by 85% for households with three-generations. Households in the rural areas would enjoy benefits amounting to 53% (Democratic Alliance, 2002).

In fact, the majority of the transfers (53%) are dispersed to households situated in rural areas, which reveals the manner in which poverty is spread in South Africa. Two-thirds of the remittances to skip generation and three-generation homes are to beneficiaries that reside in rural areas.

Using the headcount method, about 6.3 million people are emancipated from poverty, and the amount of destitute persons (measured using half the poverty line) falls by 10.2 million people. Nearly all the people who continue to be poor are not very far off the poverty line. This is encouraging as comprehensive development would show sizeable victory in emancipating extra amounts of individuals from poverty (Samson et al, 2002: 16).

Another likely effect of the grant would be on HIV and AIDS. Makino (2003) observes that there are about five million people who are infected with HIV in the country. AIDS is responsible for about 600 deaths per day. The HIV/Aids pandemic is certainly one of the main obstacles to the country's reconstruction and development following the apartheid era. The proposed income grant would significantly help individuals, families, orphans and helpless children infected and affected with and by HIV/Aids.

There is a clear necessity to transform the current grants to allocate more aptly for individuals with particular needs and those infected with HIV/Aids. It is essential that every person who qualifies for the current grants be captured in the system. However, a targeted intervention would still be inadequate to comprehensively deal with poverty. In this respect, the most all-inclusive and useful method would be to bring in the non-means-tested and universal basic income grant in order to guard against individuals who do not qualify for the existing grants diminishing into destitution (Makino, 2003).

The proposed grant would guarantee that families have little, but dependable earnings which they will use to purchase healthful foodstuff. This is particularly vital to preserve the wellbeing of individuals infected with HIV/Aids. Moreover, the grant would lessen the number of children who leave school before completion, and reduce the load on households that are primary caregivers to Aids orphans. The grant appears highly likely to assist in undoing the chain of HIV/Aids and poverty as well as overturning the development of the HIV/AIDS disaster in the country (Makino, 2003).

This would be a great improvement to the current status quo which requires that HIV positive people only get a grant when their CD4 Cell Counts are below 200.

THE ECONOMIC IMPACT

This section looks at the potential of the BIG in relation to supporting economic growth and the creation of employment, and evaluates three key components. First, it investigates the connections between the BIG and the amassing of social capital. Second, the section examines the probable effect of the BIG on the labour market. Third, the study assesses the macro-economic results of the BIG, evaluating the effect on the rate and nature of demand in aggregate terms (Samson et al, 2002).

Social Capital

The study considers the transmission mechanisms that arise from the accumulation of social capital. These are, namely, nutrition and health, education, and social stability. Nutrition and education both contribute positively to health and health increases the number of learners who enrol at school as well as ensures a return on education investment through prolonging lifespan. By itself, the anticipation of impending developments within these societal fields is well placed to ameliorate social stability. The government's human resource policy accepts that poverty and inequality put a limit in the capability of individuals, households and the government to fund the development of expertise, education and training that are crucial preconditions to play a critical part in the labour market, which would result in better wages. In such a situation, poverty strengthens the unfortunate condition that perpetuates low standards of living and stalls the prospects of positive growth (Samson et al, 2002: 17).

i. Malnutrition and Health

Accessible social security is critical for the maintenance of proper nutrition. This is so because people use their grants to purchase nutritious foodstuffs. Households that are very poor (household consumption less than R800 per month) suffer from starvation as a result of inadequate income to purchase foodstuff. South Africa has a very high number of people who are exposed to food insecurity, with two-and-a-half million vulnerable to malnourishment. It is estimated that one in four children under the age of six years are underdeveloped as a direct consequence of chronic malnutrition (Samson et al, 2002: 18).

Combined programmes in early child development are capable of preventing undernourishment, diminutive cognitive growth, as well as inadequate readiness for school. Programmes of this nature can make primary and even secondary school performance better, boost the potential of children to be highly productive and earn higher wages in future, and decrease the likelihood of becoming burdens on the budgets of social services and public health. Social protection transformation gives the income guarantee that successfully trims down the occurrence of famine.

Studies conducted globally exhibit that underprivileged households spend most of their extra income on better food consumption. The resultant developments in nutrition and health completely improve the welfare and productivity of the poorest. There are good examples that record the beneficial effect of enhanced nutrition on output and salary. A case in point is a Colombian study that discovered that interventions that support better nutrition and health boosted lifetime income by considerable margins. In Chile a study that monitored the progress of children over time established that averting undernourishment resulted in productivity returns that far exceeded the amount spent on the social investment (Samson et al, 2002).

ii. Education

There is growing proof concerning the fundamental relationship that links social protection remittances to the attainment of education. Samson et al (2002: 19) contend that theoretically, being a recipient of a wage subsidy has an effect on school enrolment in two ways. First, the improvement in disposable wages offered by the grant can assist in terms of paying the high expenses of attending school in case there are monetary difficulties to school attendance. Second, as recipients of a grant, a household may be enabled to decline a child's input to the earnings of the family and choose to rather make a long-term investment in education.

Rising attendance in school amongst underprivileged learners adds to human capital, improves prospective output, potential for the growth of the economy and could have vital lasting impact on preventing the prevalence of HIV/Aids. One of the most useful means of fighting the prevalence of HIV/Aids is by improving the citizenry's level of education, especially the education of women.

The encouraging relationship that connects enhanced incomes of households to better attainment of education by children has been corroborated by many studies that were conducted globally. Samson et al (2002: 20) particularly note that enhanced education of women, especially via the resultant improvements in infant survival and child nutrition, is arguably the most reliable forecaster of effective human development.

Education advances the performance of the economy by means of enhanced labour output and better capital output. Moreover, very learned workers are likely to be more innovative, which in turn would increase capital output.

iii. Poverty, Inequality and Social Instability: Growth Implications

The adverse effects of not being able to explain the plight of the poor could have long-term negative impacts on the growth of the economy. For their survival in dire circumstances, the poor might turn to unlawful deeds. Likewise, not allowing the disadvantaged the right of entry to educational and economic opportunities heightens inequality, which could, in turn, hinder the growth of the economy. Samson et al (2002) argue that a number of international studies corroborate the findings that purport that indeed inequality has an unfavourable impact on economic growth.

Labour Market Effects

Studies illustrate that the BIG would have a positive impact on both the supply and demand sides of the labour market.

i. Raising labour supply

The conservative understanding that emanates from an economic supposition asserts that income remittances to the jobless will be likely to weaken their eagerness to provide a service to the market, since extra earnings lessen the burden of being unemployed. However, Samson et al (2002) contend that reliable studies vehemently disagree with this presumption when they propose that in fact higher standards of living could be linked with higher levels of getting a job.

ii. Labour demand

Income remittances decrease the state of being poor, easing the demands on the workforce for the payment of goods and services. Samson et al (2002) contend that this offers the workforce a chance to invest a considerable amount of their

salaries to consumption that enhances output and investment that grows human capital, thereby improving the competitiveness of the firm and consequently increasing efficiency and the need for more workers.

Significant increases in salaries raise production in numerous ways: (1) high earnings close the inequality gap, easing tensions in society. (2) High income strengthens upgrades in education and health, causing remarkable labour output as well as the production of innovations that save capital. (3) The enhanced results of high earnings raise anticipated returns to capital (Samson et al, 2002: 23).

The BIG has the possibility to raise the need by organisations to hire more employees by means of its direct and indirect impact on production. Directly, the BIG reinforces human capital accrual by an employee, and it encourages the consumption of the employee that is aimed at bolstering productivity. The improved efficiency of the employee is reinforced by essentials such as improved nourishment, housing, transportation, and health care. Indirectly, the BIG underpins high productivity by the worker through cutting the unofficial levy on employees that are an outcome of the mixture of abject poverty and a transfer-orientated social security system. The proportion of resources apportioned to pay for goods and services by households goes up sharply as per capita income increases (Samson et al, 2002).

In the presence of the BIG, when organisations raise the salaries of employees, the worker's personal consumption takes up the bigger amount of the salary raise. This intensifies the rise in the efficiency of workers, thereby growing the corporation's returns and possibly creating a need for more workers to be employed.

Macro-economic Effects

There are principally two ways through which the BIG might inspire the expansion of the economy. First, the BIG will support the general rate of collective demand in the economy. Second, the BIG holds the possibility to alter the pattern of paying for services and goods in the direction of economic sectors that employ a high number of workers (Samson et al, 2002).

i. The level of aggregate demand

Through moving capital from savings to spending, the BIG inspires the general rate of economic action. Considering the unacceptable level of joblessness and high rates of surplus capacity, the development outcomes of the grant are expected to be sizeable.

General spending by the poor is inspired by income remittances, and this leads to improved activities in the economy which in turn supports the expansion of the economy. Samson et al (2002: 25) argue that an examination of South Africa's capacity to produce disagrees with the view that wage remittances to the most needy may be impossible to sustain or inflationary. The use of capacity to produce in the manufacturing sector has dropped by about 5% since 1995. The significant rise in the activities in the economy produced by means of income remittances will improve the use of productive capacity, most likely with non-durable manufacturing than with durable goods. This expenditure will stimulate demand that boosts the need for more workers, thus supporting improved job opportunities.

ii. The composition of aggregate demand

The expenditure of households in the lower income category tends to lean towards economic sectors that take in a large number of workers.

Samson et al (2002: 26) argue that income remittances to the poor move collective demand to industries that create labour-intensive jobs, for the reason that it raises the consumption of the underprivileged, which is comparatively labour intensive. Conversely, comparatively well-off consumers use a fairly big proportion of their spending on goods that are mostly import and capital intensive, in the process disadvantaging local production that is mainly driven by workers. The redistribution of wages to people who earn low wages has the possibility of encouraging the creation of jobs, especially if suitable programmes of action are put in place to make it possible for the jobless to perform industrious actions that satisfy the resulting increased economic demand.

In essence, the foregoing paragraphs argue that the BIG stands an excellent opportunity to reduce poverty and promote the growth of the economy and creation of employment in three main ways. First, the BIG might promote improved supply and demand for labour, increasing the rates of employment as well as promoting the growth of the economy. Second, the BIG might support individuals to amass social capital, which increases the output of both capital and labour and stimulates the growth of the economy and the creation of employment. Third, at a macro-economic level, the BIG increases the rate of collective demand whilst changing the nature of demand in a manner that has the possibility of supporting higher employment and growth rates.

GOVERNMENT ANTI-POVERTY PROGRAMMES

Poverty alleviation has been at the epicentre of government social policies since 1994. The government has on many occasions acknowledged that it is well aware of the fact that the great effort to stamp out poverty and underdevelopment in the country is essential to the realisation of our national goal of creating a better life for all. As defined at the beginning of this study, poverty is multidimensional. Poverty is succinctly defined as a state of being deprived of the

essentials of well-being such as adequate food, sufficient income, housing, education, employment, and access to required social services.

This definition points to the fact that there are many forms of poverty, namely, income poverty, asset poverty, and human capital poverty. Recognising the extent to which poverty is prevalent in our communities, government has implemented a considerable number of interventions geared towards alleviating these forms of poverty.

INCOME POVERTY ALLEVIATION

The government has tried to lessen income poverty primarily by means of the social grants system, with spending as well as the amount of recipients having increased by more than three times since the advent of democracy.

Research illustrates that between 1998 and 2004 over two million individuals graduated out of the poorer end of the scale of living standards measures (LSMs), 1 is the poorest and 10 is the richest. In 1998, 46 percent of the population was classified in the poorest four groups. By 2004, the number had declined to 42 percent. LSM 5 increased by 1.4 million adults with almost every newcomer rising above the poor category. LSM 6 increased by 1.6 million adults, which also consisted of individuals who graduated from LSM 5 (Gumede, 2007).

Direct remittances and public works programmes have been the 2 main programmes that government has implemented to address income poverty.

Social assistance grants

The recent expansion of social grants to the poor has had a major positive impact on poverty in South Africa as real social assistance remittances from government improved by R22 billion in the last two years (in 2000 Rand), a huge

amount by any measure. Social assistance grants and social security have been the most rapidly increasing category of government expenses since 2001 and totalled R70 billion a year or 3, 4 percent of GDP in 2005, and about 12 million recipients benefit from them. Social grants contribute the majority of the earnings of the most deprived 20 percent of families, and have doubled in actual value between 2000 and 2005 (Manuel, 2006: 4).

It is evident that South Africa has developed an extensive social security system, with the Old Age Pensions, Disability Grants and Child Support Grants arguably being the most beneficial grants provided by the State. As alluded to earlier, social assistance remittances are designed to provide income support to the eligible poor and vulnerable individuals, mostly the elderly, the disabled and children under 14 years.

In terms of the number of beneficiaries, the Child Support Grant, Old Age Pension, and Disability Grant are the largest social assistance programmes within the social security system, benefiting over 12 million people. The statistics demonstrate that the social security net has widened significantly in the past 14 years. By the same token, it is also essential to strike a balance between equally important priorities and make certain that sufficient resources are provided to welfare whilst also making available good health care services, quality education, modern infrastructure, and balancing the budget.

Expanded Public Works Programme

The Expanded Public Works Programme (EPWP) is a comprehensive programme that is executed by the three spheres of government and parastatals. It is described as a national programme that elicits a large amount of jobless individuals into industrious labour, in order for the workforce to acquire expertise whilst they supply labour, and improve their ability to bring in a wages. The aim of the EPWP is to use the budgets of the public sector to lessen joblessness by

creating short-term industrious employment opportunities that are attached to training (Phillips, 2004: 7).

The purpose of the EPWP is to produce short-term employment opportunities for the unskilled, marginalised unemployed people. The EPWP is implemented across four sectors, namely, infrastructure, environment and culture, social, and economic. According to government's Development Indicators (2008: 22), from 2004 to the end of 2007, the EPWP has produced more than 950 000 short-term job opportunities. Of the individuals who have benefited thus far, 48% are female and 37% young people. The programme has already exceeded the target that was set. Even though the programme took off slowly, the EPWP in the social cluster has the possibility to offer employment opportunities to a great number of jobless individuals in early childhood development and home-based care. The sizeable amount of job opportunities produced in KwaZulu-Natal can be attributed to the well-built EPWP organisational capacity in the provincial department of public works and the eThekweni Municipality.

Essentially, EPWPs were implemented to support declining and insufficient demand for low and untrained labour. EPWPs are described as every action that involves the imbursement of a wage by the State in return for the provision of labour, in order to (i) increase employment and (ii) create an asset, with the general aim of supporting social security (McCord, 2006).

McCord (2006) argues that from a variety of likely social security alternatives, public works are experiencing sustained popularity and policy prominence, being extensively employed right through Africa, Asia and Latin America, most of the time funded by global donor organizations, including the World Bank, and the International Labour Organization. The cause of this recognition is that EPWPs present the chance of giving job opportunities whilst also producing resources, and in that way offering a welfare remittance that also signifies a substantial economic investment.

The EPWP focuses on ensuring that labour-intensive methods are used in government service delivery programmes in the sectors mentioned above.

It essentially provides on-the-job training to the participants so that they will be better equipped to find permanent employment afterwards.

ASSET POVERTY ALLEVIATION

Asset poverty alleviation has been driven through a variety of programmes which has seen massive resources being transferred to individuals and communities. The transfer of these resources has indeed made a significant contribution to creating better lives for the majority of South Africans. Notwithstanding the great inroads that have been made in this regard, the legacy of apartheid remains huge, with millions still unable to access such basic necessities as clean portable water, electricity and shelter.

Housing and shelter

Official statistics demonstrate that between 1994 and June 2006, 2 881 379 subsidies were authorised. The housing programme raised the number of housing recipients from 325 086 to 1.8 million recipients in 2006 (Gumede, 2007: 3). In spite of these achievements, thousands of people across the country are still living in shacks because of issues ranging from government failing to finish houses that were left incomplete by unscrupulous developers and under spending from various provincial housing departments.

Land

The Land Claims Commission had 79 696 land claims registered with it by the end of December 1998. Of these, 71 645 had been settled by May 2006. Until recently, 8 107 registered claims are still outstanding, of these, 6 975 were rural

while 1 132 are urban claims. An amount of R6.1 billion had been awarded to recipients who opted for monetary reimbursement, benefiting 986 981 recipients and 194 487 families in totality. Over this period, the process of purchasing and restoring land to claimants cost the Department of Land Affairs an amount of R2.4 billion (Gumede, 2007: 3).

In spite of the achievements that have been realised in the land reform programme, progress has been very slow with only a marginal achievement of the set targets attained thus far.

Water and sanitation

The log jam of sanitation in schools was decreased from 4 300 schools in September 2004 to 2 118 by March 2006. Government planned to provide 2 117 schools with sanitation in 2006/07. By June 2006, 300 clinics still had insufficient sanitation amenities. By June 2006, 85 percent of every deprived family were in receipt of their water without charge. The provision of water continues to be regular at about one million per annum and there has been a firm rise in the provision of sanitation facilities (Gumede, 2007: 3).

To date, considerable progress has been made towards the eradication of the troublesome backlog of water supply. By 2010 the government plans to have eradicated the sanitation backlog.

Despite the good work that has been done thus far in relation to the supply of water to households, there has been a serious outcry in the country regarding the prepaid selling of water. It is disturbing to see poor people picketing in protest of having to pay for natural resources. This leaves one wondering whether the government is doing enough to ensure that poor communities have access to basic services.

The residents of Duduza in Johannesburg's East Rand have a case against Joburg Water contesting the merits of the company's actions of cutting the water supply of non-paying residents. The government should intervene to quickly and amicably resolve this untenable situation.

Electrification

A total number of 3.5 million households have had electricity installed since the electrification programme started in 1994, which on average translates into more than 435 000 household per annum. Through the Integrated National Electrification Programme, government has set up the Free Basic Electricity Programme in which individuals who earn under a predetermined salary band are given a monthly allowance of 50 kWh at no cost (Gumede, 2007: 3).

Needless to say, still an unacceptably high number of households are still without electricity and as a corollary still making use of paraffin, which has also become unaffordable since the unprecedented increase in oil prices.

HUMAN CAPITAL POVERTY ALLEVIATION

Healthcare

i. Primary health care and infrastructure

Over 1 300 clinics were erected or refurbished between 1994 and 2005, with 2 300 being fitted with new equipment, the immunisation programmes of children were expanded, and 101 million people received medical treatment from government's health services per annum. There is a plan for 46 hospitals to be renovated and the management structures to be changed in line with the nationally coordinated Hospital Revitalisation Programme (Gumede, 2007).

ii. Free healthcare

In 1994, the Free Healthcare Policy was implemented to make provision for gratis healthcare to pregnant and lactating mothers and kids who have not reached the age of six, and was expanded in 1996 to cover all Primary Health Care services for everyone in the public health system (Gumede, 2007).

iii. Expanded Programme on Immunisation

The South African government recommends that children under the age of five be inoculated to protect them from common childhood diseases. Immunisation has to be given at birth, six weeks, 10 weeks, 14 weeks, nine months, 18 months and five years of age. Childhood immunisations are administered to prevent polio, tuberculosis (TB), diphtheria, pertussis, tetanus, haemophilus influenzae type B, hepatitis B and measles.

The set routine immunisation coverage target for fully immunised children under one year is 90%. The overall routine immunisation coverage for the country was more than 80% by mid-2006 (Gumede, 2007: 4).

iv. National School Nutrition Programme

The National School Nutrition Programme (NSNP) gives meals for learners to increase active learning abilities as well as to make attendance patterns better at targeted schools. Gumede (2007: 4) asserts that in 2006/07, government intended to give meals to approximately 5.5 million learners at 17 000 schools. In 2006/07, the funding for the programme was raised to roughly R1.1 billion, which represented a 20.4 percent increase from the previous year.

A considerable amount of schools that take part in the programme have created vegetable gardens to enrich the nutritional value of the meals that are provided in schools.

v. HIV and AIDS

Prior to 1994, government's response to HIV, AIDS and sexually transmitted infections was relatively narrow, and mainly concentrated on supplying condoms and information, education and communication. Gumede (2007: 4-5) argues that government spending drastically improved from R30 million in 1994 to more than R3.6 billion in 2005/06. Spending on important programmes for HIV and AIDS in provincial health budgets has substantially increased from R330 million in 2002/03 to R1.7 billion in 2005/06 and a further increase to R2.4 billion is expected by 2008/09.

To date, considerable headway has been achieved concerning the different components of the National Strategic Plan on HIV, AIDS, STIs and TB. All the 53 health districts nationwide have a minimum of one service point that offers wide ranging services on HIV and AIDS related matters. Moreover, 250 laboratories have been authorized to support the programme, and three pharmacovigilance facilities have been set up to supervise and examine negative response to treatment. By September 2006, 254 centres were putting into practice the all-inclusive plan covering 72.5% of the country's subdistricts. Forty-three CD4-count, 11 viral load and seven PCR machines were in operation in laboratories nationally (Gumede, 2007).

vi. National Tuberculosis (TB) Control Programme

In 1995, the country had approximately 300 000 reported cases of TB. The Eastern Cape, KwaZulu-Natal, Gauteng and the Western Cape were the most

affected provinces. To minimise the spread of TB, public clinics across the country offer TB testing at no charge (Gumede, 2007).

The lack of commitment of patients to finish their treatment schedule is one of the main difficulties concerning the treatment of TB. Gumede (2007) argues that the treatment of each patient with normal TB costs government R400. When these patients fail to follow their treatment regimen, and end up suffering from a multi-drug resistant TB, the expense of treatment substantially goes up R24 000, including hospitalisation and more costly medication.

In an attempt to turn this situation around, government has come up with the National TB Crisis Management Plan which identifies four districts with a high number of TB cases and low cure rates. These districts are Amatole and Nelson Mandela Metropole in the Eastern Cape, City of Johannesburg and eThekweni Metro. In addition, government has chosen the Eastern Cape and KwaZulu-Natal as the provincial districts where interventions to alleviate the incidents of TB will be improved (Gumede, 2007).

The main ingredients of the plan concentrate on reinforcing TB service delivery systems and processes along with rigorous mobilisation of society and communication. Gumede (2007) contends that the objective is to make certain that each person suffering from TB is identified and given support throughout the whole six months period while on TB treatment to make sure that their health is restored. An amount of R36 million has been budgeted to make certain that the TB Crisis Management Plan is effectively executed and that the prevalence of TB is reduced.

vii. Malaria control

The spread of malaria has been greatly reduced over the last few years from occurrence rates exceeding 80% in a number of districts to the present levels

that are lower than 10 percent. This improvement may be ascribed to the victory brought about by the use of indoor residual spraying Dichloro-diphenyl-trichloroethane (DDT) and the collaborations forged with Swaziland and Mozambique (Gumede, 2007: 6).

Education

Combined spending in the education sector totalled R93 billion in 2006/07, which signified a 12.8 percent raise in comparison to the 2005/06 financial year. Expenditure on education as a percentage of GDP is still fairly constant in the region of 5.5 percent (Gumede, 2007: 6).

There has been good inroads achieved in school enrolment, 64 467 classrooms were erected between 1996 and 2006, 114 000 study awards conferred by the National Student Financial Aid Scheme in 2005, and at the beginning of 2006, 207 497 young people had registered for learnerships since the beginning of the programme on skills development (Gumede, 2007: 6).

The Education Amendment Bill of 2005 was passed in January 2006 but the no-fee schools clause only started being implemented in 2007. Nevertheless, in 2006 finances were made available for augmented distribution to schools. Government set a target of 20% of learners for 2006 and 40% in 2007. By June 2006, government had surpassed its set target of 20 percent of learners attending no-fee schools. To be precise, out of a total of 9.5 million learners in 7 provinces, 3 million learners at 9 215 primary and secondary schools were attending recently affirmed no-fee schools (Gumede, 2007: 6).

A significant number of young people who are first-generation entrants to higher education are funded by the State to complete their studies and a substantial increase has been noticed in relation to the improvement in the number of students who graduate with qualifications that are deemed as scarce skills.

The enrolment of female learners in higher education went up from 44 percent in 1994 to 53 percent in 2003. Black students make up more than 72 percent of enrolments in higher education. In Further Education and Training (FET), organisational transformation has been accomplished with the creation of 50 FET colleges from 152 technical colleges, and 21 higher education institutions from 36 universities and universities of technology, some of which amalgamated traditionally black and traditionally white institutions (Gumede, 2007: 6-7).

Government has budgeted an amount of R2 billion to ensure that the FET college sector is modernised and developed in order to have the capacity to produce graduates who possess the knowledge and skills that are of cardinal importance for the development of the country's economy. These skills include, among others, engineering, construction, finance, etc (Gumede, 2007).

Interventions in education over the last 10 years have made an important input with regards to improving the matric pass rate to the region of 70% (Gumede, 2007).

The measurement of the literacy rate has its basis on the anecdotal view of individuals with regards to whether they can read or write in at least one language. Gumede (2007) asserts that making use of this standard, the literacy rate amongst individuals in the age group of 15-24 years has displayed a rising movement since 1996. The ability to read or write in this age group went up from 95 percent in 1996 to 98 percent in 2004.

It is clear that great inroads have been made by the above mentioned current government programmes aimed at alleviating poverty, however, it is also evident that a lot of work still needs to be done to completely eradicate the scourge of poverty and underdevelopment. Based on the documented success of the current programmes it would seem that there are really no grounds or need for

the introduction of the proposed basic income grant. Trying to strike a balance between the successes and failures of the current programmes is indeed a tedious task and depending on which side you coming from, the current programmes appear to be adequately addressing the deep seated problem of poverty. Yet despite the conspicuous positive contribution made by the current social programmes, a considerable number of people would beg to differ with this view. Those people would differ because they believe that the current policies have not done enough to adequately break the poverty cycle.

The arguments presented by both sides would seem judicious to any straight thinking person. So the big question still remains, and that is, whether there any other feasible policy alternatives to the basic income grant.

CONCLUSION

This chapter undertook an analysis of the case studies that were presented in this study. The case studies were on poverty in South Africa, an overview of South Africa's current social security system, and the basic income grant. It was discovered that poverty is a very serious social problem in South Africa, with an estimated 15.4 million people still living in poverty. With regards to the social security system, it was found that the current system is not adequately addressing the problem of poverty.

The idea of the basic income grant emanated from this widely held inadequacy of the current system. Advocates of the BIG vehemently contend that the policy has the potential more than any other social policy to alleviate the scourge of poverty. On the other hand, critics of the BIG assert that the implementation of such a blanket approach would be unaffordable, unsustainable and increase dependency on the state. They further argue that its introduction would make South Africa a welfare state as opposed to the desired developmental state.

The discussion on the affordability of the grant suggested that the policy could be implemented if the recommended financing scenarios were combined. These financing scenarios are namely, deficit financing, financing through increased indirect commodity taxes, financing through increased personal and corporate tax rates, financing through decreased government consumption spending, and through a combination of a financing package.

The potential social and economic impacts of the BIG were discussed in detail. This discussion showed that the potential social and economic impact of the grant would be critical to the improvement of the population's living conditions, and in the process ensure that sustainable livelihoods are created.

Since taking office in 1994, the government has put in place a considerable number of social programmes geared towards the alleviation of poverty. These programmes are aimed at alleviating the different dimensions of poverty, namely, income poverty, asset poverty and human capital poverty. The discussion showed that these programmes have made a significant contribution to the alleviation of poverty in the most poverty stricken communities and South Africa in general.

While acknowledging that a lot of work still needs to be done, critics of the grant strongly contend that the current government policies are adequate to address poverty. Conversely, advocates of the grant argue that the current social policies are not doing enough to adequately address the scourge of poverty and hence their strong orientation towards a basic income policy for all South Africans.

CHAPTER 6

Conclusions and recommendations

INTRODUCTION

The purpose of this study was to investigate the extent to which the introduction of the Basic Income Grant would address poverty in South Africa. The Taylor Report (2002) asserts that more than any other feasible social security contribution, the Basic Income Grant holds the possibility to diminish poverty and advance human development and sustainable livelihoods. On the other hand, National Government remains opposed to the introduction of the BIG, and instead, has come up with a proposal to find ways of developing exit strategies to reduce reliance on social grants. To date, the nitty-gritty details of these exit strategies are still being refined by the relevant line function departments.

Without a doubt, the eradication of poverty has been the focal point of government strategies and programmes ever since 1994. Although much has been done to address this social problem, a considerable amount of people are still living in poverty. Acknowledging that a lot of work still needs to be done before this problem could be solved, President Thabo Mbeki, in his 2007 State of the Nation Address stated that the present government has to keep on responding to the standpoint it spoke of when it commenced its term of office, completely mindful that not any of the enormous social challenges it has to unravel can be resolved outside the framework of the creation of employment and the mitigation and abolition of poverty, and therefore that the effort to wipe out poverty has been and shall persist to be a vital component of the state endeavour to construct the new South Africa. The research study was interested to investigate to what extent would the Basic Income Grant address poverty if it were incorporated as an element of the national attempt to create the new South Africa.

The statement made by the President signifies the importance of intensifying the degree to which particular attention must be focused on properly developing and implementing policies and programmes that are primarily aimed at alleviating and eventually, eradicating poverty. The importance of the study is that it has attempted to extend existing knowledge in terms of understanding the extent to which the BIG could address poverty and whether it would be necessary to implement it since government has an array of social policies aimed at tackling poverty. The study attempted to assist in establishing the major challenges that could be faced and possibly underscore the point that the implementation of the BIG would be unaffordable, unsustainable and would seriously increase dependency on the state.

The main focus of this chapter is on the conclusions and recommendations reached in the study. The chapter commences by giving a précis of the previous five chapters by highlighting the most crucial arguments presented in the chapters. The next section presents the key findings and recommendations made in the study. Finally, the chapter concludes by stating whether the research question has been answered.

SYNOPSIS OF PREVIOUS CHAPTERS

Chapter One gave a background to the study. It highlighted the purpose of the research, providing a specific and accurate précis of the overall rationale for the study. The statement of the problem was stated, thereby describing the context for the study and identifying the general analysis approach. The research question of the study was provided as well as the limitations and delimitations of the study. The importance of the study was presented, bringing to light how the research will extend existing knowledge in the area under study.

Chapter Two examined the research methodology that was utilised in the study. In particular, the research methods that were most suitable for collecting the data

used in the study were explained in detail. The research methods that were utilized in the study are case study and triangulation. The interviewing method was also examined, as it was initially considered as a possible research method but after thorough consideration it was not used. In addition, this chapter examined the combination of qualitative and quantitative approaches to social research. This was made necessary by the fact that even though the study is qualitative, some of the data that was used was quantitative in nature, indicating that a quantitative and qualitative mixture of data was used to reach the conclusions of the study.

Chapter Three was on literature review. It took a closer look at the concept of public administration, its origins and how it has developed over the last few centuries. It also examined the organisational theories that are pertinent in the efficient and effective functioning of public organisations. Furthermore, the chapter examined the concept of public policy, its conceptualisation and implementation. The chapter emphasised the significance of understanding public administration and public policy in order to propose plausible and practical policies for implementation in the public service.

Chapter Four presented the case studies examined in the study. The first case study gave an overview of poverty in South Africa. It asserted that poverty remains one of the major blights and shame on our country, with a population of 15.4 million people making up the poorest category of people living in poverty (Gumede, 2006). Essentially, this case study brought to light, both qualitatively and quantitatively, the extent to which poverty is generally prevalent in communities. The second case study provided an indication of the current social protection system. In relation to both coverage and value, the existing support is deemed not enough to lessen poverty successfully. The case study examined how the current system has gone about serving its purpose of addressing poverty. Finally, the third case study examined the introduction of the Basic

Income Grant in SA and considered the arguments presented by the exponents of the BIG as well as its critics.

Chapter Five presented a brief analysis of the arguments presented in the three case studies examined in the study. It presented the findings that were discovered during the rigorous scientific research that was undertaken for the study. The chapter took a closer look at the question of whether South Africa could afford to implement the BIG policy. This section essentially presented an evaluation of the different options that could possibly be utilised to finance the implementation of the grant. The envisaged potential impact of the proposed basic income grant was also scrutinised, and specific attention was focused on its possible social and economic impact. Moreover, the chapter probed the question of whether current government anti-poverty strategies are adequately addressing the scourge of poverty.

KEY FINDINGS AND RECOMMENDATIONS

Issue 1

The study found that there are conflicting views about the meaning and definition of poverty. It discovered that the conceptualisation of poverty is a highly contested terrain since poverty is largely viewed as an undesirable state of affairs. The study discovered that the concept and definition of poverty in a society is a mirror-image of the ideals of that society: in conceptualising and defining what is unacceptable in a society we are also saying a great deal about the way we would like things to be. It is thus vital that a concept and definition of poverty is appropriate to the society in which it is to be applied.

When a society chooses a definition of poverty and denotes specific characteristics with which to identify the poor, it thereby makes an explicit

expression of its fundamental values. The state of being in poverty is directly related to a lack of an acceptable quality of life.

Indeed poverty has been defined in a number of ways both nationally and internationally. It appears that consensus is soon to be reached that there are two definitions of poverty. There is a narrow definition, which basically views poverty as the lack of acceptable income to lead a satisfactorily standard of living. There is also a broader definition, which views poverty as a condition characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, educational and information. It is measured in relation to income and access to social services.

Recommendation 1

The study recommends that the South African government must adopt an official definition of poverty in order to be able to ascertain the characteristics that constitute poverty.

To rightly describe this social problem we thus have to concur on what resources or services individuals require as basics in order to make it possible for them to live with the decorum that is constitutionally assured to all South Africans. The country needs to agree on a consensual definition of poverty as that would give a clearer indication of what the majority of the citizenry consider to be an unacceptable standard. With this common definition, possibilities of formulating comprehensive policies that are oriented towards the eradication of poverty would be greater. The continued disagreement on the meaning of poverty and how it must be described and quantified has substantial subjective repercussions. As we are witnessing currently, there are conflicting views on the issue of whether poverty has increased or declined since the country made the transition to a democratic society.

In this regard, it is necessary that both definitions of poverty, absolute and relative, be adopted in order to ensure that we formulate broad antipoverty policies that could deal with the causes of both forms of poverty effectively. Frye (2005) adds that an absolute definition would be employed to describe a fixed lowest limit which no individual should fall under, while a relative definition would be useful in measuring individuals' anecdotal observation of facts or events and be vital in the formulation of strategies that are geared towards dealing with social inclusion and cohesiveness.

Issue 2

The study found that the measurement of poverty is important for placing governments in better positions to successfully eradicate it. However, some people contend that the presence of poverty is so obvious that there is no reason to undergo complicated processes to measure and quantify poverty. The view is that we should rather concentrate on doing something to eradicate the root causes of poverty and alleviate its effects. However, the study found that being able to measure aspects of poverty helps to ground debate, and is essential as part of the design of policy and government interventions. Clarifying what we mean by poverty can make a significant contribution to effective poverty eradication.

At present, SA does not have an official poverty line. However, it needs to develop one soon as it is bound by a number of international obligations to both adopt a poverty measure, and to work towards ending the current levels of poverty.

There are two main options for measuring poverty in terms of socially perceived necessities which are mutually compatible. The first is to directly measure the numbers of people who are unable to acquire socially perceived necessities. A second approach would be to create a poverty line in terms of the income (or

expenditure) necessary to attain the socially perceived necessities. This poverty line could be created using a budget standards approach where all socially perceived necessities are costed in monetary terms (Noble et al, 2004: 14).

The study basically found that having comprehensive and accessible measures of poverty is vital for giving a better idea of whether progress is being made in relation to the anti-poverty policies that are currently implemented by government.

One of the controversies that are caused by the absence of an official poverty line is that there is no consensus as to the extent and levels of poverty between government and other prominent actors.

Recommendation 2

The study recommends that the South African government must adopt a poverty line that can be utilised as an approved measure of poverty in the country.

In the processing of adopting this poverty measure, it is equally important that both types of poverty measures, absolute and relative, be adopted in order to ensure that comprehensive anti-poverty policies are formulated in such a manner that would effectively tackle the root causes of both types of poverty, i.e. absolute and relative. A poverty line would be very helpful for defining poverty. The introduction of a poverty line would paint a clear picture of what is regarded as a minimum living level, and will be useful in terms of establishing the exact number of people that are poor as well as the profundity of poverty in the country.

Issue 3

The study found that poverty is declining in South Africa. As mentioned above, the lack of an official poverty line has led to conflicting views regarding whether

poverty is rising or declining in South Africa. As it stands, civil society, independent analysts, academia, and most non-governmental entities argue that poverty has not receded meaningfully since South Africa became a democratic society. They argue that poverty remains one of the major blights and shame on our country with an unacceptably high number of people experiencing extreme poverty. A large amount of the population makes up the poorest bottom two quintiles. They further contend that this is unacceptable considering that the country is classified as an upper middle income country.

On the other hand, there have been many studies in the recent past that imply that there are improvements in the lives of many, although there remain scores of people that are still deprived. The study discovered that access to housing, piped water, electricity, etc has increased significantly since 1994. Perhaps the most important measure of South Africa's young democracy's performance is that the level of asset and service poverty as well as asset and service inequality has declined dramatically since 1994. The study found that poverty has stabilised since the political transition and decreased sharply since 2000. The study further found that in more recent years the proportion of poor people has declined substantially, decreasing from 18.5 million in 2000 to 15.4 million in 2004. Over the same period, the number of non-poor rose from 26.2 million in 2000 to 31 million in 2004.

Recommendation 3

The study recommends that the depth and severity of poverty in the country must be dealt with in a comprehensive manner that will nullify the debate of whether poverty has increased or decreased since 1994.

The problem of poverty must be addressed by policies and programmes that are oriented towards increasing the earnings and standards of living of the poor. These policies and programmes must be a continuation of the current ones

which have played a cardinal role in supporting the growth of the economy and increasing the levels of employment, providing a safety net for the vulnerable people and improving human development, which leads to sustainable livelihoods.

Considering that the current policies have made a significant contribution in lessening the extent of poverty in the country, it would seem that government needs to involve all stakeholders to ensure that there is a concerted effort in the fight against poverty and to ensure that a better life for all is created through the creation of equal opportunity for every South African citizen.

Issue 4

The study found that South Africa has developed an extensive social security system. It found that social grants to the poor have had a major positive impact on reducing poverty in the country as real social assistance transfers from government increased by a significant margin over the last few years. This is very important for ensuring that acceptable levels of the distribution of income are achieved. The Child Support Grant, Old Age Pension, and Disability Grant are the main social assistance programmes in the government financed social security system, benefiting over 12 million people. In this regard, it is clear that the social security net has widened significantly in the last 14 years.

On the contrary, the study also discovered that even though there has been a decline in the number of poor people there are still significantly high numbers of people who are still experiencing the scourge of poverty. The study found that the current system is not doing enough to break the chain of poverty, with 15.4 million people still categorised as poor. The study further found that nearly half of all poor people live in households that have no access to social assistance, which indicates to one of the fundamental problems of the South African Social Security System, that it is not as far reaching and accessible as it is required. It is

from this limitation that the suggestion of the BIG emanated as it was envisioned that it would expand the cover of social security to include every South African.

Recommendation 4

The study recommends that the structure of the social security system be changed in order to increase the coverage and value of the existing grants.

This could be achieved by relaxing the qualifying criteria to be a beneficiary and raising the value of the grants to be in line with the poverty line that would have been developed as proposed in recommendation 2 above. This will ensure that all households are able to satisfy their essential needs. The implementation of this recommendation would indeed ensure that the country's system of social protection is inclusive and sufficient to eradicate all forms of deprivation.

Issue 5

The study found that the basic income grant would play a significant role in closing the identified gaps in the existing social assistance programmes, which emanate mainly from the means test, which is known for marginalising deserving individuals and attaching a stigma to the beneficiaries of the grants. The BIG is widely viewed as the only probable social security programme that holds the possibility to reach out to all the poor, thereby having a positive measurable impact on poverty.

The study further discovered that while the ideological underpinnings of the basic income grant are indeed desirable – helping the poor – the feasibility and the sustainability of it are still subject to debate. The challenge remains in identifying viable means of funding and ensuring that it does not encourage a parochial culture of dependency on the State.

Recommendation 5

The study recommends that extensive research, including a cost-benefit analysis be undertaken in order to ascertain the feasibility of implementing the basic income grant as an official policy for alleviating poverty in South Africa.

Extensive research needs to be undertaken to establish whether the implementation of the grant would be affordable, positively contribute to growth in the economy, would not create reliance on the State, and whether the government would have the capacity to handle the additional administrative burden that would accompany the implementation of this policy.

In addition, it must also be clarified whether the BIG would not go against the principles of a developmental State, which South Africa seeks to be. Policy-makers would also need to determine whether the basic income grant would not bring about a conflict with the policies that are currently implemented. Extensive research and robust debate ought to be encouraged in order to arrive at a plausible, widely accepted conclusion regarding the pros and cons of this proposed policy.

Issue 6

The study found that the outcomes of the balanced funding alternative for the basic income grant seem to be more economically and politically workable in comparison to the ones described in the earlier models (in which just one policy mechanism was used to fund the grant). Nevertheless, even though the first four funding alternatives presented in the study yield a variety of macroeconomic effects, the redistributive effect of the grant stays constantly progressive in every one of the presented models.

The study thus found that these outcomes imply that the present discussion has to be diverted in order to focus on discovering the right balance of policies that could be implemented to fund the grant in a way that would not instigate macroeconomic difficulties, as opposed to paying special attention almost entirely on the macroeconomic effects of the BIG and the promotion of one alternative for funding. A move of this nature would ease the strife amongst exponents of the universal grant, and thus result in a more structured debate in terms of discussing the merits and demerits of the grant.

The study found that the BIG would add a considerable amount to the current expense of social assistance. This might have negative repercussions for other government programmes aimed at reducing poverty and creating employment. Extra staff would also be required to oversee the process, which would mean additional costs that could have been utilised for other government anti-poverty programmes.

Recommendation 6

The study recommends that a proper and comprehensive affordability study be undertaken to establish which of the funding alternatives would be most affordable to the South African government to implement the basic income grant.

As explained in this study, there are a number of probable financing alternatives that have been proposed by various role players but to date no consensus has been reached as to which would be the most viable given the country's financial situation and development agenda. Government must convene a high level conference to thoroughly discuss the various funding options that have been proposed, and together with all stakeholders involved reach a consensus on whether the financial implications that will be brought about by this kind of social assistance would not represent a misconstrued pledge of financial resources. If consensus is reached that this grant would be unaffordable, then this whole

hullabaloo about the need to implement the BIG would have to be stopped and focus must be diverted to feasible policies and programmes that could substantially reduce the levels of deprivation.

The exponents of the grant need to think hard about whether the country could really afford to lean towards social policies that would make it a welfare State as opposed to the desired developmental State.

Issue 7

The study found that the basic income grant would have a general positive social and economic impact on South Africa. The BIG would enable the social security system to trim down the poverty gap by a considerable margin as poor people would now afford to meet some of their most basic needs.

The study discovered that the coverage gap in the social assistance programme highlights the necessity for broad transformation of the social security system. The character of structural joblessness in relation to the altering international economy that precludes uneducated workforce increases the required size of a social protection system. A comprehensive system is needed to provide for the basic needs of children, retirees, the disabled as well as the millions of prospective employees who are exposed to joblessness and the deprivation that results from it (Samson et al, 2002).

Basically, a basic income would alleviate poverty, raise the earnings of several households and as a consequence emancipate them from the scourge of deprivation. This would mean that every poor person would benefit from the implementation of this policy.

The study further found that the potential of the BIG in supporting economic growth and the creation of employment is positive. The study discovered that

there are encouraging connections between the BIG and the amassing of social capital. On the probable effect of the BIG on the labour market, it found that the BIG would have a positive impact on both the supply and demand sides of the labour market. On the assessment of the macro-economic results of the BIG, the study established that there are principally two ways through which the BIG might inspire the expansion of the economy. First, the BIG will support the general rate of collective demand in the economy. Second, the BIG holds the possibility to alter the pattern of paying for goods and services in the direction of economic sectors that employ a high number of workers (Samson et al, 2002).

Finally, the study found that there is no question about the principle of making more remittances to the poor, however, the most intricate question is whether the proposed grant is the proper approach to realise this ideal and whether a proper cost-benefit analysis has been undertaken to this effect.

Recommendation 7

The study recommends that the envisaged potential effects of the BIG must be used as a framework to guide the transformation of the present social security system so that it could yield the same results that are expected with the BIG in place. As mentioned in recommendation 4, the transformation should include the expansion of coverage and increase in the monetary worth of the grants.

Issue 8

The study found that the current anti-poverty programmes implemented by government are making a meaningful contribution to the alleviation of poverty in South Africa. It is clear that great inroads have been made by the current government programmes aimed at alleviating poverty even though it is also evident that a lot of work still needs to be done to completely eradicate the scourge of poverty and underdevelopment. Based on the documented successes

of the current programmes it seems that there are really no grounds or need for the introduction of the proposed basic income grant.

Trying to strike a balance between the successes and failures of the current programmes is indeed a tedious task that depends on the anecdotal view of the member of society, but one certainty seems to be that the current programmes appear to be adequately addressing the deep seated problem of poverty. Indeed, the current social programmes have made a conspicuous positive contribution to the fight against poverty.

Recommendation 8

The study recommends that a comprehensive poverty alleviation strategy be formulated to stamp out all forms of deprivation in South Africa.

The strategy must be an improved continuation of the existing programmes that have recorded vital successes in the fight against poverty. This strategy should include targeted interventions to improve the income and living conditions of the poor and be based on what the people need and not what is rendered necessary by government. In this way, government will be able to intensify these interventions and ensure that maximum benefit is generated from them, especially with regards to addressing the root causes of poverty.

In addition, the study supports the government's call that all sectors of society should play an active role in the fight against all forms of poverty. This approach would ensure that the strategy enjoys the popular support of all stakeholders in the quest of achieving the universal objective of eliminating poverty and its attendant effects.

CONCLUSION

The study examined the question of the extent to which the introduction of the basic income grant would address poverty in South Africa. The study established that poverty is a lack of capacity to cater for basic needs in the economy and society. It is multi-dimensional as it includes income poverty, asset poverty and human capital poverty. Income poverty deteriorated between 1994 and 2000 but there has been a significant reduction in income poverty since 2001.

The major factors that have contributed to this decline are high labour supply and the increase in the value of social grants. The eradication of asset poverty has been rather slow. Although a considerable number of houses have been provided to the poor, there is still a long way to go before the set objectives could be achieved. With regards to land reform, there have been some inconsistencies. For instance, considerable progress has been made regarding land restitution, while progress has been very slow concerning land redistribution. Capital poverty has been dealt with fairly effectively with the majority of households now having access to water, electricity, sanitation, etc.

It is apparent that albeit a high number of people are still living in poverty, the actual levels of poverty have declined as a result of the poverty alleviation programmes that are currently implemented. However, the circumstances of others have improved while others' circumstances have worsened, particularly in relation to access to services and employment.

The government needs to build relationships that are founded on trust with its citizenry. This emanates from the observation that anti-poverty programmes since 1994 suggest that the problem is not always with skills and capacity to implement policies but with the fact that, at times, policies missed what people really need. There is a gap between what is done and what people need. The social grants remain the only exception to this.

There has been a consistent pattern of misguided projects. In this regard, there is a need for government to trust the citizenry enough to consult it and conduct proper research into the most pressing needs of the people.

The current social security system has made a massive impact on reducing the number of poor people and it is one of the greatest successes of our democracy. The system has made a great difference in people's lives as it assists them to partake in productive economic activities. However, it must be stated that, at its present form, it is definitely not enough to deal with poverty and its effects, hence there is a need to strengthen the existing educational, health and housing programmes so that we adopt a multifaceted approach to eliminating deprivation.

The introduction of the basic income grant would make a meaningful contribution to the reduction of poverty in the country. However, it appears that the implementation of the BIG could be good in an ideal world, but the reality is that the question of its affordability has not been sufficiently dealt with. As a result, there is a need to undertake a comprehensive cost-benefit analysis of implementing the grant. The study argues that the money that would be used to finance the BIG could rather be utilised to fund other government programmes. For instance, the funds could be used to expand the EPWPs to all corners of society and/ or capitalise and modernise FET colleges. It seems poverty alleviation programmes are most effective where there is targeting. However, the study acknowledges that a universal approach could help but it has a number of weaknesses. Some of these problems are; it engenders dependency on the State, and eliminates the value attached to the joy and reward of earning an income through work.

The question of the affordability of the BIG is a fairly complicated matter. Critics of the grant argue that it would be unsustainable, unaffordable and would lead to

dependency. They argue that it would expand the budget deficit and as such sustainability remains the major concern.

On the contrary, exponents of the BIG argue that government could afford to implement the grant and instead the debate should be on how much the grant should be. Proponents of the grant argue that the grant could be plausibly sustained through personal taxes and the only instance that it would not be sustainable is if the tax payers do not pay, which would be highly unlikely if government convinces them about the need for increased personal taxes. South Africa has enough tax payers and affluent citizens to afford a generous social security system.

The study concludes that there is no need to implement the basic income grant because the existing anti-poverty programmes are making a positive contribution to the fight against poverty. The current policies and programmes aimed at alleviating all forms of poverty have made great inroads in areas such as the provision of electricity, water, sanitation, housing, education, health, infrastructure, etc. The programmes have created many employment opportunities in areas such as agriculture, public works, infrastructure, etc. Government has also created a lot of opportunities for skills development and has dedicated a lot of resources to ensure that willing and eligible individuals are greatly empowered with the necessary knowledge and skills that are required by the economy. The study asserts that the current social security programmes are adequate as a supplement to the above-mentioned anti-poverty programmes; however because of the continuing inequality in our country it also accepts that the social security system needs to be improved in order to close the existing gaps.

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