

# Does the administration of the Old Age Grant really benefit the rural poor?

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## ABSTRACT

*Since the first fully democratic elections in 1994, poverty alleviation has been a central issue for the South African government (May 2010:4). Poverty in South Africa can be largely attributed to the extreme inequalities of the past. It has been addressed through a number of developmental initiatives; for example, the government has implemented social grants to help to eradicate poverty. This article investigates how the administration of one of these social grants, the Old Age Grant, influences the livelihoods of the intended beneficiaries in the Kgautswane rural community in the Limpopo Province of South Africa. Unless a policy is implemented effectively, efficiently and ethically, it is of little use to those meant to benefit from it. Social welfare is essential for South Africa as a developmental state, but it requires a concerted effort by government to ensure the appropriate administration of this system to benefit particularly the rural poor. When the beneficiaries remain dependent on the system for their continued livelihood, only effective, efficient and ethical administration of the system will contribute to the development of a state capable of sustaining the social contract with its citizens.*

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

*(Nelson Mandela 2005)*



## INTRODUCTION

Post-apartheid South Africa has achieved significant political transformation since 1994, with incremental improvements in social services. According to the South African Social Security Agency (SASSA), over the last decade, the South African government has implemented numerous poverty alleviation measures, one of which is social assistance (SASSA 2008:13). The current social assistance programme was not designed with specific exit strategies for beneficiaries, other than a change in their living circumstances and the income levels of recipients. Social assistance at present consists of a non-contributory system of social grants, financed entirely from government revenue (SASSA 2008:14).

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

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

Sustainability can be seen as the ultimate objective of social development, which aims to bring about sustained improvement to the well-being of individuals, families, communities and society at large. The reduction (or even better, eradication) of mass poverty, inequality and conditions of underdevelopment is a widely accepted indicator of social progress in the dimensions of social welfare, health, education, housing, urban and rural development and land reform. Social welfare is thus a process of planned social change designed to promote people's welfare in conjunction with a comprehensive process of economic development (RSA 1997a:99).

This article explores the influence of the administration of the Old Age Grant as an aspect of South Africa's social welfare strategy on the livelihoods of rural poor living in the Kgautswane rural community. The article describes the legislative environment that is supposed to enable social assistance, and details the administrative process involved in accessing the Old Age Grant. Findings based on responses from beneficiaries and officials working with the grant application process are provided, along with recommendations to strengthen the social contract between the state and its citizens.

The section below describes the research design used in the collection of data.

## RESEARCH DESIGN

Webb and Auriacombe (2006:589) argue that a research design consists of a plan, a roadmap that allows a researcher to answer specific research questions.

A case study of the Kgautswane rural community was chosen as the focus of an in-depth analysis of the relationship between poverty alleviation and the provision of the Old Age Grant. A case can be described as a unit of human activity embedded in the real world, and a case study is an intensive investigation of a single unit. This unit can vary from individual people, to families, communities, social groups, organisations and institutions, events or countries (Babbie and Mouton 2011:310).

According to Baxter and Jack (2008:544–559), a qualitative case study is a research design that facilitates exploration of a phenomenon in its actual context using a variety of data sources to ensure that the issues are not explored through one lens, but rather a variety of lenses, which then allows for multiple facets of the phenomenon to be revealed and understood. In this study, data were gathered from documents as data sources, from unstructured interviews with 20 beneficiaries from the community, and from unstructured observation of the officials involved in the administration of the Old Age Grant at the local offices in Lydenburg, Thushanang Community Centre and Praktiseer. Unstructured interviews were also conducted with officials from the Department of Social Development in Lydenburg, Burgersfort and Praktiseer.

Unstructured interviews constitute shared experiences in which researchers and interviewees come together to create a context of conversational intimacy in which participants feel comfortable telling their story (Ramos 1989:57). Larossa, Bennett and Gelles (1981:303) contend that in a comfortable atmosphere where there is trust, participants may more easily share information that a participant might not otherwise have chosen to reveal. Observations were used to determine the capacity of the officials engaged in the administration of the Old Age Grant, and to establish whether their actions are in line with the conduct prescribed by the Department of Social Development. The observations were carried out during pay-outs and the handling of applications for the Old Age Grant at various satellite offices.

## **REGULATORY FRAMEWORK ENABLING THE OLD AGE GRANT**

The human rights approach set out in the *Constitution of the Republic of South Africa, 1996* (RSA 1996) requires that a societal understanding is reached of what constitutes the minimum level of social protection, the level below which no one should fall. Social protection constitutes the basic essential social rights of each citizen. It consists of transfers in cash and in kind that provide a minimum income and livelihood security, and it includes essential basic services such as the supply of water, electricity, sanitation, health care and education, which should be available to all those who need them. These services and transfers should define an acceptable standard of living for all. The right to access social protection provides a fall-back in the form of supplementary benefits when a person's income from work and assets such as land does not provide sufficient income for the person to achieve a minimum standard of living. In the context of this study, it is a social right for citizens who meet the basic requirements to receive an Old Age Grant (Brand 2005:12).

The *White Paper for Social Welfare* (RSA 1997a) is a primary policy document that serves as the foundation for social welfare in the post-1994 era. According to the *White Paper for Social Welfare* (RSA 1997a:2), social welfare is intended to afford South Africans



an opportunity to play an active role in promoting their own well-being and in contributing to the growth and development of the nation. In South Africa, great poverty exists alongside extreme wealth: about a third (35.2%) of all South African households, amounting to approximately 18 million people, are living in poverty. Households in rural areas, especially those headed by women in rural areas, are affected the most. Over half (54%) of all South Africa's children live in poverty (RSA 1997a:3). This situation calls for the establishment of a social security policy that is effective in alleviating poverty among the vulnerable. It is the intention of the *White Paper for Social Welfare* (RSA 1997a) to establish and effect the implementation of such a policy. The Old Age Grant, which is the focus of this study, is administered with the objective of alleviating poverty, creating sustainable communities and promoting the social well-being of citizens.

Mirugi-Mukundi (2009:12) points out that South Africa has developed its own definition of social security. This definition takes into account the country's diverse historical background and the social and economic challenges affecting the country. The Constitution (RSA 1996) recognises the injustices of the past, and underpins a policy designed to unite all citizens in their full diversity, in the spirit of improving the quality of life of all citizens. It stipulates that everyone has the right to gain access to social security and social assistance, even if they are unable to support themselves and their dependants.

The *Social Assistance Act*, Act 13 of 2004 (RSA 2004a) provides a legislative framework for the provision of social assistance grants in the main, but excludes provisions for funding to non-profit organisations (NPOs). The Act also provides the legal instruments for shifting the social assistance function to the provincial sphere of government, and provides for SASSA to render the management and administration of social grants. The Act governs the administration of social grants as a component of social assistance. The Act provides the legislative framework for the realisation of the right to social security and stipulates eligibility criteria and procedures for access to social grants, particularly for the elderly, children living in poverty, people with disabilities, children in need of foster care and people in social distress. The Act provides for procedures to be followed in applications for all grants, including the signing of forms and the provision of documentation to accompany the applications.

The *South African Social Security Agency Act*, Act 9 of 2004, provides for the establishment of SASSA, the administration, management and payment of social grants (RSA 2004b). The objective of SASSA is to act as the sole agency that ensures the efficient and effective management, administration and payment of social assistance. It serves as an agent for the administration and payment of social grants, and renders services relating to such payments. There is thus a clear requirement that SASSA must function effectively, efficiently and ethically to administer Old Age Grants as an aspect of social assistance. SASSA, as an agent of the Department of Social Development, has to abide by the requirements of the Act.

Chapter 3 of the *Older Persons Act*, Act 13 of 2006 (RSA 2006), which came into force under Presidential Proclamation on 1 April 2010, addresses the plight of older persons by establishing a framework to empower and protect older persons, and to promote and maintain their status, rights, well-being, safety and security. The Act provides for older persons to enjoy quality services while they stay with their families in the community for as long as possible.

Based on the legislative framework discussed above, it can be argued that South Africa faces two sets of imperatives. The first is the Constitutional and democratic imperative, which is centred on a human rights approach. The Constitution (RSA 1996) gives socio-economic rights

the same status as civil and political rights. In particular, the following aspects are relevant: the need to promote dignity, equality and freedom; to foster participation and create a voice for the excluded; and to support citizenship claims through equality of administrative justice, access to information, application procedures, adjudication of rights, monitoring of compliance and non-compliance. The second is the socio-economic imperative, which involves fundamentally improving the living standards of all people in the country. The socio-economic imperative stresses the reduction of poverty, deprivation and social inequality, increased access to adequate basic services, and the creation of an environment for the sustainable social and economic advancement of all people, especially the poor and unemployed.

The relationship enabled through the above legislative imperatives supports the social contract that exists between the state and its citizens. The context of social contract theory as the basis for the research reported in this article is described below.

## **SOCIAL CONTRACT THEORY AS THE THEORETICAL BASIS FOR SOCIAL ASSISTANCE**

According to Scott (1994:473–501), social contract theory developed in the 17<sup>th</sup> and 18<sup>th</sup> centuries, as set out in seminal texts by Hugo Grotius (1625), Thomas Hobbes (1651), Samuel Pufendorf (1673), John Locke (1689), Jean-Jacques Rousseau (1762) and Immanuel Kant (1797). These prominent theorists all argued the existence of a social contract and of natural rights.

According to Hobbes (cited by Cottingham 2008:481), the social contract can be defined as either a hypothetical or an actual agreement between a society and its state/government. This contract is the basis of the society's moral decisions and stances. Social contract theory raises the possibility that the need for social order and a number of specific inherent constraints provide society with a natural basis for morality. It is an implicit agreement among the members of a society to co-operate for the sake of social benefits, for example, by sacrificing some individual freedoms in return for state protection. Social contract theory became popular as a means of explaining the origin of government and the obligations of a government towards its citizens in respect of providing for services, such as offering social protection. It argues that there is a natural need for members of a society to reach some sort of agreement to treat each other with basic respect and follow specific basic rules. Society finds it advantageous to form a social contract as a basis for life in general and moral judgements in particular (Cottingham 2008:483).

For the purposes of the article, this theory is argued to apply in the context of eradicating chronic poverty by creating and maintaining a just social contract. According to the Chronic Poverty Research Centre (CPRC), a social contract exists when political and social institutions are arranged to ensure a distribution of public goods and services that contributes to fairness in society (CPRC 2008:13). Hickey (2007:9) argues that the notion of a social contract can relocate social protection to fall within a project of redistributive justice, which is arguably required to underpin a long-term attempt to overcome chronic poverty. Redistributive justice refers to the equalisation of property and wealth ownership by direct political influence. Redistributive justice includes taxation designed to redistribute wealth from one group to another, land reform and other means to promote equality of



result over equality of opportunity. This approach is frequently associated with Marxism, socialism, or the transition from an aristocracy or another form of oligarchy to more broadly based government – in the case of South Africa, it refers to a transition from an oligarchy to a democratic, developmental state.

The realisation of the social contract between the state and its citizens relies on the ability of the state to respond to its citizens' needs. In the context of the research, the government's ability to provide social assistance through the administration of the Old Age Grant affects the ability of the rural poor to address the poverty that affects their livelihoods. The administration of the Old Age Grant is therefore described below.

## ADMINISTRATION OF THE OLD AGE GRANT

At present, the responsibility for social development is located in the national and provincial Departments of Social Development in terms of the *Constitution of the Republic of South Africa*, Act 108 of 1996. The establishment of one national department and nine provincial departments for social development means that there is now an opportunity to build and sustain a uniform and integrated institutional framework. Roles and responsibilities should be clarified, and mechanisms be put in place to ensure harmonious and effective working relationships (RSA 1997a:21).

According to the *White Paper on Social Welfare* (RSA 1997a:26), the Department of Social Development is responsible for the administration of social protection, *inter alia* by

- “co-ordinating various functions among national departments, provincial governments and the private sector;
- drafting national policy and planning pertaining to social assistance;
- providing for norms and standards for social services and development programmes, social security and facilities; and
- providing for social welfare governance structures and its human resource development.”

In South Africa, social assistance comprises social grants that are non-contributory and income-tested benefits provided by the government to groups such as people with disabilities, elderly people and unsupported parents and children who are unable to provide for their own minimum needs (RSA 1997a:27). According to the *Batho Pele Handbook – A Service Delivery Improvement Guide*, released by the Department of Public Service and Administration (DPSA 2007:1), the general public everywhere in the world bases its perception of government on the nature and quality of the services experienced at the hands of public officials. The faces and/or voices of the front-line service providers are thus the face of government. The interaction with the service providers is the only interchange with government that most people experience, so if the service is poor or unfriendly, then people immediately see the government as inefficient and bureaucratic. Efficient and effective public service delivery help lift the intolerable burden of poverty and underdevelopment from the shoulders of the people (DPSA 2007:3).

According to the DPSA (2007:27–28), treating citizens as customers implies

- listening to and taking account of citizens' views, and paying heed to their needs when deciding what services should be provided (the principle of consultation);

- ensuring that citizens are able to access the services provided easily and comfortably (the principle of access);
- treating citizens with consideration and respect (the principle of courtesy);
- making sure that the promised level and quality of services are always of the highest possible standard (the principle of setting standards);
- providing citizens with good information on the services available to them (the principle of information);
- allowing citizens to ask questions and responding to their queries honestly and frankly (the openness and transparency principles);
- responding swiftly and sympathetically when standards of service fall below the promised level (the principle of redress); and
- adding value to their lives (the value for money principle).

The administration of the Old Age Grant in the Kgautswane rural community was benchmarked against these principles and values.

SASSA was established as a result of a recommendation by the Commission of Inquiry into a Comprehensive Social System of Social Security for South Africa. As from 1 April 2006, the responsibility for the management, administration and payment of social assistance grants was transferred to SASSA. During the 2006/07 financial year, 80% of SASSA's resources were spent on the establishment of SASSA, on operational issues and the integration of social assistance administration and payments (Reddy and Sokomani 2008:82).

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

- “to administer social assistance in terms of Chapter 3 of the *Social Assistance Act*, Act 13 of 2004;
- to collate, maintain and administer such information as is necessary for the payment of social assistance;
- to be responsible for the central reconciliation and management of payments and transfers of funds in a national data base of all applications for and beneficiaries of social assistance; and
- to establish a compliance and fraud mechanism in order to ensure the integrity of the social security system.”

SASSA consists of one national office and nine different regional offices, namely the Northern Cape, Western Cape, Eastern Cape, Limpopo, Free State, Gauteng, North West, Kwa-Zulu Natal and Mpumalanga. All major decisions are taken at the national head office, and are cascaded down to the regional offices. SASSA has a four-tier organisational management arrangement, namely a head office, regional offices, district offices and local offices (Joseph 2012:60).

The administration of Old Age Grants has a specific process flow from the point of first contact to the last point in the value chain, where a grant application is approved or declined. In terms of SASSA's procedural manual, a four-step process is outlined for the grant application process, namely screening, attesting, quality control and verification (Joseph 2012:67). The administration of the Old Age Grant is a detailed process with various activities in the process to ensure effectiveness and efficiency (Joseph 2012:66).



An individual can apply for an Old Age Grant by filling in an application form at the SASSA office nearest to the applicant. According to SASSA (2012:11), the application process should not take longer than two hours. An applicant is interviewed, has fingerprints taken and is given information on whether the applicant qualifies for the grant or not. An applicant also needs to show specific documents and provide some information, including the following (South African Government Services 2014):

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

The processing of applications for the Old Age Grant takes about 30 working days, and ends with the application's being either approved or declined. If an application is declined or refused, an applicant receives a letter explaining the reasons for the refusal and how he/she can appeal the outcome (South African Government Services 2014).

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

The administrative process associated with the Old Age Grant is fairly prescriptive, but the actual experiences of the process by beneficiaries and officials are quite different, as is described in the following section.

## **FINDINGS**

Kgautswane is a community in the Sekhukhune District Municipality of the Limpopo Province. The community consists of a series of 20 villages with a population of over 120 000 people (Gumede, Plache and Sharma 2008:3). The area is under the chieftaincy of Chief Kgwete of the Babina-Nare-baKgwete Tribal Authority. The Greater Tubatse Local Municipality is responsible for local government services such as bulk infrastructural services (Greater Tubatse Municipality 2013:23).

Unemployment is widespread, commercial farming is non-existent, and small crops such as maize are grown by villagers for subsistence purposes only. Water is scarce, although there are boreholes and rivers within walking distance of all the villages. The main economic



activities centre on small-scale trading and slate mining. There are about 130 small traders in the community, and these are the only conveniently situated suppliers of essential foodstuffs in the community (Venter and Venkatesh 2002:5).

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

Rural areas in developmental states such as South Africa are often characterised by inadequate infrastructure, such as poor roads, inadequate health facilities, unreliable electricity and low-income generating activities. The Department of Social Development has district offices in Burgersfort and Lydenburg. These district offices service the people of Kgautswane, but have to service other areas as well. There are local SASSA offices in the Leboeng and Legoleng villages, which are 60 kilometres apart. Therefore, it can be argued that the positioning of the offices may reduce accessibility to these services. This puts strain on applicants who wish to access the offices, because Kgautswane does not have a reliable transport system (Friedland, Merz and Van Rensburg 2008:43). Both the district offices as well as the local offices constituted the research sites where the observations of the administration of the Old Age Grant were conducted.

According to Rakate (2006:24), the dominant objectives in public administration are efficiency, effectiveness and economical use of public resources. The concept of administrative efficiency seems to call for an increased emphasis by the state on determining the competence of employees, how services are structured, and associated responsibilities, with an equally strong emphasis on the oversight function of government (Van Dijk and Croucamp 2007:667). The *Code of Conduct for the Public Service* (Public Service Commission 2002:5) requires an employee to promote sound, efficient, effective, transparent and accountable administration.

From the observation of SASSA employees and interviews held with officials, the following emerged:

- The application process lacks uniformity and is not fully automated. Applications are made manually and applications that had previously been partially completed could not be traced for finalisation. Applications were not completed because beneficiaries were asked to bring additional information; and application status could not be verified because application forms had gone missing.
- The service provided is reactive in nature, because employees only notice that applications are missing or backlogs in the system when they receive queries from prospective beneficiaries.
- Employees arrive late at the service points and at the local office, which causes distress to the beneficiaries.
- Changes in policies or requirements for applications are not communicated to prospective beneficiaries, which means that they make long journeys without receiving any benefit or satisfaction from the service. The expected turnaround times for an application are not communicated to the applicants during the application process. New developments regarding the Old Age Pension Grant are not communicated



properly. The introduction of SASSA social grant cards for withdrawal at Automated Teller Machines (ATMs) and approved vendors, for example, was not adequately communicated, as most beneficiaries did not know why, where and how to use them. Literacy is an issue, and it was discovered that most information is communicated via word of mouth. Beneficiaries end up not receiving the originally communicated information, but hear incorrect information that may be misleading.

- Pay-points are also far from the beneficiaries' residences, and require travel using transport infrastructure that is almost non-existent. Beneficiaries end up hiring transport to get to and from these facilities. Transport operators charge exorbitant prices, reducing the amount of money available to the beneficiaries after being paid out. Those who use cards have to travel to towns to access ATMs. This exposes the beneficiaries to the risk of being robbed. Unscrupulous merchandisers charge a fee to issue cash in favour of SASSA cards and withdraw the money on behalf of beneficiaries who need relief from the challenges of travelling to access ATM facilities.
- The employees at the SASSA offices do not display the kind of competency that proves that the necessary skills have been transferred. This is clearly seen in the application process, where the system is not fully used to capture information, and help is sought from other avenues. This happens frequently, and then everyone waits for a consultant or a knowledgeable employee to fix the problem. Technology is a particular concern. SASSA officials at local pay points fail to capture data electronically, either because they do not know how to use the system, or because the system is not functioning, due to infrastructure problems. Consultants are used to resolve system issues, indicating a skills gap among the employees. The investigation revealed low skills levels and system usage. Employees' level of education in all the local offices was a matriculation certificate, except for one employee in the district of Praktiseer, who has an N6 certificate in administration. Little or no emphasis is placed on training employees to ensure better system utilisation.
- The complete application process cannot be performed from start to finish at the local offices, although the Service Delivery Model (SASSA 2012:26) provides for the development and implementation of an automated end-to-end solution with direct, once-off capture of information from start to finish.
- Although the *Code of Conduct for the Public Service* (Public Service Commission 2002:4) stipulates that public services should ensure employment and employee management practices based on ability, objectivity and fairness, there are still critical employee positions that are not situated in the local offices that must service the Kgautswane rural community. The Thusong Centre in Legoleng, which serves as the service point, is staffed with only one individual, who ends up having to make a large number of calls to other offices in search of assistance while servicing clients. There is no proper supervision of day-to-day operations. Work done on a daily basis is transferred to other offices for finalisation, which has an impact on waiting periods and turnaround times. This practice clearly does not promote effective, efficient and economic use of resources.

The administration process seems flawed, raising concern about people's livelihoods, although beneficiaries argued that they could not live without the Old Age Grant. Elderly

people are often responsible for more family members than just themselves, and even use the Grant to put their grandchildren through school. In rural areas, where unemployment is high, social grants are the only source of income that sustains the minimal economic activity taking place in the community. Given the pressure on an already impoverished community, the administration of the Old Age Grant should ease their burden and not contribute to it.

The reality is that even promoting the basic human right of being treated with dignity is not particularly evident. Local pay points do not have appropriate seating for older people to use while they wait, there are limited or no bathroom facilities at the local offices, there is no drinking water available, and beneficiaries have to suffer the cold or heat in long queues. Moreover, beneficiaries feel they are not treated with sensitivity. One respondent complained that these mature members of the community are treated like young girls who apply for the Child Support Grant, and not like senior citizens of the country. The beneficiaries feel that they are sometimes neglected when staff take tea and lunch breaks, and that makes them feel disrespected.

There is a problem of overcrowding, as non-recipients of the Old Age Grant also flock to the pay-point. Beneficiaries state that most school-going youths do not attend school on pay-out dates – this leads to overcrowding and inaccessibility at pay-points. There are cases where money is lost, or even where beneficiaries become the victims of pickpockets. Many elderly beneficiaries struggle with hearing loss, which makes the payment process difficult and uncomfortable for them. The elderly are often not able to hear clearly during conversations. Observation revealed that the beneficiaries are often treated with impatience, instead of receiving assistance and their special needs being accommodated.

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

Observation suggests that there has been no proper investigation into how the administration of the Old Age Grant can be improved. Beneficiaries stated that a survey had been conducted to get feedback on whether the standard of service provided meets the required levels adequately, but the outcome of the survey was not known to them, nor has it been published anywhere. No measures have been taken to address SASSA's mandate to administer quality services in a cost-effective and timely manner, using appropriate best practice by developing and implementing policies, programmes and procedures for an effective and efficient social grants administration system. Although the Service Delivery Model (SASSA 2011:14) acknowledges the need to establish comprehensive on going monitoring and evaluation of the services delivered, it is clear that needs-based research and development, and effective management of complaints and queries with feedback to customers, are non-existent. Beneficiaries provide feedback of their service expectations and about what is being delivered by SASSA employees, but nothing seems to change. The challenges observed were challenges previously raised by beneficiaries, but it seems that SASSA does not communicate about or address the suggestions from beneficiaries.

Improving the delivery of public services means redressing the imbalances of the past. At the same time, continuity of service to all levels of society must be maintained, focusing on meeting the needs of the South Africans who are living below the poverty line. Improving service delivery also requires changing from inward-looking, bureaucratic systems, processes



and attitudes to new ways of working which put the needs of the citizens first. It means changing the way that services are delivered, because the objectives of service delivery include welfare, equity and efficiency (RSA 1997a:5).

The findings confirmed that beneficiaries use the Old Age Grant to improve their lives. Beneficiaries indicated that the money should not be used on useless things, such as airtime purchases for cell-phones, because they believe that the Grant may be revoked if such expenditure becomes known. Beneficiaries spend some of the Grant on things such as the payment for burial societies and funeral plans in the community, and some on necessities such as electricity and water. Water is not provided by the Greater Tubatse Municipality, so people sometimes rely on water deliveries by private individuals, but these cost money.

The empirical investigation established that beneficiaries feel that the Grant is not adequate. Food is expensive, and the people do not plough or cultivate land anymore, because not enough water is available to irrigate crops. Beneficiaries from the Old Age Grant feed other members of their households, pay school fees for children of school-going age and also provide for clothing. This therefore means that the Old Age Grant is stretched to meet the needs of the family members living with the beneficiaries. The beneficiaries have no other means of income. The fact that they are elderly means that they are not employable, even informally, as the rural community cannot afford to pay for domestic work, for instance. Entrepreneurial activities are non-existent in the area, so there are few opportunities to source additional income.

Specific recommendations are made below to strengthen the social contract between the state and its citizens.

## RECOMMENDATIONS

Public administration is an essential link between citizens and governments (Cheema 2004:1). The public nature of social protection interventions contributes to state-building objectives by strengthening the state-citizen contract and fostering social cohesion. In developmental states, social protection can assist in strengthening the legitimacy of the state by allowing it to shoulder some of its responsibilities for ensuring the basic survival of its citizens and so contribute to reduced political fragility (Harvey 2009:34). The state plays a primary role in providing a framework for delivering social protection, and this reinforces a social contract that legitimises and strengthens the state. Cash transfers provide a visible and immediate peace dividend that reaches the poorest people, providing them with a stake in the economy that supports social and political cohesion, offsetting the costs of necessary economic reforms.

The research revealed that the members from the Kgautswane rural community see this social contract with the state as an important mechanism in addressing their social and economic needs. This implies that when the administration of such social assistance services is flawed, the social contract between the community and the state is jeopardised. The social contract will be strengthened if the following recommendations are implemented:

- strengthening the social contract through appropriate human resource development, in order to ensure that public service employees working at local pay points and district offices receive appropriate training and grasp the government's developmental goals, such as providing social protection as a means to alleviate poverty;

- strengthening service integration and coordination across departments, agencies and spheres of government – the administrative process needs to be realigned with policies and standardisation to ensure consistency and cohesiveness;
- strengthening communication, so that when people struggle to cope with the vicious poverty cycle, they receive correct information that will enable them to benefit from the social assistance system;
- promoting an interactive process at community level, so that the voices of the poor and elderly can be heard and government services can become responsive and not reactive – fostering public participation, particularly in rural areas, will also ensure that the activities of those who exploit the ignorance of older members of the community, such as merchandisers and transport operators, are curbed;
- fostering trust between public officials and communities by promoting professionalism and ethical administration; and
- promoting long-term political commitment and good governance in tackling vulnerability in a sustainable manner.

At the core of a social contract is an agreement that outlines the mutual rights and responsibilities of citizens, their government, and other institutions in society. Such a contract gives citizens civil rights in return for accepting the obligation to respect and defend the rights of others. Underlying this concept is acceptance of the principle that everyone is equal to negotiate these obligations and freedoms, and that all will be treated the same way before the law (Presidency 2012:6).

Social contracts sometimes cover specific issues such as addressing the problem of high unemployment or a broad spectrum of issues, such as measures to be taken to lead a particular country to a higher level of economic and social development. Poverty and vulnerability are societal issues which require both the government and society to formulate a social contract to resolve them. Social protection is a mechanism accepted worldwide to alleviate poverty and vulnerability. The Old Age Grant is thus located in the sphere of social protection, in the form of social assistance. The administration of the Old Age Grant should be performed sufficiently well to strengthen the social contract which the government and society have entered into.

## CONCLUSION

The Old Age Grant gives beneficiaries an opportunity of spending, which in turn sustains impoverished and vulnerable communities. In this way, the Old Age Grant strengthens existing, deep-rooted informal social protection systems and social networks. In the case of the Kgautswane rural community, this is seen in instances where receiving the Old Age Grant enables many rural grandmothers to care for their grandchildren, and affords beneficiaries moral claims to support and protection in their own family environment.

The resilience of nations is manifested in their ability to anticipate and prepare for shocks. Thus the wellbeing of the elderly, their quality of life and their resilience against societal shocks resulting from poverty and vulnerability are influenced by the abilities of those who administer the Old Age Grant and the capabilities in the administration of the Old Age Grant.



The challenge is therefore the implementation of administrative processes in practice by the people vested with the responsibility to do so. Mitigating poverty is likely to remain a key challenge for government for decades to come, especially if the effective, efficient and ethical administration of social security programmes, including the Old Age Grant, is not attended to properly. Social welfare is a necessity for South Africa as a developmental state, and this implies the need for a concerted effort by the government to ensure the appropriate administration of this system to the benefit of the country as a whole. Beneficiaries remain dependent on the system for their continued livelihood, and the effective, efficient and ethical administration of the system will contribute to the development of a capable state, able to sustain the social contract with its citizens.

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