

INVESTIGATING THE SOCIO-ECONOMIC IMPACT OF THE OLD AGE
PENSION IN THE PENSIONER HOUSEHOLD WITHIN SELECTED AREAS
OF THE EASTERN CAPE

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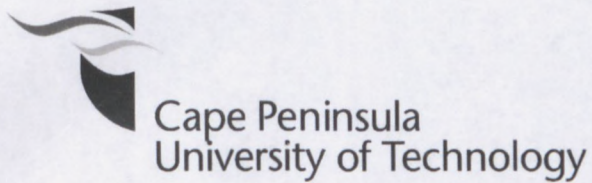
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BY

MPIANA KALULA

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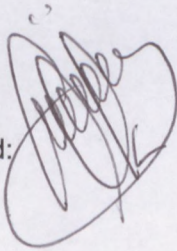
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DECLARATION

I, the undersigned, hereby declare that the work contained in this dissertation is my own work, except where due acknowledgement is made with full references in the text and it has not previously been submitted to any university or institution of higher learning for any qualification or certificate.

Signed:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Date: 25 August 2009

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ABSTRACT

Worldwide, ageing diminishes the capacity to work and to earn. In many African Countries, the traditional safety net for the elderly is the extended family, especially children. In South Africa, social safety nets for the African elderly were largely neglected during the apartheid legacy until the newly elected Government of South Africa in 1994 committed itself to redirect resources towards the social sectors and within social spending where racially discriminatory spending had to give way to patterns that better reflected national demographics.

However, after 14 years of democracy, significant progress has been made in realising the constitutional provision for the aged, that everyone has a right to social security, including if they are unable to support themselves and their dependants. The White Paper on Social Welfare adopted by the first elected Government of South Africa support this goal. It commits itself to an integrated and national comprehensive social security system and stipulates every South African should enjoy a minimum income, sufficient to meet basic subsistence needs and should not live below minimum acceptable standards.

Much has been done in terms of pension benefits payment, but the delivery of pension grants in certain rural areas remains inefficient and pensioners face socio-economical challenges. Living together with other generations pensioners are the household main care-givers and breadwinners looking after their unemployed children, orphans grandchildren, they provide food, pay school fees including uniforms, books and transport money, buying electricity, paying water, rate and rent for their houses. Although pension amounts have been proven not be enough to satisfy pensioners needs.

In spite of this analysis, the aim of this research was to investigate the socio-economic impact of the old age pension on a pensioner household within selected areas of the Eastern Cape (Bersheba, Bethelsdorp and Kwazakhele) and to develop a non-contributory means-test supplement grants model to provide social grants to pensioners household members in order to meet their expenses, in turn, to decrease or eliminate if possible the psycho-social and economic responsibilities shouldering pensioners in South Africa.

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In order to strengthen this model, a general literature search was undertaken. Different viewpoints on the social security systems in the different parts of the World including South

Africa were outlined in Chapter Two. Opinions on old age pension definitions, analysis of theories of ageing was analysed in Chapter Three. Old age pension socio-economic impact in the pensioners' households and challenges faced by pensioners were outlined in Chapter Four. Information on how data was collected, interpreted, processed and analysed was highlighted in Chapter Five. The aim of Chapter Seven was to interpret and discuss data presented and analysed in Chapter Six. In Chapter Eight data collected during the literature review, as well as certain inferences taken from the empirical survey, were used as points of departure for design of a scientifically acceptable normative model to improve pensioners living conditions in supplementing grants to pensioner household members to meet expenses. Finally, Chapter Nine summarised the discussions and analysis, elaborated certain conclusions and suggested recommendations.

In my study, I suggested that in order to free pensioners from psycho-social and financial constraints the Department of Social Development should supplement grants to pensioner household members to meet expenses.

ACRONYMS AND ABBREVIATIONS

- ACVV:** African Christian Women Organisation
AIDS: Acquired Immune Deficiency Syndrome
ANC: African National Congress
ATTP: Assistance to the Poor
CBOs: Community Based Organisation
CEA: Census Enumerator Areas
CDG: Care Dependency Grant
CPRC: Chronic Poverty Research Centre
CSG: Child Support Grant
DCP: Defined Contribution Plan
DoSD: Department of Social Development
DOTS: Directly Observed Treatment, Short Course
DP: Disability Pension
EC: European Commission
EU: European Union
ERD: Economics and Research Department
ESS: Extension of Social Security
ESSPROS: European System of Integrated Social Protection Statistics
FAO: Food and Agriculture Organisation
FBOs: Faith-Based Organisation
FSB: Financial Services Board
FYLGSA: Five Years Local Government Strategic Agenda
GAP: Generic Administrative Process
GDP: Gross Domestic Product
GEAR: Growth, Employment and Redistribution Strategy
GIA: Grant-in-Aid
GNI: Gross National Income
GNP: Gross National Product
HIPC: Heavily Indebted Poor Countries
HIV: Human Immunodeficiency Virus
HSD: Health Sub-district
HSIC: Heads of State and Government Implementation Committee

HSRC: Human Sciences Research Council
IASS: International Association of Social Security
ID: Identity Document
IDASA: Institute for Democracy in South Africa
IDP: Integrated Development Plan
IDPM: Institute of Development and Policy Management
ILO: International Labour Organisation
IMF: International Monetary Fund
ISS: Institute for Security Studies
ITU: International Telecommunication Union
LDC's: Least Developed Countries
LGSETA: Local Government Sector Education and Training Authority
LLDC's: Landlocked Developing Countries
MDG: Millennium Development Goals
MIG: Municipal Infrastructure Grant
MPAA: Madrid Plan of Action on Ageing
NGOs: Non-governmental Organisations
NBER: National Bureau of Economic Research
NCMTGSM: Non-Contributory Means-Tested Grants Supplement Model
NEPAD: New Partnership for Africa's Development
NMMM: Nelson Mandela Metropolitan Municipality
OAU: Organisation of African Union
OECD: Organisation for Economic co-operation and Development
OED: Oxford English Dictionary
OAP: Old Age Pension
ODA: Official Development Assistance
OUP: Oxford University Press
OVC: Orphan Care and Vulnerable Children Programmes
PAYGO: Pay-as-you-go
PGDP: Provincial Growth Development Programme
PROST: Pension Reform Simulation Toolkit
PSAM: Public Service Accountability Monitor
PSR: Potential Support Ratio
RDP: Reconstruction and Development Programme

RSA: Republic of South Africa
SAM: Strategic Agenda of Municipality
SAMAT: Southern Africa Multidisciplinary Advisory Team
SASSA: South African Social Security Agency
SDBIP: Service Delivery and Budget Implementation Plan
SDSS: Special Data Dissemination Standard
SID's: Sudden Infant Death Syndrome
SMME: Small Macro Medium Enterprises
SP: Social Protection
SP: Strategic Plan
SPSS: Statistical Package for the Social Sciences
STAP: Short-Term Action Plan
STI: Sexually Transmitted Infections
SRVM: Sundays River Valley Municipality
UK: United Kingdom
UN: United Nations
UNEP: United Nations Environment Programme
UNAIDS: Joint United Nations Programme on HIV/AIDS
UNESCO: United Nations Educational, Scientific and Cultural Organisation
UNICEF: United Nations Children's Fund
UPE: Universal Primary Education
US: United States
USA: United States of America
US\$: United States Dollars
WHO: World Health Organisation
WTO: World Trade Organisation
WVP: War Veterans' Pension

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CHAPTER ONE

1.1 Introduction

This chapter presents a general orientation of the study. It highlights information on researcher interest in conducting the study, investigates the study's main questions and conveys hypotheses that were justified. It defines the main terms and demonstrates how the study contributes to society at large, also how it might improve the standard of living of the subjects in question (government pensioners). The chapter ends with the systematic analyse of the study's specific chapter objectives.

1.2 Basis of the study

Poverty is a multi-dimensional phenomenon, which requires similar approaches tailored to the needs of individuals, communities, countries and the region at large. According to Ferreira et al. (2001:91), the response of the Government to poverty conditions in South Africa has been good, but not effective. Poverty in South Africa has been aggravated by other socio-economic challenges, such as HIV/AIDS, crimes, inflation rate, rural-urban migration and unemployment, forcing the elderly to become care-givers and breadwinners of households spanning three generations (elderly, adult children and grandchildren).

The presupposition is that the elderly in South Africa mostly Blacks and Coloureds are those most vulnerable to poverty because of socio-economic problems (HIV/AIDS, unemployment, inflation rate, early juvenile pregnancy and crimes) forcing them to become care-givers and breadwinners, caring for the unemployed and sick adult children and caring for orphaned grandchildren. They also need to provide food for the household, pay school fees and provide uniform and clothes for the grandchildren.

This research, therefore, seeks to investigate the socio-economic impact of the old age pension on the pensioner households within selected areas of the Eastern Cape (Bersheba, Kwazakhele and Bethelsdorp) (see Annexure A), as well as policies and programmes that are designed to improve the life quality of elderly South Africans, i.e. It also intends to assess the

effectiveness of programmes intended to protect the vulnerable elderly. It is, therefore, important to understand the socio-economic context influencing the vulnerability of the elderly in order to contribute to formulating policies designed to improve their situation.

1.3 Clarification of basic terms and concepts

1.3.1 Basic needs

Basic needs are:

- *People need to be well fed, properly clothed and adequately housed;
- *need satisfying human relationships;
- *access to economic, educational, recreational and spiritual opportunities; and
- *a route to physical, mental, spiritual growth and well-being (South Africa, 1997b:67).

1.3.2 Civil society

The term "civil society" means all institutions and organisations outside Government. In the context of welfare this includes: trades unions, consumer organisations, the formal and informal welfare sectors, non-governmental organisations (NGOs) and community-based organisations (CBOs), religious organisations delivering welfare services, corporate social investment, employee assistance programmes, occupational social work and social workers in private practice (South Africa, 1997b:67).

1.3.3 Community

According to the White Paper on Social Welfare a community is a distinction made between community as a locality and community of interest, also referred to as "locality" and "community of interest", and as "functional community". The former refers to a community with clear geographical boundaries, the latter to groups sharing a common interest, need or problem (South Africa, 1997b:67).

1.3.4 Corruption

According to Thompson (1995:301), corruption occurs in many forms. It can affect the "physical" in terms of the destruction or spoiling of anything, especially by disintegration or by decomposition, with its attendant unwholesomeness; it can affect "morals" by the "perversion" or "destruction" of integrity in the discharge of public duties by bribery or favour or the existence of "corrupt practices".

"Corruption" in the second sense is a phenomenon found in all societies, whether developed or developing. Its detrimental and corrosive effects know no bounds, but in developing countries, practices recognised as corrupt have a much more depilating effect than in developed countries. In such societies, corruption distorts the operation of free markets, slows economic development, and destroys an ability of institutions and bureaucracies to deliver expected services. Corruption also impacts negatively on efforts to deal with the incidence of poverty (Thompson, 1995:301). It has been said corruption is the mechanism by which a *nouveaux riches* has been developed in societies; particularly in the developing world.

1.3.5 Developmental social welfare

The concept of developmental social welfare was first used by the UN in 1989. It refers to social welfare as a dimension of social development. Developmental social welfare programmes refer to implement the national welfare strategy (South Africa, 1997b:68).

1.3.6 Gerontology

(Barker, 1988:13 and Crandall, 1980:5) defines gerontology as a scientific study of old age people, including inter alia, the psychological, socio-economic and physiological aspects of ageing.

1.3.7 Government

Simpson and Weiner (1989:712) defines government as the system according to which a nation or community is governed; form or kind of polity. Often with each defining word indicating either the nature of the community governed, as in civil or political, church or

ecclesiastical government or the kind of organisation adopted, as in monarchical, oligarchic, republican government; Episcopal Presbyterian Government.

1.3.8 Household

Marshall (1994:216) defined household as one or more people occupying a housing unit as their usual place of residence. Occupants may be a single family, one person living alone, two or more families living together, or any group of related or unrelated people who share living arrangements. Furthermore, Marshall (1994:216) added the definition sometimes varied to exclude, or include, households of non-related people who may set variable limits, in practice, to the extent of their income sharing or common expenditure.

1.3.9 Investigation

Simpson and Weiner (1989:807) define investigation as a process to conduct research into a subject, allegation or incident in order to establish the truth.

1.3.10 Old age pension

The term 'old age pension' is widely used to describe a range of cash income paid regularly by the state to people of or above the official retirement age and to some widows and people with disabilities (Gorman, 2004:5). In South Africa, a pension benefit of R870 (rand) (as of June 2007, \$ 137 at the market exchange rate) is paid. Old age pension is paid to men aged 65 and women aged 60 and over. Benefit entitlements are means-test on the income of the individual beneficiary, and his/her partner if married, but not on the income of other household members (South Africa, 2007f:2).

1.3.11 Pensioner

Thompson (1995:702) defines a pensioner as an individual who receives a cash income from a pension scheme.

1.3.12 Poverty

Poverty is multi-faceted and can manifest from lack of income and productive resources sufficient to ensure sustainable livelihoods; hunger and malnutrition; unemployment; lack of access to: education, healthcare, sanitation or clean water; homelessness and inadequate housing; unsafe environments; and social discrimination and exclusion (South Africa, 2002:15). This definition illustrates economic factors are one of many factors that give rise to poverty, which also imply poverty cannot be assessed by quantitative and statistical means alone, as this masks the suffering experienced by the poor in their daily struggle for survival.

Poverty, is however, usually defined either in absolute or relative terms. In absolute terms, poverty reflects an inability to afford an adequate standard of consumption. In this situation, one would use a poverty line, reflecting an income level sufficient to afford adequate consumption, as a point to determine who is poor and who is not.

This definition overlooks the distribution of resources in a society that often underpins absolute poverty. Thus "relative poverty" refers to an individual's or group's lack of resources when compared with that of other members of that society (South Africa, 2002:16).

1.3.13 Poverty alleviation

Simpson and Weiner (1989:953) defines poverty alleviation as an action of lightening the gravity, severity or the relief of people with poor conditions of life to better conditions of life.

1.3.14 Selected areas

In this study, selected areas are defined as a region of an expanse, chosen carefully, as being most suitable for research fieldwork (see Annexure B). The Eastern Cape is mainly rural, with high levels of unemployment. Its social indicators on income, living conditions and infrastructure highlight its backlog in development.

1.3.15 Service delivery

According to Fox and Meyer (1996:118) service delivery is defined as the provision of public activities, benefits or satisfactions. They add service delivery may also be defined as services relating both to the provision of tangible public goods and to intangible services.

1.3.16 Social assistance

In South Africa, the White Paper on Social Welfare defines the term social assistance as a non-contributory, means-test form of social security, delivered as grants (South Africa, 1997b:31).

1.3.17 Social gerontology

Social gerontology is a sub-field of gerontology which study the reciprocal relationship between the aged individual and society (Crandall, 1980:7). Social gerontology has also been defined as the scientific study of the societal and psychological aspects of ageing (Barker, 1988:14).

1.3.18 Social insurance

The term social insurance is defined in South Africa as the joint contribution by employers and employees to pension or provident funds, or social insurance covering other unexpected events; government may also contribute to social insurance covering accidents at work (South Africa, 1997b:31).

1.3.19 Social grant

A social grant is a monthly amount payable from public funds for the maintenance of a person or his or her dependants who qualify in accordance with legislation (South Africa, 1997b:71).

1.3.20 Social policy

A social policy is an accepted guideline for the changing, maintenance or creation of living conditions conducive to human welfare (South Africa, 1997b:71).

1.3.21 Social security

When discussing social security one has to know that the use of the term varies considerably. It might refer to different programmes depending on the country, the context, and the ideological background of the researcher. This obvious broadness of the topic and the complexity of the various social security systems make it difficult to find a satisfactory definition (Haarmann, 2000:24).

The International Labour Organisation (ILO) has, however, attempted to overcome this situation by providing a definition for the international context: The ILO views social security as the task to provide protection against life-cycle contingencies which cause reduction or loss of earnings in the Social Security Convention (No.102 of 1952), the ILO determined nine branches of benefit (1) sickness benefit; (2) maternity benefit; (3) employment injury benefit; (4) unemployment benefit; (5) invalidity benefit; (6) old age benefit; (7) survivor benefit; (8) medical care; (9) family benefits and laid out minimum requirements as to the coverage of the population and the content as well as the level of benefits (Haarmann, 2000:25).

In South Africa, the White Paper on Social Welfare defines social security as public and private measures that provide cash and in-kind benefits or both, first in the event of an individual's earning power permanently ceasing, being interrupted, never developing, or being exercised only at an unacceptable social cost and such persons being unable to avoid poverty, and second in order to maintain children (South Africa, 1997b:31).

Moving from that definition recognising both private and public arrangements for the provision of social security, the White Paper goes on to indicate social security in South Africa falling into four main categories: private savings, social insurance, social assistance and social relief. Through private savings, individuals make their own provisions for risks that may result in loss of income. Social insurance comprises joint contributions by employers and employees; social assistance, is a non-contributory, means-test form of social security, and is delivered as grants

(South Africa, 1997b:31).

On the other hand, the Committee of Inquiry into a comprehensive system of social security for South Africa (South Africa, 2002:39) found the extent to which one could adopt a traditional employment centred concept of social security can be questioned. Consequently, the concept 'social protection', described by the United Nations Commission on Social Development as society's responses to levels of either risk or deprivation, including access to income, livelihood, employment, nutrition, shelter, health and education services, has been adopted (South Africa, 2002:40). In fact, the Taylor Committee created the term "comprehensive social protection", indicating the term was broader than the traditional concept of social security, incorporating developmental strategies and programmes designed to ensure, collectively, at least a minimum acceptable living standard for all. "It embraces the traditional measures of social insurance, social assistance and social services, but goes beyond that to focus on causality through an integrated policy approach including many of the developmental initiatives undertaken by the State." "It seeks to provide basic means for all people living in the country to effectively participate and advance in social and economic life, and in turn to contribute to social and economic development" (South Africa, 2002:40-41).

1.3.22 Social welfare

The term social welfare refers to an integrated and comprehensive system of social services, facilities, programmes and social security to promote social development, social justice and the social functioning of people (South Africa, 1997b:5).

1.3.23 Socio-economic

Socio-economic is defined by Jary and Jary (2000:627) as the interaction of social and economic factors.

1.3.24 Vulnerability

Vulnerability refers to the probability or risk that an individual or household will be poor "in the near future". Some, because of their position in society, are more vulnerable than others to the negative consequences of economic, political and social trends and cyclical changes

(Barrientos et al., 2003:7). In South Africa generally, women (female-headed households), unemployed persons, people with disabilities (adults and children), households and communities with limited assets are least able to cope with the effects of, say, a negative change in basic service provision or access to remittances (South Africa, 2002:18). Therefore, policy interventions that seek to move people out of poverty need to address questions of vulnerability. Such approach requires strategies to advance vulnerable individuals or groups more easily out of their precarious environments, or at least enable them to cope better with any future human well-being compromise.

1.4 Statement of research problem

In the South African context, "traditional social security system" assumes that children will take care of elderly parents. However, the reality is that for several reasons, including unemployment, rural-urban migration, disintegration of the extended family, and HIV/AIDS, not all children take up their filial obligations. As a result, elderly relatives are abandoned, receive insignificant remittances, and hence have to grapple with caring for themselves. Moreover, these elderly have assumed the added responsibilities of caring for adult children, grandchildren and relatives as a result of deteriorating socio-economic conditions. Also, with the advent of HIV/AIDS, unemployment, inflation rate and globalisation traditional safety nets have been stretched to breaking point, reducing the number of adults in their prime and adding fresh responsibilities on the elderly (Ferreira, 2004:4).

Consequently, the elderly have to care for sick adult children, who eventually die; have to bear the funeral responsibilities; endure also emotional trauma; care for orphans. At times orphans themselves also infected and eventually die. Concomitantly, all such responsibilities and problems occur when the health of the elderly is deteriorating from degenerative conditions and their economic status is inadequate.

Most elderly South Africans live in rural areas where the old age pension is their main source of income. The level of unemployment among the youth and the spread of the HIV/AIDS pandemic especially among youth and children have compromised an ability of rural and urban pensioner households to be self-sufficient in different basic needs such as food, clothes and shelter. Pension has, therefore, increasingly become an unreliable source of livelihood in pensioner households. It was essential, therefore, that this thesis investigates the vulnerability

of the elderly and assess the responsiveness of policies and programmes designed to address elderly issues in South Africa. It should suggest a government pension model where all non-contributory South African pensioners will be placed in a better position to use their income.

1.5 Background of the research problem

The 2007 South Africa statistical release Number P0302 estimated the population of the Country at 47.9 million; 49% males (23.6 million) 51% are females (24.3 million). Those aged 55 years and over account for 9.5% of the total population. South Africa is a upper middle income developing country divided into nine provinces, namely: Eastern Cape, Free State, Gauteng, Kwazulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West and Western Cape, in terms of population, Kwazulu-Natal has the largest share of the South African population, about 21% of the population lives in this province (South Africa, 2007c:1). However, a total of 42.5% of the South African population lives in the rural areas and 57.5% in the urban areas. About 69.1% of the South African active population is employed with more males than females dominating the employment sector; 31.9% is unemployed. The level of economically inactive people places a heavy burden on the economically active population (South Africa, 2007c:1).

The South African Government is concerned about the welfare of the elderly, as expressed in the White Paper on Social Welfare, where Government pledges commitment to promoting the elderly rights in order to protect them and ensuring they are provided with basic needs (South Africa, 1997b:50).

South Africa is faced with a serious challenge as it is estimated 50% of the population lives below the poverty line of \$1 per day (less than R 300 per month) (see Annexure C) yet the country is classified as an upper middle income country with a GDP per capita of US\$ 3630 (about R29600) (Income and Expenditure Survey, 2005) (South Africa, 2008a). In spite of being classified as an upper middle income country, the wealth of the country is not evenly distributed, leaving the majority of the population poor. The South Africa Household Income and Expenditure Survey (2005) (South Africa, 2008a), shows 7% of the South African population controls 45% of the total income, while the poorest 50% of the population, controlled only 11% of the total income. The Household Income and Expenditure survey also indicates the depth and severity of poverty is worse in rural areas with the Eastern Cape and Limpopo

being worst affected by poverty; it is also estimated that 25% of the urban population is poor (South Africa, 2008a).

Most poor families are those headed by widows, illiterate adults and to large extent than that are headed by grandparents with only old age pension as a source of income and who live in abject poverty. The elderly in South Africa are, therefore, one of the groups most vulnerable to poverty. The South African population is being devastated by the HIV/AIDS scourge as it is estimated that 11% of the South African population is HIV positive (South Africa, 2007c:1). Society is susceptible to the HIV/AIDS, the poor being unable to cope with the challenges arising from this disease, as they do not have methods to cope. However, the increasing rate of HIV/AIDS, rural-urban migration, poverty and unemployment has weakened family support for older people, now often the main care-givers of grandchildren, own children, relatives who are sick and unemployed (Ferreira and Møller, 2003:21,33).

In South Africa, as is the case in many countries in Africa, people who have suffered a lifetime of poverty enter old age with very little or no resources at all, often in poor health. Older people are seen as a low priority by most humanitarian agencies and few develop programmes that consider their specific needs. Older peoples' particular needs must be recognised and supported if poverty is to be alleviated by 2015 (Millennium Development Goals) (see Annexure D). The contributions of the elderly are needed in every society and systematic plans for drawing on their resources can only benefit all in the Country. In brief, current policies and programmes need to acknowledge the contribution of the elderly to South African society, with a view to curbing the increased responsibilities they are shouldering.

1.6 Literature review

Old age pensions for Whites were introduced in 1928. African elderly were denied pensions because the Government claimed; their "native custom makes provision for maintaining dependent persons." Only in 1943 did Black pensioners qualify for pensions, initially only in urban areas and at a very minimal rate. Subsequently, pensions were extended to Blacks in rural areas, at a lower rate. Only in 1965 did the Government decide to introduce a uniform pension for all Black elderly and to give annual increments in order to discourage drift to the cities (South Africa, 2001:20).

In 1975 the maximum pension payable to Africans was R15 a month, but not many pensioners were paid the full amount. No pension was paid if other income exceeded R128 a year. The situation was complicated by the homeland system. For example, in Transkei a pension was not means-tested. All pensioners received a pension of R22.50 a month. In 1979, the maximum pension for Africans was R27.50 when, it was R54 for Coloured and Indians and R97 for Whites. In 1992, pension amount was R235 for Blacks, R273 for Coloured and Indians and R314 for Whites. There was great excitement when parity was achieved in October 1993 as analysed in the Table below. Pension amount changed in 1993 to R370 for Blacks, R370 also for Coloured and Indians and R370 for Whites (Table 1.1).

Table 1.1: Social pensions: amount paid according to race since 1979

Year	Whites	Coloured/Indians	Blacks
1979	R97	R54	R27.50
1983	R138	R83	R49
1989	R250.70	R199.70	R149.70
1991	R304	R263	R225
1992	R314	R273	R235
1993	R370	R370	R370

Source: (South Africa, 2001:20).

Unfortunately parity did not extend to the delivery system. While most White, Coloured and Indian pensioners received their pensions through banks or post office, Black elderly still had to queue in an open place without facilities (South Africa, 2001:21).

In South Africa, while there is agreement that the pension grant targets vulnerable older people, there is also debate on how best to administer it and about who benefits from the old age pension. In Brazil, the only other developing Country with the largest non-contributory pension programme besides South Africa, there is agreement that pension grants are targeting vulnerable older people and debate rages on how the non-contributory pension programme can cover people in the informal sector (Barrientos et al., 2003:19).

A non-contributory pension programme has been confirmed by academics and researchers, however, to have an important redistributive effect on the South African and Brazilian populations. In South Africa, social security, social services and related social development

programmes are investments which lead to tangible economic gain, and in turn to economic growth, without such social investments, economic growth being compromised (Barrientos et al., 2003:21).

Social security in South Africa is a right upheld by the Constitution. The Bill of Rights (Chapter 2) notes in section 27 [s27(2);(c)]: "Everyone has the right to have access to social security, including, if they are unable to support themselves and their dependants, appropriate social assistance, and the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights."

South Africa is characterised, however, by extremes of wealth and inequality. Classified as a middle-income developing Country, it has 'two nations' within it: a small number of wealthy people and a large number of poor (Lund, 1993:15). There are various ways in which Government may intervene to provide relief to the poor, thereby helping them to build pathways out of poverty. In an unequal society, the social security system can play a stabilising role, and is also a mechanism for distribution. Social welfare policies and programmes that provide for cash transfers, social relief, and enabling and developmental services ensure people have adequate economic and social protection during times of unemployment, ill health, maternity, child rearing, widowhood, disability, old age and so on. Social welfare programmes of this nature contribute to human resource development by enabling impoverished households to care for their members, especially children and those who are vulnerable. When such programmes are combined with capacity building, people can be released from the poverty trap (South Africa, 2002:18).

Although, the former social security system was racially discriminatory, difficult to access and unreliable to maintain, it nevertheless made an important contribution to household security. Research (Sagner, 2000:532), increasingly demonstrates the vital role played by social security benefits in alleviating poverty. Surveys showing grants to the elderly had a significant impact on the incomes of households receiving this grant. Benefits were thus relatively well-targeted for households in poverty, reaching those in rural areas. While pension grant was withdrawn by an individual pensioner, most grant recipients lived in families of three or more generations and money was usually pooled as household income. Thus the pension trickled down to many more than the individual beneficiary. However, a Committee of Inquiry into Comprehensive Social Security (South Africa, 2002:24) concluded the old age pension is the

primary source of income for older persons who would otherwise live in abject poverty (South Africa, 2002:24). This was also one result obtained in a reanalysis of the 1995 Western Cape Community Housing Trust data files. According to this research, in two of three of African households where a pensioner lived, pension grant appeared as the main source of income (Sagner, 2000:532-533).

One will agree, however, old age pension socio-economic impact in a household with a pensioner was not only to reduce poverty and contribute to social cohesion; it also impacted positively on the economic opportunities of households receiving a pension grant. Refer to (Box 4.3, Chapter Four). The provision of a pension grant translated relatively quickly into an enduring positive impact on labour market participation, employment success, and realised wages. Therefore, at the macro-economic level, social pension grant impacted on economic growth indirectly through improved children access to education. In the labour market, social pension grant provided potential labour market participants with resources and economic security necessary to invest in a high-risk/ high reward job search. Living in a household receiving a social pension grant correlated with higher success rates in finding employment.

In households affected by HIV/AIDS, old age pension contributed towards expenses that older persons experienced during the illness of their children such as for treatment and funeral costs. In caring for grandchildren a pension helped buy food, clothes, medication and pay school fees. Old age pension has been confirmed by academics to have an important redistributive effect on the South African population. As seen by the research undertaken, pensions are used for developmental purposes, to deliver cash into remote areas and to make a substantial difference to the levels of living in households in poverty. Although, the negative aspect that needs more exploration is the possibility of serious administrative problems occurring in the payments of old age pension.

Pension payment problems are compounded by the devastating effect that bureaucratic inefficiency has upon the economic environment in which the poor must live (Wilson and Ramphela, 1989:271-272). For effective service delivery, the ideal was to aim for a simple, computerised system offering the least opportunity for abuse. There is an urgent need to develop more effective management and information systems, uniform rules and procedures, better payment options and an effective assessment of the nature and scope of fraud in the social security system.

In the case of Brazil, researchers (Barrientos, et al., 2003:15) investigated the impact of old age pension and concluded the non-contributory pension programme as having a significant effect on pensioners' poverty reduction. It was apparent a non-contributory pension acted as a safety net. Barrientos, et al., (2003:21) compared households with a pension beneficiary against households without, discovering that the incidence of poor households to be higher among the latter.

There is, unfortunately, only sparse information on old age poverty in low income countries. But information suggests a strong link between later life and poverty. In middle income countries, evidence is mixed, but for most countries, poverty rates among older people are similar to poverty rates for the population as a whole. Furthermore, conventional techniques for estimating poverty rates are likely to bias downwards poverty among the old (Case and Deaton, 1998:130-131).

Studies results on the non-contributory pension programmes' socio-economic impact on the lives of older people in Brazil and South Africa indicate pension benefits are shared within households, with an implication that non-contributory pension benefits should be considered as household cash transfers, tagged on older people. Analysis of studies confirms, in the absence of non-contributory pension programmes, the poverty headcount and poverty gap will be appreciably higher for household's containing older people. The study also shows households with a non-contributory pension indicate greater financial stability and lower probability of experiencing a decline in living standards (Barrientos et al., 2003:21).

In South Africa, recent debates on social protection have centred on the effectiveness of the social assistance programme in reducing poverty and vulnerability. The argument is made that change in the pattern of risk affecting the population made it necessary to re-focus social assistance. Van der Berg (1999:23) outlines vulnerability is significant for large families excluded from a social assistance programme. According to Van der Berg (1999:24), since pension is means-test, it serves as a deterrent for older persons to stay in the labour market and to declare their true income. Also, the means-test discourages many from preserving occupational retirement benefits as well as discouraging younger people from saving towards retirement (Van der Berg, 1999:24). In the place of a non-contributory means-test pension model provided to the pensioners, which is not satisfying pensioners needs based on income level, the thesis suggested a non-contributory means-test supplement grants model, as social

grants will be supplement to pensioners' household members to meet expenses as it is available to everyone meeting certain criteria usually based on age and citizenship or residency and income level.

In Brazil, debates on social security reform have been driven in the main by fiscal considerations. There was general consensus that reform of the contributory part of the social insurance system was urgent. But these debates had not yet challenged the non-contributory pension programme. One issue was the minimum non-contributory pension benefit had also become *de facto* the benefit level for the majority of pensioners under the contributory programmes, ensuring practical disincentives for contribution among current workers. Another was a lack of transparency in the financing of the non-contributory programmes. According to the authors, neither concerns fundamentally challenged the continuation of non-contributory pension programmes (Barrientos et al., 2003:19).

1.7 Research questions

1. What are the requirements to become a non-contributory pension beneficiary in the post-apartheid South Africa?
2. How does pension income impact on poverty in the government pensioners household?
3. How has the old age pension been managed in a democratic South Africa?
4. Considering the present old age pension system in relation to poverty alleviation, does it provide the elderly an opportunity to break the cycle of poverty?
5. What are the challenges faces by the South African old age pension system?
6. What old age pension model to use in order to overcome challenges faces by the South African Government to satisfy elderly needs?
7. What lessons might be drawn from other countries that had successfully overcome old age pension issues?

1.8 Aims of the study

The study is based on the following aims:

*To explore the socio-economic impact of the non-contributory old age pension in the pensioner household within selected areas of the Eastern Cape Province (Bersheba, Bethelsdorp and Kwazakhele);

*to develop a normative model to eliminate psycho-social and economical constraints facing pensioners in South Africa, particularly in the selected areas of the study (Bersheba, Bethelsdorp and Kwazakhele);

*to develop a hypothesis that would sharpen design for future research endeavours; and

*to build a foundation of general ideas on ageing to be explored later with more complex researcher design.

1.9 Objectives of the study

The following research objectives have been postulated to achieve the purpose of the study, namely:

* Suggested normative model can also help beneficiaries to use pension income for the purpose it was originally intended than for pensioners to use it for household member's medication, school fees and food.

*To investigate and describe the most prominent socio-economic impact of old age pension on the rural Black household of the Sundays River Valley Local Municipality (Bersheba) and the urban Black and Coloured household of the Nelson Mandela Metropolitan Municipality (Kwazakhele and Bethelsdorp);

*to record and analyse the views of pensioners regarding the strategies they recommend for the old age pension to meet their daily needs;

*to learn from abroad on how the old age pension systems are successfully managed; and

*to make recommendations regarding strategies for the old age pension to meet pensioner's needs.

1.10 Research hypotheses

The study is based on the following research hypotheses:

*The growing rate of people infected with HIV/AIDS increased elderly care responsibilities and affected negatively on elderly socio-economic conditions;

*the old age pensions are more likely to support the entire household, where there is no other income;

*contemporary old age policies and programmes are not responding properly to elderly socio-economic problems; and

*today's elderly South African, mostly Blacks' quality of life is the consequence of racial discrimination experienced under Apartheid.

1.11 Research design and methodology

Babbie and Moutton (2001:12) believe that: "Research methodology or methods are procedures that enable researchers to collect data need to be carefully planned, structured and executed in order to produce irrefutable and high quality research results." In this thesis, the research methodology consisted of the following:

- * Literature search;
- * research design;
- * empirical survey;
- * statistical analysis;
- * data analysis and interpretation of the findings; and
- * normative model construction.

1.11.1 Literature search

The literature review helped to investigate the socio-economic impact of the old age pension in pensioner households. The thesis used primary and secondary sources to collect information.

a) Primary sources

The technique used to collect useful data was by personal interviews through questionnaires (see annexure E). Two types were used for data collection, namely: structured questionnaires and unstructured questionnaires. Questionnaires were divided into two sections: Section A (dependent variables) and Section B (independent variables) (Pekeur, 2002:15).

b) Secondary sources

Reports, government publications, speeches, books, journals and newspaper articles, abstracts, computer searches, periodical indexes, statistical indexes, models and other publications were studied, enabling the review of existing knowledge on the subject matter of old age pension socio-economic impact on pensioner households. Information not obtainable from publications, but relevant to the specific study purpose, was gathered through interviews with survey respondents (old age pensions beneficiaries and household members, non-governmental and governmental officials).

References (Ferreira and Møller, 2003:21-33; Barrientos, et al., 2003:15,21; Case and Deaton, 1998:130-131) are made to the knowledge, background information, opinions of professionals regarding the old age pension socio-economic impact in the households with a pensioner; the interviews also done with the experts in the subject field (the majority being from non-governmental organisations) helped. Researchers, academics and practitioners in the public sector and social pension management system were approached and interviewed on the old age pensions management in South Africa. Reference was made to reports, journals, published and unpublished documents of institutions such as the Albertina and Walter Sisulu Institute of Ageing at University of Cape Town, South Africa and the Institute for Security Studies (I.S.S.) in Cape Town, the Help Age International in Switzerland and the International Association of Social Security in Switzerland.

This was undertaken to provide a clear idea on how an old age pension impacted socio-economically and was addressed and promoted by the above institutions. The Harvard method of citation was used.

1.11.1.1 Extracting relevant and particular normative criteria from the literature pertaining to the stated research problem

This phase cements the literature main findings in a most understanding description of selected normative criteria, as found from discussions and interviews with experts in the field of social security on the old age pension management in South Africa, particularly in the selected areas of the study (Bethelsdorp, Bersheba and Kwazakhele). The interviews and discussions results indicate understanding and knowledge of the research topic, the research problem and other key elements of research by the researcher (Steyn, 2006:7).

1.11.2 Research design

Based on the aims and purpose of the study, the research approach was qualitative, quantitative and contained elements of case studies. The qualitative research encompassed field observations, focus group discussions, structured interviews and semi-structured interviews. The quantitative research was executed from questionnaires which were circulated to 102 respondents. In Chapter Five, a more detailed description of the research methodology used to investigate the socio-economic impact of the old age pension in the pensioner household within selected areas of the Eastern Cape (Bersheba, Bethelsdorp and Kwazakhele) is given.

1.11.3 Empirical survey

A survey of the older rural Black households in the Sundays River Valley Municipality (Bersheba), another survey of older urban Coloured households and the older urban Black households at Nelson Mandela Metropolitan Municipality (Kwazakhele and Bethelsdorp) was conducted to investigate the socio-economic impact of the old age pension on pensioner households. This was achieved by the distribution of structured and unstructured questionnaires, predetermined in collaboration with a registered statistician (Steyn, 2006:8).

1.11.3.1 Description of the research population

The research population was divided into three groups:

- * Description of the total possible research population;
- * identification of the target research population, one, in collaboration with the statistician and another one with the supervisor in order to provide an acceptable representative sample of the possible research population; and
- * a final research population figure was decided by the researcher in collaboration with the supervisor and statistician, representing the total percentage of the target population.

1.11.4 Statistical analysis

Appropriate answer percentages were calculated in collaboration with a registered statistician by determining relative values from the empirical data and transferring such information in a codified format to a computer database. The data, which was analysed, was interpreted by utilising selected statistical methods and analytical instruments. A description of the analysis methodology design is provided in Chapter Five of the study, which deals with the research design.

1.11.5 Data analysis and interpretation of the findings

After collecting the analysis of empirical data undertaken by a registered statistician, the results were interpreted by the researcher, the researcher used analytical instruments (frequency distribution, tables, pie charts, graphs and statistical tables) followed by a brief textual explanation of each and every analysis event to interpret study findings. This part of the research is described in Chapters Six and Seven of the thesis.

1.11.6 Normative model construction

After the completion of the literature study and empirical survey, a normative model to solve the socio-economic problems encountered by urban Black older people and urban Coloured older people at the Nelson Mandela metropolitan Municipality (Kwazakhele, Black urban area and Bethelsdorp, Coloured urban area) and rural older people in the Sundays River Valley Local Municipality (Bersheba, Black rural area) was constructed and presented to address

the problem statement pertaining to the research topic, as reflected in the title. The following paragraphs (1.11.6.1.1.A, 1.11.6.1.1.B and 1.11.6.1.1.C) and Section 8.4 in Chapter Eight give the details of model construction theory, as well as the design and proposal of an appropriate model for the stated main objective. Suggested recommendations, which are from the normative criteria extracted from the literature, the empirical survey and the normative model, were outlined and explained in Chapter Eight of the thesis.

1.11.6.1 A philosophical basis for public management

In order to understand the different viewpoints on the paradigmatic status of the discipline of Public Management, it is necessary to look at the various theoretical approaches to the subject of Public Management. This is explained in the paragraphs that follow.

1.11.6.1.1 Various approaches to development

Various approaches to the subject of Public Management have been proposed and the following there will be explained, namely:

- The Generic approach, as expounded by Cloete;
- The Public Management approach, as expounded by Fox, Schwella and Wissink; and
- The Systems approach, as adapted from Easton.

A. The generic approach (Cloete)

Cloete outlines that administration and, by implication, Public Management, consists of a wide-ranging set of activities or processes that can be grouped according to their respective functions. Six main generic groupings of activities and processes will be obtained on the basis of the functions of policy-making, organising, financing, staffing (personnel provision and utilisation), determining effective and efficient work procedures and determining effective and efficient control measures, which can be subdivided into two main categories, namely checking (controlling) and accountability, in order to ensure that the original target will be achieved. Therefore, administration is a collection of activities and processes and each of the six main groups mentioned above should be carried out in full to achieve any objective regardless of whether it is a tangible product or a social state through action. This implies that

administration is not merely a concept or an idea, but a social phenomenon, which consists of mental effort and other activities. It is this state of affairs that makes administration an enabling activity, which functions within a group context (Cloete, 1984:1-2).

The above-mentioned joint action that is referred to means that the generic administrative activities or processes will always precede and /or accompany the functional and auxiliary activities that are concerned with producing goods or rendering services. In Table 2.1 the three categories of activities are outlined as follows:

Table 1.2: The Generic Approach

Administration activities and processes	Functional activities	Auxiliary services
<ul style="list-style-type: none"> • Policy-making • Financing • Organising • Staffing • Determination and improvement of work process • Controlling, checking and rendering account 	<p>For example:</p> <ul style="list-style-type: none"> • Building roads • Nursing patients • Providing postal services • Educating scholars and students 	<ul style="list-style-type: none"> • Data processing • Undertaking public opinion surveys • Collecting and analysing statistics • Research • Decision-making

Source: Cloete, 1984:3-4

The six main groups that are mentioned under “administrative activities and processes” cannot be separated in practice. The various activities and processes in question are usually considered and undertaken simultaneously. For example, when an objective is set and “policy is made”, cognisance should be taken of what can be expected, theoretically as well as practically, of the other processes of administration, namely organising, financing, staffing, determining work procedures and exercising control, in order to ensure that the objective is achieved. Thereafter, when the organisational arrangements are considered, it will be necessary to attend to the availability of funds and to the personnel that are needed to implement the action programme. Each of the afore-mentioned main groups of generic processes in the cycle of administration constitutes a complex field of activity, which becomes

even more complex as the extent and size of the operation expands (Cloete, 1984:3-4).

In fact, Cloete's approach does not offer a definition of the term administration, but merely provides a description of the processes. In this context, it can be concluded that Cloete equated Public Management with administration because Cloete used the administrative process approach to the exclusion of any other possible approach.

B. The public management approach (Fox, Schwella and Wissink)

As the principal advocate of the public management approach, Fox and Wissink (1991:2) describe public management as a system of structures and processes, which operate within a particular society as environment, with the objective of facilitating the formulation of appropriate governmental policy and the efficient execution of the formulated policy (Ferreira, 1996:410).

Fox and Wissink (1991:3) take, as its point of departure, a perceived general environment. This general environment consists of various sub-environments, which are examples of possible environments. Those mentioned are taken as being representative of most facets of contemporary human societal existence and its need-generating elements.

Fox and Wissink (1991:3-4) shows a specific environment, within the general environment, which consists of suppliers, competitors, regulators and consumers. The interaction between the components of the general environment and the factors of the specific environment are regulated by certain functions, skills and applications (Ferreira, 1996:410).

Fox and Wissink (1991:5) identifies five possible enabling functions or processes, which can serve as a conversion mechanism for goal achievement, namely policy-making, planning, organising, leadership and motivation, as well as control and evaluation. These functions are situation bound and could change as the needs of the particular environment fluctuate (Ferreira, 1996:411).

C. The input/output transformational systems approach (Easton)

The systems model presupposes that the given external environments are threatening the survival of society all the time and it is necessary, on an on-going basis, for all levels of government institutions to set goals in order to avert potential hazardous situations within given environments and to pursue those goals effectively and efficiently. The needs that are generated by the dysfunctional external environments serve as the "inputs" into the system. The generated needs can only be satisfied by goal-setting, the eventual achieving of what will be considered as the "outputs" (Ham and Hill, 1993:14).

Once the goal has been achieved and the need accordingly satisfied, feedback occurs to the original environment to check whether the need has been optimally satisfied, for example, the provision of school facilities where those did not exist previously. Should the goal have been achieved, feedback will occur to the original environment which was the original dysfunctional external environment and will then have changed to a new external environment, which, in turn, will generate new needs that should be satisfied by the goal setting and achieving thereof (Anderson, 1994:27). Presently, the Generic Administrative Process of Cloete has been used as a conversion process. It is also possible to use other processes or models for the conversion (Ferreira, 1996:403-404).

The above process takes place for all external environments, which depends on the level of improvement that is aspired to. The perceived degree of dysfunctionality, in terms of the needs that are generated, coupled with the available resources, will be the deciding factor that will determine the extent of goal-setting, the values and norms that will be adhered to, the conversion process, which will be used to change the dysfunctional situation to a functional situation with the concomitant achievement of the goal, with the opinion of repeating the cycle, as desired (Easton, 1965:128).

Bearing in mind the above-mentioned inherent shortcomings of utilising a systems approach to explain phenomena, it is nevertheless proposed that the systems approach be used for the purpose of analysing public administration phenomena, owing to the lack of other suitable approaches (Ham and Hill, 1993:15). This proposal is made considering Government pensioners financial situation in South Africa, particularly in the surveyed areas (Bersheba, Bethelsdorp and Kwazakhele), where the adoption of an easily understood normative model

(Non-Contributory Means-Tested Grants Supplement), will yield rapid results in short term, is regarded as a suitable normative model because once pensioners household members are supplemented with the social grants they will be able to meet expenses and pensioners will satisfy own needs. Chapter Eight gives the details of the designed normative model.

1.12 Delimitation of the research

Old age pension covers a vast field. There are huge amounts of literature on old age pension in South Africa. It was, therefore, essential to remain within the purpose and objectives of the study to prevent possible overlapping with other research studies or projects. It was further essential to narrow the field of study to make it more helpful, acceptable and practical for researchers in the same field. The research focus was in the subject field of social assistance, more specifically the old age pension.

The focus of the thesis was on the non-contributory old age pension socio-economic impact in households containing a pensioner. One Province was selected as a site to study the socio-economic impact of government pension income on older households, the Eastern Cape. It was selected as it is mainly rural with a high rate of unemployment and its social indicators on income, living conditions and infrastructure highlight a backlog in development. For comparative analysis purposes, a rural Black area (Bersheba) in Sundays River Valley Municipality, a Black urban area (Kwazakhele) and a Coloured urban area (Bethelsdorp) in the Nelson Mandela Metropolitan Municipality (Port Elizabeth) were selected. Bersheba was selected because of the high rate of poverty, unemployment and the HIV/AIDS rate. However, the two urban areas were selected because of a higher standard of living and rapid influx of a population seeking jobs. This situation has strained development resources and created movement of population from the rural areas of the Sundays River Valley Local Municipality to the urban Nelson Mandela Metropolitan Municipality.

1.12. 1 Geographical Survey sites overview

1.12.1.1 Nelson Mandela Metropolitan Municipality

The Nelson Mandela Metropolitan Municipality included: Port Elizabeth, Uitenhage, Despatch, Bethelsdorp, Gelvandale, Newton Park, Westering, Walmer, Gqebera, Summerstrand, Humewood, North End, Swartkops, Amsterdamhoek, Bluewater Bay,

Motherwell, New Brighton, Qwazakhele, Barkly Bridge, KwaNobuhle, Khaya Mnandi, Kwa Langa and Blue Horizon Bay (see Annexure F). Nelson Mandela Metropolitan Municipality has 1.950 total kilometres, 1.3 million total population, 52% of females and 48% of males (see Annexure F.1). 45.000 People in the municipality benefited households under the Assistance To the Poor Houses Programme (see Annexure F.2). However, the municipality provided 265.099 houses to the population under RDP programmes (see Annexure F.3). 9% of population had access to water, 85% had access to basic sanitation and 95% in the formal areas had access to electricity (see Annexure F.4). Although, 34.5% of pregnant women were HIV positive (see Annexure F.5).

Port Elizabeth is located on the shores of Algoa Bay. The City offered a unique mix of tourist attractions: scenic nature trails and wildlife experiences, long beaches, many places of historical interest and a unique coastal climate. The calm waters of Algoa Bay, with shores lapped by the warm Indian Ocean, made Port Elizabeth to be one of the touristy Cities in South Africa. Greater Port Elizabeth is often referred to as the 'Gateway city' to the Eastern Cape, the famous Garden Route, settler hinterland and the sunshine coast. It is highly accessible and, therefore, known as the quickest city to access by foot or taxi from suburbs areas, such as, New Brighton and Korsten (Gaffney, 2005:412).

Most historic attractions are located within walking distance of one another in the historic central area. Public transport is adequate and moving around by city bus shuttle, taxi or on foot can be a fun and inexpensive way of viewing the sights. The City is an important centre for the automobile industry and a major transport hub; its well-equipped modern airport and harbour linked Southern Africa with other national and international destinations; the City enjoy regular air passenger and cargo services to the other major centres of the Country. Finally, its population exceeded 1 million, making it South Africa's fifth largest city in terms of population. The City is the second largest in terms of the geographical area (Gaffney, 2005:144-145).

Since the establishment of wool washers in the mid 19th century, Uitenhage had become one of the most important industrial centres in the country. However, Despatch, 10 km from Uitenhage, became an independent municipality from Uitenhage in 1945. Bethelsdorp (near Despatch) was founded in 1803 as a station of the London Missionary society. Residents were once granted a polder, or track on the saltpan to the east of the Town where they could

produce salt by evaporation. However, New Brighton was the oldest Black township in the Nelson Mandela Metropolitan Municipality. It was founded at the turn of the 19th century when Black people were moved from locations in the centre of Port Elizabeth. Kwazakhele, in Xhosa means: 'the place we built by ourselves', it was established between 1956 and 1958 for Africans who were forcibly removed by the apartheid Government from the area of Korsten, a mixed residential area and the only area where Blacks had freehold tenure rights. More than 45000 people were moved, making it one of the largest forced removals of the apartheid years. The first people were moved to site and service, adjacent to New Brighton, where they could initially erect their own shacks. Later from 1957 to 1961, the authorities built 11.727 houses (Gaffney, 2005:412).

In 2001 Port Elizabeth was incorporated, with Despatch and Uitenhage and the surrounding townships, to form the Nelson Mandela Metropolitan Municipality (Figure 1.1) (Gaffney, 2005:412).

1.12.1.2 Sundays River Valley Local Municipality

A. General overview

The Sundays River Valley Municipality is composed of: Kirkwood, including Moses Mabida, Bergsig, Aqua Park; Addo, Valencia, Nomathamsanqa, Paterson, Enon, Bersheba, Sunland, Moreson and Kwazenzele (Figure 1.2). However, Moses Mabida, including Msengeni, Bongweni, Nosini and Steve Biko is considered as the smallest area in the Sundays River Valley Local Municipality with a total kilometre of 2.68 kilometres but it has one of the highest total population number (6.100 habitants) in the municipality (see Annexure G).

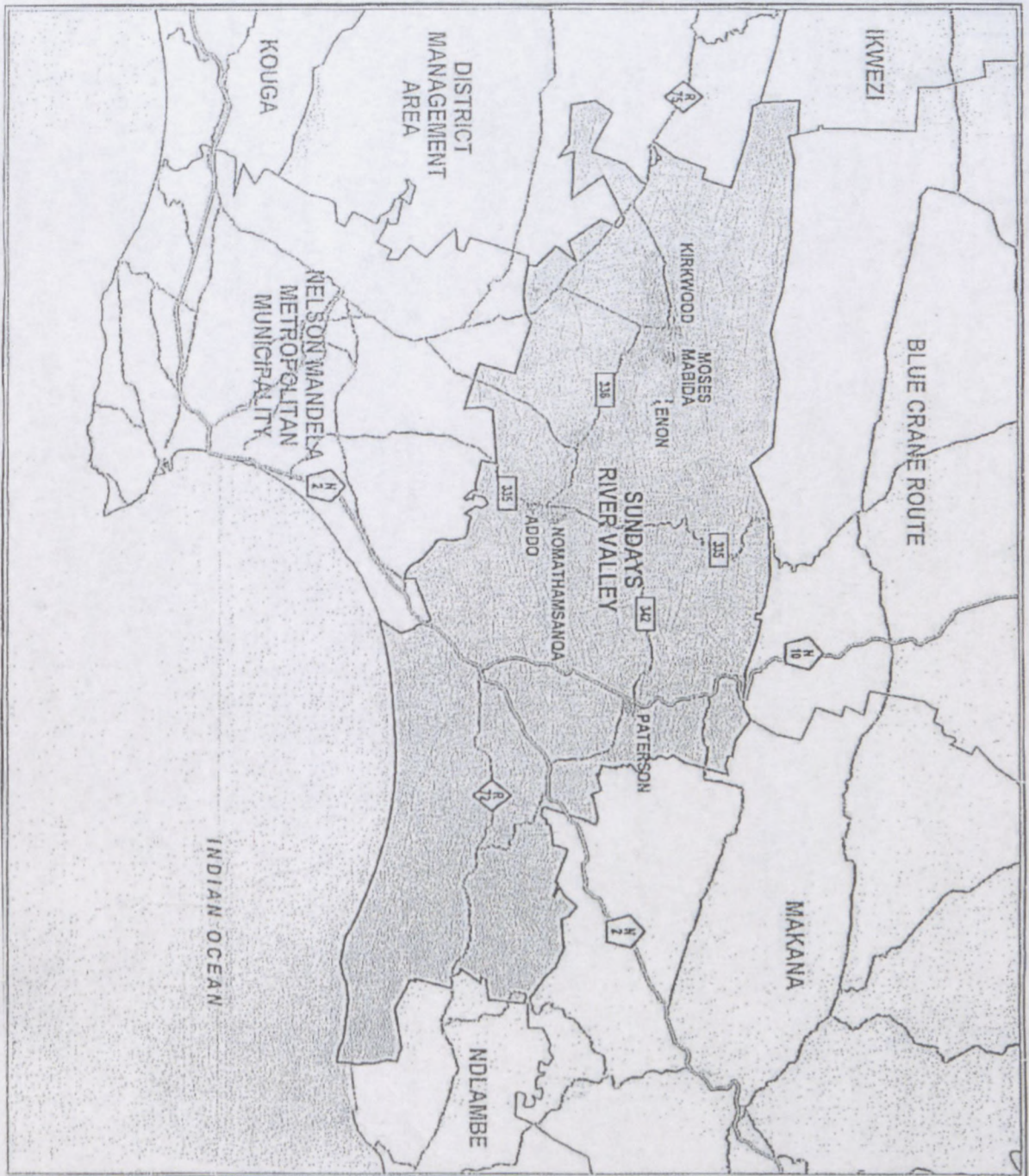


Figure 1.2: The Sundays River Valley Municipality Map

The Region is characterised by the Addo Elephant Park, the woody Cape Nature Reserve along the coast and the Sundays River Valley irrigation and citrus farming Region. The Valley had wide, fertile flood plains and associated low-lying land, with steep, less fertile slopes flanking the Valley. The Town of Kirkwood is the main focal point of the Valley with Addo and Sunland being secondary nodes. The Valley is characterised by harsh climate conditions with summer temperatures reaching in excess of 40°C, rainfall is 250-500mm annually and spread over the year. The area is extensively farmed with mainly citrus varieties. The rural settlements (i.e. Enon, Bersheba and Sunland) represent people mainly active in agriculture. These areas generally lack adequate services and infrastructure to provide for community social needs. Facilities are poorly maintained or lack and communities are dependent on towns for their economic and employment activity (Gaffney, 2005:387).

The main sector of employment generation in the Sundays River Valley Local Municipality is agriculture, employing 50% of the work force. Other sectors, which played an important role in the economy of the Region, are the trades and community services sectors. The levels of unemployment in Kirkwood and Alexandria Magisterial Districts stood at 40.8% and 38.2% respectively. This reflected a 15% increase of poverty rate for the Kirkwood District and a 17% increase in Alexandria from 1990. The high level of unemployment was further reflected in the income of the population, 63% of the population in Alexandria district and 45% in the Kirkwood district have no income. These low levels of income and high levels of unemployment were a major contributor to the level of poverty in the Region. The expansion of conservation efforts had a negative effect on employment and urbanisation (Gaffney, 2005:387).

Finally, the total age population in the Sundays River Valley Local Municipality in 2007 was 41.580 habitants (3.567 for people aged between 0 to 4 years; 7.298 for 5 to 14 years; 15.798 for 15 to 34 years; 11.565 for 35-64 years old and 2.346 for over 65 years) (see Annexure G.1). The demographical trends of the Municipality is classified as follow, Blacks constituted 76.6% of the Municipality total population and Indians are only 0.17% of the total population (see Annexure G.2). The majority of population in the municipality are females and the minority are males (see Annexure G.3). While, 23.49% of the population is employed and 76.51% is unemployed 4.07% live below R800 per month (Annexure G.4). In fact, Bersheba is the least area in term of employment with only 4.65% of the employed population. However, when analysing the individual monthly income per household during fieldwork study

(survey results of the 02 of August 2007), the results outlined that 41% of household members had no income while 45.74% had income between R1 and R800; 6.96% had income between R801 and R1600 and 5.71% had more than R1601 monthly income (see Annexure G.5). Concerning respondent's total annual household income in the Sundays River Valley Municipality 14% of respondents had no income; 7.78% had income between R1 to R4800 and 48.27% live below R800 per month (see Annexure G.6). However, the lack of basic services access in the Sundays River Valley Municipality is one of the main challenges the community is facing, 54.79% of households accessed water in yard; 8.06% accessed water in the community stand inferior to 200 metres; 11.37% accessed in the community stand superior to 200 metres and only 12.32% accessed water in the house (see Annexure G.7).

1.13 Significance of the research

The research study makes a contribution in regard to the transformation of the old age pension system and services provided for South African's elderly. The study makes a contribution in regard to the transformation of the old age pension system and policies provided by the Government for pensioners' well being.

Fox and Meyer (1996:96) regard policy as "goals and objectives within a given situation and the methods to realise them. In a more specific sense it indicates the steps taken to realise the objectives of a public authority." The study contributes to the development of public management, more specifically to the field of social pension management, in providing a broader background plus further knowledge of the old age pension socio-economic impact in the pensioners' household within the selected areas of the Eastern Cape (Bethelsdorp, Bersheba and Kwazakhele).

1.14 Expected outcomes, results and contributions of the research

The expected contributions of the research was to incorporate a non-contributory means-test supplement grants model as a normative framework to manage the socio-economic challenges encountered by older people by providing grants to old age pensioners household members within South Africa, particularly in the survey study (Bersheba, Bethelsdorp and Kwazakhele) to meet expenses.

The non-contributory means-test grants supplement model provides a framework to satisfy elderly households' socio-economic needs. It is called non-contributory means-test grants supplement model (NCMTGSM) because benefits are available to everyone meeting certain criteria, usually based on age and citizenship, or residency and on income level. It supplements pensioners' household members (grandchildren and children) social grants (foster child grant, child support grant and disability grant) to meet expenses and to able pensioners to satisfy own needs with pension income.

Finally, the research study will be a pool of information for researchers, academics and practitioners in the public sector and for social pension management system within South Africa or elsewhere information on old age pension socio-economic impact in the households with a pensioner is needed.

1.15 Specific chapter objectives

Chapter One focuses on the basis of the study; the clarification of basic terms and concepts; the statement of research problem; background of research problem; the literature review; the research questions; aims of the study; the objectives of the study; the research hypotheses; the research design and methodology; the delimitation of the research; the significance of the research; the expected outcomes, results and contributions of the research and the specific chapter objectives;

Chapter Two analyses different viewpoints on the social security systems in different parts of the World, including South Africa;

Chapter Three analyses definitions of old age pension and assessed different theories of ageing;

Chapter Four outlines the non-contributory old age pension socio-economic impact on the pensioner household and examined challenges encountered by pensioners;

Chapter Five provides information on the type of study conducted also when and where it was conducted. It also provides information about the principal subjects of the study. Finally, it highlights information on how data was collected, interpreted, processed and analysed;

Chapter Six analyses variables investigated in the study;

Chapter Seven interprets and discusses the main findings of the research study;

Chapter Eight designs a scientifically acceptable normative model to improve pensioner and household members living conditions; and

Chapter Nine concludes and summarises the main research theme. It also outlines recommendations.

1.16 Summary

This chapter brings together information on a comprehensive view of the study. It also provides information about what the study dealt with along the way. It is evident the study is worth researching in the democratic South Africa dispensation which emphasises equality regardless of race, gender, religion and age.

The next Chapter analysed viewpoints on social security systems in different parts of the World including South Africa.

CHAPTER TWO

THE ANALYSIS OF THE SOCIAL SECURITY SYSTEMS IN DIFFERENT PARTS OF THE WORLD INCLUDING SOUTH AFRICA

2.1 Introduction

This Chapter paints a broad description of the social security system in different parts of the World, including South Africa. It describes a background of social security from the 14th century to the 20th in developed countries, outlines the historical perspectives of social security schemes in developing countries (Latin America, the Caribbean, Africa and Asia). It also highlights social security programmes strengths and weaknesses. It finally gives the South African Government an indication on what good elements from other social security systems they should apply to perhaps solve challenges confronting the South African social security system.

A main source of support for the elderly in developed countries and in some developing countries is collective action through public social security programmes. When the income of elderly people is at risk, Governments in many countries replace the family role. Government support is distributed through social and health services (including pensions), so that the elderly may live in acceptable conditions, even if unable to fully support themselves.

Government resources used to support the elderly are financed in two ways as by taxes, or by individual contributions to public social security systems. When taxes, there are transfers from younger to older generations. It means working people pay taxes, with Government redistributing financial resources for different needs, including those of the elderly; investment has an opportunity cost. Resources invested in one population group, products or services prevent their use for the production of others.

When resources are financed by individual contributions it is usually through social insurance and workers' contributions. People who began paying through taxes many years ago transferred some of their resources to the previous generation. However, as the system continues, the likelihood of obtaining transfers from the next generation is being eroded by wars, political instability, earthquake, corruption and mismanagement in many countries and

social security systems have difficulty to maintain the procedure. Future generations may not get transfers; even though they had contributed to the system over many years (see Annexure H).

As people age, their needs and demands increase; as the proportion of the economically active population decreases, a higher rate of dependency arises. Consequently, Governments must increase taxation rates to make contributions to a social security system. Increasing direct taxation rates, however, creates an incentive to evade taxes by working in the informal sector, or becoming unemployed, all of which can lead to a falling tax revenue (Shaffer et al., 2006:59-61). In addition, high taxation rates reduce on ability to save, since there is less money available.

The proportion of the Gross National Product (GNP), that developed countries spend on delivering services for the elderly has increased with countries spending more resources as their populations age (Kobayashi and Reich, 1993:343-344; Henke, 2002:26).

2.2 Social security system within South Africa

Within the context of South Africa, the older population represented a diverse group. With the majority having worked as semi-skilled in the mining industry, farm labourers in the agricultural sector and as domestic workers in the informal sector, the prospect for their well-being at retirement was daunting. The absence of pension schemes, provident funds, or other savings, lack of information and foresight with regard to impending issues of old age, the irregular flow of income during their working lives and the constant pressure to meet day to day needs, ensured a high degrees of dependence on some kind of support.

2.2.1 Demographic issues

Demographic trends are important in determining the direction of a country's social security system. In countries where population growth outstripped the economy, the pressures on state centred social protection tended to increase.

In the past seven years (2001-2007), the South African population had grown at an average of 1.04% (2001 population estimated at 45.4 million; 47.9 million in 2007), (South Africa, 2007c:1). South Africa's population featured by age and gender for 2010 reveals a high concentration of the population between the age categories of 30-44 year old group. HIV/AIDS will affect population trends and dynamics such as size, growth and age structure. The 2007 mid-year population estimates found 8% (3.781.300) of the total population were 60 years or older (South Africa, 2007c:8-9). Statistical South Africa outlined that there was an increase of 2.3% in the South African population of 60 years plus from 2001 to 2007 (South Africa, 2007c:8,11). In South Africa population, percentage of people aged 60 years and over increase, coinciding with a decline in the proportions of the young (under 15). Ageing population is a by-product of a population's demographic transition, resulting in a changing age structure in the population and a higher median age.

With AIDS and timeline uncertainties around antiretroviral therapy and vaccine development, it is not ideal to model population issues such as fertility, mortality and life expectancy all which impacted on population ageing beyond the short term.

2.2.1.1 The 2007 mid-year population estimation

Statistics South Africa subscribed to the specification of the International Monetary Fund's Special Data Dissemination Standard (SDDS) annually and published population estimates for the country and for the nine provinces. The estimates in this release covered all residents of South Africa at the 2007 mid-year census and explicitly take HIV/AIDS into account:

*The 2007 mid-year population was estimated at 47.9 million;

*51% (24.3 million) of the population was female;

*for 2007, life expectancy at birth was estimated at 48 years for males and 50.5 years for females.

*the estimated overall HIV-prevalence rate was 11%; the HIV positive population was estimated at 5.3 million (South Africa, 2007b:1). The estimates given here may change as new data and information become available.

Table 2.1: South African 2007 mid-year estimates population group and sex

Population group	Male number of population	Male % of total population	Female number of population	Female % of total population	Total number of population	Total % of total population
African	18775600	79.7	19304300	79.5	38079900	79.6
Coloured	2081500	8.8	2163500	8.9	4245000	8.9
Indian/Asian	574900	2.4	598800	2.5	1173700	2.5
White	2130600	9.1	2221500	9.1	4352100	9.1
Total	23562600	100.0	24288100	100.0	47850700	100.0

Source: Statistics South Africa, 2007c.

Table 2.1 shows the mid-year estimates for 2007 by population group and sex. The above Table's information was the mid-year population estimated at 47.9 million. Blacks were in the majority (38.1 million) and constituted about 80% of the total population and White population was estimated as 4.4 million while Coloured population as 4.2 million the Indian/Asian population was estimated at 1.2 million. 51% (24.3 million) of the South African population was female (South Africa, 2007c:3).

Table 2.2: Estimated South African annual population growth rates, 2001-2007

Annual population growth rates	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Male	1.27	1.24	1.21	1.20	1.09	1.00
Female	1.23	1.20	1.16	1.14	1.02	0.93
Total	1.25	1.22	1.19	1.17	1.06	0.97

Source: Statistics South Africa, 2007c.

Table 2.2 shows the implied rate of growth for the South African population had declined steadily between 2001 and 2007. The overall growth rate for 2006-2007 was estimated at 0.97% with the rate for males slightly lower than that of females'. The overall growth rate decreased from 1.25% in 2001-2002 to 0.97% in 2007. These results prove as sufficient the South African population was growing slowly (South Africa, 2007c:3).

2.2.1.1.1 Key assumptions about fertility, mortality and migration in South Africa

2.2.1.1.1.1 National level assumptions

a. Fertility

Table 2.3 shows the estimated total fertility rates from 2001 to 2006. Fertility declined from an average of 2.9 children per woman in 2001 to 2.7 children by 2006.

Table 2.3: Estimated total fertility rates, 2001-2006

Years	African	Coloured	Indian/Asian	White	South Africa
2001	3.10	2.35	1.98	1.73	2.86
2002	3.07	2.33	1.92	1.73	2.84
2003	3.04	2.32	1.89	1.72	2.82
2004	3.01	2.30	1.87	1.72	2.80
2005	2.98	2.28	1.88	1.73	2.78
2006	2.92	2.27	1.88	1.73	2.73

Source: Statistics South Africa, 2006.

b. HIV prevalence rate

For 2006, life expectancy at birth was estimated at 48.4 years for males and 51.6 years for females. The combined life expectancy was estimated at 50 years.

This release assumed a mother-to-child transmission rate (the proportion of babies born to HIV-positive mothers who will also become HIV-positive) if no HIV treatment programme is followed. Mother-to-child infection occurred during the prenatal period and largely through breastfeeding (South Africa, 2007c:2).

The median time lapse from becoming HIV-positive until death from AIDS was estimated to be 10 years for both males and females and a female-to-male HIV prevalence ratio of 1.3% in 2007 (South Africa, 2007c:2).

The adult HIV-prevalence rate (the proportion of adults who are infected with HIV) is shown in Table 2.4

Table 2.4: Estimated adult HIV-prevalence rates, 2001-2006 (%)

Adult HIV-prevalence	2001	2002	2003	2004	2005	2006
Women 15-49 years	16.1	16.9	17.7	18.5	19.3	20.0
Women 20-64 years	14.7	15.4	16.1	16.7	17.2	17.8
Men 20-64 years	14.3	15.0	15.6	16.3	16.9	17.5
Adults 20-64 years	14.5	15.2	15.9	16.5	17.1	17.7
Adults 15-49 years	14.7	15.4	16.1	16.9	17.5	18.2
Total population	8.5	9.0	9.5	10.0	10.4	10.9

Source: Statistics South Africa, 2006.

As expected, the prevalence rate was highest among women aged 15-49. The overall prevalence rate of this group being 20%. The estimated total HIV-prevalence rate increased to about 11% in 2006 from less than 9% in 2001; the HIV-positive population was estimated at 5.2 million compares to an UNAIDS estimate of 5.5 million (South Africa, 2006:3).

South Africa's elderly are the most affected age group by HIV/AIDS in terms of socio-economical care they have to offer to their household members. As primary care-givers for the sick, looking after orphans, the elderly were unable to overcome the burden that had affected their lives. The pension paid to them by the Government was insufficient to satisfy the needs of other household members, such as, school fees, food and electricity neither for the pensioner, especially in rural areas and the urban informal settlements where the pensioner was the sole bread winner.

2.2.1.1.2 Provincial level assumptions about fertility, mortality and migration

a. Fertility

Figure 2.1 shows provincial assumptions about fertility for 2001-2006. Gauteng and the Western Cape had the lowest level of fertility, while the Eastern Cape and Limpopo had the highest levels of fertility.

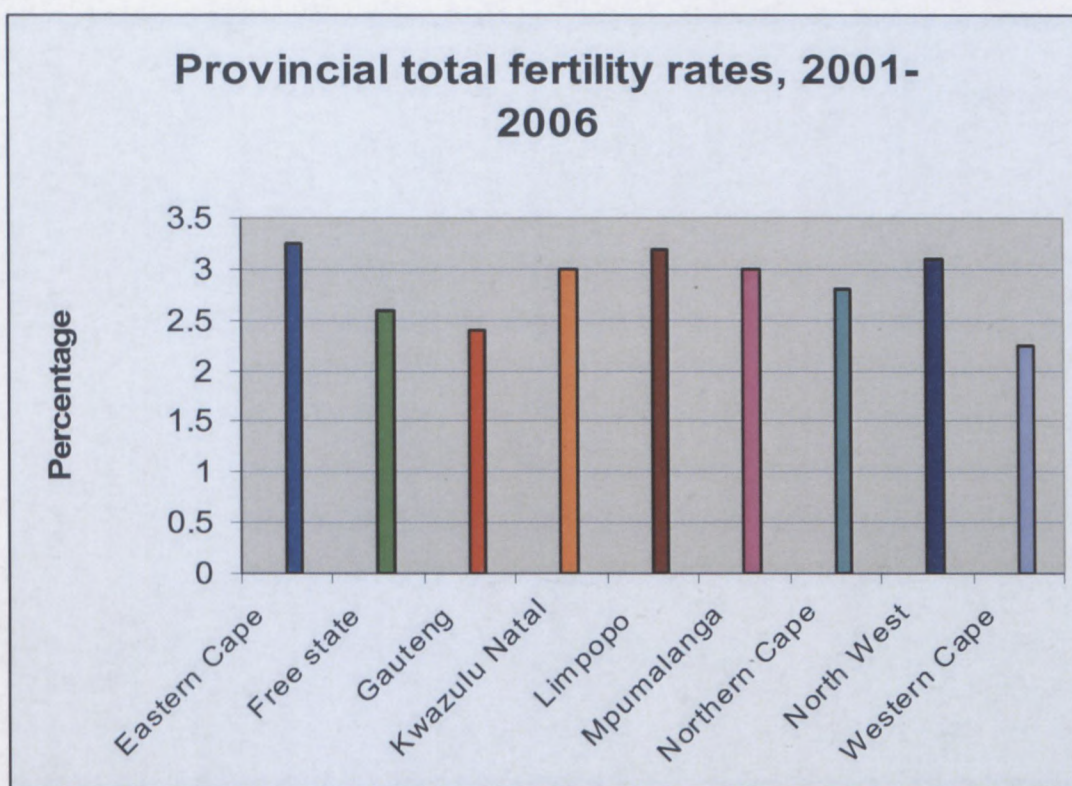


Figure 2.1: Provincial assumptions about fertility for the period 2001-2006.

Source: Statistics South Africa, 2006

b. Mortality

The initial set of mortality estimates were adjusted separately for males and females. The revised life expectancies at birth and survival ratios (nS_x) were then used for the projections (South Africa, 2006:4).

Life expectancy, 52.5% at birth for females, however, was the highest in the Western Cape (67%) and lowest in Kwazulu Natal (less than 50%). For Gauteng, life expectancy at birth is estimated at 54% for males and 57% for females (South Africa, 2006: 5). For both sexes, life expectancy was estimated at 50% for 2007 (48.4 for males and 52 for females) (South Africa, 2007c:2).

C. Internal migration

An analysis of the internal migration streams disclosed an increasing migration movement from Limpopo and the North West Provinces to Gauteng Province, from the Eastern Cape Province

to the Western Cape Province and Kwazulu Natal Province (South Africa, 2006:5).

2.2.2 Social security

The term "Social Security" had many meanings internationally and developed as a complement to formal employment relationships.

ILO research (Harrod, 2007:14-16) on the informal sector has demonstrated, however, a wider concept of social security was needed to respond to realities faced by informal economy workers, who constituted the majority of the world's labour force. The traditional concept of social security was included in various ILO standards. According to the Income Security Recommendation, 1944 (No.67) of the ILO, income security schemes should relieve and prevent destitution by restoring, to a reasonable level, income lost from an inability to work, including old age, or to obtain remunerative work or by reason of the death of the breadwinner.

Various authors considered the definition of ILO was too narrow for the problems faced by developing countries. Guhan (1994:35) claimed that social security in poor countries needed to be seen as part of, and fully integrated into, anti-poverty policies, providing access to productive assets, employment guarantees, minimum wages and food security. Dreze and Sen (1991:3-4), as well as Burgess and Stern (1991:46), distinguished two aspects of social security which they defined as the use of social means to prevent deprivation and vulnerability to deprivation. The definition provided by Laborde (2005:2-3) includes housing and rent subsidies in the definition of social protection. The European Union statistical definition of social protection, increasingly accepted internationally, made a distinction between social protection to cash and kind.

In South Africa, however, the Committee of Inquiry (South Africa, 2002:34-35) into a comprehensive system of social security for South Africa found the extent to which one might adopt the traditional concept of social security questionable. However, the concept 'social protection', described by the UN Commission on Social Development as: Society's response to levels of risk or deprivation, including access to income, livelihood, employment, nutrition, shelter, and health and education services, had been adopted and applied.

The Taylor Committee created the term "comprehensive social protection," (South Africa, 2002:35) indicating the term was broader than the traditional concept of social security, incorporating developmental strategies and programmes designed to ensure, collectively, at least a minimum acceptable living standard for all. It embraces the traditional measures of social insurance, social assistance and social services, but goes beyond that to focus on causality through an integrated policy approach including many of the developmental initiatives undertaken by the State. It seeks to provide the basic means for all people living in the country to effectively participate and advance in social and economic life, and in turn to contribute to social and economic development (South Africa, 2002:36).

2.2.2.1 South African social security four major elements

2.2.2.1.1 Social Assistance

Social assistance refers to non-contributory and means-test benefits provided by the State to groups such as people with disabilities, elderly people and unsupported parents and children unable to provide for minimum needs. In South Africa, social assistance has taken the form of social grants.

2.2.2.1.2 Social Insurance

Social insurance refers to joint contributions by employers and employees to pension or provident funds, or social insurance covering other unexpected events. Government may also contribute to social insurance covering accidents at work.

2.2.2.1.3 Private Savings

Private savings refers to people voluntarily saving for unexpected contingencies such as disability, retirement and chronic diseases.

2.2.2.1.4 Social Relief

Social relief refers to short-term measures that tide people over a particular individual's needs or a community crisis. This is also non-contributory and means-test. The domains of social security include poverty prevention, poverty alleviation, social compensation and income distribution. The aged are the principal members of pension schemes and one also needed to consider how ageing had impacted on the costs of healthcare systems (South Africa, 1997a:31).

The study is mainly concentrated on analysis of social assistance, particularly the old age pension, while it is investigating the old age pension socio-economic impact in the pensioner households within selected areas of the Eastern Cape (Bersheba, Bethelsdorp and Kwazakhele).

The following sub-sections inform on the rights of South African citizens with more focus on the elderly and their pension qualifying requirements.

2.2.2.2 South African Legislative Framework

South African policies and strategies regarding older persons can be seen to be premised on the following statement by the South African Minister of Social Development at the United Nations Second World Assembly on Ageing in Madrid (2002:75):

“...Older people are the custodians of our traditions, our heritage and our cultures. They reflect our past and are the mirrors of our future. They have the right to a healthy, productive life, to live in a caring environment and to be treated with respect...”

Government commitment and ways of facilitating the well-being and rights of older people are underpinned by the following:

- * The RDP framework and, indeed, the mentioned comprehensive and integrated approach of the Government to its day-to-day business;
- * the fact that the South African Government approved the ratification of the guiding principles regarding older persons as specified in United Nations Resolution 46/91;
- * the findings and recommendations of various reviews or, for that matter, Commissions of Inquiry into Comprehensive Social Security for South Africa (e.g. The section on financing old age security provisions as well as the Report of the Ministerial Committee on Abuse, Neglect and Ill-Treatment of Older Persons); and
- * the South African Declaration on Ageing issued at the Second World Assembly on Ageing in Madrid, 2002.

Against this background, various legislative measures were taken to promote the best interests of older persons. Legislation ensured that provision was made for the financing of projects. For example, to redress past discriminatory practices, democratise

management structures of homes for the aged and criminalise the abuse and neglect of older people, the Government made amendments to the Aged Persons Act No.81 of 1967 (Refer to sub-section 2.2.5.7). The DoSD has, furthermore, developed a Draft Policy and Older Persons Bill after consultation with stakeholders in the field of ageing (09 of April 2003), the Parliamentary Portfolio Committee on Social Development and the Select Committee on Social Services (National Council on Provinces).

2.2.2.2.1 The Constitution of the Republic of South Africa (No.108 of 1996)

The main aims of the Constitution of the Republic of South Africa (No.108 of 1996) were closely related to social security goals: healing the injustices of the past, ensuring social justice, improving the quality of life for all South Africans citizens (inter alia by alleviating poverty and suffering), and freeing the potential of each citizen (South Africa, 2002:49).

Section 2 of the Constitution expresses the role the Constitution is meant to play with regard to social security regulation, policy-making and administrative practice. It states that the Constitution is the supreme law of the country; law or conduct inconsistent with it is invalid, and the obligations imposed by it must be fulfilled. It provides for socio-economic rights and imposed the State to ensure the progressive realisation of social security within its available resources. In ensuring that its citizens are protected, Section 27 (1) (c) says everyone has the right to access to social security, even if unable to support themselves or their dependants [(s27(1)(c);(2)].

Midgley (1996:1-3) acknowledged economic growth without social development was meaningless, as growth on its own did not benefit the whole population. This basic principle entails welfare concerned not only with needy individuals, but has a broader perspective. It looks at wider social processes and structures and aimed at changes in society as a whole.

The ultimate goal of the Social Welfare Policy and the underlying approach was to facilitate provision of appropriate developmental social welfare services to all South Africans, especially those living in poverty, the vulnerable and others with special needs. These services should include rehabilitative, preventative, developmental and protective services and facilities, as well as social security, including social relief programmes, social care programmes and the enhancement of social functioning (Midgley, 1996:3-4).

2.2.2.2.2 The South African Social Security Agency (SASSA)

The SASSA was founded in 2004, and then established in 2006, with an aim to be responsible for administering social assistance through the implementation of policies, programmes and procedures to ensure an effective and efficient social assistance grants administration system. The Agency is a public entity responsible for the delivery of social assistance grants within the borders of South Africa. As the executive authority, it served as the regulatory authority of the agency, thereby setting the policy framework on who qualified for social assistance grants, setting norms and standards for social assistance administration and the monitoring of the Agency's operations (South Africa, 2007e:8).

Strategic Plan 2007/2008-2009/10 main aims for SASSA are:

- To achieve uniformity;
- to standardise and further improvements of the social grants administration and payment services system; and
- to strengthen the different head office branches and regions (South Africa, 2007e:8).

The SASSA-SP: 2007/2008-2009/2010 main objectives were to:

- Ensure a high performance institution;
- Improve service delivery;
- improve operational excellence; and
- achieve good governance (South Africa, 2007e:11).

To achieve these programmes the Government needed to strengthen its policy, planning and oversight roles, while delegating powers and functions to regional offices in a phased manner. This would be a challenging process requiring programmes to support management.

2.2.2.2.3 The Reconstruction and Development Programme (RDP)

With the demise of apartheid in the early 1990s and the election of a democratic, unitary and politically inclusive government in 1994, a new era of social and political reconstruction began in South Africa there emerged a strong and committed policy concern with poverty. The alleviation of mass impoverishment and social injustice was explicitly incorporated into the

1994 Reconstruction and Development Programme (RDP).

The RDP provided a policy framework for poverty reduction rather than detailed output indicators. Its principles, visionary statement and objectives reflect the goals set at the 1995 World Summit for Social Development of eradicating poverty, attaining full employment and fostering stable, safe and just societies (South Africa, 1994:4). For South Africa the RDP was a “national policy framework which gives expression and content in terms of local needs and possibilities to the goals of the social summit” (South Africa, 1994:4).

With regard to the development of human resources, the RDP envisages the “provision of opportunities for all people to develop themselves in order to improve the quality of their own lives and the standard of living of their communities”. It underlined a need for initiatives directed at redressing apartheid imbalances in access to quality education and training, to artistic and cultural expression and sport and recreation, with special attention to women and young people (South Africa, 1994:8).

Regarding the building of the economy, emphasis is placed on creating a strong, dynamic and balanced economy in which the state took a leading and enabling role in partnership with all sectors of civil society; one which will: “eliminate the poverty, low wages and extreme inequalities in wages and wealth generated by the apartheid system” (South Africa, 1994:9-10).

2.2.2.2.4 The Growth, Employment and Redistribution Strategy (GEAR)

In spite the state-driven programme of development directed at alleviating the legacy of poverty and inequality, in 1996 Government formulated a fairly orthodox neo-liberal macroeconomic policy package, the Growth, Employment and Redistribution (GEAR) strategy to facilitate the development of a macroeconomic environment that would sustain development, eliminate poverty and reduce inequality. It is premised in the following principles (South Africa, 1996:1):

“Economic growth and the creation of employment are essential for reducing poverty and inequality; economic growth is a necessary condition for employment creation and poverty reduction and the nature of growth, the skills level and the capabilities of the job seeker are

important.”

In particular GEAR is: “the tool by which South Africa aims to achieve macro-economic stability and is economic reform programme directed towards:

- * Creating a competitive and fast growing economy that generates sufficient jobs for all job-seekers;
- * a redistribution of income and opportunities in favour of the poor;
- * a society capable of ensuring that health, education and other services are available to all and;
- * an environment in which homes are safe and places of work are productive” (South Africa, 1996:1).

The adoption of the GEAR in 1996 which differed substantively from the original developmental ethos of the RDP, entailed stringent measures to maintain fiscal discipline as a means to deficit reduction and stimulating economic growth.

While the rationale for this Policy shift continues to be debated, the emphasis on economic growth laying the foundation for a more equitable distribution of income and wealth and the reduction of unemployment became increasingly challenged. In fact, there was an increasing realisation that market liberalisation was likely to have a disproportionate impact on the poorest, and that the GEAR was severely limiting any enhancement in existing redistributive programmes (South Africa, 1996:1). In answer to this mounting social deficit, the Poverty Alleviation Fund was introduced during the 1997-98 financial year by the National Treasury as a short-term intervention directed at fulfilling two fundamental objectives. It aimed firstly to address poverty directly by providing funding for departments to perform functions they would not conventionally have undertaken or budgeted for, and secondly to assist departments in fast-tracking the reorientation of their services to the poor.

The State therefore played a central role in ensuring individuals who did not have any other means was provided for through a social security programme. However, the White Paper on Social Welfare, written in 1996 and published in 1997, contains policy framework for the restructuring of social welfare in South Africa on the basis of the concept adopted.

2.2.2.2.5 The White Paper on Social Welfare

In 1997, the Government of South Africa published its White Paper for Social Welfare with mission to redress imbalances through “restructuring services and social welfare programmes in both public and private sectors.” It proposed a national strategy encompassing a vision for a welfare system that facilitated the development of human capacity and self-reliance within a caring and enabling socio-economic environment (South Africa, 1997b:5). It stipulated national goals that expressed allegiance to the premises of the South African Constitution and RDP and, hence, recognised a need for poverty reduction (particularly in rural areas with regard to basic needs such as food security), for restructuring past imbalances in service provision, for establishing partnerships within the Government and between the Government and civil society and for ensuring quality, efficient and transparent service delivery accountable at all levels. The strategy underlined the importance of information systems and integrated institutional frameworks. Emphasis was also placed on promoting a spirit of mutual support within communities/organisations (South Africa, 1997b:5).

Furthermore, concern was with contextualised social welfare programmes, methods and approaches that “complement and strengthen the efforts of individuals, families and communities, enhance their self-respect and independence recognise the need for sustainable use of human, material and the earth’s natural resources for the benefit of future generations” (South Africa, 1997b:6).

Particularly important was the White Paper required national and provincial departments of welfare to develop five-year strategic plan of action to provide details on goals, objectives, activities, time frames, progress indicators, costing and the parties responsible for the implementation of programmes (South Africa, 1997b:10).

2.2.2.2.6 Aged persons Act (Act No.81 of 1967)

The aim of this Act was to provide protection, well-being and empowerment to older persons; for the maintenance and promotion of the status, rights, well-being, safety and security of older persons; for the care of their interests; for the establishment and registration of certain facilities; for the accommodation and care of older persons in such facilities; and for matters connected therewith (South Africa, 1967:1).

The Act premised on the following general principles:

- Maintain and promote the care and interests of older persons;
- regulate the registration of facilities for older persons;
- monitor and evaluate compliance with the Act, regulations and Minimum service standards;
- monitor the functioning of facilities and services;
- criminalise certain actions committed against older persons; and
- combat abuse of older persons and manage the therapeutic and legal response thereto (South Africa, 1967:7).

This Act applies to every older person, individual, family, Non profit Organisation, welfare organisation and organisation involved in caring for older persons. This Act applies throughout the Republic of South Africa. The provisions of this Act apply equally to State-owned and State-managed facilities. The application of this Act to non-South African citizens will be in accordance with the agreements signed between the Republic of South Africa and an individual's country of origin (South Africa, 1967:6).

2.2.2.2.7 Social Assistance Act (Act No.13 of 2004)

The Social Assistance Act (No.13 of 2004) makes provision for the payment of grants. Grants are provided in support of the mission of the Department of Social Development (DoSD), which is to empower the poor and to secure a better life for those in need. It is one of the safety nets in South Africa aimed at providing relief for the poorest of the poor. A social grant refers to adult grants, that is, disability grant, old age grant and a war veteran's grant. As from April 1, 2006 (South Africa, 2004b), the responsibility for the management, administration and payment of social assistance grants was transferred to the South African Social Security Agency (SASSA) (South Africa, 2007e:1).

2.2.2.2.7.1 Social Assistance Amendment Act (Act No.6 of 2008)

The Social Assistance Amendment Act aim was to amend the Social Assistance Act No.13 of 2004 elderly male pension age, to regulate afresh the eligibility of men for an older person's grant from 65 years in 2007/2008 to 63 years of age in 2009 and 61 years of age in 2010 (South Africa, 2008b:1-2).

2.2.2.2.8 The HIV/AIDS and STI (Sexually Transmitted Infection) Strategic Plan for South Africa: 2007-2011

The HIV and AIDS and STI Strategic Plan for South Africa 2007-2011 (HIV/AIDS/STI-NSP) flows from the National Strategic Plan of 2000-2005, the Operational Plan for Comprehensive HIV and AIDS care, Management, and Treatment (CCMT) as well as other HIV and AIDS Strategic Frameworks developed for Government and sectors of civil society in the past years. It represented the Country's multi-sectoral response to the challenge with HIV infection and the wide ranging impacts of AIDS (South Africa, 2007b:8).

Primary aims of the HIV/AIDS and STI Strategic Plan for South Africa (2007-2011) were:

- Reduction of new HIV infections by 50% by 2011 and;
- Reduction in the impact of HIV and AIDS on individuals, families, communities and society by expanding access to appropriate treatment, care and support to 80% of all HIV positive people and their families by 2011 (South Africa, 2007a:12).

The interventions needed to achieve the HIV/AIDS/STI Strategic Plan for South Africa (2007-2011) goals are structured under four key priority areas:

- Prevention;
- treatment, care and support;
- Research, monitoring and surveillance and;
- Human rights and access to justice (South Africa, 2007a:13).

2.2.2.2.8.1 Prevention

The aim of preventing HIV/AIDS endemic will be to reduce by 50% the rate of new AIDS infections by 2011. The intention is to ensure that the large majority of South Africans who are HIV negative remain HIV negative (South Africa, 2007a:13).

2.2.2.2.8.2 Treatment, care and support

The aim of treatment, care, and support of people infected by HIV/AIDS pandemics will be to reduce HIV infection and AIDS morbidity and mortality as well as its socio-economic impacts by providing appropriate packages of treatment, care and support to 80% of HIV positive people and their families by 2011 (South Africa, 2007a:14).

2.2.2.2.8.3 Research, Monitoring and Surveillance

The HIV/AIDS/STI Strategic Plan for South Africa: 2007-2011 recognises monitoring and evaluation (M&E) as an important policy and management tool. National, provincial and district level indicators to monitor process outputs, outcomes and impact will be used to assess collective effort. It was recommended that in line with international trends, a sustainable budget of between 4%-7% be dedicated for the Monitoring and Evaluation of the HIV/AIDS/STI Strategic Plan for South Africa: 2007-2011 (South Africa, 2007a:15).

2.2.2.2.8.4 Human rights

Stigma and discrimination continue to present challenges in the management of HIV and AIDS. This priority area seeks to mainstream programmes to mitigate these fundamental challenges (South Africa, 2007a:16).

The challenges of HIV and AIDS in South African society, however, require an intensified comprehensive, multi-sectoral national response. This response should:

- Address the social and economic realities that made certain segments of society most vulnerable;
- Provide tools for prevention of infection and;
- Provide services designed to mitigate the wide ranging impacts of the epidemic (South Africa, 2007a:11-12).

In order to achieve this initiative there is a continuing need to guide policy and programmes at all levels and in all sectors and to inspire renewed commitment from all South Africans and

continuing to warn people on the socio-economic impact of the South African individuals, families, communities and society, for example, lost of financial provider in the household, cost of packages for treatment of infected persons, including pensioner relatives, who because of lost of parents (grandchildren) died with AIDS and unemployed children have no choice to live with a relative who will give psycho-social and financial care to them, mostly, pensioners give care to infected and affected HIV/AIDS family members who live in their households as it is the case in most of the rural areas, including Bersheba and some of the urban areas, including Kwazakhele and Bersheba. Pensioners are giving financial (buy medications, buy food, pay school fees and uniforms) care to their household members. However, if the above outlined HIV/AIDS and STI Strategic Plan aims are implemented (reduction of new HIV infections by 50% by 2011 and reduction of the impact of HIV and AIDS on individuals, families, communities and access to appropriate treatment, care and support to 80% of all HIV positive people and their families by 2011) financial responsibilities shouldering pensioners will reduce. But, if the above aims are still not implemented pensioners will still face financial challenges outlined above.

2.2.2.2.9 The Eastern Cape Province Strategy Framework for Growth and Development Plan 2004-2014 (PGDP)

The main aim of this Framework Plan was to articulate a consensus based vision and quantified targets for provincial growth and development through a strategy. This Strategy Framework will in turn lay the ground for policy options, prioritisation of objectives and consequent development of sectoral strategies, plans and programmes (South Africa, 2004a:1).

The PGDP gives the Eastern Cape an opportunity for medium-to-long range (10 years) strategic planning on priorities and address major structural deficiencies in the economy and the conditions of society (South Africa, 2004a:1).

The Framework Document embodies the following:

- A clear vision for the long term development of the Eastern Cape;
- an analysis of the causes of socio-economic underdevelopment in the Province;
- a review of development planning and its success in addressing core challenges;

- a summary of the socio-economic challenges to be addressed in the PGDP;
- Setting out the development opportunities to be seized by the PGDP;
- a quantified vision and sequenced targets for economic growth, job creation, poverty eradication, human development, and institutional transformation;
- a 10 year strategy for Provincial growth and development, identifying priorities and key programme thrusts; and
- the sequencing of implementation and key programme priorities to set the direction for the second phase of the PGDP (South Africa, 2004a:2).

In order to fulfil these programmes the Provincial Government would need to strengthen its policy planning and oversight roles, while phasing-in delegating powers and functions to municipalities. This will be a challenging process, requiring programmes to support management, planning and monitoring, and systems capacity in Local Government. Provincial Government would need to take a lead in designing such programmes.

2.2.2.3 International Framework

South Africa has participated in a number of international forums constituted to protect and promote the interests of the aged. However, this participation also meant the Government needed firm commitment in implementing and agreed-upon principles by developing appropriate programmes and strategies for its older population.

In 1990, the UN General Assembly designated October 1 as the International Day of Older Persons. In 1991, The Assembly adopted the "United Nations Principles for Older Persons" (Resolution 46/91) encouraging governments wherever possible to incorporate them into national programmes. The principles call for action in areas, including, independence, participation, care, self fulfilment, and dignity (UN, 1991:1-2).

2.2.2.3.1 United Nations Millennium Development Goals (MDG)

The eight MDG goals which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education should be achieved by the target date of 2015, which was agreed to by the entire World's leading development institutions. They have galvanised unprecedented efforts to meet the needs. The United Nations Millennium Goals

outlines a framework of eight goals, 18 targets and 48 indicators to measure progress towards the MDG, which was adopted by a consensus of experts from the United Nations Secretariat and IMF, OECD and the World Bank. The MDG outlines the alignment and requirements of government, from international to local level, which are aimed at increasing the quality of life for all population groups (UN, 2000b).

2.2.2.3.2 The Copenhagen Programme for Action in Ageing

The Copenhagen Programme for Action (UN, 2002:55), adopted at the World Summit for Social Development in March 1995, urged Governments to make “particular efforts” to protect older persons, especially by creating a financial environment that encouraged people to save for their old age, strengthen measures and mechanisms to ensure retired persons did not fall into poverty. It suggested taking into account contributions to the development of their countries and encouraged and supported cross generational participation in policy/ programme development and in decision making bodies at all levels. At the 2nd World Assembly on Ageing, held in Madrid in April, 2002, 159 participating Governments (South Africa was one) signed a Plan of Action on Ageing and issued a political declaration. The declaration committed Governments to extending the ‘right to development’ to older people, halving old age poverty by 2015, ending age based discrimination, and including older people in national and international frameworks such as Millennium Development Goals and Poverty Reduction Strategy Processes Designed to Combat Poverty.

2.2.2.3.3 The Madrid International Plan of Action on ageing to eradicate older person poverty in South Africa

At the second World Assembly on Ageing, held in Madrid (April 2002), 159 participating governments signed a Plan of Action on Ageing and issued a political declaration. Governments committed to extend the right to development to older people, halving old age poverty by 2015, ending age based discrimination, and including older people in national and international frameworks such as Millennium Development Goals and poverty reduction strategy processes designed to combat poverty (UN, 2002:55). The Plan of Action focused on three priorities, development for an ageing world; advancing health and well being into old age; and ensuring enabling and supportive environments (UN, 2002:3).

2.2.2.3.3.1 Pertinent priorities in the plan of action on ageing

- *Abolishing widowhood practices and inheritance rights harmful to women's economic well being;
- *addressing the economic impact of HIV/AIDS on older persons; addressing HIV/AIDS economic impact on older persons;
- * ensuring access to credit, without discrimination;
- * ensuring the particular needs of older women, older persons with disabilities and poverty eradication strategies and development programmes for older persons living alone;
- * equal access and control of economic resources by older women in rural and remote areas;
- * self-employment initiatives development, by encouraging small and micro- enterprise development;
- * strengthening ageing farmer's capacity, through continued access to financial and infrastructure services; and
- * promoting mutually productive intergenerational exchanges (UN, 2002:51-52).

Ferreira (2004:11), points out a corollary to the Madrid Plan was the African Union Policy Framework and Plan of Action on Ageing (2003) for the Africa Region. The plan outlined older person situations and socio-economic constraints on the Continent and says the family remained the most important source of support to older persons. But family structures were changing and traditional patterns of care were no longer guaranteed. Furthermore, Ferreira (2004:11) said the African Union Policy Framework and Plan of Action, moreover, called for legislation that required adult children to provide support for elderly parents. It recognised the impact of HIV/AIDS on older persons; highlighted a need for a gender dimension in policies and programmes; and aligned itself with other cross-cutting issues, including rural development and land rights. Finally, the Plan outlined a strategy for implementation and monitoring.

The UN had recently devise modalities for the implementation of Madrid Plan recommendations and appraisal of the implementation. The modalities suggested Governments had a primary responsibility for implementing recommendations, and to provide for international co-operation with an effective commitment by developed countries and international development agencies to enable implementation (Ferreira, 2004:11).

The European Union (EU) continued to strengthen its leadership role in fight against global poverty. The European Council expressed its concern at the faltering progress towards the achievement of Millennium Development Goals, especially in Africa. It reiterated that the EU would intensify efforts to fulfil commitments undertaken in Monterrey (Mexico) (including through the exploration of innovative sources of financing) and would strongly support UN attempts to accelerate progress towards the achievement of the goals (EC, 2008:1-3).

In September 2005, the UN General Assembly took stock of the progress made by UN member's nations in the implementation of a Global Development Agenda. In preparation for this major event, the Commission had compiled a Report on the EC contribution towards achieving Millennium Development Goals.

The Report (EC, 2008:5-6) provided information on the extent to which the European Council (EC) has focused its strategies, procedures and instruments on the implementation of the Millennium Declaration and the achievements of the Millennium Development Goals. It outlined how the EC contributed to progress towards the MDG, and listed further action foreseen to promote implementation of Millennium Development Goals (EC, 2008:6-8). There were positive examples for the extension of coverage; other countries were trying to improve the existing system and to extend coverage. The biggest challenges for social security in Africa remained integration of the large informal sector, rural and urban.

2.2.2.3.4 New Partnership for Africa's Development (NEPAD), 2001

The New Partnership for Africa's Development is a vision and strategic framework for Africa's renewal. The NEPAD strategic framework document arises from a mandate, which was given to the five initiating Heads of State (Algeria, Egypt, Nigeria, Senegal and South Africa) by the Organisation of African Unity (OAU) to develop an integrated socio-economic development framework for Africa. The 37th Summit of the OAU, in July 2001, formally adopted the strategic framework document; NEPAD is designed to address the current challenges, which face the African continent. Issues such as the escalating poverty levels, underdevelopment and the continued marginalisation of Africa, required a new radical intervention, spearheaded by African leaders, to develop a new vision that would guarantee Africa's renewal (African Development Bank, 2003).

The NEPAD primary objectives are as follows:

- *To eradicate poverty;
- *To place African countries, both individually and collectively, on a path of sustainable growth and development;
- *To halt the marginalisation of Africa in the globalisation process and enhance its full and beneficial integration into the global economy; and
- *To accelerate the empowerment of women.

The principles of NEPAD are as follows:

- Good governance, as a basic requirement for peace, security and sustainable political and socio-economic development;
- African ownership and leadership, as well as broad and deep participation by all sectors of society;
- Anchoring of regional and continental integration;
- Building the competitiveness of African countries and the continent;
- Forging a new international partnership that changes the unequal relationship between Africa and the developed World; and
- Ensuring that all partnerships with NEPAD are linked to the MDG and other agreed development goals and targets (African Development Bank, 2003).

NEPAD is a programme of the African Union (AU), which is designed to meet its development objectives. The highest authority of the NEPAD implementation process is the Heads of State and Government Implementation Committee (HSIC) comprises three states per AU region, as mandated by the OAU Summit of July 2001 and ratified by the AU Summit of July 2002. The HSIC reports to the AU Summit on an annual basis. The Steering Committee of NEPAD comprises the Personal Representatives of the NEPAD Heads of State and Government. This Committee oversees projects and programme development. The NEPAD outlines the necessity for working partnerships, which are aimed at increasing the quality of life for all population groups (African Development Bank, 2003).

The South African Constitution and the above-mentioned sub-ordinate legislation and initiatives lead to quality service delivery in order to achieve, maintain and enhance the welfare of society and of given communities in the selected surveyed areas.

In recognition of the interdependency of the world of today, co-operation with the international community in particular was viewed by the South African Government as vital to address the concerns of its senior citizens. As such, Government representatives had contributed to deliberations on issues of ageing in the former Organisation for African Unity (OAU) and intend continuing to do so within the context of the African Union. The New Partnership for Africa's Development (NEPAD) would also afford an opportunity to expand and consolidate local attempts at mainstreaming the concerns of older persons into social development initiatives by financing countries proactive measures to protect the rights of older persons and enhance their quality of life (Ferreira, 2004:11).

Finally, steps were taken towards integrating ageing into national poverty strategies, as already outlined, through policies and strategies in South Africa that specifically related to ageing as part and parcel of poverty reduction initiatives. Policy and strategy regarding older people, just as policy and strategy regarding poverty alleviation, were integrated in mainstream initiatives of the Government. They formed part of the Government's commitment towards implementing the social development goals agreed on at the World Summit for Social Development and the Millennium Development Goals (MDG) to reduce poverty by half of 2015, bearing in mind needs and possibilities in South Africa (UN, 2002:55). Moreover, the Government's RDP framework played a major facilitating role in the general integration of government policies and strategies. It ensured focus and monitoring and evaluation of progress (South Africa, 1994:12).

2.2.2.4 Types of grants provided

In South Africa, the provision of social assistance took the form of a grant which is a cash transfer paid monthly from the State to people unable to provide for themselves. The following grants were paid.

2.2.2.4.1 Care Dependency Grant (CDG)

The CDG is payable to the parents, foster parents, guardians or custodians of a child in care between the age of 1 and 18 years, who due to a severe mental and/or physical disability (medical report required), needed full time care. Applicants have to be South African citizens, except for the foster parents who have foster children who also qualified for a care dependency

grant. The applicant and child must reside in South Africa or be a permanent resident. The care-dependant child/children must not be permanently cared for in a state institution and each applicant needed a 13-digit bar coded ID document and 13-digit birth certificate for the child, however, the income of foster parents will not be considered. The applicant, spouse and child have to meet the requirements of the means-test, except for foster parents (South Africa, 2007f:3,6). The Grant is subject to a means-test. The annual income of parents, foster parents, guardians or custodians of a child in care is calculated. It must not exceed R48.000 as income to benefit a care dependency grant (South Africa, 2007f:3,6).

The Grant is payable to the parents, foster parents, guardians or custodians of the child until the child reached 18 (they may then apply for a disability grant) or no longer in the custody of the parents or if the child had been admitted to a State institution.

2.2.2.4.2 Child Support Grant (CSG)

The CSG is only payable to care-givers for children under 14 years of age. Initially only children under 14 were qualified, but the Department of Social Development decided to extend the Grant. It was decided the Grant should be paid to children of 14 years of age also. In the financial year (2005/2006), also children aged 14 qualified. In addition, a care-giver has also to ensure:

- * He/she should continue to be the primary care-giver;
- * a child should have accommodation and be properly fed and clothed;
- * he/she should ensure a child received immunisation and other health services, where such services, were available, without charge; and
- * he/she will carry out all instructions regarding the use of the grant.

The child and primary care-giver have to be South African citizen and reside in South Africa, a 13 digit bar coded ID document (of the care-giver); and 13 digit birth certificate of the child are obligators documents. Applicant can't apply for more than six non-biological children and the applicant and spouse had to meet the requirements of means-test. The grant is subject to a means-test (annual income of the parents or care-givers not exceeding R9600 when they lived in an urban area and R13200 when they living in a rural area, or divert in an informal dwelling (South Africa, 2007f:3,6).

2.2.2.4.3 Foster child grant (FCG)

The FCG is paid to foster parent/s in respect of a foster child placed in their custody. It is paid to the foster parent/s until the child turned 18 or the child is no longer in their custody. The applicant/child must be resident in South Africa at the time of application. A 13 digit bar-coded ID document (applicant), a court order indicating foster care status, a valid RSA/non RSA 13 digit ID number in respect of each child are required documents (South Africa, 2007f:3).

2.2.2.4.4 Grant-in-aid (GIA)

A GIA is additional grants awarded to those are in receipt of old age, disability or war veteran's grants and unable to care for themselves. In order for an applicant to become a beneficiary, he/she has to require full-time attendance by another because of physical or mental disability could not be cared for in an institution that received a subsidy for the care/housing of such beneficiary and has to be a social assistance recipient (South Africa, 2007f:3).

2.2.2.5 Types of ageing pension in South Africa

Of all African countries South Africa has the largest social pension assistance with more than 2 million elderly assisted via an old age pension (South Africa, 2007d:334). The South African pension system implemented a system that pension provision should at all times prevail in a mixture. In Figure 2.2, the thesis analysed the types of pension in South Africa to understand the socio-economic objectives of pension provision.

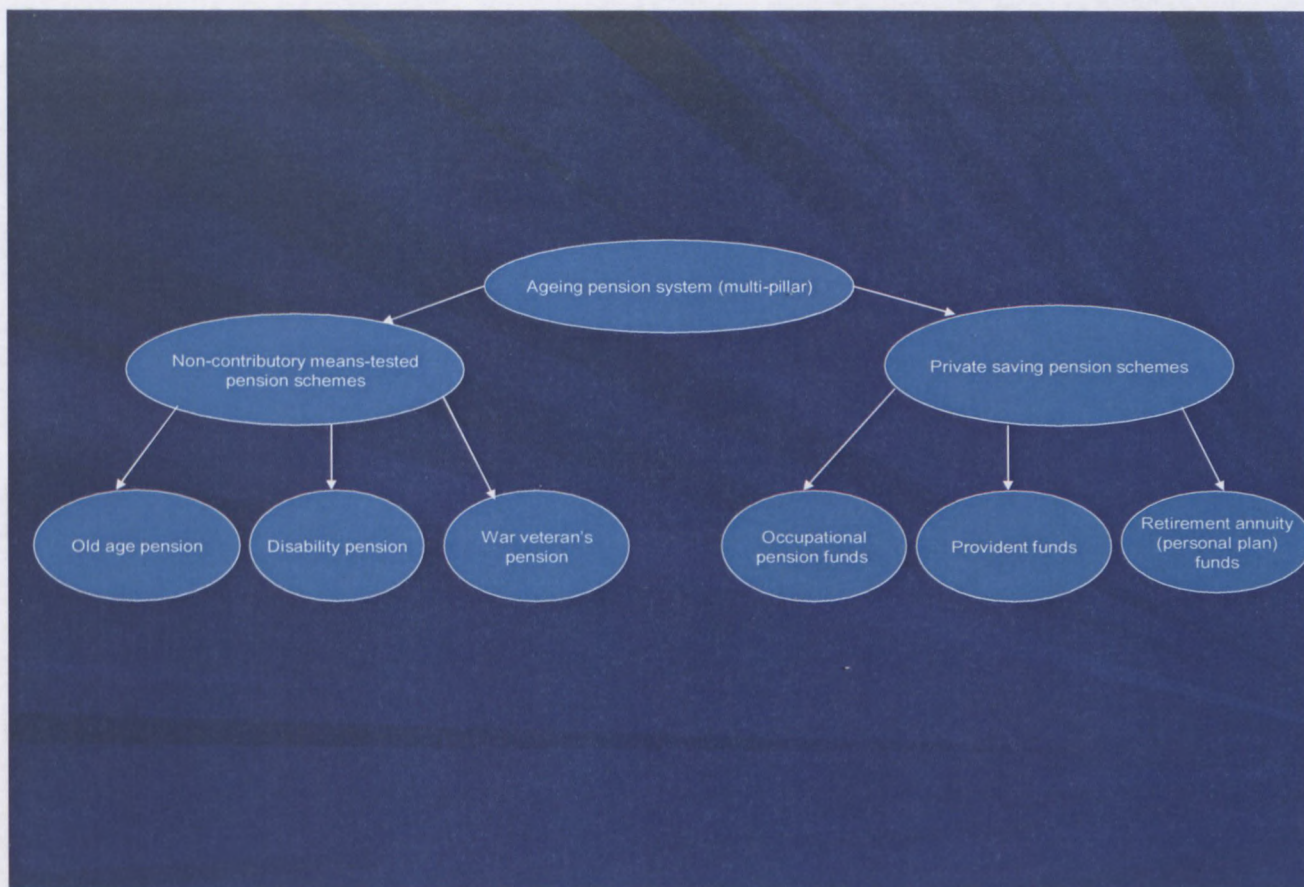


Figure 2.2: Types of ageing pension in South Africa

South Africa's pension system uses a two-pillar system. The first is a social assistance public pension, a second through private saving pension scheme. The non-contributory pension system (state pension) included the social old age pension, the war veteran's pension and the disability pension. The private pension schemes included occupational pension funds, provident funds and retirement annuity (personal plan) funds.

2.2.2.5.1 Non-contributory pension schemes (Government pension schemes)

In South Africa, old age pension is non-contributory and financed entirely by the state revenue. It is also means-test with the onus upon individuals to prove they are destitute. Public pension schemes are important to pension beneficiary survival and refer to as safety nets (Subbarao et al., 1997:2). The non-contributory pension included three types of social

pension: a) the old age pension, b) the disability pension and c) the war veteran's pension.

a. Old Age Pension (OAP)

The OAP is a monthly payment to women aged 60 and over and men at 65 and over. For them to qualify for a pension they have to be citizens and living in South Africa at the time of application. The grant is not payable to those in prison, living in a state institution (such as a state old age home), living in a psychiatric hospital, obtaining care from a state treatment centre, or if being given State care for a drug habit. A sliding scale means-test is applied and an applicant could not be in receipt of another social grant. They have to submit a 13-digit bar coded identity document. The means-test system change every year and for the old age grant this depend on income, for a single person and on the joint income if married (South Africa, 2007f:2).

In 2007 the means-test system for those not married lay down and could not obtain the grant if their assets exceeded R 313200 (house that was not taken into account if they lived in it). Their annual income had to be less than R 21612 per year if married, they did not qualify if the assets are joint exceeded R 43224 (a house that either of them owned is not being taken into account if they lived in it). Re-applicant's annual income had to be less than R 40092. The values of old age grant change every year, in 2007 it was R 870 a month (South Africa, 2007f:6).

OAP is payable to beneficiaries for the rest of their lives, unless their income situation change. In South Africa, the means-test system is implied by SASSA in order to evaluate income and assets of the person applying for social assistance to determine whether their means are not excessive. The means-test according to SASSA is a way of determining if a person qualified to receive a social grant, as the money is meant for those in most needs. Means-tests vary from benefit to benefit (South Africa, 2007f:6).

b. War Veterans' Grant (WVG)

A WVG is obtainable from 60 or younger, if mentally or physically unfit for work, grant beneficiary should have served in the First (1914-1918), Second World Wars (1939-1945) or Korean War (1950-53). The applicant should be a South African citizen/permanent resident

and be resident in South Africa at the time of application. A spouse must meet the requirements of a means-test, and an applicant could not be maintained or cared for in a state institution and/or be receiving another social grant (South Africa, 2007f:2). The means-test value for a war veteran's pension is identical as for an OAP and a disability grant.

C. Disability grant (DG)

The DG is intended for people with disabilities (in possession of a medical certificate indicating a disability will continue for longer than six months). A sliding scale means-test is applied. The grant is payable to a beneficiary until the income or medical situation improved. In order to receive a grant an applicant has to be South African, or permanent resident, be resident in South Africa at the time of application, be between 18/59 if female and 18 and 64 years if male, and must submit a medical/assessment report confirming disability. A spouse has to meet the requirements of the means-test, must not be maintained or cared for in a state institution, must not be in receipt of another social grant and must submit a 13-digit bar coded identity document (South Africa, 2007f:2). The means-test value for a disability pension is identical to a war veteran pension and an OAP.

Table 2.5: Amounts payable for grants as at April 1, 2007

Grants Type	Amount	Amount value in Dollars
Old-Age Grant	R 870.00	US\$ 124.29
Disability Grant	R 870.00	US\$ 124.29
War Veteran's Grant	R 890.00	US\$ 127.14
Foster Child Grant	R 620.00	US\$ 88.57
Care-Dependency Grant	R 870.00	US\$ 124.29
Child Support Grant	R 200.00	US\$ 28.57
Grant-in-Aid	R 200.00	US\$ 28.57

Source: Department of Social Development, 2007f: 6

2.2.2.5.2 The contributory pension system (private pension schemes)

The second pillar of pension system in South Africa involves private pension funds. They include occupational pension funds, provident funds and retirement annuity (personal plan)

funds. They differed from the state pension which is non-contributory. Private pension funds are contributory for employers and employees and for individual contribution. The contributions are wage-related and employees and the employers agreed upon a certain percentage (occupational pension funds) and voluntary savings (retirement annuity). Kaseke (2000:130-132) observes in many African countries the lowest wages made it burdensome for workers to contribute to meeting immediate needs. Therefore, under such conditions, it is futile and inconsequential to focus on future contingencies, which is the rationale for contributions to occupational pension. Occupational retirement insurance in South Africa is not available to those outside the formal wage economy, or those in informal employment, sometimes referred to as "piece work". Therefore, many unskilled workers are not covered by this particular safety net (private pension funds).

a. Occupational pension funds

Occupational pension funds is a contributory programmes (both employees and employers contribute) to protect workers against contingencies, such as old age and disability, which impaired a worker's capacity to earn income (Ferreira, 2004:5).

b. Provident funds

Provident funds are a compulsory savings schemes for categories of workers in the labour force. Those provided a lump-sum payout to members when they retired. Members receive accumulated savings, plus employer contributions and interest (Ferreira, 2004:5).

C. Retirement annuity (personal plan) funds

Retirement annuity funds are a voluntary savings pension funds system. In South Africa, it is available to anyone who wants to supplement retirement income provided by the company or a state pension. It is mostly financed on the basis of individual capitalisation (savings and insurance policies). Banks and insurers are considered the typical pension providers (South Africa, 2007d:25).

In South Africa, however, there are more than 13500 private pension funds, including occupational pension funds, provident funds and retirement annuity (personal plan) funds.

About 80% of funds have less than 100 members, which added considerably to the regulatory workload and raised challenges relating to administration costs, risk pooling and governance arrangements. There is also considerable concentration in the industry: 1 million government employees are members of the single largest pension fund; 88 largest private sector funds account for about 73% of the private sector's members and pensioners (South Africa, 2007b:5).

Financial Services Board (FSB) (South Africa, 2007b:5) statistics indicate there are about 9 million members of retirement funds. However, there is some double counting in this number as members might belong to more than one fund. The coverage rate for informal sector employees is estimated to be about 60%. This is comparatively high, even relative to countries with compulsory participation, and reflected, the extent to which membership of an occupational fund is accepted as an obligatory condition of employment. The ratio of pension fund is accepted as an obligatory condition of employment. The ratio of pension funds' assets to GDP in South Africa is about 63%, which compares favourably with countries such as Australia, Chile, Malaysia, Singapore and the United Kingdom.

Although the retirement funding environment in South Africa have two separate fiscal pillars: a social old age grant that support the poor and a pension private funds sector that provide greater fiscal incentives to higher income individuals than low. The means-test applied to the social old age pension implied low income earners are in fact penalised for saving. There is no adequate risk pooling or control of costs in the savings and insurance vehicles available to low income households. Retirement saving by the poor carried the dual burden of being eroded by cost and risk of loss of social benefits. This has the effect of a "poverty trap"; fiscal support for saving and income protection for the poor diminished as their income rises, while tax value for higher income groups rises in value as lifetime income increases. The structure of retirement funding in South Africa, in effect, sharply separate the first and second economies, and reinforced this divide (South Africa, 2007b:4).

The net result is that more than two-thirds of South Africans reached retirement age without a funded pension benefit and relied mainly on the old age grants. Moreover, inadequacies in the wider social insurance framework and the socio-economic phenomenon's such as HIV/AIDS, poverty and unemployment lead families to rely on old age pensions or disability grant as a source of support for vulnerable elderly people, children and grandchildren.

After analysing the formal forms of social protection for the elderly in South Africa, the following sub-section discussed the informal forms of social protection for elderly in South Africa and in some African countries.

2.2.2.6 Informal forms of social protection for the elderly in South Africa and other African countries

In South Africa and other African countries, an array of non-formal support also protects elderly without formal cover. Personal livelihood strategies, often based on intergenerational reciprocal support arrangements, generate some income for individual subsistence and family support. Older people engage in agriculture, petty trading, child minding and domestic tasks; in turn, they share accommodation and food and receive care in multigenerational household (Ferreira, 2004:7). The following organisations are some of the informal forms of elderly social protection.

a. Co-operatives

Members rely on one another for the performance of various tasks. In Zimbabwe and Ethiopia, older destitute and childless persons reside on agricultural co-operatives which are largely self-sufficient. Residents contribute to productivity according to their functional capacity; when infirm, they are supported by co-residents (Ferreira, 2004:7).

b. Rotating credit associations

Savings schemes are operated as informal financial institutions are known by many different names: Stokvels and mnangelo in South Africa; Chilemba in Tanzania, Malawi and Uganda; and merry-go-rounds in Kenya. Members pool resources monthly and benefit from contributions on a rotational basis. The benefits are used to meet various welfare objectives and to repay loans. The schemes, based on mutual trust, redistribution, perhaps reciprocal and market exchange, are a base for capital accumulation. However, the poorest find it difficult to participate in such schemes as they lack a capacity to make regular payments (Ferreira, 2004:7).

2.2.2.7 General comments on types of social pensions in South Africa

Having surveyed literature on the types of pension in South Africa, their merits and demerits, the observation is that: generally, "social pension has economic, social, health and psychological effects on an ageing pension beneficiary's life". This, then, forms the basis of the current thesis. Furthermore, the thesis embarked on an exploration to test the objectives of the study. It was anticipated the findings of this study would lead to further investigations in gerontology. These could then be analysed by subsequent researchers.

The above statement is the main idea of the research. Further exploration in this thesis was made to prove or disapprove the statement. This is another subject that might be analysed by researchers if they deemed it worth researching.

2.3 Social security systems in developed countries

2.3.1 Historical perspectives of social security in developed countries

Dating back to the 14th century, the Poor Law in England, considered the first example of a more comprehensive state involvement by means of social assistance, went through a series of changes for 500 years. It culminated in the 1834 Act, relief for the poor, which were financed from a compulsory tax on property-owners. Traditionally, families, clans, tribes, communities, religious groups and authorities, lords, chiefs and kings were regarded as primary providers for social security (Quigley, 1999:73).

The Poor Law of 1834 intended incarceration of the recipients aiming at the prevention of fraud as well as coercion to seek an honest living. However, under the 1834 Poor Law, the able-bodied poor were expected to work and were not entitled to benefits. Over time, the concept of the 'deserving poor' gained acceptance. In 1891, Denmark introduced the first means-test social pension scheme, whereby people aged over 70 were regularly paid a pension financed from taxation. Other industrialised countries such as Australia, New Zealand and France introduced similar social assistance and over time such support extended to the disabled, widows and deserted dependants (Haarmann, 2000:28).

The development of social insurance can be linked to industrialisation and urbanisation as they gathered pace and a growing proportion of the labour force came to depend upon a wage for

contingency needs. During this period of industrial revolution and the rise of capitalism, workers formed trades union, mutual and aid societies and producer co-operatives to achieve greater economic security. This was strengthened by political action on the part of the working class, radical groups and political parties dedicated to strengthening political and civil rights and to improving economic security and living standards. Their activities contributed to gradual consolidation of democracy, improvements in working conditions for children, women and male workers and the beginning of a social security system (Briggs, 1991:216-231).

The introduction of state insurance schemes is usually ascribed to the system introduced by German Chancellor Otto Van Bismarck in 1883. The scheme protected some categories of workers against loss of income caused by sickness, industrial injury, invalidity, and old age. Guaranteed benefits based on an individual's monthly contributions were paid (Haarmann, 2000:29).

Coverage was gradually expanded to new categories of employees. The two world wars (1914-1918), especially the last one (1939-1945), greatly boosted the scope and coverage of social security benefits. High levels of unemployment, particularly during the inter-war period, stimulated the growth of unemployment insurance schemes. The Social Security Act of Roosevelt (1935) which stipulated that the US Government was responsible for the well-being of its citizens and the Beveridge Report (1942) in the United Kingdom that recommended a strong intervention by Government into social affairs were milestones in the development of social security systems in developed countries in the post-war period. At international level, the Universal Declaration of Human Rights adopted by the General Assembly of the United Nations in 1948 enshrined social security as a fundamental human right. This was further elaborated in the UN covenants on Civil and Political and Economic, Social and Cultural Rights (Haarmann, 2000:29).

After the World War II, social security systems expanded to include the great majority of workers and retired people in developed countries. The systems became more comprehensive, protecting the population against poverty, unemployment, sickness and injuries, and providing health care, maternity benefits, family allowances, housing subsidies and old age pensions. Nevertheless the coverage and the range and level of benefits showed considerable country variation (Dixon, 1999:66-68 and ILO, 2000:4-5).

2.3.2 Demographic aspects in the developed countries

The developed world will face the most immediate impact of the ageing transition, with Europe and Japan experiencing larger disruptions than the United States. Italy is likely to have nearly 19% as elderly about the same share of elderly as Florida had in 2008. Japan, Germany, Spain, France, and Britain are poised to follow suit in the next few years; Canada and the US will pass that mark in the next few years (Balk et al., 2001:204).

As population's age and assuming that fertility rates continue to decline, industrialised countries can expect considerably tighter labour markets. The size of working age populations defined as those people age 18 to 65 will contract: In Japan, this group will decline by more than 37% by 2050, according to US census projections; Italy's working-age population will decline by almost 40% during the same period. The ratio of taxpaying workers to nonworking citizens in the developed world will decrease. Today, that ratio is about four to one in most industrialised nations and dropping, already straining some nations' budgets (Balk et al., 2001:204).

In Europe, people are living longer, while average retirement ages have been dropping by about a year per decade. Accustomed to a generous social safety net, Europeans are reluctant to change their generous pension systems and health-care benefits, which have grown dramatically. In the absence of major policy shifts, within two decades much of the industrialised world could find itself with increased debt or higher taxes, which could lead to slower economic growth (Balk et al., 2001:205).

2.3.3 Issues of old age pension systems in developed countries

While mandatory pension systems in Europe have been instrumental in providing income security for the elderly, it is currently encountering serious problems to an extent that contemporary and projected future financial problems of pension systems are caused by low birth rates in the past, conceivable remedies would be to boost nativity (with a considerable time lag before the size of the labour force is influenced) and encourage the immigration of young individuals of working age (Lindbeck, 2002:9). Unfortunately, it is obvious that Governments cannot do much about birth rates (except perhaps provide good childcare outside the family) and there may be "social limits" to immigration because of the risks of ethnic

tensions in the countries of immigration. To the extent that financial problems for pension systems are related to a higher longevity of individuals after retirement, rising the statutory pension age and removing subsidies to early retirement are natural remedies. But to avoid heavy unemployment among the elderly in connection with later retirement, it is also important to allow greater flexibility in relative wages for workers of different ages and increase the possibilities for retirees to individually choose the length of their work week (Lindbeck, 2002:9).

It is today also increasingly understood in Europe that “pay as you go” pension systems create disincentive problems for work via implicit tax wedges. The reason is the link between contributions and subsequent pension benefits for individuals is usually quite weak. An obvious way to mitigate this incentive problem is to tighten the link, hence making the pension systems more actuarial or “quasi-actuarial” since the return on mandatory pension saving would be lower than the return on the financial markets. There is also a case for a partial shift to a funded pension system. An individual would be able to enjoy a more diversified portfolio of pension claims than in either a pure pay as you go system, where the risky return depends on the growth rate of the tax base, or a pure funded system where the risky return depended on developments on financial markets. The reason is, of course, that these two types of returns are not fully correlated, in particular if pension funds invest in international capital markets (Lindbeck, 2002:9-10).

2.3.4 Common features and differences of social security systems in developed countries

Except for some common features, there were significant differences in the social security systems of developed countries, especially in objectives, scope, coverage, benefits and role of the public and private sectors in providing social security. The systems developed by developed countries were designed to promote three objectives: social contingencies provision, destitution reduction and promotion of greater income and consumption equality. However, the relative priority accorded these objectives varied between countries. There were also significant differences in the manner social security was financed in different countries. The two principles financing methods were social insurance and general tax revenue. While social insurance (from employees and employers contribution) is used in most countries to finance pensions, unemployment benefits and sickness benefits, a few countries, such as New Zealand and Australia, tended to rely largely on general taxation to finance such programmes.

On the other hand, various types of family allowances and social assistance programmes providing income and benefits in kind to poor households and vulnerable groups were financed through general tax revenue in all developed countries (Gough et al., 1997:17-19).

Attempts have been made to group social security systems in developed countries into distinct analytical categories. Perhaps the best known of these typologies classifies them into three categories: The liberal welfare system exemplified by countries such as the US, Australia and Switzerland, the corporatist model by Germany, Italy and France and the social democratic system developed by Scandinavian countries (Figure 2.3) (Esping-Andersen, 1990:9-10).

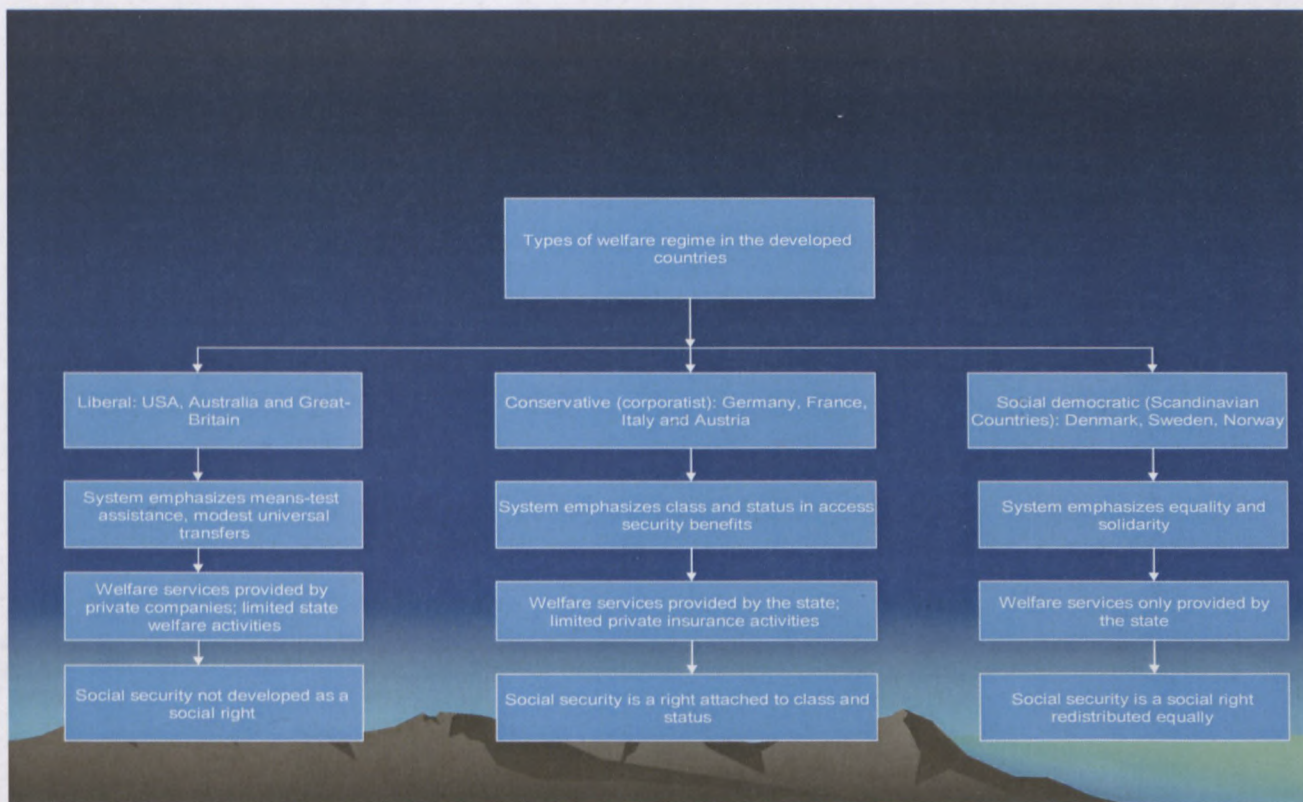


Figure 2.3: Types of welfare regimes in developed countries

- a. The liberal welfare system applies means-test assistance. It is also a modest universal transfer system or modest social insurance plan. However, social security is mostly provided by private companies; government plays a limited role in the provision of social security rights. Social security benefits are not developed as social rights. USA, Australia, Canada, United Kingdom are countries to have applied who such a system.

- b. The conservative welfare system emphasises class and status as access to social security benefits systems influenced by family and church traditions principle of subsidiarity. The state is seen as welfare services provider. Private insurance companies play a neglected role; the system maintains and reinforces social cleavages and the system provides few benefits for those outside the insurance model. Social security as a social right is attached to class and status. This welfare system is applied in countries such as: France, Italy and Australia.

- c. Social democratic welfare programmes apply the principle of equality and solidarity. They aim to promote equality at the highest level possible; social rights are tied to social citizen. State is the main welfare services provider giving basic welfare guarantees to individuals. Social security as a social right is redistributive independently of class and status. Scandinavian countries such as Denmark, Sweden and Norway apply such systems.

While these typologies capture interesting common features of social security systems, reality is more complex.

Most countries combine elements of various models, but the past two decades have seen a tendency towards dilution of some contrasting elements (Esping-Andersen, 1990:34).

The purpose of pension systems co-ordination was to accomplish an economically efficient pension system whereby state based, occupational and personal or private pension systems had a clear role to play. It was no longer a matter of private or public pension systems. However, the instalment of the three pension systems mixture is not evident in many countries. Nations such as Belgium, France, Luxemburg, Germany and Spain experience problems setting the exact goals of such a mixture. Historically, these countries have little or no experience in voluntary, funded and externally managed occupational pensions. They mostly believed the social objectives of pension provision should at all times prevail in a mixture. However countries such as UK, US or Australia have difficulty in accepting such a mixture. They are used to ideas such as opting-out of state-based pension schemes (UK) or ideas such as an individual investment choice with personal pension fund money (US and Australia) in contrast to conventional social insurance. The New Zealand retirement income system comprised of a basic individual taxable flat-rate public pension, supplemented by

voluntary personal saving (Gough et al., 1997:20-21).

2.4 Social security systems in developing countries

2.4.1 Social security systems in Latin American and Caribbean countries

Most Latin American and Caribbean countries have legally implemented social assistance pensions for the poor (vulnerable) and most apply a means-test pension model based on observed family per capita income. These pensions are invariably awarded for the risks of old age and disability, but not for people under pension age and with no disability. In some countries, for example, Argentina, coverage is extended to other vulnerable groups, such as mothers with large families. Both the number of beneficiaries and social assistance pension expenditure are usually lower than those of social insurance pensions. In addition, the average social assistance pension is and should be smaller than the insurance pension, to avoid both disincentives for the insured's compliance and incentives for the free-riding (Mesa-Lagos, 2001a:175-180).

In most countries, actual pension systems are organised as a combination of contributory and non-contributory pension system, where they provide poverty alleviation and income smoothing all across Latin America and the Caribbean (Figure 2.4). Throughout the World, pension systems have components that aim to change pensioner living conditions and components that aim to provide cash transfers to the elderly.

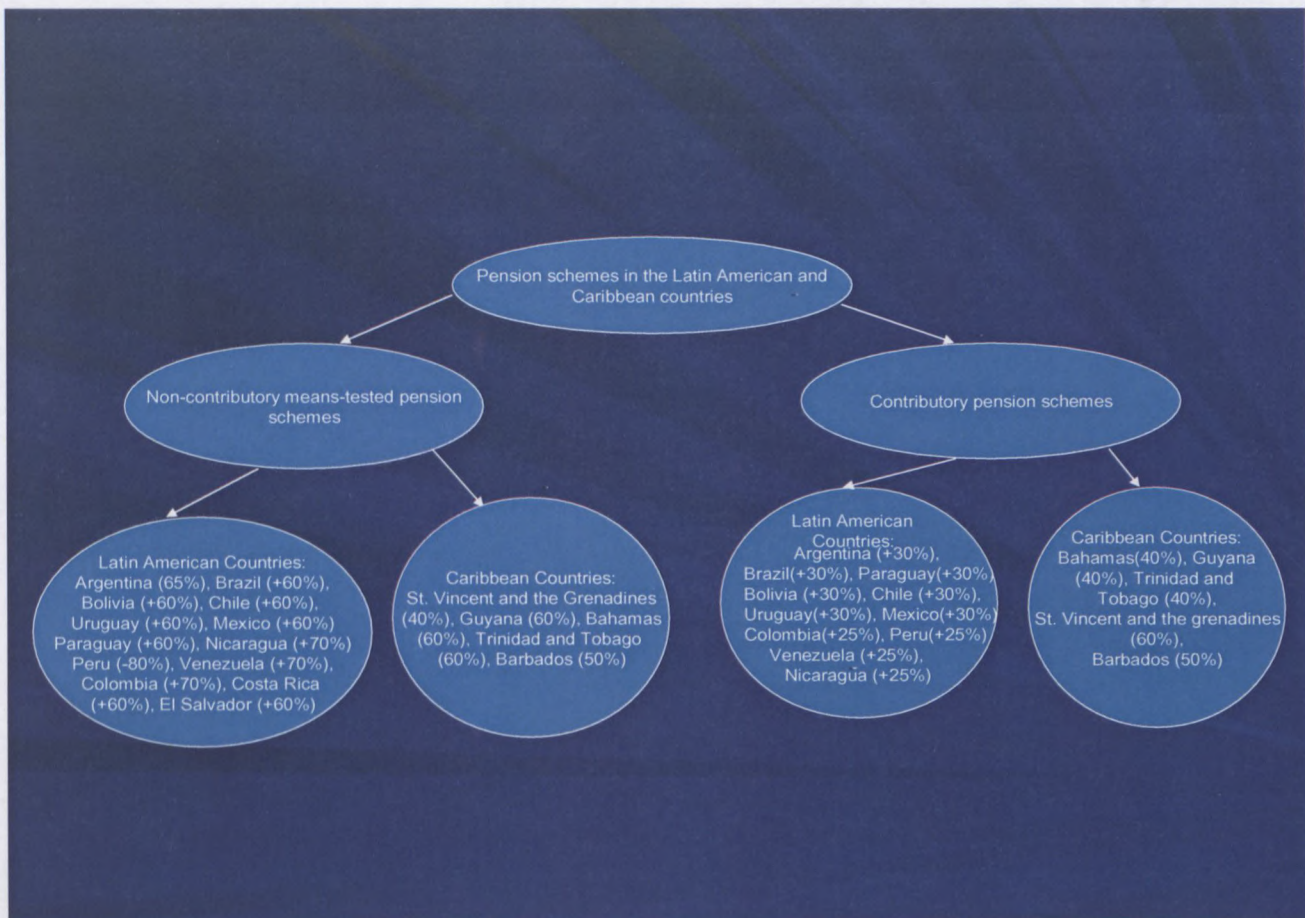


Figure 2.4: Types of pension systems in Latin American and Caribbean countries

The combination of non-contributory and contributory pensions was traditionally achieved in an implicit way, as systems were formally contributory, fully financed through “pay as you go” schemes. Put in practice, most had minimum or non-contributory pensions and receive some financial support from general revenues. Many structural reforms in the 1990s introduced multi-pillar schemes, where components became more clearly separated as zero and first pillars focused on distributive goals and second and third pillars on income smoothing through individuals savings (Rofman and Lucchetti, 2006:4).

Pension coverage was extremely low in many Latin American Countries; only in Costa Rica, Argentina, Bolivia, Chile, Uruguay and Brazil were rates at 60% or higher. It was clear that the situation worsened over the years in some countries. Argentina had the worst relative performance, declining from 77% in 1995 to 65% in 2004. Others such as Colombia, Venezuela, Costa Rica and Panama had a more favourable evolution. Uruguay and Argentina

had small non-contributory benefits that covered some poor individuals aged 70 or older that did not qualify for contributory retirement benefits. In Brazil, there was a large quasi-non-contributory system that covered rural workers. Other countries, such as Mexico had some non-contributory schemes at the sub-national level (Rofman and Lucchetti, 2006:19).

Coverage of contributory pension system among the elderly was low in most countries (Guatemala, Dominican Republic, El Salvador, Ecuador, Paraguay and Mexico). They provided pensions to 40% or less of their elderly. The low coverage of public pensions affected most of those living in rural areas; the poorest and least educated (Rofman and Lucchetti, 2006:28).

In the Caribbean, pension benefits were in the past financed by contributions from employees and employers. However, in the last 1990s Jamaica became the first to adopt a National Policy for Senior Citizens. It reflected the UN international principles for Older Persons, which placed emphasis on independence, participation, care, self-fulfilment and dignity. In fact most Caribbean countries combined former contributory pension systems with non-contributory pension systems (Schmid and Robinson, 2006:3).

In the Bahamas, an old age non-contributory pension of \$ 200 (R1600) has been introduced for older persons who have not made any or sufficient contributions. The Barbados Government introduced a non-contributory pension system paid to persons aged 65 years and older. However, in Guyana Old Age pensions are provided to all persons aged 65 and over and delivered to disabled pensioners at their homes. The extended family concept still prevails, through which the majority of the elderly are taken care of by families. St. Vincent and the Grenadines Islands' Ministry of Social Development provides a monthly contribution of EC\$ 100 for persons under 65 and EC\$ 110 for persons over 65, the National Insurance Service (NIS) provides pensions to 4 000 older persons, 2 200 receiving contributory pensions and 1 800 non-contributory pensions (Schmid and Robinson, 2006:2-4).

2.4.1.1 Demographic issues

Demographic transition toward an older population structure is accelerating in Latin America. As a result of declining mortality rates and even more rapidly falling fertility rates, population growth is currently on a strong downward trend in the Region at a level similar to the world's average rate. Population ageing is reflected by a rising old age dependency ratio, which is

starting to accelerate and is projected to increase from 8.5% elderly per 100 working age people today to a ratio of 27% by the year 2050 (Davis, 2005:542-543). Furthermore, Davis (2005:542-543) points out those substantial demographic differences are observed within Latin America and the Caribbean.

Uruguay, Argentina, and Barbados exhibit the highest dependency ratios in 2000, at 20.7%, 15.5%, and 15%, respectively, while Haiti, Honduras, and Paraguay have the lowest ratios, at under 6.6%. Large increases in old age dependency for the next half-century are projected for all countries, with some attaining dependency ratios that may exceed the averages projected for the Organisation for Economic Co-operation and Development (OECD) in 2050. Hence, all Latin American and Caribbean countries will be facing growing policy challenges derived from population ageing, like developed countries do (Mesa-Lagos, 2001a:175-180).

2.4.1.2 Aspects of social assistance programmes in Latin American and the Caribbean

In many developing countries social assistance programmes are mainly financed from general government revenue. It is in the nature of these programmes that no other source of finance has in the past been available. However, alternative sources of financing must be explored if programmes of this type are to be established in low income countries, as their tax base is narrow. Also, for middle income countries, new funding channels are needed to ameliorate government spending cyclical patterns. Evidence from Brazil, Chile and Costa Rica indicates the bulk of fiscal subsidies are allocated to social insurance pensions for privileged groups such as members of the judiciary, congress, other civil servants and members of the armed forces, leaving little assigned to social assistance for pensions (Duran, 2002:19). Recent reports on social assistance pensions in Brazil and Costa Rica claim there are irregularities, such as the simulation of poverty, clientele and the introduction of politics in the selection of beneficiaries (Mesa-Lagos, 2001b:67).

In a studies conducted by the International Labour Organisation (Schwarzer and Querino, 2002: 35-36) an attempt to measure the non-contributory pensions impact on poverty reduction in three Latin American countries: Argentina (Bertranou, 2002:5), Brazil and Costa Rica (Bertranou, 2002:6) were made. The methodology used for these studies is explained in Figure 2.5. It compares the poverty status of people before and after the transfer of certain benefits.

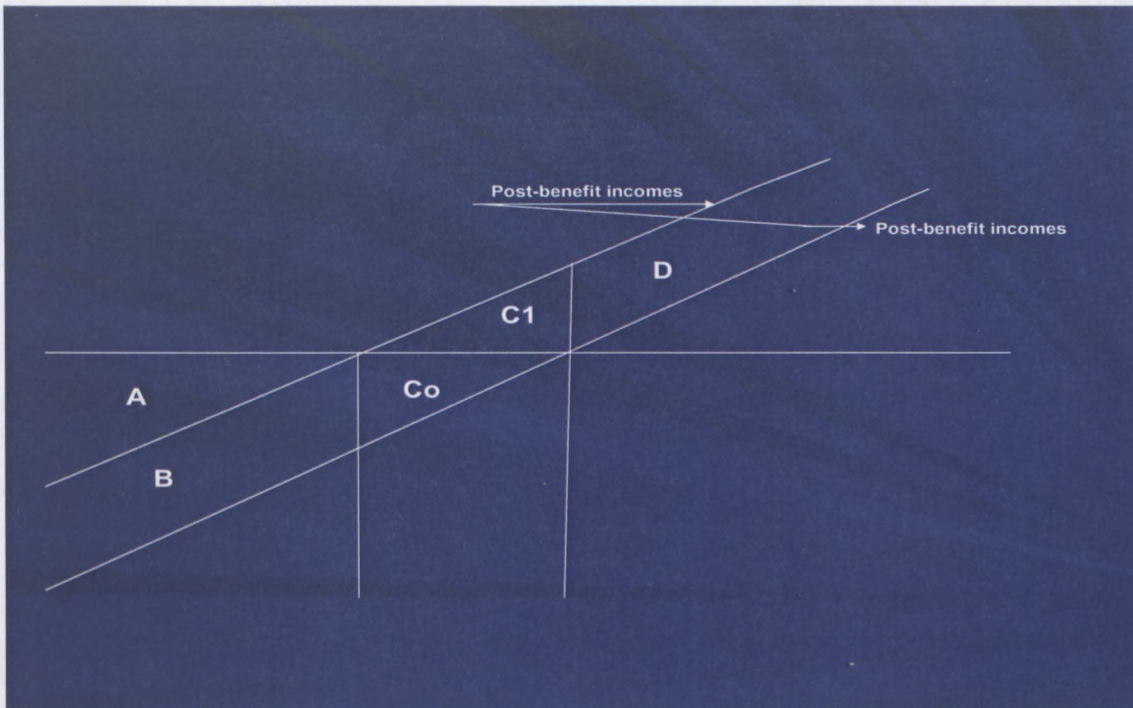


Figure 2.5: Change in poverty status of target population as a result of pension benefits

A: Post benefit poverty gap.

B: Effective reduction of the poverty gap for those (pre-benefit) poor, whose post-benefit incomes remain on or below the poverty line.

Co: Effective reduction of the poverty gap for those (pre-benefit) poor, whose post-benefit incomes were above the poverty line.

C1: Amount of benefit that lifts the post-benefit incomes of the (pre-benefit) poor above the poverty line, such benefits being unjustified so long as there remained an uncovered poverty gap.

D: Amount of transfer that went to the (pre-benefit) non-poor. Its existence was obviously unjustified, since reallocation to those in need would diminish the residual poverty gap.

In Argentina in 1997 (see Table 2.6), households with beneficiaries of non-contributory pensions saw the incidence of poverty reduced by 31% and the incidence of extreme poverty reduced by 27%. A 1998 study on Argentina before its economic crisis found the head count poverty rate among households with a non-contributory pension recipient aged 65 or over would be 5% higher if the pension income were excluded. Interestingly, extreme poverty would have been 16% higher in the absence of pension incomes (Bertranou and Grushka, 2002:9).

In Chile the reduction of extreme poverty incidence improved considerably during the 1990s, principally because it covered older people who were not benefiting Government pension grant but had the right to the benefit (Bertranou, 2002:5).

Table 2.6 Effectiveness of non-contributory pensions in reducing the incidence of poverty among households, Argentina, Brazil, Chile, and Costa Rica, 1990 and 2000 percentage

Countries names	Extreme poverty			Poverty		
	With pension	Without pension	Reduction of incidence	With pension	Without pension	Reduction of incidence
Argentina (1997)	10%	30.4%	27.1%	39.1%	56.5%	30.8%
Brazil 1.2	1.2%	26.6%	95.5%	4.6%	6.5%	29.2%
Costa Rica 1 (2000)	32%	40.7%	21.4%	18.7%	24.7%	24.3%
Chile (1990)	12.8%	20.3%	37.1%	25%	27.5%	9.2%
Chile (2000)	3.7%	12%	69%	13%	16.1%	18.7%

Source: Bertranou, Solorio and Van Ginneken (2002).

1 The principle is measured in terms of persons rather than households.

2 The percentages related to pensions also include the impact of contributory pensions.

The analysis results on Brazil and Costa Rica are not totally comparable, as the “post-benefit incomes” include not only non-contributory, but also contributory pension benefits. Results show a high reduction in extreme poverty in Brazil. In Brazil, there are two flat-rate pension programmes a rural model reaching about 7 million beneficiaries and an urban model about 2.1 million. In total, about 9.1 million people have been lifted out of poverty from a total “pre-transfer” poor population of about 94 million. The effectiveness of the Brazilian programme is the highest, probably because it covered the relatively poorer population in rural areas better than did Costa Rica.

2.4.1.3 Issues of social security systems in Latin American and the Caribbean

2.4.1.3.1 Social security programmes challenges

The social security systems in Latin American and Caribbean countries faced challenges:

a) Limited coverage because of a large social security system and because of the economic

crisis in the 1980s, growing informal sector;

b) A high degree of fragmentation and of inequality of entitlements due to many subsystems with different regulations; and

c) A financial imbalance due to the extension of benefits, the liberalisation of entitlements, the maturing of pension programmes, increasing life-expectancy, rising unemployment, high inflation and other factors related to the economic crisis of the 1980s (Haarmann, 2000:40).

2.4.1.3.2 Options to solve the social security problems in Latin American and Caribbean countries

There are various ways in which social security schemes in Latin American and Caribbean countries could prepare the way for greater extension. Such efforts could be fruitful, if the contribution and benefit structure of the social pension system is adapted to the particular needs of the beneficiaries and contributory capacity of workers in the informal economy (Fultz, 2002:127). Chile and Brazil presented examples for a universalistic answer aiming at providing basic income security for the entire population. Options to solve social security problems in the Latin American and Caribbean countries are covered in the subsequent paragraphs.

Chile Pension System Reform in 1981 was a World first for replacement of a mandatory state-managed pay as you go system by a mandatory privately managed fully funded system. Under the Chilean Model, all workers contributed 10% of their wages monthly to a personal account in a pension fund management company, plus an additional 2.6% for administrative fees and disability and survivors' insurance. The employer made no contribution. The plan was based on personal retirement accounts administered by private pension fund management companies, licensed and regulated by the Chilean Government. At retirement, the benefit was equal to the insured's contributions plus investment returns, less administrative fees. The Government guarantee a minimum pension to those with 20 years of contributions whose account balance was insufficient to fund a minimum benefit (Bravo, 2001:1-2). Also, Chilean Government in 2002 began a new unemployment benefit scheme, one part of which consisted of mandatory individual savings, another part of supplementary benefits. Workers contributed 0.6% and employers 1.6% of the payroll to the individual account system (Bravo, 2001:2).

The Scheme covers all workers under the Labour Code i.e. with a long-term or temporary labour contract. When workers have contributed for more than 12 months, they may withdraw

benefits from their individual account for a wide range of clearly circumscribed events, such as dismissal, resignation, retirement and death. For each event benefits are fixed according to the contribution period and last earnings. In the case of involuntary unemployment, some benefits are financed by the solidarity fund, i.e. when there are insufficient savings in the individual account to finance these defined benefits. A private company handles the administration of the scheme and it is selected according on the basis of a public bidding procedure (Bravo, 2001:2-3).

As the first country to move from a pay as you go system (pensions were financed by a payroll tax and managed by the state) to a system based upon a personal account approach (fully-funded pension system based on individual accounts, managed by private companies known as Administration of funds of pensions), Chile has had to resolve new issues in regard to social insurance policy. The Government was able to fund much of the transition investment by selling off a vast array of nationalised companies and issuing "recognition" bonds. For two decades a number of changes (new non-contributory pension programme awareness methods and pension benefits age changes) have been made in the Chilean Model in an effort to address the issues and develop a viable and sustainable retirement income programme. Improvements have been made in the number of workers enrolled, the number and type of investment choices and the regulation of the annuities market. Overall, reforms have been successful, but concerns remain about relatively high administrative costs and improving workers' knowledge of the system (Bravo, 2001:3).

Brazil social pension programme is divided into two programmes rural and urban. The rural social pension system, reaches about 7 million beneficiaries; the urban system reaching about 2.1 million. In total, about 9.1 million people are lifted from poverty out of a total "pre-transfer" poor population of about 94 million (Bertranou, Solorio and Van Ginneken, 2002:3-8). Brazil's limited provision of non-contributory pensions for workers in the rural sector dates back to 1963, but entitlements were restricted to people at pension age. The scheme was gradually upgraded during the 1970s in reaction to mobilisation by rural workers and pressure for land reform (Barrientos, 2003:10).

The 1988 Constitution (No.52 of 1988) recognised Brazilians' right to social protection for workers in the rural sector, especially for those in informal employment. This led to a range of reforms implemented from 1991 introducing a rural old age pension, referred to as Previdencia

Rural (PR) (Barrientos, 2003:10).

As part of the reforms, the age of pension eligibility was reduced from 65 to 62 for men and from 60 to 57 for women. Entitlement to old age, disability and survivor pensions was extended to workers in subsistence activities in agriculture, fishing and mining; also to those in informal employment. Whereas prior to 1991 only heads of household were entitled to a pension, the reforms extended entitlement to all qualifying workers, thus expanding coverage to female rural workers not heads of household. The value of the pension benefits was raised from 0.5 to 1 minimum wage (Barrientos, 2003:10). A key aspect of the programme is that access to pension entitlements does not require earnings or inactivity tests.

In urban areas, provision of old age assistance pensions was not developed. A social assistance pension Renda Mensual Vitalicia (RMV) was introduced in 1974 paying a flat rate benefit of one half the minimum wage to older or people with disabilities who could not provide for themselves. To be entitled to RMV, individuals needed to be 70 years or over and have at least 12 months of contributions to social insurance. Under the 1988 Constitution, a new social assistance pension, the Beneficio de Prestacao Continuada (BPC) was introduced in 1993, paying one minimum wage to people with disabilities or the elderly aged 67 years and older living in urban areas with per capita household income below a quarter of the minimum wage. Entitlement, including the means-test, is reviewed every two years. The conditions for entitlement under the BPC are tougher than under the PR. In December 2000, there were 4.6 million beneficiaries of PR old age beneficiaries, 0.3 million Old Age RMV beneficiaries, and 0.4 million old age BPC beneficiaries. The fiscal cost of the PR programme, including disability pensions, has been estimated at 1% of GDP, while the cost of the RMV and BPC programmes should be around 0.2% of GDP, given the smaller number of beneficiaries (Barrientos, 2003:10-11).

Overall, a reasonable estimate of the cost of old age pensions under the three non-contributory pension system (PR, RMV and BPC) for older people in Brazil was 1% of GDP. However, in 1987, the Brazilian health reform (*de jure*) unified the health systems and entitled everyone to free health care. However, the inaccessibility or the lack of facilities particularly in poorer areas hampered the positive intention to a certain extent (Haarmann, 2000:41). Brazil with its completely different basis moved towards a universal, redistributive, social security system which entitled every citizen to a 'sufficient' pension and healthcare. In addition, the Brazilian

social security system is one of the best, probably because it covered the relatively poorer population in rural areas. It also facilitated investment in agricultural production and intergenerational cash transfers, and reduced rural-urban migration (Haarmann, 2000:41-42). The aims of the system are, however, jeopardised by a legacy of a segmented and inequalitarian structure of the previous system and by a fiscal crisis of the State linked to high inflation leading to inequality (Haarmann, 2000:42).

The Brazilian Private Pension System being voluntary has not, however, been subject to the constraints present in other Latin American countries. However, private pension plans in Brazil form a voluntary complement or second pillar to the social pension system (Yermo, 2002:6). This second pillar consists of the so-called Complementary Pension System (Sistema de Previdência Complementar), established in 1977 by Law 6435 and the Fundos de Aposentadoria, which are long-term investment accounts managed by mutual funds. The complementary system itself consists of closed pension funds (Entidades Fechadas de Previdência Privada) and open pension funds (Entidades Abertas de Previdência Privada) (Yermo, 2002:6). The closed funds are constituted as employer-sponsored non-profit organisations, covering the employees of a particular firm, or group of firms. Closed pension funds support occupational plans that have traditionally been of a defined benefit nature. Increasingly, however, defined contribution plans are being promoted (Yermo, 2002:7).

It is particularly in Latin America (Cruz-Saco and Mesa-Lagos, 1998:377-378) reforms have changed the principles on which the financing and administration of pension schemes were based. The old principles of solidarity, redistribution, public administration, defined benefits and partially-funded financial schemes were replaced by defined contributions, fully-funded individual capitalisation accounts, private sector pension-fund administrators (with separated financial statements), and a government guarantee for a minimum pension.

Structural reforms radically change the public system either by replacing it completely by a private one (the substitutive model), or by introducing a private component in addition to the public one (the parallel model), or by creating a private system to compete with the public one (the mixed model) (Mesa-Lagos, 2001b:67-69).

2.5 Social security systems in Asia

2.5.1 Background of social security in Asia

Historically, family and local community determined by Buddhist and Confucian beliefs were responsible for the social assistance of its members. However, Asian states, such as Japan has limited this to mutual aid between family members, friends and neighbours. i.e. When a person is in need for help he can ask assistance (kind and money) to a family member, friend and neighbour who are entitled to help because those who can help today will also be help in the future when they will be in need. The Japanese colonial Government introduced the similar systems in Korea and Taiwan during their rule (Haarmann, 2000:34).

Post-war (after 1945) development in Japan, Taiwan and Korea was marked by important development in the economies, mainly through huge American investment resulting in high economic growth rates (Haarmann, 2000:34).

Social security during the first three decades (1940s-1970s) was by and large limited to the provision of health insurance, pensions and housing for workers by their specific companies. The national expenditure on welfare as a percentage of GNP remained relatively stable at a low level (4.5%) between 1945 and 1975. The major developments in formal social security took place from the 1980s onwards (Haarmann, 2000:34).

2.5.2 Demographic issues

Some advanced Asian countries, such as South Korea, China, Japan and other emerging market countries, will also experience significant upward shifts in the ages of their populations. For a time, this shift will increase their work force. If economic and political reforms are implemented concurrently, substantial economic growth is likely. In 30 years (2025) the above countries will face the democratic budgetary pressures that developed countries are facing, but they are likely to be even less financially prepared to deal with them. China is a particularly striking example. In the coming years, China's working-age population will shrink in proportion to retirees. In 2001 China had 88 million people aged 65 or older. By 2025, China's population will include over 200 million people in this age group. China will experience the ageing transition at a much lower average income than European countries and probably will not have robust healthcare and pension systems as its population ages (Eberstadt, 2001:50).

The situation in Japan is a major concern. Fertility rates are among the lowest in the World. After a short period of baby boom after the World War II, the fertility rate decreased dramatically. From 1947 to 1957 the fertility rate fell from 4.5 to 2.4 and during the 1990s dropped up to 1.53 (Ogawa, 1993:137). The most important implication of this rate of fertility is that fewer workers would enter in the labour market. Faruqee and Muhleisen (2003:187) comment: "The long run decline in Japan's birth rate implies that Japan will have both a declining and an ageing population." It is estimated that by 2025 there will be two working age persons per one elderly. This proportion will position Japan as "higher old age dependency nation" than any other country in the developed World (Faruqee and Muhleisen, 2003:186).

2.5.3 Social security perspectives in Asia

2.5.3.1 Social security problems and solutions

- Natural disasters, such as earthquakes and hurricanes have left many communities not only without homes and sources of income, but have also wiped away decades of their countries developmental efforts;
- Rapidly escalating unemployment in the formal sector of the economy caused by the financial crisis of 1997; and
- Higher dependency.

The Republic of Korea was one country that had an unemployment insurance scheme established in 1995 and in place before the crisis. Early in 1998, just after the 1997 financial crisis (Southeast Asia countries saw slumping currencies, devalued stock markets and other asset prices, and a precipitous rise in private debt), though there has been general agreement on a rapid expansion and improvement of the scheme. This was part of a trade-off between reduced employment protection and expanded unemployment insurance coverage. In this way, the Government and employers' organisations obtained workers organisations' agreement to legislate changes (unemployment insurance coverage to all employees and modified eligibility criteria for unemployment insurance benefit) designed to facilitate lay-offs in specified circumstances (Gill and Kharas, 2007:2).

There was a variety of assistance measures targeting the poor in developing Asian countries, but most were ad hoc and responsive in nature rather than part of any coherent social assistance system. However, in the two largest countries of the Region, India and China, an

attempt had been made to establish a more coherent system. In the middle of 1995 the Indian Government introduced the National Social Assistance Programme, consisting of three cash benefits (Jain, 1999:37-38). The first was a pension of Rs75 (less than US\$2 a month) for people over 65 with low cash incomes and generally without relatives. In 1999-2000 more than 6 million old age pensioners were able to receive this benefit, often supplemented at state level with amounts varying between Rs25 and Rs75.

Other social assistance benefits were a lump-sum payment of Rs5.000 to families whose primary income earner died before the age of 60; and a payment of Rs300 to a pregnant woman up to the first two live births. In the beginning of 1999 the Indian Government announced another social assistance system, "Annapurna", under which a destitute elderly person received 10 kg of rice a month or wheat free of cost, through the existing public distribution system. This programme aimed to cover destitute persons who were also eligible for the national old age pension system. It is estimated (Irudaya, 2001:613) that one quarter of India's elderly received some social assistance from the centrally funded programme, Annapurna schemes and complementary state schemes. The benefits provided pensioners socio-economic satisfaction with basic needs. If pensioners lived with families, the pension income made them less of a burden and enhanced acceptability among kin, neighbours and friends.

Among Asian countries with a systematic social assistance policy, India has developed many social assistance programmes at state level and subsequent development or funding from central Government. The National Social Assistance Programme was fully funded by the central Government within guidelines, but administered by the Government. An evaluation of the state programme in Gujarat, Orissa and Uttar Pradesh (Justino, 2003:14) showed various cases of corruption at the selection stage and of abuse concerning cash payment. It also highlighted various problems in determining a suitable means-test.

China, also in transition to a market economy, modernised its social assistance system. The minimum livelihood protection scheme for urban residents provided supplementary subsidies from government to poor urban households, whose average per capita income was below the minimum livelihood protection line. In 1994 it provided relief to 3 million people out of a total of 13 million poor in urban areas. In rural areas Government began to experiment with a minimum livelihood protection system which provided a combination of benefits in cash and kind. In the

middle of the 1990s more than 3 million poor people in rural areas received regular relief allowances and subsidies. China facilitated the entry of the self-employed and informal economy workers by adapting the benefit and contribution structures to the particular circumstances of urban and rural workers (Hu, Cai and Zhai, 1999:69-70).

The 1997 Asian financial crisis sparked critique that a lack of social security was a reason why the crisis worsened. The employment focus without social security measures had a severe effect on poverty levels during the crisis. However, with increasing democratisation and an ability of interest groups to voice concerns, social security has become a more important tool for nation building in the Country.

2.6 Social security systems in Africa

In much of sub-Saharan Africa, where 50% of the population lived on less than (R8) a day, social and economic benefits are either unavailable or of limited impact. Africa faced a two-edged sword. On one hand a broad range of risks which threatened security, living conditions, income and health and, a lack of resources and skills available to combat such risks. In this context, weaknesses and adverse factors, which vividly illustrated need for social security, were to be found in an analysis of what might be done to improve things (Bailey, 2004:1).

2.6.1 Demographic considerations

Demographic characteristics were important for social policy to identify and measure the target populations. Social security difficulties were often associated with ageing populations, be it from the viewpoint of pensions or health (Barbone and Sanchez, 1999:4). African populations on average, however, were young compared to other continents, as is shown in tables 2.7, 2.8, 2.9 and 2.10

Table 2.7: Estimated and projected percentage of the population in selected age groups, by Region (children under 15 years of age)

Region /Continent	1970	2000	2025	2050
Developed countries	29	21	18	17
Developing countries	42	33	25	20
World total	37	30	23	20
Africa	45	42	35	24
Asia	40	30	22	19
Europe	25	17	15	14
Latin America and the Caribbean	42	32	24	20
North America	26	18	16	14
Oceania	32	25	21	19

Source: United Nations, 1999.

Table 2.8: Estimated and projected percentage of the population in selected age groups, by Region (youth: ages 15-24)

Region/Continent	1970	2000	2025	2050
Developed countries	21	16	15	15
Developing countries	18	19	16	14
World total	18	18	15	13
Africa	18	20	20	17
Asia	18	18	15	13
Europe	16	14	10	10
Latin America and the Caribbean	19	20	16	13
North America	17	13	11	11
Oceania	18	15	14	13

Source: United Nations, 1999.

Table 2.9: Estimated and projected percentage of the population in selected age groups, by Region (older persons age 60 and over)

Region/Continent	1970	2000	2025	2050
Developed countries	15	20	28	33
Developing countries	6	8	13	21
World total	8	10	15	22
Africa	5	5	6	12
Asia	6	9	15	24
Europe	15	20	28	35
Latin America and the Caribbean	6	8	14	22
Northern America	14	16	26	28
Oceania	11	13	20	24

Source: United Nations, 1999.

Table 2.10: Estimated and projected percentage of the population in selected age groups, by Region (oldest old: ages 80 or over)

Region/Continent	1970	2000	2025	2050
Developed countries	2	3	5	9
Developing countries	0.4	1	1	3
World total	1	1	2	4
Africa	0.3	0.4	1	1
Asia	0.4	1	2	4
Europe	2	3	5	9
Latin America and the Caribbean	1	1	2	4
Northern America	0.7	1.4	3	7
Oceania	1	2	3	6

Source: United Nations, 1999.

Tables 2.9, 2.10 and 2.11 show how fast populations are ageing and how different Regions are going through demographic transition. In 1990, there were 5266 million people in the World and 9% of them 491 million and by 2025 there will be more than 1.000 million will be 60 years old and over (World Health Organisation, 1990). It has been estimated that in 2050 this proportion will double. In 1990, 58% of the elderly population lived in developing countries and is expected to reach 79% by 2050. Clearly, this population will exceed available

resources (United Nations, 1999).

The proportion of elderly within developing country populations will increase from 7% in 1990 to 19% in 2050, if developing countries implement effective programmes to eradicate HIV/AIDS, while in developed countries the increase will be from 17% in 1990 to 30% in 2050 (United Nations, 1999).

According to the World Bank (1994:82-84), Asia will continue to be the most populated continent, with 9% of its population aged 60 years and over in 2000 and an expected 21% by 2050. Europe was and will be the "oldest" continent, since the elderly population was 20% in 2000 and will reach almost 31% in 2050. The ageing process in Africa has been slower, a phenomenon mainly attributed to the extent of the AIDS' pandemic. Even so, its elderly population will reach 6% in 2025 and 11% in 2050, making Africa the "youngest" continent in the World.

Population ageing is directly related to the level of national income (United Nations, 1999). The higher income countries have gone further in the ageing of the population structure. Table 2.11 presents percentages of people 60 and older in different Regions and Continents by year. Although the highest proportion can be observed in developed countries, the gap between developing and developed countries will be reduced. In 1990 the proportion in developed countries was 2.5 times than that in developing countries, but by 2050 the difference will be only 1.5 times higher. This is the result of an accelerated pace in the ageing process in the developing world (United Nations, 1999).

Table 2.11: Estimated percentage of population 60 years and over

REGION/ CONTINENT	1990	2000	2025	2050
World	9.3	9.9	14.4	20.3
Developing countries	7.0	7.6	12.0	18.8
Developed countries	17.1	18.7	26.6	29.6
Low income	7.1	7.7	11.9	18.3
Lower-middle income	9.7	10.4	14.1	20.7
Upper-middle income	8.2	8.9	14.8	22.5
High income	7.8	19.2	28.6	31.1
Africa	4.8	4.9	6.2	11.2
Americas	0.9	11.0	18.3	24.6
Asia	7.8	8.7	14.0	21.3
Europe	8.1	20.1	27.6	30.9
Oceania	2.7	12.8	19.9	24.4

Source: World Bank, 1984: 82-84.

One issue associated with the ageing process is an increasing level of dependency. The dependency ratio has two components in the numerator population aged less than 15 and the over 60 years old and only one in the denominator, population aged 16-59 years (United Nations, 1999).

Altogether the dependency ratio would decrease in Africa, Latin America and East Asia in the next 20 years. However, the elderly dependency ratio will be increased from 16% in 1990 to 35% (one elderly person per two aged 15-59 in the World) by 2050. In developing countries this ratio will increase from 12% in 1990 to 31% in 2050 and in developed countries from 28% in 1990 to 56% in 2050. The dependency level will be higher in developed countries than in developing countries, but the ratio in the second group will double. A higher dependency level had several implications for future health, since economic and social policies indicated more would be dependent on the economically active population.

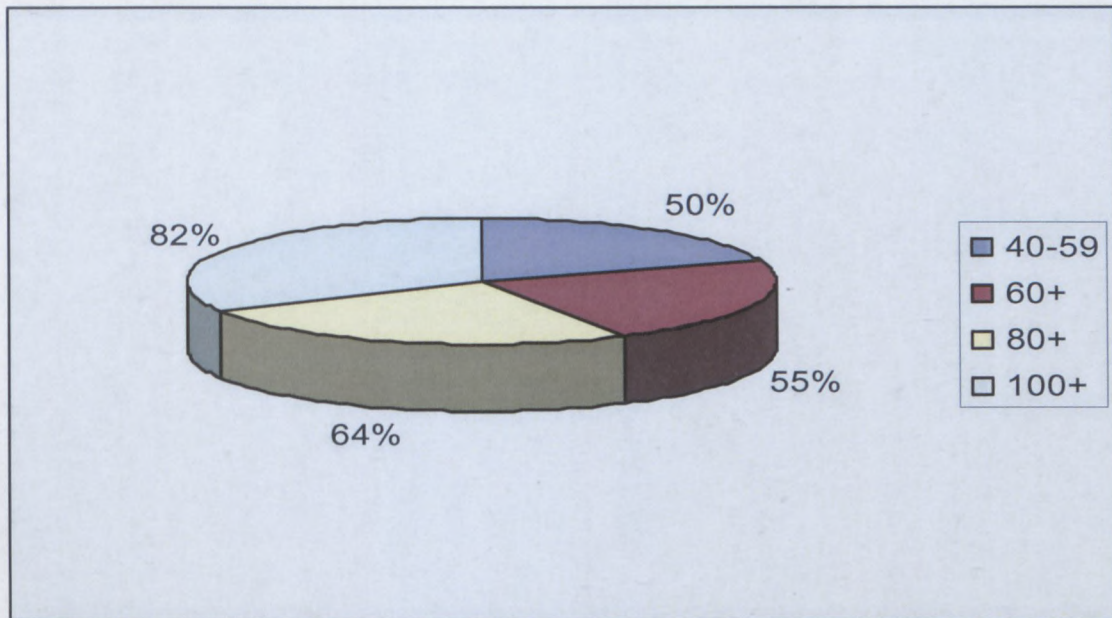


Figure 2.6: Proportion of women among persons aged 40-59, 60+, 80+ and 100+ years: World, 2007

Because women lived longer than men, women in the world constituted the majority of older persons. Women outnumbered men by about 70 million among those aged 60+. Among those aged 80 or over, women were nearly twice as numerous as men and among centenarians women were between four and five times as numerous as men (United Nations, 2007:28).

The UN (United Nations, 1999) has established that an aged population is when the proportion of people aged 60 or over in one country or Region reaches 7% of the total population. Under this definition, all the World's Regions and Continents had already reached that stage by 1990, except for Africa and developing countries overall. However, it is important to clarify some of the poorest countries and the poorest Regions within those countries that had not yet reached that level.

2.6.2 Background of social security in Africa

Inevitably, the pattern of social security provision in Africa reflects colonial preferences and considerations. Social security benefits provision was mainly concentrated on urban and industrial workers to stabilise the labour force and to satisfy workers needs against

contingencies when they reach pension age (Bailey, 2004:2).

In former British colonies, priority was given to employment injury schemes, but in this system social insurance development was slower. Instead, liability was placed directly on the employer (Nigeria, Ghana, Kenya and Swaziland) and only later were schemes developed which relied on the payment of contributions by employers into a public social security fund and at least, to some extent, on the pooling of risks. The systems introduced by the British were generally modest, except in the case of provision for public servants, and did not follow the lines of schemes operating in the United Kingdom (Bailey, 2004:3).

In the French colonies of Sub-Saharan Africa, priority was given, initially, to employment injury schemes. Family benefits and maternity benefits were introduced in the early 1950s. Given their common heritage, many French-speaking Africa countries enjoyed similar pension schemes, which provided benefits on retirement based on length of service and average earnings. Health care provision also followed a different pattern with French-speaking Africa tending to link health to the social insurance principles of the pension scheme, whereas the British preference was for a national health service financed centrally from Government revenue. Access to adequate healthcare emerged as the most important of the social security benefits to the majority of the people in Sub-Saharan Africa, unfortunately it is too often denied to those most in need, such as those working in the informal economy and in agriculture (Bailey, 2004:4).

In North Africa, where proximity to Europe was a dominant factor, schemes established in the 1950s were found in Algeria, Egypt, Libya, Morocco and Tunisia and provided pensions based on social insurance principles. Efforts had also been made to provide a wide range of benefits with contingencies such as unemployment being covered in Tunisia, Algeria and Egypt and also to reach beyond employed persons to coverage of the self-employed (Bailey, 2004:2).

Using a variety of initiatives Tunisia was a country to have followed gradually to extension, and provided a wide range of social security benefits for its workers, such as, pension, healthcare, maternity and employment injury benefits. For the time being, there were separate schemes for employees in the public and private non-agricultural sector, plus smaller schemes for employees and self-employed in agriculture and students. Workers could be reimbursed for certain health services, and some had access to public hospitals and for social security clinics.

There was also a radical reform underway to create a unified health insurance system for all socially insured persons. Voluntary, complementary health insurance could be organised through enterprise group contracts, or through mutual benefit societies, mainly in the public sector (Bailey, 2004:2).

2.6.3 Social security issues in Africa

Africa, with few exceptions, (Mauritius, Botswana, Namibia, Tunisia, Lesotho, Senegal and to a certain extent South Africa) is the Continent where the greatest proportion of the population do not have access to social security benefits, i.e. adequate health care, pension income, unemployment benefits. These are only some of the benefits lacking in day to day life. In Africa, old age pension income is the contribution made through employee and employer (contributory pension). In the majority of countries, governments contributed only as an employer for public sector workers. However, six African countries pay non-contributory old age pension grant to their elderly people at pension age. These are Botswana, Lesotho, Mauritius, Liberia, Namibia and South Africa. In Congo Kinshasa an annual subsidy is allocated to pensions, In Equatorial Guinea, 25% of annual social security receipts are allocated to pensions and Libya allocate 0.75% of covered earnings plus annual subsidies (Bailey, 2004:2-4).

Social insurance systems, where formal sector workers paid into employer-based systems, are the predominant type of social welfare benefits. Alternatively, South Africa and Senegal have a means-test social assistance system (non-contributory transfers targeted to the poor/vulnerable part of the population, also means-test with the onus upon individuals to prove they are destitute and finance entirely by state revenue), while Botswana, Namibia, and Lesotho have universal old-age pensions (provide pensions benefits to residents or citizens, without consideration of income, employment, or means. Typically financed from general revenues, and apply to all persons). Morocco and Seychelles each have both employment based social insurance systems (financed from contributions made by employees and employers) and universal old age pensions. Liberia has a social insurance system and social assistance system. Kenya, Swaziland and Uganda have provident funds where formal and informal sector workers could pay into and receive their contributions plus interest. Finally, Nigeria has mandatory individual accounts that public and private sector employees paid into (Bailey, 2004:2-4). Among all African countries South Africa has the largest social pension

assistance with more than 2 million elderly assisted with old age pensions (South Africa, 2007b:334). The South African pension system implements a pension system that provision should at all times prevail in a mixture as analysed in Figure 2.2

Africa, however, is the Continent beset with many administrative and financial challenges to manage social security systems, namely:

- * Lack of credible and sustainable social security institutions;
- * lack of equity in the administration and financing of social security rights;
- * lowest social security coverage;
- * lack of investment opportunities;
- * poor quality of social rights services delivery;
- * limited access to certain social security benefits;
- * HIV/AIDS; and
- * lack of adequate record keeping (Haarmann, 2000:45).

Generally, social security systems in Africa still favoured civil servants and their families, a colonial legacy. Wage earners in the formal sector were predominantly protected against employment injury and old age; unemployment benefits are largely non-existent. Many systems also experienced administrative and financial challenges caused by over-centralisation which jeopardised services (Sigg, 1994:68).

A good example concerning the development of a comprehensive social security was Mauritius. In Mauritius, development of a social security system began more than 100 years ago. The social policy efforts after independence in 1968 had a good start as a fairly well developed administration was already in place. However, social security in Mauritius was built on a combination of social insurance and social assistance and covered the following aspects:

- * Pension scheme;
- * health care;
- * employment injury, invalidity; and
- * social assistance for families, disabled persons and unemployment benefit.

Military and government officials were not covered by the schemes and had much better benefits than the rest of the population (Haarmann, 2000:42).

In Mauritius, pensioners had throughout the years paid consumer taxes as everyone else. They paid taxes on tea, sugar, tobacco, matches, rice, pulses, dried fish, rum, calico, khaki and everything they had consumed and used to live as useful members of society. One way or another they had contributed to the national budget. Their old age pension system financed from public funds was thus non-contributory (Bailey, 2004:5).

The development of pensions in Mauritius had a 60 years history. Every elderly resident received income support from a non-contributory pension from 60 years of age; a supplement was paid to people with disabilities. Pensions were subject to a means-test or a retirement test, but were taxable. The system was, however, subject to the application of a means-test, but this was abandoned in 1958. The Government introduced a contributory pension scheme in July 1978, but the scheme topped up the basic pension to the extent of one third earnings, rather than replace it. The basic non-contributory pension was a flat rate. The contributory pension had progressively expanded to cover all private sector workers in respect of retirement, invalidity and survivors' pensions and employment injury benefits. In 1990, the pension level amounted to about 31% of the minimum wage. In addition, contributions to the national pension scheme were compulsory for those in formal employment. Employees and employers paid 3% and 6% respectively. Failure to pay by employers resulted in high penalties or imprisonment of up to three months (Bailey, 2004:5).

The Government of Mauritius provided free health care to people below a certain income level (10 times the minimum wage). People with a higher income had to pay and hence contribute to the cost of the system. Remaining costs 9.2% of the overall budget were covered by the Government and were well above the average of Sub-Saharan countries (5-6%) (Haarmann, 2000:42-43).

Insurance against invalidity and insurance against employment injury was based on contributions and depended on level of income. In case of permanent disability, pensions amounted to 80% or the last wage, which was higher than the normal pension. However, in case of death a widow/widower received 50% and dependants 7.5% of the wage (Haarmann, 2000:43).

The Government also provided social assistance for people who were deserted or who are unemployed for longer than six months and unable to support themselves or their families and for people with disabilities. The assistance was means-test (Haarmann, 2000:43).

In Mauritius, the compulsory insurance for employees, the overall coverage rate is relatively high compared to other African countries.

The debate on how best to organise old age support and advance income security in African countries is growing and intensifying. Poverty is widespread in countries which generally lack adequate formal social protection programmes. Informal old age support is coming under increasing pressure from adverse economic conditions, migration, the HIV/AIDS epidemic and changes in family structures. Large numbers of older persons are among the poorest of the poor in most of the countries.

According to Ferreira (2004:9), the advancement of income security in African countries must go hand in hand with a reduction in poverty and economic vulnerability of older households and the empowerment and integration of older persons. She says in Africa no conclusive unidirectional case could exist for either expanded welfare provision or a sustained reliance on non-formal support. Firstly, the HIV/AIDS epidemics will continue to deepen poverty; impacting negatively on the economy, exacerbate and compound older persons' contingencies and consume enormous (scarce) government resources. The effect on institutions, structures and systems is unlikely to be reversible for generations to come. Without systemic support, a family and community are the only alternative sources of support for poor and vulnerable older persons. As families and communities changed, so both types of support are likely to decrease (Ferreira, 2004:9).

Bailey (2004:11) suggests that for strengthening social protection in Africa, governments have to encourage and support development of micro-insurance and innovative decentralised social security schemes to provide social protection through communities, social partners, and civil society organisations and to develop new systems.

A major challenge in Africa is how to deal with social protection limited coverage and to create programmes to cover those who are part of the non-formal economy sector, as well as strengthening informal forms of social protection (Ferreira, 2004:10).

2.7 Lessons to learn for South Africa from other countries' schemes

The aim of this section is to draw conclusions from development and varying aspects of social security at international level in regard to the South African situation. Of importance are the characteristics and differences contextually under which social security systems were built. They are important to indicate where possible lessons might be learnt and to know where certain factors are inapplicable in a South African context.

2.7.1 Lessons from the developed countries

The background of social security systems in developed countries were developed during a move from mutual aid societies towards industrialisation. However, some people might regard South African social security systems' development similar to that of developed countries. A deep analysis, however, proved otherwise:

The industrial revolution required massive labour input. During that time there were virtually full employment and people were productive. But to prevent themselves from certain contingencies, such as death of a breadwinner, sickness, work injuries, and temporary unemployment social security schemes were needed. When analysing the South African situation it is found most people are poor because of unemployment. The South African social security situation still asked for a contribution to integrate poor people into the economic sphere. This situation contrasted with the developed nation's social security situation, where the development of security policies against the loss of earnings is the main issue.

Besides all the contrasts between South African social security systems and the developed countries' social security systems, many lessons from developed countries experience can be learned by South Africa:

- *Social security proved to be an important instrument for social stability;
- *social security systems have to be connected to overall economic development; so as not to overburden an economy in times of decline;
- *social security can develop more egalitarian societies;
- *social security benefits have some limitations, especially, when unemployment benefits become so high that they created disincentives such as not seeking

employment; with a negative effects on the economy; and

*in the design of a social security system, market principles have to be considered.

Social security has to integrate people into the economy system.

2.7.2 Lessons from developing countries

Social security in developing countries is mainly based on social insurance principles. In general, the systems did not cover the self-employed in the informal rural sectors.

For the state to have capacities to address poverty and inequality through redistributive measures, an extension of social security coverage will, therefore, be important. Instead, fragmented social security systems that provide privileges for certain groups will have an opposite reaction, if the state use general tax to cover such privileges. However, even if Mauritius has problems covering those in their informal sector, it is an outstanding example with regard to the development of a comprehensive social security system. In fact, Mauritius managed to establish a mixed system of social assistance and social insurance with poverty alleviation functions and redistributive measures for the majority of its citizens.

In analysing the Latin American and Caribbean social security systems, examples of two countries (Chile and Brazil) are helpful in discovering the strengths and weaknesses of system reforms in other parts of the world. Chile had set a positive social security reform in replacing a mandatory state-managed pay as you go system by a mandatory privately managed fully funded system. The Chilian Reform managed to accumulate significant capital for the development of the national economy and focus on basic health care had positive consequences on the overall health status of children. A sound infrastructure for the services and state efficient financial intervention made it possible. However, while the coverage of employees with long term formal employment is well organised, the self-employed cover is low or almost non-existent. The Government still has to provide for such employees.

Brazil tried to implement a redistributive system based on an already existing inclusion of the large rural sector. Unfortunately, a legacy of corruption, mismanagement, a weak infrastructure and existing social inequality totally blocked the programmes' successes. This was related to an inefficient economy, which does not allow the Country to satisfy its population's needs.

The lessons for South Africa from the developing social security systems reforms are manifold: existence of a large informal sector makes going beyond a social insurance system imperative. The already existing social inequalities and poverty is a wake-up call for the Government to put in place efficient redistributive measures. However, as the Brazilian example demonstrates, the South African Government have to build up capacities at administrative and infrastructure levels; meantime, the economical environment have to be conducive.

The example of Chile privatising social insurance and accumulating capital for the national economy appeared good. But it should be noted reform was not set up without cost to the State.

2.7.3 Lessons from Asian countries

Asian countries (South Korea, Japan, China, Singapore and India) were able to realise high economic growth with relatively low levels of government spending on social security. The state seldom took the role of a provider for social security. Instead, often authoritarian governments regulated the economic and social spheres through direct interventions in the market i.e. obligations on business, land reform and building of infrastructure combined with high employment rates these measures the main reason for a reduction of inequalities.

It becomes clear that the Asian countries differ from the South African situation with regard to the role the state is playing in the economy and with regard to the circumstances of rapid economic growth through foreign investment.

The employment focus without social security measures has severe effects on poverty levels during the 1987 crisis. With increasing democratisation and the ability of pressure groups to voice their concerns, social security also became a more and more important tool for nation building. However, one has to take into account that the 'middle class' is often better organised and able to voice their demands than the poor. In the South African situation where the need for poverty alleviation and reduction of inequalities is important these factors have to be taken care of.

2.8 Summary

Modern social security systems evolved in the industrial market (developed countries) over a long period. They are the product of interaction between economic, political and social forces. The systems which developed in the 2nd post-war period were designed to meet social contingencies and to redistribute wealth and consumption in favour of lower-income groups. These systems were underpinned by high per capita incomes and adequate capacity to extract financial resources through taxation. They are built on an employment structure where the great majority of workers were wage employees. Although they shared some common features, social security arrangements in these countries also exhibited significant diversity with regard to the scope of coverage, the proportion of people protected, the level of benefits and financial and institutional mechanisms.

The transitional countries (India, Singapore, Republic of Korea and China) those that moved from developing to developed country status had sought to restructure their social security systems in a difficult environment of falling production and incomes, accompanied by rising unemployment and poverty. Because of an increase in formalisation of the economy and restricted entitlement to unemployment, sickness and pension benefits, a significant minority of the working population in many countries fell outside the social security framework a situation similar to that in many developing countries.

The social security systems in developing countries were widely diverse, reflecting differences in the underlying economic, social and political conditions. A handful of countries (Brazil, South Africa, Chile and Mauritius) had come close to covering the main social security needs of their people, some through broad-based growth, others through institutional reform and purposeful use of resources. But the great majority of the population in most developing countries remained unprotected, even against the most elementary contingencies. The social security systems borrowed from developed countries catered to the needs of a small minority of the workforce in most developing countries. Often they diverted scarce state funds away from broader programmes that could provide basic services for the mass of the population.

The information gathered in Chapter Two are useful as it provides ideas to understand the right of the South African elderly to benefit from an old age pension acknowledged in the Constitution of South Africa and other official documents, such as the White Paper on Social

Welfare, Social Assistance Act (No.13 of 2004) and Welfare Amendment Act (No.6 of 2008). In Chapter Three the thesis analyses the definitions of old age pension and assess theories of ageing.

CHAPTER THREE

OLD AGE PENSIONS AND ASSESSMENT OF THEORIES OF AGEING

3.1 Introduction

Chapter Two highlighted the viewpoints of scientists, researchers and academics on social security systems (social assistance-Old Age pension systems and social insurance) in different parts of the World, including South Africa. However, Chapter Three defined old age pension and assessed different theories of ageing.

3.2 Definitions of an old age pension

Defining the term "old age pension" is neither simple nor straightforward. Old age pension (OAP) is a multifaceted phenomenon. No single definition of an OAP exists. There are numerous and varying definitions. Gorman (2004:5) believes an OAP is a range of cash incomes paid regularly by the state to people of or above the official retirement age and to widows and people with disabilities. Brown (1993:2149) defines an OAP as an "income given to a person usually when that person stops employment." Finally, Welman (2004) define OAP as "a monthly payment made to someone who is retired from work by a government or firm."

The term "old age pension" is world widely used to describe cash income paid monthly by the state or firm to people of or above the official retirement age.

Worldwide pension systems are divided into three systems:

- a. Old age pensions (Non-contributory means-test pension system);
- b. Occupational pensions; and
- c. Personal pensions.

Old age pension system is an anti-poverty pension system which guarantees a minimum income in old age, irrespective of a worker's history earnings. It is always financed from general taxation, but it can also be financed from contributions, as it is in the United Kingdom. Occupational pensions and personal pensions provide benefits only to those who contribute

and, in general, provide the most benefits to those who contribute most. Contributions to occupational pensions are mandatory, whereas those to personal pensions are voluntary (World Bank, 1994:28).

The old age pension system protects the elderly from absolute poverty (consumption below a minimum level), while the other two pension systems protect the elderly from relative poverty (fall in a worker's accustomed level of consumption) (World Bank, 1994:28).

The basic pension of the old age pension system can take any of three forms:

- *Universal flat pension;

- *means-tested flat pension; and

- *minimum pension guarantee (or flat top-up) for earnings related pensions (World Bank, 1994:29).

A universal, flat pension is the simplest plan, and the only one that covers the entire population of the aged. The benefits are the same for everyone of a specified age, regardless of income, assets or work history. A means-tested pension provides reduced benefits, or none at all, for those whose income or assets exceed a specified level. A minimum pension guarantee is useful for some workers with low lifetime earnings, but does nothing for unpaid care-givers or for those in the informal sector who do not have access to earnings-related pensions (World Bank, 1994:29).

A minimum pension guarantee is the basic pension that is most common in developing countries. It is linked to contributory schemes of the occupational pensions system, so fails to insure the poorest workers against the risk of poverty in old age.

Means-tested pensions are common in developed countries and in many developing countries as well. Means tests target the poor, so are preferable to minimum pension guarantees, which exclude the poorest and most vulnerable members of society. Means-tests also reduce the fiscal costs of universal basic pensions, so are popular for this reason. Nonetheless, means-testing is inferior to universal pensions on a number of grounds (World Bank, 1994:239-240).

First, means-tests increase administrative costs and provide opportunities for corrupt behaviour on the part of government officials. Second, the tests set up preserve incentives, discouraging saving for retirement as well as continued work in old age. Third, means-tested benefits often come to be regarded as charity, which reduces their political appeal and discourages applications from the eligible poor (World Bank, 1994:240).

Universal, flat pensions have considerable advantage over schemes that reduce benefits for those who have too high income, too many assets, or an inadequate record of contributions. The World Bank, in its 1994 Report (World Bank, 1994:240-241), praised systems that provide the same benefits as follow:

“to everyone of pensionable age, regardless of income, wealth or employment history, as in New Zealand and the basic pensions paid by the Nordic countries. Administratively, this is the simplest structure, with the lowest transaction costs, for the public pension system an important advantage in developing countries with limited institutional capacities and incomplete record-keeping systems. It avoids the disincentive to work and save inherent in means-tested plans. Its universal coverage helps ensure that the poverty reduction objectives are met, provides a basic income for all old people (co-insuring against low investment returns or high longevity), and might receive broad political support.”

However Government pension system (non-contributory means-tested) in South Africa is facing challenges, such as, poor service delivery of pension grants in most of the rural and some of the urban areas and weak data record system. Nonetheless, pension grants have been instrumental in the life of elderly people and household members the Department of Social Development still has to improve pension management system and provide grants to pensioners household members to improve elderly living conditions. The next section addresses this concern.

3.3 Elderly South African life realities

Worldwide, ageing diminishes a capacity to work and to earn. In many African countries, the traditional safety net for the elderly was the extended family, especially their own children. As Schwarz (2003:1) pointed out: “the extended family is not and was not, a perfect safety net especially when children are too poor to support their parents.” In South Africa, social safety

nets for the African elderly had been largely neglected during apartheid. The Government of South Africa (1994) committed itself to redirecting resources towards social sectors and within social spending where racially discriminatory spending gave way to patterns that better reflected demographic needs. After 14 years of democracy, little progress (inclusion of elderly of all races in the government pension system and pension amount equality) had been made in realising the Constitutional provision for the aged that, everyone have the right to access to social security, including if they are unable to support themselves and their dependants [s27(1)(c);(2)]. In spite of progress made, there remain unsolved issues concerning the elderly. When one look at the elderly's Constitutional rights in South Africa it is apparent that there is a gap (inefficient coverage of pension income in rural areas, such as, Bersheba) in regard to the management of government pension benefits and lack of promotion and protection of older persons rights. The Human Rights Commission in particular, as evidenced at the parliamentary hearings on the Taylor Report, made it clear the violation of rights of older persons remained a source of concern (South Africa, 2002:50-51).

During April 2003 fieldwork study in the Eastern Cape on the benefits of pension grant in pensioner life, Ferreira and Møller (2003:8) found that older persons were one of the most vulnerable groupings in the Eastern Cape, and consistently passed over in regards to delivery of social resources'. The majority of aged was female. These women, often widows, were left to care for grandchildren without financial support from parents. With the progression of the HIV/AIDS pandemic, teenagers' pregnancy increasing and unemployment became additional burdens. Fieldwork reports and anecdotal evidence has highlighted how vulnerable older persons are to abuse, often because their rights are not adequately protected under existing law. During fieldwork study of the researcher from the 25 to the 27 of July 2007 cases that demonstrate an older person's vulnerability include that of an elderly person not receiving follow-up care after suffering a stroke; and detailing the abuse of an elderly patient at Kwazakhele Community health Centre were recorded. Fieldwork reports have also indicated financial abuse against older persons. Additional fieldwork reports have detailed how, since the privatisation of pension payment services, older persons have died in pension queues and South Africa's largest pension payout company had been allegedly providing micro-lending services, imposing excessive interest rates (Fieldwork results of the 28 of July 2007).

During fieldwork study of the 29 of July 2007 in the three surveyed areas (Bersheba, Bethelsdorp and Kwazakhele) older persons associated the escalation of crime in their areas

with the high unemployment rate, as a major causal factor of their vulnerability in society. Pensioners say most of the youth in their communities were unemployed and dependant on the elderly's pensions grants. Pensioners indicated an inability to defend themselves, because their physical frailty exposed them to abuse. Furthermore they felt various environmental factors, including inadequate healthcare and nutrition, contributed significantly to their vulnerability and as they increased in age, so did their susceptibility to disease or ill health. Although older persons were entitled to free medical attention at primary healthcare points, the facilities were often under-equipped and under-resourced, offering poor services.

3.4 Theories of ageing

In spite of the research undertaken, there has been an unprecedented rise (Weiss, 2005:4-7; James and Wink, 2007:31-39) and consolidation of theoretical publications relating to age and ageing that has cut right across and through social and human sciences (Bury, 1995:15). Social gerontology is multidisciplinary and is the principal instrument of orthodox theorising about old age (Phillipson, 1998:17). Turner (1989:588) acknowledges social theory had to be brought into the frame of analysing old age. This section studied the important theoretical ideas to have influenced the understanding of age, ageing and social gerontology in recent years: modernisation (industrialisation), disengagement, activity, political economy, feminist, social construction, age stratification and structural functional.

3.4.1 Modernisation theory

How are contradictory images of ageing found in modern culture? One influential account that tries to do so is the modernisation theory of ageing (Beck, 1992:4). According to this theory, the status of old age was low in hunting and gathering societies. With the coming of modern societies tended to devalue older people. The modernisation theory agreed the role and status of the elderly were inversely related to technological progress. Factors such as urbanisation and social mobility tended to disperse families; technological change devalued the wisdom of life experience of elders, leading to a loss of status and power (Cowgill and Holmes, 1972:1-3).

Sagner (2000:1) pointed out the theory of modernisation was simplistic, empirical, conceptual and theoretical because research papers drew in the past on the modernisation theory and its

concepts thus tended to be theoretically weak and often no more than sets of sweeping generalisations and stereotypes perpetuated in publications without supporting evidence. He suggested its inadequacy was particularly visible when applied in the African context in general and particularly in South Africa. He suggested when researchers are researching on elderly life in Africa in general and particularly in South Africa they should consider their day to day life conditions, elderly challenges and needs than to focus on the theoretical parts of the modernisation theory.

He pointed out the theory cannot conceptualise the State as a fundamental social force in social transformations. Neither could it account for the lived experience of older people in Africa generally and in South Africa in particular (Sagner, 2000:1). He suggests attempts should be made by researchers to work within other ageing theories (the political economy theory, feminist theories and social constructionist theories) to consider, for example, how elderly individuals participate in their everyday lives and how they created and maintained social meanings for themselves and others around them. This means that one also have to find ways to be economically sufficient in time of crisis. Nor indeed did the majority of researchers apparently invite older persons to explain how they perceived their situations and their elderliness. Such past perspectives reflected a micro-level of analysis, which focused on individual and social behaviour within larger structures of society.

3.4.2 Disengagement theory

An early comprehensive attempt to explain the place of old age in modern society was the disengagement theory of ageing (Cumming and Henry, 1961:14). The disengagement theory looks at old age as a time when both older person and society engaged in mutual separation, as in the case of retirement from work. This process of disengagement was understood to be a natural and normal tendency reflecting a basic biological rhythm of life. In other words, the process of disengagement was assumed to be "functional", serving both society and the individual. Disengagement theory is in fact related to the modernisation theory. It was assumed the status of the elderly must decline as society became more modern and efficient, so it was natural for the elderly to disengage.

In South Africa, an older person disengagement period is assured by the Government in assisting pensioners because of disability and elderly pension age with a social assistance

described as a disability pension and old age pension these social grants in most of the cases help socio-economically pensioners and their family members who live together with them or elsewhere by ensuring food in the household, paying school fees include uniform and paying transport for adult children to look for job, socially these social grants unite the pensioner with other family members who live together with him/her and elsewhere and put them in position of respect in their families. Elderly disengagement period makes them most of the time to become more involved with community activities, church-centred or family-oriented (Hochschild, 1975:561-562).

3.4.3 Activity theory

At the opposite end from the disengagement theory was the activity theory of ageing which argues the more active people; the more likely they are to be satisfied with life. Activity theory assumes how one thinks of oneself and is based on the roles or activities in which people engage: "We are what we do". Activity theory recognised most aged continued with their roles and life activities established earlier as they continued to have needs and values (Havighurst, 1963:311-313).

In the 1970s Havighurst (1973:598-599) insisted ageing could be a lively and creative experience. Any loss of roles, activities or relationships within old age should be replaced by new roles or activities to ensure happiness, value consensus and well-being. For activity theorists, disengagement was not a natural process as advocated by Cumming and Henry (1961:14). For activity theorists, the disengagement theory was inherently ageist and did not promote in any shape or form "positive ageing". Thus, '*activity*' was seen as an ethical and academic response to the disengagement thesis that saw retirement as "joyous" and "mobile".

The activity theorists' ideas of promoting the elderly's life after retirement was not similar to the South African pensioner's right to work after retirement. In South Africa, the Government did not encourage pensioners to continue with economical activities because of the social pension grant paid to them which the Government considered being sufficient to solve their financial needs without considering the socio-economical burden with which the 21st century's elderly are confronted. Social security programmes in South Africa did not encourage elderly people to work again.

Apparently the pension amount paid to the elderly in South Africa is insufficient to solve economic needs, because the majority of pensioners mostly in the rural areas lived with two or three generations in the same household which depend economically on them. However, because of insufficient income, pensioners were sometimes obligated to do seasonal work as in the case of pensioners in Bersheba (Eastern Cape, Sundays River Valley Metropolitan Municipality) working for Sun Citrus. In urban areas pensioners, mostly female, were involved in small business activities (selling fruits, chips and sweets) in public places.

3.4.4 Personality theory

Neugarten (1968:176) outlined that personality theory focus mainly on the interaction process between the individual and previous patterns of life style. The theory also maintains that persons develop preferences, habits and activity patterns, which they tend to maintain as they age. Personality theory assumes that in the process of becoming an adult, the individual develops certain habits, commitments, preferences and other dispositions that form part of the personality. Because of this, the individual copes with retirement by increasing the time spent in roles he/she already plays rather than finding alternative roles, as advocated by activity theory (Neugarten, 1968:177). This assumption implies that people prefer to adhere to tried and fixed patterns of behaviour so that their lives in retirement may remain much like their previous one (Neugarten, 1968:177).

Neugarten (1968:178) maintain that adjustment is dependent on two elements: on past ability to adjust life situations and on the ability to continue the life patterns of past years. It is argued that a core personality has been reached by adulthood that coping mechanisms have been internalised, stress and frustration levels have been established, and it is also assumed that lost roles need to be replaced as is usually propounded by activity theory. The latter theory posits a single direction that the ageing individual's life style will take during retirement (Neugarten, 1968:179). Personality theory maintains that there are numerous combinations of biological and psychological factors to adjust to. The theory is rather complex because it maintains that individual reaction to retirement can only be understood by examining the interrelationships between biological and psychological factors, individual preferences, situational opportunities for continuity and actual experience (Neugarten, 1968:179).

3.4.5 Role theory

The role theory holds the belief that "society is structured around various roles that prescribe norms and expectations regarding behaviours and attitudes". These roles can be divided into instrumental (task oriented) roles and expressive (socio-emotionally oriented) roles. Upon the loss of instrumental roles during retirement and the gain of expressive roles, individuals give up valuable sources of self-esteem, status and sociability. This theory emphasises that experience, skill and most importantly, wisdom, are assets that are too valuable to thrust aside, neglect and /or allow to deteriorate. According to this theory, the conception that "all abilities deteriorate and new skills cannot be learned as one gets older" is completely fallacious. Given the opportunity, retirees can learn new skills (George, 1980:46 and Levi, 1987:31).

3.4.6 Political economy theory

The political economy theory had its classical origins in politics and economics interactions. It was also the perspective attempt to explain how economic and political forces determined how social resources were allocated (Estes, 1979:292-293; Estes, 2001:1-2). Thus, variations in the treatment and status of older persons could be understood by examining public policies, economic trends and social structural forces (Bengtson et al., 1997:577). According to this perspective, socio-economic and political constraints shaped the experience of ageing through the status accorded elders and the social construction of ageing as a "problem." Given that population ageing in South Africa as a result of demographic change albeit at a slow rate, would become increasingly politicised, the political economy of social security for older persons, for example were areas in which the theory should be applied.

3.4.7 Feminist theory

The feminist theory had its origins in social interactions. The feminist theory in social gerontology argued that gender should be a primary consideration in an attempt to understand ageing and older persons. Coupled with this, there had been an acceleration of feminist insights into understanding age and gender as key identity variables of analysis (Arber and Ginn, 1995:291-292). There were two important issues: power imbalances shape theoretical construction and a group's place within the social structure influenced the

theoretical attention they afforded. However, because older women tended to occupy a position of lower class status, especially in terms of economic status, than men of all ages and younger women, they are given less theoretical attention. According to Acker (1998:195-197) in all known societies the relations of distribution and production are influenced by gender and thus take on a gendered meaning. Gender relations of distribution in a capitalist society were historically rooted and transformed as a means of production and distribution. "Wages" take on a specific meaning depending on age.

During the survey of 31 of July 2007 to 2 of August 2007 in the selected areas of the research, women played an important roles in the pensioners household, such as family provider, care-giver, lover and parent they were the most active member of the family in providing food, economical support, social support, uniting the family with the socio-economic support given to the family members who lived with them or elsewhere. Most women were the social bond of their families. But, women all age faced challenges: being raped, beaten, and killed by their male partner and criminals.

Elderly women played the role of care-giver at all levels. In South Africa, they looked after orphaned grandchildren affected or infected by HIV/AIDS. They also cared for adult children who were unemployed or infected by HIV/AIDS.

When looking at the role elderly women are playing in South African society, there is need for the Government to recognise their roles and support them.

3.4.8 Social constructionist theory

The social constructionist theory which had similar origins to those of the feminist theory, were used in attempts to understand, if not to explain, the social construction of age and ageing. The Theory focused on social meanings, social interaction, identity and life events. The theory might be applied, for example, as suggested by Bengtson et al., (1997:574), in narrative analysis with residents of old people's homes and in the ethnography of nursing-home care. Makoni (1998:2) has conducted studies using social constructionist theory within nursing-home care in Cape Town, South Africa. He found that old age nursing home, mostly in the Coloured and Black areas were not up to standard; the Government did not totally support such old age home care. Elderly were abandoned to themselves except for the social

pension they received; the Government did not promote this category of population living in an old age centre.

3.4.9 Age stratification theory

The age stratification theory explain interdependence of age cohorts and social structure and considers the effect of social change on the family at a macro level of analysis; critical perspectives which criticise power structures and processes and attempt to explain subjective and interpretative dimensions of ageing (Foner, 1974:115). Foner believed age was the basis for this stratification. Thus children, teenagers, young adults, mature adults, and older persons could be identified as distinct status groups in any society. Age was almost universally a basis for acquiring different roles, status and deference (Foner, 1974: 116-117).

3.4.10 Social exchange theory

The social exchange theory lies in the classic formulations of Blau (1964:3-9) and Homans (1958:597-602). The theory attempted to explain motivations for behaviour, and the balance and structure of exchanges of resources (exchange of goods, material goods and non-material goods). While key concepts included social rewards and costs, social resources and social contact, the theory attempted to account for exchange behaviour between individuals of different ages as a result of the shift in roles, skills and resources that accompanied advancing age (Bengston et al., 1997:575-576). Thus, gerontologists in South Africa may apply social exchange theory to explain kin support systems and intergenerational living arrangements.

In South Africa, elderly with greater resource capacities, mostly White (i.e. health, income, education, and social network), are more likely to provide than receive assistance, whereas those with fewer, mostly Black, have opposite patterns. The exchange of support is more likely to be related to affective and non-financial instrumental support. Because the majority of Black elderly unfortunate to be poor through apartheid which privileged the then young Whites rather than young Blacks who are the elderly of today. Elderly Blacks lived together either in rural or urban areas with their adult children, grandchildren and other family members. In this case, the intergenerational living arrangements in South Africa is becoming almost inexistent because the elderly, who are suppose to be supported by their children or

grandchildren, are unfortunately those who take care of other generations (own children and grandchildren).

3.4.11 Crisis theory

According to crisis theory, retirement is a life crisis which is accompanied by disturbances in the "person-environment equilibrium". The crisis theory opposes the conception that "the elderly are one amorphous, undifferentiated and impersonal group". It holds the proposition that "each and every individual is unique". Successful adjustment to retirement, therefore, depends upon personality traits, earlier patterns of coping in life, as well as the circumstances of the non-working situation of the retiree. In this theory, retirees are described as "survivors" as their lives have transcended from a period of major social change, from early industrialist to modern technology; from "horse-drawn" to "jet planes" and from "water mills" to "nuclear power." They are survivors as they have endured in major World Wars, change and financial crisis the list is endless (Knesek, 1992:27).

These Theories are influential in providing social gerontology with a rich social dimension. Such social Theories have also been used to analyse social issues such as the politics of power relations between older people and state/society and community care and the gendered nature of age. In analysing the above theories the researcher purpose was to amalgamate the key ideas of social theories of ageing in order to stress the importance of social philosophy in understanding age and ageing.

3.5 Summary

Although the social pension had come to occupy a central place of concern in contemporary society and was a subject of recurring popular and scientific discussion, there was a problem in definition. Researchers concluded the significance and definition of social pension rested ultimately with impact. Social pension should, therefore, be assessed in terms of the meaning it had for a specific individual. Researchers who worked with pensioners should need to be sensitive to the individual, subjective and objective meaning of social pension.

In Chapter Four, the Study outlined the socio-economic impact of non-contributory old age pension which is the main objective of the Study. The information gathered in Chapter Four is compared and merged with the findings of the Study. It brings a more holistic and integrated perspective, broad enough to deal with the wide range and variety of socio-economic patterns encompassed by a social old age pension.

CHAPTER FOUR

OUTLINING THE NON-CONTRIBUTORY OLD AGE PENSION SOCIO-ECONOMIC IMPACT IN THE PENSIONER HOUSEHOLD AND EXAMINING CHALLENGES ENCOUNTERED BY PENSIONERS

4.1 Introduction

In Chapter Three the thesis analysed the old age pension definitions and assessed theories of ageing. In Chapter Four, the aim is to highlight the socio-economic impact of the non-contributory old age pension in the pensioner household, examined against problems encountered by the elderly in their daily life.

The outcomes of the investigations carried out by researchers in elderly issues (gerontology) over the last and current decades, did not provide consistent information on the economic and social impact and developmental aspects of a non-contributory pension on the pensioner's life. It also failed to provide objective information on the challenges faced by the elderly. Modern gerontology argued that there were serious methodological limitations from the fact in the past a limited number of children and adults were infected with HIV/AIDS. The number of children and adults infected with the virus was low and the elderly were not facing huge socio-economical responsibilities to care about their grandchildren, children and family members living together with them, or elsewhere.

During the 70s, 80s and early 90s, HIV/AIDS was not the topic of the day in South African society. HIV/AIDS programme awareness was not effective and people were not aware of the danger of the scourge of the Century. Because of the ignorance people had in the past about the danger of the scourge, number of persons infected with HIV/AIDS increased and affect the socio-economic life of South African people, mostly Black and Coloured elderly people who with only their pension grants as a sole income have no choice than to support their grandchildren, children and other family members who live together with them. Because of the consequences of this traumatic experience elderly are facing there was a point of interest for the study to be conducted in order to inform people about the challenges elderly people are facing in South Africa.

During the fieldwork the researcher conducted from the 03 of August 2007 to the 05 of August 2007 on the socio-economic impact of the old age pension in the pensioners' household, it was found that the majority of Black and Coloured pensioners household were composed by three generations: the top generation (elderly), middle generation (children) and bottom generation (grandchildren). Also, the majority of the population in the Eastern Cape lived in rural areas rather than in the urban areas (Gaffney, 2005:144).

The rural and urban areas in South Africa are all affected by poverty, unemployment and HIV/AIDS. Because of this socio-economic phenomenon the non-contributory old age pension system implemented by the Government in 1994 with aim to alleviate older persons' poverty become a main source of income for pensioner and household members. Pensioners today face challenges. They pay school fees for their grandchildren, buy food, pay electricity, buy medication and care for their sick household members. However, the fact of living together with their family members united the family and created a social bond, but made it difficult for a pensioner with a monthly pension of R870 to cope.

In the Eastern Cape, where this study was undertaken, statistics showed that out of a population of 14.4 million (South Africa, 2007b:7), 28% were infected with HIV/AIDS (South Africa, 2007b:6). This percentage was envisaged to increase tremendously over the next 10 years if uncertainties about antiretroviral therapy and HIV treatment programme remained (South Africa, 2007c:2).

The constant increase in HIV/AIDS, unemployment, poverty, crime and juvenile pregnancies meant no relief from social and economic problems in South African society and elderly people are affected by such socio-economical challenges. Society, therefore, had to rethink the relation between pension amounts and pensioners' life standards. It had to discern certain significant shifts in needs, problems, frustration and motivation. New striving and orientation based on intensive research efforts have to evolve.

Because the socio-economic impact of the non-contributory pension had not been fully understood in the past, there was need to re-explore the impact and effect of the old age pension on a pensioner household and to analyse problems encountered by a pensioner to satisfy financial needs.

It was against this background that in this Chapter the study reviewed literature on the old age pension socio-economic impact in pensioner households and the challenges faced by pension beneficiaries and the pension system in South Africa.

4.2 The impact of the old age pension

The old age pension socio-economic impact is a relatively unexplored research topic. It had been only in the last years become a subject for discussion. The study delineates 12 major changes brought about by the old age pension in pensioner household and daily life: poverty alleviation; social impact; health status improvement; improved family living standards; assisting households affected by HIV/AIDS; improvement of the status of older people within the family and household coping mechanism; reduction of child poverty, increasing school enrolment and nutritional intake; economic growth; self-respect, dignity and empowerment and promotion of family consolidation.

At household or family level, old age pension brings support to unemployed children. Household members sustained missing generation because of labour related migration and/or AIDS mortality in children. Old age pension helped pay for grandchildren's schooling and rearing expenses and to provide treatment and care to relatives with AIDS (Case and Deaton, 1998:132).

4.2.1 Old age pension and poverty alleviation

Old age assistance in South Africa paid in terms of the Social Assistance Act (No.59 of 1992). Social Assistance Act (No.13 of 2004) exclusively performed by the South African Social Security Agency under Act (No.9 of 2004) comprised a pension benefit payable to males and females aged 65 and 60 respectively. Benefits are paid on a means-test basis, with an exclusion level of income and assets and once granted, are payable on a sliding scale. The monthly pension of R870 a month was financed from the Exchequer on a pay as you go basis (South Africa, 2007e:6). However, the old age pension is a provision of income paid to a person after retirement.

Social pension is the main source of food and security for many households. While old age assistance is not specifically designed for that, old age pension impact in pensioner household

achieved RDP goals. Presently there are more than 2 million older persons who benefit old age pension (see Annexure I). Kwazulu-Natal is the Province with the highest number of social grants beneficiary (3.275.005) followed by the Eastern Cape (2.507.094). The Northern Province has the least number of social grants beneficiaries (259.279) (see Annexure J). The annual cost of social protection in South Africa has increased from R72.3 billion in 2005/06 (4.6% of GDP) to R118.1 billion in 2009/10 (4.8% of GDP) (South Africa, 2009:87).

The Committee of Inquiry for a comprehensive system of social security for South Africa (South Africa, 2002:23-24) found that old age pension is the largest social security transfer in South Africa and for those elderly who benefited from it. The old age pension plays a significant poverty alleviation role for many households (South Africa, 2002:58-59). Harman (2006:81-83) said that from the viewpoint of poverty alleviation, good comments had been expressed about old age pension, including that they brought substantial volumes of cash into poor households and communities and induced a substantial impact on poverty in general. She also outlined old age pension reduced household vulnerability by effectuating greater financial stability and a lower probability of experiencing a decline in living standards (Harman, 2006:84-85).

The South African old age pension effectiveness in reaching poor households and improving their welfare is widely acknowledged. The non-contributory pension is initially intended to provide social safety for the older poor, who are vulnerable in a household because of "a decline in job opportunities", increased health vulnerability, limited mobility, discrimination in access to credit and financial markets and changes in household composition and status. However, the benefits of pensions were found to be distributed more broadly to all in the household as the majority of poor households in South Africa lived in multi-generational households (Barrientos and Lloyd-Scherlock, 2002:15).

At individual level, old age pension contributed to economical independence among some older persons. It ensured the aged are perceived as valuable family members. They were measured by a range of deprivation indicators:

* Older persons with an old age pension had a lower incidence of deprivation compared to their counterparts without a grant (Barrientos et al., 2003:18).

4.2.2 Old age pension and social impact

The benefits of pensions are found to be distributed more broadly to all in the household as the majority of poor households in South Africa lived in multi-generational households (Barrientos and Lloyd-Sherlock, 2003:15). The fact pensioners are living together with their family members united the family and created a social bond. At household or family level, old age pension sustains household members missing generation (Case and Deaton, 1998:132).

4.2.3 Old age pension improves health status

Concerning the effect of old age pension on pensioner's health status improvement, study of Case (2001:1) on money and health status protection in South Africa analysed the determinants of the South African, include elderly people household's health status increase. Case (2001:2) analysis outlined the simultaneity of income/resource variable appearing as improving the health status of pensioner and other household members.

It worked in part to protect the nutritional status of household members and in part to improve living conditions and reduce stress under which pensioners live in day-to-day life.

4.2.4 Old age pension improve living standards for the family

International example (Brazil) demonstrates social pensions were able to support entire families (Barrientos et al., 2003:21). Research shows older people consistently invested the little money they had in income generating activities as well as in the health and education of other family members (Legido-quigley, 2003:13). In South Africa, pension old age pension is the sole household income a lifeline to 2 millions non-contributory pensioners caring socio-economically for grandchildren, children and other family members living together with them (Legido-Quigley, 2003:1).

Research (Case and Deaton, 1998:129) has identified poverty reduction in non-contributory pensioners' households. Deaton and Case have looked at this issue using a 1993 nationwide household income and expenses statistics and confirmed the old age pension had significant effects on pensioners household. Their analysis showed around 35% of Blacks survived on less than US\$1 (R8) a day and believed this figure would be 40% if pension incomes were

removed and there was no off-setting change in pre-pension incomes (Case and Deaton, 1998:132).

During fieldwork in this study, conducted from the 05 of August 2007 to the 07 of August 2007, results shows old age pensions in South Africa were able to support entire families. Results also showed older people consistently invested the little money they had in income generating activities (small business and sewing) as well as in the health and education of household members (Legido-Quigley, 2003:1).

4.2.5 Old age pension improve socio-economic conditions of pensioner household members infected and affected by HIV/AIDS

The old age pension made elderly persons economically independent and become valuable family members. In households affected by HIV/AIDS, the old age pension contributed towards expenses pensioners used during children illness for treatment, care giving and funeral costs. In caring for their grandchildren they also bought medication, buy uniform and pay school fees (Legido-Quigley, 2003:19).

Legido-Quigley (2003:10) stated the most serious economic impact suffered by older persons was lack of financial support by missing generation (children). However, the role of older persons caring for their children, grandchildren and other family members had not been entirely recognised by the Government.

However, the Department of Social Development, in conjunction with ACVV (Afrikaans Christian Women Organisation) offer service for children infected and affected by HIV/AIDS through provision of day care. However the remaining needs (food, school fees and school uniforms and medications) are in the majority provided by pensioners with pension income than by non-governmental organisations such as ACVV which do not provide food and medications to infected and affected HIV/AIDS pensioner household members but provide sometimes school uniforms and pay school fees to a limited number of pensioner household members infected and affected by HIV/AIDS.

Case studies collected during fieldwork study (from the 05 of August 2007 to the 07 of August 2007) provide information on how the old age pension was impacting on multi-generational

AIDS affected households. Researcher selected case studies happened in the rural areas of Bersheba (Sundays River Valley Municipality, Eastern Cape, South Africa) and urban areas of Kwazakhele (Nelson Mandela Metropolitan Municipality, Eastern Cape, South Africa) and Bethelsdorp (Nelson Mandela Metropolitan Municipality, Eastern Cape, South Africa).

These cases represented the realities on the impact of the non-contributory pension and daily socio-economic problems encountered by older persons.

The first example is a household where the grandfather cared for four of his children and three orphaned grandchildren. In this case the income is the old age pension, irregular income. A second example is a household with two sources of income. The two grandparents were pensioners and received old age pension. But because, five orphaned grandchildren with AIDS and two elderly adult children infected by HIV and another one unemployed, the household economy was deteriorating. However, the pension income received by both grandparents helped to feed the household. A third example concerned a household where a pensioner, a grandmother fed two adult children, a relative and a grandchildren with AIDS.

Box 4. 1: Old age pension impact on a pensioner household with a pensioner taking care of three orphans infected with HIV/AIDS

Case study 1: A male pensioner taking care of three orphans

Tommy BLOE is a widow pensioner taking care of three orphans' grandchildren and four of his own children in Bersheba rural area. The pensioner lived in a mud house with one room, a sitting room and an outside toilet. In the backyard there was a shack where his two unemployed daughters lived and a new mud house at the backyard also where is other five family members (3 orphans' grandchildren and 2 children) was living. The old man depended on his pension, remittances from his other two children who lived in Cape Town and Port Elizabeth and some supplement he received from an NGO.

His two daughters died of AIDS leaving orphans. Health services were available only on Mondays but there were no care centres to treat children infected and affected by HIV/AIDS. When the orphans felt sick the grandfather had to travel to Kirkwood (a nearby town) Hospital for healthcare. The availability of transport was almost non-existent. There were no taxis or buses to Bersheba because of poor roads conditions. The older person had to beg for lifts.

With OAP, remittances, even if irregular he fed all his grandchildren and own children living with him. He could not afford electricity for a full month. However, he feels lucky as he could buy medicine for his sick grandchildren and food for his household. The supplement he received from the NGO (CMR: Christlike Maatskaplike Raad in Afrikaans or Christian Social Board in English) allowed him to buy school uniforms, clothes and pay school fees for his grandchildren.

Tommy feels very lucky because he is receiving money (remittances) from his own children who lived in Cape Town and Port Elizabeth, an OAP and a supplement from the NGO. When asked how he would cope without an OAP, he said his grandchildren would not study and he would not be able to supplement medication for his sick orphaned grandchildren and food for his household needed.

Box 4.2: Old age pension impact with pensioners taking care of two adult children and five grandchildren

Case study 2: Two pensioners taking care of two adult children and five grandchildren

Two pensioners, **Mr Leonard and Ms Albertina KULA**, were heads of the household living in a RDP house in Kwazakhele Township, Port Elizabeth (Nelson Mandela Metropolitan Municipality, Eastern Cape) with one room, a sitting room and a toilet inside the house. In the backyard there was a shack where their two sons lived. In this household, seven people lived on the two pensioners' income. Although, the grandfather's pension was used for household needs (foods and electricity); this family house has furniture, electricity and water.

However, the female pensioner reported that as two of her children had died of AIDS, they looked after five grandchildren and one of their own adult children. With their pensions they feed their grandchildren and pay for electricity and water. However they felt lucky because an NGO (ACVV: Afrikaans Christian Women Organisation) supplement them school uniforms and pay school fees.

When asked about how they felt about being pensioners, the grandmother said it was a good thing to receive money, but she would prefer the Government to increase the pension amount to R1.200.

Box 4.3: Old age pension impact with pensioners taking care of two grandchildren and non- relative children with AIDS

Case study 3: Two pensioners taking care of two grandchildren with AIDS and non relative children with AIDS

Mr Andrew and Ms Rosy September were pensioners taking care of four orphans in Bethelsdorp (Nelson Mandela Metropolitan Municipality, Eastern Cape). The aged couple lived in a RDP house with two rooms, a sitting room and a toilet inside the house. The house has been repainted, and has quality furniture, a landline phone and the female pensioner has a cell phone bought by one of her daughters who lived in Pretoria. They also receive supplement from an NGO in Bethelsdorp. With these two pensions they were happy and took care of household members.

They were happy to receive money, but found it hard to be care-givers for household members affected/infected by HIV/AIDS because the financial care cost a lot. Luckily they received help from an NGO in Bethelsdorp to buy school uniforms and to pay school fees. They suffered stress from looking after household members infected by HIV/AIDS.

- The information presented in these three cases illustrated the role of the old age pension on poverty reduction and problems faced by elderly people affected by HIV/AIDS. Having such information meant understanding what an old age pension could do with pension income in the pensioner household living together with family members infected and affected by HIV/AIDS. These results were only explanatory and needed further study before making policy recommendations.

However, as seen in the three case studies, it did not prove that the pension was able to prevent poverty in the households studied. The main problem encountered by pensioners in these three case studies was the psycho-social and financial constraints faced by older persons when taking care of grandchildren infected and affected with HIV/AIDS and sick pensioner children with HIV/AIDS and unemployed pensioner children. The first case study showed pensioners could afford only to feed household members; although school uniforms and school fees were paid from an NGO supplement. The second case study showed pensioners could afford to buy electricity and water and feed household members. But money for school uniforms and school fees were also supplemented by an NGO in Bethelsdorp.

After analyse the above three case studies it became clear pension grants is inadequate to satisfy pensioner needs.

One needed to be aware the difficulties faced by older persons were not only financial. Pensioners could not establish a list of all the problems that older persons faced from the AIDS pandemic. Those constraints, mostly mentioned:

- *Limited access of health care services;
- *lack of access to basic needs;
- *an increase in household expenses; and
- *a greater burden of housework.

Older persons, as a result of AIDS, were spending much time in caring for sick household members. The elderly undertook activities such as:

- *preparing food for their children: and
- *bathing/feeding, dressing and providing emotional support.

In terms of their health older persons reported frustration from an inability to meet the needs of children and stress and emotional strain as a result of caring for dying children (Legido-Quigley, 2003:19).

The Commission for Africa Report (March 2005), however, recommended "special emphasis be placed on the participation of AIDS widows, children, older people in the design of HIV/AIDS policies and health messages"; the Gleneagles G8 Summit Communiqué (July 2005) agreed to work towards universal access to treatment for all needing it by 2010; and the outcome document of the UN World Summit in New York (September 2005) committed governments to "the reduction of vulnerability of persons affected by HIV/AIDS and other health issues, in particular orphaned and vulnerable children and older persons."

4.2.6 Old age pension improve pensioner status within family and household coping mechanism

Old age pension literature on developing countries (Kaseke, 2000:140-142) suggested elderly

populations were traditionally considered high-risk for poverty and that the elderly in such countries tended to live with extended families. Giving elderly citizen's income of their own tended to enhance their status within the household. They shifted from being a burden to a resource (Gorman, 2004:4-5). In South Africa, old age pension made elderly persons economically independent and they became valuable family members proving to be vital support (Legido-Quigley, 2003:19).

As older people lived and shared resources with younger family members, social pensions impacted substantially on the wellbeing of others and the achievement of the first, second, fourth and sixth millennium development goals (Eradicate extreme poverty, achieve universal primary education, reduce child mortality and combat HIV/AIDS and malaria) (United Nations, 2000:4,9-12). The old age pension contributed to increased school attendance and better nutrition for children. It also played an important role in breaking intergenerational poverty cycles (Help Age International, 2006:4).

Recipients often contributed pensions to their households, helping them feel they were not burdening their families. Sharing pension income also helped to create obligations and social bond between pensioners and household members (Help Age International, 2006:3). In the words of Thobile, 71 old widow living in Kwazakhele (Nelson Mandela Metropolitan Municipality, Eastern Cape, South Africa) 'If I do not get pension money I will be treated as an undesirable burden and my children will pass me from one house to another.'

4.2.7 Old age pension effect in reducing child poverty, increasing school enrolment and nutritional intake

Older people in developing countries, including South Africa, care for children and share their pension with household members. Pension income is often invested in, and frees money to spend on children's education and better nutrition, contributing to meeting the Millennium Development Goals on hunger (a), education (b and c) and health (4-6). As a result, children in pension recipient households in South Africa were having good nutritional intake than children in the elderly person household without pension (Help Age International, 2006:3). As a result, for example, girls in pension recipient households in South Africa could do well at school because they were nutritionally happy than girls of the same age who live in the pensioner household without pension income (Help Age International, 2006:3). The

enrolment of children at school helped them develop skills and to achieve things in their lives, such as, a better job, helping family members, including grandparents and participating in the socio-economic development of South Africa (Help Age International, 2006:3-4).

4.2.8 Old age pension and economic growth

Old age pensions are an investment in more affluent, healthier, more cohesive societies, all of which brings important economic as well as social benefits. Old age pension expenditure should be viewed as an investment rather than unproductive spending (Help Age International, 2006:5).

Evidence from South Africa suggests social transfers, including pensions, facilitate access to and create employment. As, 68 years old, a South African widow from Bersheba, Sundays River Valley Local Municipality explained, that with her old age pension: "...I buy a few things for the house and I buy also clothes at Uitenhage (Nelson Mandela Metropolitan Municipality, Eastern Cape, South Africa). I buy a dozen or two dozen of clothes depending on the price, but I make use of the money from the state pension as capital..." She and her daughters resell the clothes at a profit to meet basic household expenses.

Rather than creating dependency, social transfers such as an old age pension reduced dependency of pensioners when pensioner are investing their pension capital for small business and household members are supplemented with Government grants, as the following example from Kwazakhele, showed.

Box 4.4: Old age pension economical impact

Case 1: From financial dependency to financial freedom

Waiting for an RDP house promised by the Government a 68-year-old South African widower, **Ms Julia** lives in Bersheba in a small mud house with her two grandchildren who do not have HIV/AIDS. She saw her old age pension as a chance to begin a small business.

Julia bought sweets, cool drinks, chocolates, cigarettes, chips, Grandpa (headache powder), coffee and sugar at Uitenhage (50 km from Bersheba) then resell them at a profit prices to meet basic household expenses. **Julia** was not receiving remittances from family members however with the profit she made in his small business she was able to support her household expenses through her business.

4.2.9 Old age pension promote gender equity

Generally, the old age pension redistributed proportionately more income to women (who had less opportunity to obtain contributory pensions because of lower rates of formal sector employment and, often, shorter work histories because of child rearing). Furthermore, they generally lived longer than men. Old age pensions played a major role in enhancing the wellbeing of older women. Women are also a lifeline for older men living with extended families or alone, who could use pensions to pay for care provided to them by women in the community they live or from elsewhere (Help Age International, 2006:4).

4.2.10 Old age pension restores self-respect, dignity and empowerment

Access to income restored dignity and self-respect especially among the aged and those with disabilities, who instead of being considered a burden became a resource to their families. They exercised choices and made rational decisions to ensure the wellbeing of their dependants because of their control over their old age pension.

The right to old age pension provided older people with security and control over their own lives. Effects were strongest where the right to a pension was a constitutional provision, as in South Africa, which could be upheld legally. For example with a regular income recipients

could invest in their own or a family business, which could then assist them to live with dignity and avoid work that endangered their health (Help Age International, 2006:3).

4.2.11 Old age pension promote family consolidation

Pensioners mostly lived together with their grandchildren and children than other elderly people as household members, except in the case of married pensioners who lived together with their pensioners' partners. However, the fact that pensioners live together with other generations (grandchildren and children), mostly in Black and Coloured communities, children and grandchildren considered pensioners as they providers and parents because pensioners replaced parents' role and this unite pensioners, grandchildren and children.

4.2.12 Old age pension promote political stability

Benefits for older persons trickled down not only to family members, but also to the community. Reducing poverty in rural areas and promoting the rights of elderly living in the urban or rural areas should promote political stability and harmony (Barrientos et al., 2003:18).

Regular income in old age was an essential component in the right to social security and an adequate standard of living, recognised in the Universal Declaration of Human Rights (1948), and the International Covenant on Economic and Social Rights (1966). The right to regular income in old age was reiterated in the Madrid Plan of Action on Ageing (UN, 2002:29) and in the 2002 African Union Policy Framework and Plan of Action on Ageing. Old age pensions are an effective way to deliver regular income (Help Age International, 2006:3).

Regular old age pensions are delivered by the state contributed to improve relations between citizen and state, they (old age pensions) are important for social cohesion and economic growth and ultimately for governance. The delivery of national programmes of old age pensions require clear and transparent processes, including appropriate incentives, accountability, supported institution and capacity building within government (Help Age International, 2006:5). Evidence from South Africa showed citizens were more aware of their entitlements, had improved access to services and information on rights and willingly participated in the monitoring of delivery to the benefit of others.

Section 4.3 analysed social security accomplishments and challenges in South Africa.

4.3 Social security accomplishments and challenges in South Africa

A major achievement of the South African social security system in the post-1994 period was the securing of constitutional safeguards for the right to social assistance for those in need. Another accomplishment was amalgamation of 14 different administrative systems inherited from the apartheid era and in the expansion of benefits to children. Finally, in 1993, social equity was introduced through the equalisation of social grants to citizens (Triegaardt and Patel, 2005:140).

Within the traditional society, however, a family looked after its elderly. Gradual family transformation in society because of industrialisation and urbanisation, the welfare responsibility for older people, devolved on the state or by society. The protection provided by the State or by society for older people or social security was, therefore, becoming increasingly necessary. In addition, the unemployment rate was of concern as the unemployed did not have the means to save for retirement. The prospect of the elderly without their own income security was daunting, as it suggested they would become dependent on the state during retirement (Harrod, 2007:1-2).

A high rate of unemployment and sustainability of a social assistance programme within the context of global ageing needed to be addressed proactively. Within this situation, it was necessary for the Government to implement medium to long term measures to address the challenge. In light of the Madrid Plan of Action (UN, 2002:28), as it related to social protection specifically in terms of employment and the ageing of the economically active population, suggestions would include removing disincentives to working beyond retirement age; preventing the onset of disadvantages experienced by ageing workers in employment; and applying principles of flexible retirement and gradually eliminating all forms of mandatory retirement.

In terms of income security, poverty prevention and social protection suggestions included extending the social insurance programmes to the informal sector (which included workers without regular employment) and those who were self-employed or employed on a casual basis. In the wake of economic reforms, the formal sector was shrinking and the informal

sector growing. The State, therefore, had a responsibility to provide social security to such people (Harrod, 2007:14-16).

One major challenge is the administration processes in the payment of grants to all beneficiaries, including older persons. This related specifically to the duplication of payouts to deceased beneficiaries, corrupt data on social pension payments master files, social pension pay point robberies, weak auditing and management systems and adequate disbursement procedures, lack of uniform procedures to deal with pension overpayments, fraud and write-offs, fear of social pension beneficiaries to lay official complaints of victimisation, long queues, a lack of appropriate facilities at pay points and the presence of imposing hawkers, liquor vendors, funeral policy agents, and micro moneylenders. The South Africa Social Security Agency was established to specifically take over the administration process of the payments of grants with an ultimate goal to improve service delivery (South Africa, 2007e:1).

The Department of Social Development have a continued challenge to ensure through its partnerships and various communication strategies with NGO's, CBO's and FBO's all eligible who qualified for social assistance, received it.

The significant challenge was pose the question as a society: Could South Africa prepare for a future where older persons will represent more than a third of society?

Social security programmes was all about making plans for the future, devising sustainable pension arrangements for at least two to three generations, providing health insurance for successive generations and implementing preventive measures to maintain many living disability free lives for as many years as possible.

Another significant challenge is the increasing socio-economic drain from HIV/AIDS pandemic because of its impact on spiralling costs to social assistance, social insurance and private savings. The HIV/AIDS scourge increases pensioner socio-economic responsibilities to extend socio-psychological and economic care to orphaned grandchildren, unemployed children and other household members. The Thesis suggests Government should recognise roles played by the elderly in South African society and lend support.

4.3.1 Challenges faced by pensioners in Bersheba, Bethelsdorp and Kwazakhele

In spite of progress, the old age pension income had an inadequate effect in the lives of pensioners and their household in South Africa in general and in the Eastern Cape in particular. There are unsolved issues concerning older persons that needed to be addressed. For example:

*Poverty and lack of basic needs such as healthcare facilities, housing, clothing, recreation facilities and food;

*the Government social pension grant of R870 was considered inadequate to satisfy pensioners' needs;

*abuse of pensioner by own children. This abuse took several forms: neglect and desertion, being used as a 'dumping ground' to take care of grandchildren without support of their parents; their money used by own children and sometimes physical abuse;

*"being remembered "only at election time when offered assistance by politicians as a campaign tool;

*being affected by HIV/AIDS as primary care-givers for the sick; looking after orphans and sick adult children; and

*the old age pension system sometimes characterised by delivery inefficiency as well as fraud and corruption (Wilson and Ramphela, 1989:272). Some pensioners interviewed reported receiving pensions late, sometimes too little and, other elderly complained they did not get paid (Feedback of the 01 and 02 of August 2007 interviews to pensioners).

In a seminal historical study entitled "A history of inequality in South Africa", Terreblanche (2002:431) gave a systematic and meticulous account of inequality in South Africa from 1652 to 2002. In this detailed reinterpretation of South African history, he traces the exploitation of indigenous people by dominant settler groups from the advent of European occupation or colonialism to the end of apartheid in 1994. Extending this theme to contemporary South Africa, Terreblanche points out that while the Country's transition to democracy was a

significant development, South Africa remained divided into “two nations”, one desperately poor, another extremely rich. In his opinion, a parallel socio-economic transformation had not yet taken place and that many of the deep-seated inequalities that developed under colonialism, segregation and apartheid were perpetuated in the new South Africa.

Terreblanche, (2002:28) also points out almost half the South African population, (mostly Blacks) still living in “abject poverty” and their situation had in fact worsened since 1994. Although he acknowledged progress being made to address poverty, he argued there had been a dark side to this transformation. Electricity, water and telephone connections introduced in poor communities since 1994 had been cut-off because users could not afford to pay. Many houses built were of poor quality. Above this the HIV/AIDS pandemic had wreaked havoc, particularly among the poor, and had an immeasurably negative effect on the quality of their lives. In spite of increased social spending on the poor since 1994 representing a considerable redistribution of income from Whites to Blacks, South Africa still had the reputation for sharpest contrast between extravagant wealth and luxury on one hand, and extreme poverty and destitution on another, in the world. While South Africans enjoy legalistic emancipation, the author argued the emancipation of an oppressed people was not enough without improvements in their ability “to open the gates of opportunity.” Another point the author made was that the powerlessness of the poor in South Africa arose from the fact that civil society organisations in their communities were either poorly organised or non-existent (Terre Blanche, 2003:30-31).

Other studies, (Van der Berg, 1998:3-8 and Van der Merwe, 1996:363-369) help to show how the apartheid system left a post-apartheid dispensation to grapple with the legacy of welfare for the pensioners that was highly discriminatory, inequitably distributed across provinces, not directed at communities, families or social integration, and mainly rehabilitative rather than preventive. The same study showed pensioners had been or were the main income earners in poor “workerless” families in both rural and urban areas. The study showed a lack of care facilities both in rural and urban areas and how lack of care facilities for the aged was leading to a situation where the socio-economic responsibilities fell on the aged in those extended families. These elderly socio-economic challenges outlined exacerbated vulnerability among the aged as their pension money did not suit the prevailing socio-economic context.

Although progeny are expected to support their elderly, reality was that few pensioners interviewed received remittance from children. Instead, it was the elderly who took care of their adult children, however, some elderly still managed to do seasonal work, but the majority of the elderly were old age pension beneficiaries and a few disability pension beneficiaries.

During a focus group discussion on the 27 of July 2007 in Bersheba: "three males respondents says that they did not receive their pension has they had no identity documents. Until the day of the group discussion they were not paid and still waiting for their IDs from Uitenhage, the nearest Town with a Home Affairs Office. As they had no income, they could not travel to Uitenhage to process their documentation."

As a result, in one of the focus group discussions, the elderly indicated they often relied on local shops to "lend" food and on relatives for money. They also relied on NGOs for support to buy school uniforms and pay school fees.

Pensioners are unable to satisfy their own needs with pension income because the majority of the pensioners interviewed in the three surveyed areas from the 08 of August to the 10 of August 2007 cared economically for household members.

As much as the elderly were burdened with responsibilities, pension grants provide by the Government was insufficient to satisfy pensioner needs. Several pensioners reported: "Pension grants provide to them was insufficient for their needs; however, they suggested Government should provide grants to pensioner household members to meet their expenses." "For instance: one respondent from Bersheba said pension grant paid to him by the Government was insufficient to satisfy his needs." Another respondent from Kwazakhele outlined pension money was not enough to satisfy his needs Government should provide grants to his household members to meet household expenses because the old age pension given by Government to the elderly was juxtaposed to the elderly's enormous needs.

While both sexes claimed to have caring responsibilities for relatives and grandchildren; women on the African context had more caring responsibilities than men (Ferreira, 2004:17-19). Gender roles demanded women do the housekeeping, including provision of food, household maintenance, caring for the sick; men were expected to supply financial

resources.

From the focus group discussions on the 03 of August in Bersheba, one female respondent said the following to demonstrate the poverty of the elderly:

“Ingxaki yethu njengabantu abamkela indodla yindlala. Kufuneka sancede abazukulwana kuba abazali babo abaphangeli kwaye le mali yendodla ayonelanga”

Loosely translated it means:

“Our problem as pensioners is poverty. We have to support our grandchildren because their parents are unemployed and this pension money is not enough.”

4.3.2 Delivering challenges to access pension benefits

Access to pension benefits in South Africa revolved around the availability of bar-coded identification documents (IDs). The bar code ID book had practically become the “book of life” for all South Africans. Without this form of identification, elderly people were unable to claim pension benefits. During the focus group discussions on the 04 of August 2007 it was discovered the elderly experienced several problems in relation to obtaining IDs, as some were still without birth certificates (fieldwork questionnaire 3.9). The absence of birth certificates meant those affected required living family members to prove that they were South African citizens. Although the Department of Home Affairs had worked closely with the elderly to solve the problem, some still existed, as a number of the aged no longer had living relatives to testify on their behalf.

Social disasters, such as HIV/AIDS, poverty and unemployment among young people in Bersheba, Bethelsdorp and Kwazakhele, meant the aged in NMMM and SRVM just as elsewhere in the Country were faced with the burden of looking after grandchildren, AIDS orphans and unemployed adults. The majority of pensioners in the surveyed household (survey interviews results of the 05 of August 2007) were the only one breadwinner. As sole earners, almost all pensioners' beneficiaries agreed the R870 Government monthly social grant, did not satisfy their basic needs (Refer to fieldwork questionnaire 10.2).

The majority of respondents complained officials openly demanded bribe in exchange for faster service (Refer to fieldwork questionnaire 3.9). However, social service officials interviewed on the 28 of July 2007 in Kwazakhele acknowledged, on condition of anonymity,

that corrupt officials at pay points routinely demanded “coke money” or reminded pensioners to “remember” them when their pensions were paid. Pensioners found this behaviour intimidating and so they did not want to speak openly about it for fear of victimisation. Most respondents in the surveyed areas argued that the majority of pension pay points were without proper facilities.

Concerning the question of pensioner access to pension grants (questionnaire 3.9, refer to fieldwork questionnaires) it was discovered (survey interviews results of the 29 of July 2007) that in Kwazakhele the difficulty in accessing pension grants was encouraged by corrupt officials tasked with old age pension payment. Pensioners confirmed officials openly demanded bribes before payments were made. It was reported sometimes pensioners were forced to spend the night at pay points in order to be served first when payment began the next morning. However, once, paid, the majority of pensioners had to contend with cash loan companies or ‘loan sharks’ that awaited them outside pay points with offers of ‘soft’ loans. Many of the elderly felt unsecured financially at the pay points as cash loan companies could take opportunity to steal money from illiterate elderly people who can not count their reminding money after Loan Shark Company deduct their loan money from elderly pension amount.

From social services officials testimonies it was evident a lack of clear criteria in defining a disability and general ignorance of elderly rights on pension might make it impossible for many to access disability grants (refer to fieldwork questionnaire 3.9) . Although a number of Bersheba pensioners felt they qualified for a disability grant but they could not access the grant disability grant) because they either not understanding their rights or lacked a doctor’s report since as they could not afford a doctor. There was consensus by pensioners that there should be police presence at pay points in order to weed out criminals and protect the vulnerable elderly.

Social welfare formed an integral part of the lives of the aged. In Bersheba the elderly raised many concerns regarding treatment meted out by officials of the Department of Social Development from Uitenhage (Refer to questionnaire 3.9 in the fieldwork questionnaires). They complained about long queues and unfriendly behaviour of Home Affairs officials. They claimed in instances, officials did not even bother to explain what was required to apply for an ID. Elderly in rural areas such as Bersheba, complained that Home Affairs offices were

inexistent in their area but were situated in urban centres far from their area (Uitenhage). They said it disadvantaged the elderly in rural areas and claimed that ID application delay they pension grant payment because it take a while to be processed and to be delivered. They also said nepotism was rife in the Department of Home Affairs, as officials allegedly approved the IDs of their own relatives faster than those of ordinary citizens (Survey results of the 29 of July 2007).

They also outlined cases where applications were approved, Money was not immediately paid and often they were given a smaller amount than was owed them. They also outlined if an elderly person became sick and was unable to collect a pension for three months the money was forfeited. Responding to these issues, an official (Mr. Hlomela) from the Department of Social Development said:

“The main problem is when a person is eligible for a grant, but does not have the necessary documentation. It takes time for such person to receive a pension. But when the necessary documentation is available and the applicant has reached the required age, they do receive the pension grants without any complications or delay.”

In Kwazakhele, a majority of elderly people complained about poor service by the Department of Home Affairs. They accused the Department of failing to deliver on identity documents, which had been lost or had to be replaced. Without documentation, many admitted to being unable to access social pensions. An elderly man attending the focus group discussion outlined his worse experience at Home Affairs in this manner:

“I am a pension beneficiary, but I can't get it because my old ID burnt in a fire. Now my new ID incorrectly states that I am younger than my age. To correct their own mistake the Department of Home Affairs officials told me to bring my birth certificates. Also my birth certificate was destroyed in the fire together with my old ID; I am no longer working and have no source of income except my pension grant.”

As was the case in other surveyed areas, the afore-mentioned problems generally began with the Department of Home Affairs officials capturing incorrect information, especially when assembling new identity documents or replacing lost ones. In fact, it appeared this issue of faulty documents was a crosscutting one in all the areas covered by focus group discussions

in this study. The elderly also said pay points for grants were sometimes located far from their areas. Hence, many sick and frail people were forced to get up early and travel long distances to the pay points, where they had to pay bribes if they wanted to be paid quickly. Moreover, they declared pay points in their areas did not shelter them, resulting in a great deal of suffering. Added to this was the time delay for pension payment. As a result, the elderly are often victimised by officials claiming to have a “quick fix” to the problem. They charged the pensioner almost half their pension income, when it was eventually paid (Refer to fieldwork questionnaire 3.9).

Elderly people also expressed concerns that the age requirement for old age pensions for males in South Africa was too high (65 years) (Refer to fieldwork questionnaire 3.4). As demonstrated by different focus group discussions, this was a contentious issue across all the three research surveyed areas. However, there is a new development on the elderly South African men age for pension from the 1 of April 2009 as stipulated by the Social Assistance Act (No.13 of 2004), elderly men will become pensioners at the age of 63 years than 65 as it was before (South Africa, 2004:2). The fact that men qualified for social pension only at 63 instead of 60, as in the case of women, meant that younger widowers had to wait for many years to benefit old age pension. On the whole, however, widows' currently are lucky to benefit pension grants 3 years before men as they qualified at 60. Most of these women are living within poverty stricken families. Because of high levels of unemployment and the impact of HIV/AIDS in Kwazakhele, Bethelsdorp and Bersheba, the majority of poor families relied on women pensioners for food, shelter, school fees and clothes. As in other focus group discussions on the 30 of July 2007 they said the pension amount was not enough to support the entire family and the child support grant or foster care grant (if accessible) was then used to plug the gap in income of “workless” families. One woman pensioner at the focus group discussion on the 31 of July 2007 in Bersheba said, “I used the foster care grant money for the household additional expenses.”

Women in general remained the main care-givers in families of poor communities, and families plagued by AIDS. Although care-givers were able to utilise the child support grant to care for AIDS orphans, stakeholders at the focus group discussion of the 31 of July 2007 outlined that sometimes magistrates were reluctant to certify the payment of foster care grants, because of the failure of social workers to motivate the requisite support.

The majority of the elderly accused magistrates of holding the view grandparents should assume responsibility in caring for their grandchildren. Aged women in general complained that instead of caring for their children, irresponsible young and single mothers were using the child support grant to buy clothes, drink and to support unemployed boyfriends or unemployable husbands. Elderly called on the Government to find ways to ensure child support grants was appropriately used and supplement to household members.

The general feeling, as in Bethelsdorp and Kwazakhele was that Government should increase the amount from R870 to R1200 a month (Refer to fieldwork questionnaire 10.2). In Bersheba, feeling was that Government should increase the pension amount from R870 to R1000 a month. Some pension beneficiaries said that sometimes their children expected them to maintain the entire household from this pension amount including paying food, school expenses, funeral insurance and bills. Pensioners said in cases where they allowed their children to collect pensions for them children take advantages of the elderly. "They do not give the elderly their pension grant, but instead use it on their own personal needs instead of using it on the needs of the household or the pensioner." In some cases the pensioner outlined children collected their child support grant and used that money for their own needs, leaving their children to the charge of the pensioner without money to support them.

Referring to the discussions and interviews outcomes with pensioners and household members and community members conducted from the 30 of July to the 31 of July 2007 in the surveyed areas there was evidence of elderly people living in the informal settlements of the Nelson Mandela Metropolitan Municipality faced by an alcoholism problem. While various academic studies had shown this problem to be closely related to the 'dop' system on Western Cape wine farms, it was almost certain the problem was aggravated by endemic poverty and restricted access to social services and old age home facilities.

At the same time, elderly people residing in the rural settlements of the Sundays River Valley Local Municipality i.e. Bersheba, also had to contend with harsh living conditions. These conditions were further exacerbated by Bersheba's cold winters. One pensioner woman from Bersheba informal settlements expressed her situation with the following words:

"I am really suffering. My life is strange. When it is raining my house leaked and the rainwater destroyed all my belongings."

Although there was progress in some areas concerning pension delivery, the focus group discussions in Kwazakhele, Bethelsdorp and Bersheba suggested several problems and obstacles needed to be overcome, if social policy was to make any meaningful impact on the life of the aged in the surveyed areas.

4.4 Summary

Chapter Four reviews the socio-economic impact of an old age pension in the pensioner households within the selected areas of the Eastern Cape (Bersheba, Bethelsdorp and Kwazakhele) assessed challenges faced by elderly people.

When analysing the socio-economic impact of the old age pension in pensioner households it is clear that the old age pension had been insufficient to support pensioner's household's expenses, in some cases impacting positively in feeding all household members, increasing family consolidation, supporting economic growth, increasing school enrolment, nutritional intake and improving pensioner status within the family and household coping mechanism.

Pensioners, however, faced daily (poverty, corruption and incompetencies) challenges. The elderly were giving economical and psycho-social care to their family members (grandchildren, children and other family members) living together with them, infected by the scourge of HIV/AIDS by buying medicines, food, clothes and school uniforms. Besides that, the elderly faced other problems such as a shortage of money for hospital treatment. Another difficulty was the pension delivery system. Some of the elderly were paid late or not at all because of poor administrative reasons, such as late processing of the pension beneficiary's documents, lack of payment of the old age pension because of the unavailability of the identity document and the withholding of some pension monies.

The Government needed to address challenges faced by elderly South Africans in order to allow them to participate in the development of the Country. Information generated by more advanced research studies could help in improving strategies for managing the impact of old age pension in pensioner households.

CHAPTER FIVE

A RESEARCH DESIGN TO INVESTIGATE THE OAP SOCIO-ECONOMIC IMPACT ON PENSIONER HOUSEHOLDS

5.1 Introduction

Chapter Four outlined the socio-economic impact of the non-contributory old age pension in pensioner households, which has been assessed against elderly daily challenges. Chapter Five will give information on what type of study was conducted, when, also where the study was conducted. It also provided information about who were the principle subjects of the study. Finally it highlights information on how data was collected, interpreted, processed and analysed.

The study of an old age pension socio-economic impact on pensioner households within selected areas of the Eastern Cape was based largely on quantitative and qualitative data collected from a representative sample of persons 55 years-old and older. Structured and semi-structured questionnaires were administered to the three demographic categories (older rural Black households, older urban Black households and older urban Coloured households) of the study. Focus group discussions and interviews were conducted with pensioners, healthcare workers, community leaders, as well as professionals and representatives of older persons. The fieldwork was conducted in partnership with the Welfare Forum in Bersheba, the Department of Social Development District Office in Nelson Mandela Bay Municipality, the African Christian Women Organisation in Kwazakhele, Masimanyane (Nertwork for people living with HIV/AIDS in Nelson Mandela Metropolitan Municipality), Bersheba Development Forum, Moses Mabida and Enon/Bersheba and a councilor in Sundays River Valley Local Municipality.

5.2 The survey sites

One Province, the Eastern Cape, was selected as survey site to study the old age pension socio-economic impact on older households. However, critical features of the Provincial socio-economic situation lay in glaring demographic realities such as the high rural population, the proportion of poorly paid employees, and the high unemployment rate (with women the majority of the unemployed). As a consequence, the Gross Geographic Product

was substantially less than the national average. However, South Africa had become increasingly more attractive for both foreign and local investment creating, therefore, a favourable basis for generating sustainable jobs for the future (Gaffney, 2005:144).

The Province's economic structure is mostly dominated by the Government sectors then the private sector (manufacturing and business). The leading industry in the manufacturing sub-sector is motor vehicles and motor components, which had experienced significant new investment and growth since 1998. The second largest manufacturing sub-sector in the Province is the textiles, clothing and leather industry, which benefited from being situated in the port cities of Port Elizabeth and East London. However, tourism as a service industry is still in its infancy in relation to the industrial strength of the area. Founded on a rich cultural heritage, exceptional natural assets and easily accessible facilities, this sector is expected to become a major growth industry, providing ideal development investment opportunities (Gaffney, 2005:413).

5.3 Research methodology framework

Table 5.1 describes the research methodology framework used to investigate the socio-economic impact of the old age pension in a pensioner household within selected areas of the Eastern Cape (Bersheba, Bethelsdorp and Kwazakhele). The framework includes five connected steps:

TABLE 5.1 Research methodology framework

RESEARCH DESIGN	MEASURING OF VARIABLES	RESEARCH SAMPLING	DATA COLLECTION	RESULTS OF SURVEY
1	2	3	4	5

5.3.1 Research design

According to Pekeur (2002:143) the research should indicate the purpose of the study and demonstrate the plan was consistent with the study purpose. He also outlined that the term 'research design' had two meanings, general and specific. The general aspect of the

research design referred to the presentation of the plan for the study methodology. However, the specific aspect referred to the type of study.

5.3.1.1 Method of data collection

The researcher had to decide if the collection of data would be conducted through questionnaires; observations or experiments (Pekeur, 2002:143).

5.3.1.2 Degree of measuring accuracy

Concerning the degree of measuring accuracy, the researcher will decide to use either a qualitative or a quantitative research, or both, research methods to measure the degree of accuracy (Pekeur, 2002:143).

5.3.1.3 Main objective of research

According to Pekeur (2002:143) the research design could be influenced by the main objective of the research, which could be to:

- Test hypothesis;
- be evaluative in nature;
- conduct descriptive study; and
- conduct comparative study.

5.3.1.4 Time orientation of the research

Time orientation played a role in the choice of research design. According to Struwig (in Pekeur, 2002:143) there were three types of time-oriented studies, cross-sectional, longitudinal and retrospective studies. Cross-sectional study was conducted by drawing from the past to explain the present; longitudinal conducted over time; and retrospective research was conducted to reflect on the past. For the purpose of the study the researcher used the cross-sectional research to find out the past socio-economic reasons for current elderly people (mostly African and Coloured elderly people) socio-economic living conditions in South Africa in order to suggest a normative model to improve elderly people living conditions.

5.3.1.5 Reasons for collecting data

The aim of collecting data was to determine whether primary data should be gathered, or whether a secondary analysis could be sufficient.

There were two categories of research, including qualitative research and quantitative research. The qualitative research could be used to:

- Have clear ideas about realities and the characteristics of language as a means of communication or a cognitive representation of culture and discovering realities. The quantitative could be used when data was expressed in numbers. The most common research designs were:
- Designs for descriptive research;
- Designs for exploratory research; and
- Designs for experimental research (Pekeur, 2002:145).

Descriptive research describes something, for example, the demographic characteristics of the users of a given product and the degree to which use varies with income, age and sex (Struwig, in Pekeur, 2002:145). The descriptive research design, according to O'Sullivan and Rassel (in Pekeur, 2002:146) constitutes the "basic research tools for administrators and policy analysts. It provides information, which is easy to understand and interpret". Leedy (1985:134) identifies the following characteristics of the descriptive survey research method:

- *It deals with a situation, which demands the technique of observation as the principal means of collecting the data;
- *it chooses the population of the study carefully, is clearly defines and specifically delimited in order to set precise parameters for ensuring discretion of the population;
- *its data is susceptible to distortion through the introduction of bias into research design; and
- *its data is organised and presented systematically so that valid and accurate conclusions may be drawn from it.

O'Sullivan and Rassel (in Pekeur, 2002:146) identify the following studies as example designs for descriptive research, namely focus group discussions, cross-sectional designs, time series, panel studies, case studies, meta-analysis and longitudinal designs.

According to O'Sullivan and Rassel (in Pekeur, 2002:146) focus group discussions were used to collect detailed information from a small group of individuals. However, case studies provided the researcher with about how something happened and why. Case studies used multiple sources to collect data. The meta-analysis designs helped researchers to merge data from similar studies and to form a single dataset. The panel study designs helped researchers to follow individual cases and collect information on them for several time periods. Time-series designs explained long term, cyclical and seasonal trends in the occurrence of a variable. The cross-sectional designs assisted researchers to access, manipulate and analyse the resulting data according to their interest and longitudinal designs allow researchers to measure variables at two or more periods and also to measure changes in the variable over time.

Exploratory research helped researchers to investigate a problem about which little was known (Pekeur, 2002:144). The aim of the exploratory research was to develop and clarify ideas and to formulate questions and hypothesis for a later investigation (Pekeur, 2002:144). According to Pekeur (2002:144) experimental research was the best method to collect the necessary evidence and infers the existence of a causal relationship between two defined variables. It also involves the gathering of information on one or a few cases. Struwig (in Pekeur, 2002:144) further states three possible methods used for exploratory research, namely:

- The study of secondary sources of information;
- An analysis of selected cases; and
- A survey of individuals who are likely to have ideas on the subject as a whole.

Struwig (in Pekeur, 2002:144) states that "one way of investigating causal theories is to test them experimentally. Experimental research is the best method to obtain the evidence necessary to infer the existence of a causal relationship between two well defined variables." O'Sullivan and Rassel (in Pekeur, 2002:145) refer to types of experimental designs, namely the classical experimental design and the randomised post-test-only design. The classical

experimental design is the model for experimental research. According to O'Sullivan and Rassel (in Pekeur, 2002:145), "the classical experimental design allows the researcher to control the time order or exposure of the variables under study, to determine statistical associations among variables, and to control other possible causal factors. If well used, it can provide the strongest reliable evidence of a causal relationship. It is also an excellent model for demonstrating the logic of explanatory designs." The randomised post-test-only design is an experimental design, through which the researcher, according to O'Sullivan and Rassel (in Pekeur, 2002:145), can assign subjects to different groups, manipulate the independent variables and control most environment factors. The researcher can, for example, assign some subjects to the group that are exposed to the independent variables and other subjects to groups that are not. Subjects are assigned in such a way that there is no systematic difference between the groups.

After a brief discussion of the two categories of research (qualitative and quantitative research) and the three types of research designs (descriptive research, exploratory and experimental research), referring to the purpose and objectives of the study as outlined in Chapter One of the thesis, the thesis used the quantitative and qualitative research and the descriptive research design (case studies and focus group discussions) to collect data.

5.3.2 Measuring of variables

Measuring is the process of quantification (Pekeur, 2002:147). Quantification helped researchers to analyse, compile and compare information and phenomena. However, measuring can not fully describe the level of poverty, life quality, job satisfaction or employee competence (O'Sullivan and Rassel, in Pekeur, 2002:147).

5.3.2.1 Measurement and measurement scales

Measurement applied rules for assigning numerals to the values of a variable. However, in order to determine this, researchers needed to understand measurement scales or the levels of measurement. Measures could be interval, nominal, ordinal or ratio (O'Sullivan and Rassel, in Pekeur, 2002:149). Nominal and ordinal measures could also be described as categorical variables ratio, interval measures and numerical variables. Categorical variables had labels, while numerical variables were numbered when used as devices to identify categories.

Letters of the alphabet or other symbols could also replace the numbers and the scale is unchanged (O'Sullivan and Rassel, in Pekeur, 2002:149). Table 5.2 refers to different measurement scales and their characteristics. As pointed out, the only disadvantage of numeral scales is that values are not stated. This means, for example, that the numbering does not imply that finance is more or less important than budgeting. Table 5.3 refers to an example of a nominal scale as depicted by O'Sullivan and Rassel (in Pekeur, 2002:150). Ordinary scales, on the other hand, rank data but the exact distance separating two pieces of data cannot be determined. Table 5.4 refers to the numbers assigned to the job satisfaction scale as depicted by O'Sullivan and Rassel (in Pekeur, 150).

After an analysis of types of measurement in reference to the objectives and purpose of the study the nominal and ordinal scales were used as the measurement to rank data.

Table 5.2: Different measurement scales and their characteristics

MEASUREMENT SCALES	CHARACTERISTIC
NOMINAL & ORDINAL: CATEGORICAL VARIABLES	HAVE LABELS
INTERVAL & RATIO: NUMERICAL VARIABLES	ARE NUMBERED

Table 5.3: An example of a nominal scale as depicted by O'Sullivan and Rassel

1= PLANNING
2= PERSONNEL
3= FINANCE
4= BUDGETING
5= PUBLIC WORKS
6= ENGINEERING
7= PUBLIC SAFETY

Table 5.4: An example of numbers assigned to job satisfaction as depicted by O'Sullivan and Rassel

5= VERY SATISFIED
4= GENERALLY SATISFIED
3= NEUTRAL
2= GENERALLY DISSATISFIED
1= VERY DISSATISFIED

5.3.3 Research sampling

The word sampling could be defined as an efficient and effective method of studying a population, whether it is composed with people, agencies, files or other units. It is also used when it was not possible to consult all the people in a specific category as indicated by a research project (O'Sullivan and Rassel, in Pekeur, 2002:153).

5.3.3.1 Sampling procedure

Non-contributory means-test pension beneficiaries at the Nelson Mandela Metropolitan Municipality (Kwazakhele and Bethelsdorp) and Sundays River Valley Municipality (Bersheba) were selected as the target population. They were selected because they were facing challenges to satisfy their own needs with pension income and were shouldering socio-economical responsibilities to care psycho-socially and financially for their household members.

NGO councillors, Masimanyane: Network for people living with HIV/AIDS in Nelson Mandela Metropolitan Municipality; ACVV: Afrikaans Christian Women Organisation in Kwazakhele; CMR: Christlike Maatskaplike Raad in Afrikaans or Christian Social Board in Bersheba; and Government officials, Enon/Bersheba councilor, Moses Mabida councilor, Kirkwood police and clinic officials and Integrated Development Plan practitioner in Port Elizabeth were also selected because they represented the target population in their areas and dealt directly and indirectly with pensioners and household members issues.

The study drew a sample of 81 households to investigate the socio-economic impact of non-contributory pension income on households in selected areas of the Eastern Cape (from the 25/07/2007 to the 10/08/2007). For the purposes of the study two socio-economical sites (the Sundays River Valley Municipality and the Nelson Mandela Metropolitan Municipality) were selected to represent three demographic categories: Older rural Black households, older Black urban households and older urban Coloured households. The Sundays River Valley Municipality was chosen to target older rural Black households. In the first stage; three census enumerator areas were purposively selected in which to target the three demographic categories of households. Geographical and demographic information on the total number of households and persons aged 60 years and over were obtained from statistics South Africa.

Recent Census Enumerator Areas (C.E.A.) were selected to meet the following criteria: population predominantly Black or Coloured; urban areas as defined by statistics South Africa in the Nelson Mandela Metropolitan Municipality; and rural areas in the Sundays River Valley Municipality.

The sample was selected to be representative of the three surveyed areas in the Nelson Mandela Metropolitan Municipality and the Sundays River Valley Municipality, namely, urban formal, urban informal and rural formal. For the purpose of this research, these areas are defined as follows:

5.3.3.1.1 Urban formal

This was a residential area occupied predominantly by formal settlement. The area was predominantly characterised by a well established infrastructural planning and general provision of basic services such as water, electricity, housing, and sanitation. The formal planning included business centres, industrial zones (if available) and residential zones. Bethelsdorp is one of the surveyed area parts of this category of area in South Africa.

5.3.3.1.2 Urban informal

This was a residential area found in urban areas, but which did not have most of the characteristics of an urban formal settlement. Sometimes they were an unsafe and precarious environment and lacked basic services. This definition was however, not so clear-cut in South Africa as some of the informal settlements were provided with services such as water and electricity. Because of their poor infrastructural planning, they are referred to as such (informal settlements). Kwazakhele was one such surveyed area.

5.3.3.1.3 Rural formal

This was a settlement of, normally, a small population and located in informal commercial farming areas usually under the control of the farmer. Bersheba was one of such surveyed area.

Table 5.5 indicated how many households are allocated to each municipality to make up the total of 81 households and 102 persons being interviewed.

Table 5.5: Allocation of sample to three surveyed areas

Name of areas	Frequency	Percent	Valid percent	Cumulative percent
Bethelsdorp	29	35.8	35.8	35.8
Kwazakhele	30	37.0	37.0	72.8
Bersheba	22	27.2	27.2	100.0

The sample was selected to be representative of the three types of areas in the Nelson Mandela Metropolitan Municipality and the Sundays River Valley Municipality.

In order to select households to be visited, the following procedure was used:

The number of elderly to be interviewed in each municipality was chosen proportionally to the number of the total elderly persons found in that municipality as provided by the census 2001.

5.4 Data collection

Generally, there were three types of data collection method:

- * Personal interviews;
- * telephone surveys; and
- * mailed questionnaires.

For the purpose of the study, personal interviews by means of questionnaire were used to collect data.

5.4.1 Method used to collect data

The questionnaire method was used to collect data. Questionnaires for the study were divided into two sections: Section A (dependent variables) and Section B (independent variables) (Pekeur, 2002:159).

5.4.2 Pilot study

Before a questionnaire was ready for empirical survey, it was helpful to conduct a preliminary investigation in order to test and refine it. The investigation could be undertaken by using a pilot study (Taylor, in Pekeur, 2002:163).

According to Pekeur (2002:163) a pilot study should be used in order to:

- Ascertain if there were questions which respondents might find difficult to understand;
- rephrase certain questions in a way to make them easily understandable, in order to elicit the necessary response;
- establish the acceptability of the questionnaire for use of the study;
- establish the probability of favourable reception and return; and
- establish the reluctance of study for pensioners, government officials and non-governmental officials to participate to the study.

The pilot study was conducted using a similar questionnaire among pensioners, government officials and non-governmental officials at the Nelson Mandela Metropolitan Municipality (Bethelsdorp and Kwazakhele) and at the Sundays River Valley Municipality (Bersheba).

The following observations were made from respondent's answers: a total response rate of 79% was received during the pilot study; a response rate of 61% was obtained during the pilot study from government officials, 84% obtained during the pilot study from NGO officials and 97% response percentage from pensioners. The lower percentage rate of government official participation during the pilot study was justified by the simple fact they were reluctant to criticise the current governmental pension system as their role was to provide an efficient service. By criticising the method were criticising themselves, indicating they did not provide quality service to the community.

5.5 Survey results analysis

An analysis of the individual scores of pensioners, government officials and NGO officials (pilot study, Sundays River Valley Municipality and Nelson Mandela Metropolitan Municipality) pensioner's quality life, role played by pensioner in the above-mentioned municipalities, challenges faced by pensioners and old age pension impact in pensioner household showed:

- Pensioners reflected financial discontent, as, they considered their income insufficient to satisfy personal needs. Respondents' incomes which satisfied their needs came from financial activities such as property rentals and savings. 13.73% of respondents rated their quality of life average, 32.35% rated bad, and 38.24% rated very bad;
- respondents were not of the opinion they could save from their pension income, invest or begin a business;
- pensioners, mostly Blacks, were among the poorest in South Africa in terms of money availability and standards of life. Elderly people households without social pension grants could not satisfy even basic needs and;
- pensioners were of the opinion that pension's grants impact in their household was insufficient. Government should supplement grants to their household members to meet expenses.

The finding of the study is clearly explained and well written in Chapters Seven and Nine of the thesis and would, therefore, serve as a tool of information to policy-makers, practitioners and researchers on old age pension issues.

5.6 Data analysis and interpretation, discussion of findings

For the purpose of the analysing responses data, two variables were created: dependent and independent variables. The dependent variables were determined as pensioners' views on their life quality, role played in the South African society and challenges faced to use a pension for the purpose it was intended poverty alleviation.

The independent variables of the questionnaire determined the age, gender, marital status, religious affiliation, education qualification and home spoken language. The SPSS/PC system, Pearson Chi-Square, pie charts, statistical tables, frequency distribution tables and bar graphs were used to analyse thesis data. The following concepts were used in analysing data:

- SPSS/PC: a statistical package for social sciences. It was also a set of computer programmes for the management and analysis of data (O'Sullivan and Rassel, in Pekeur, 2002:167);
- p-value: refers to the level of significance;
- a pilot study: a small study which aimed to test a proposed data collection adequacy (O'Sullivan and Rassel, in Pekeur, 2002:168);
- X^2 = referred to the value of the chi-square
- chi-square: a distribution that showed how many times a particular score appeared (Steyn, 2006:247);
- frequency missing: refers to respondents who did not respond to a particular question data (missing data); and
- percentage: a relative frequency calculated by dividing the frequency of cases and the value of a variable by the total number of cases multiplying the result by 100 (O'Sullivan and Rassel, in Pekeur, 2002:168).

5.7 Summary

In the Thesis the following were used as sources of information. An intensive study of the existing literature, relevant books, published and unpublished articles, reports, academic papers, newspaper, statistical indexes, computer searches, Government publications, abstracts and discussions with experts in the subject field, undertaken to present the facts and to substantiate the arguments.

In addition, the study used the personal and focus group interviews by means of structured questionnaires to support sources of information. In spite of obvious limitations of the literature review and personal observation, interviews were useful as they helped to obtain authentic information reflected the life of respondents; information which could not be obtained from existing literature.

This Chapter presented the main issue of the study. It provides information which justified the significance of the study, namely: data collection procedures, the sampling methods, the type of the study, research instrument and a description of the Eastern Cape Province and the overviews of the Nelson Mandela Metropolitan Municipality and the Sundays River Valley Local Municipality.

CHAPTER SIX

DATA ANALYSIS

6.1 Introduction

Chapter Five gave information on what kind of study was conducted, when (from the 25 of July 2007 to the 10 of August 2007) and where (Bersheba, Bethelsdorp and Kwazakhele). It provided information about who were the principal subjects of the study. Finally, it highlighted information on how the data was collected, interpreted, processed and analysed. Chapter Six contains an analysis of the variables investigated. Frequency distribution tables, chi-square test tables, pie charts, bar graphs and statistical tables are used in presenting findings. These statistical analysis methods were used to organise data into simpler accounts and emphasise features of the data which were most relevant to the study. This Chapter presents information which could be valuable, firstly to all service providers in the field of gerontology and secondly to researchers as it provides insight into pensioners' needs. The respondents' responses based on the questionnaire, interviews and focus groups discussions.

6.1.1 The Pearson Chi-Square Test

The Pearson chi-square is a distribution indicating how many times a particular score appeared. The Pearson chi-square test was used to measure the frequency distribution of the responses from the standpoint of a zero-hypothesis indicating differences in responses by different groups. Any p-value above 0.05 indicated non-significant differences between interviewed respondents in their response to a particular statement and any p-value under 0.05 indicated significant differences between the interviewed groups in their responses to a particular statement.

** Frequency missing as reflected in Table 6.1 and in other Tables in this chapter referred to respondents who did not answer to a particular question (missing data).

** χ^2 = refers to the value of the chi-square

** p = refers to the level of significance.

6.2 Respondents' demographic characteristics

The age, marital status, level of education, religious affiliation, number of respondents in terms of racial group, number of respondents according to areas, respondents' household composition and size and respondent's language group were analysed under this sub- topic.

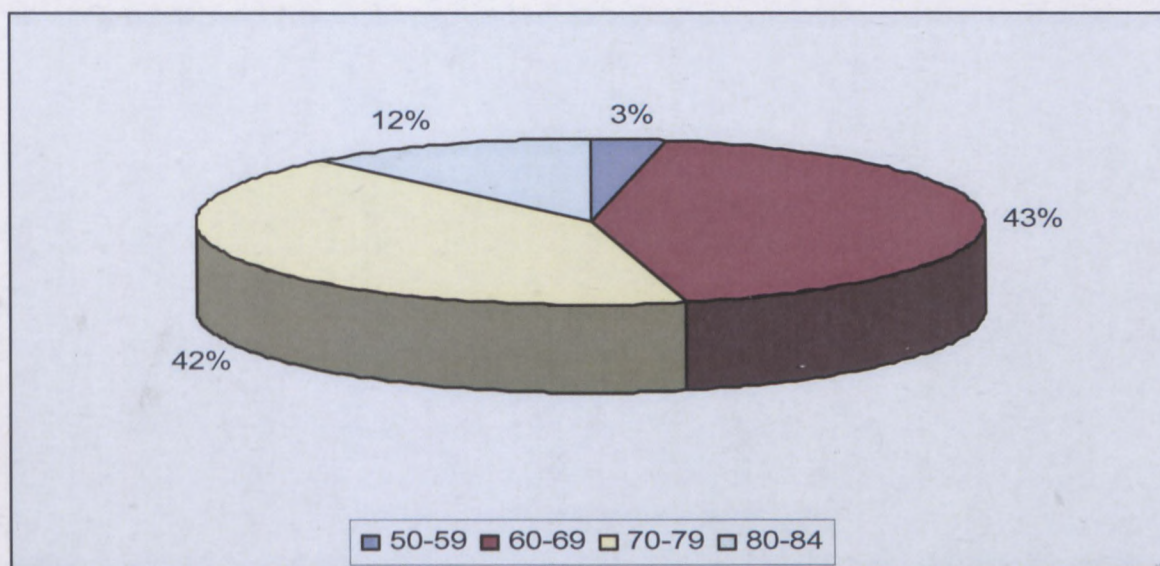


Figure 6.1: Respondents' age distribution

Figure 6.1 data showed respondents' ages ranged between 50 to over 80 years; 42% of respondents were 70-79 and 43% were 60-69. While, 12% of respondents were aged between 80-84 years old, only 3% of respondents were below 60.

Table 6.1: Respondents' gender and marital status distribution

Gender	Single		Married		Divorced		Widowed		Separated		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Male	2	2.04	26	26.53	1	1.02	2	2.04	1	1.02	32	32.7
Female	9	9.18	34	34.69	8	8.16	13	13.26	2	2.04	66	67.3
Total	11	11.22	60	61.22	9	9.18	15	15.30	3	3.06	98	100.0

**Frequency missing = 4; $X^2=11.78;p>0.001$

Table 6.1 shows that 67.3% of respondents were female while 32.7% were males. It also shows that in terms of marital status, 11.22% of the respondents were single, 2.04% males and 9.18% females; 61.22% of the respondents were married, 26.53% were males and 34.69% females; 9.18% of the respondents were divorced, among them, 1.02 % were males and 8.16% were females; 15.30% of respondents were widowed, 2.04% were males and 13.26% females; and 3.06% of respondents were separated, 1.02% were males and 2.04% females.

A significant relationship ($X^2=11.78;p>0.001$) was found between gender and marital status. The percentage difference between male and female respondents was explained by the fact that females were more likely to marry than males because they sought financial security. However, the difference in percentage between widowed male and widowed female could be explained that generally women married men older than themselves and women lived longer than men.

Table 6.2: Respondents' gender and religious affiliation

Gender	Non affiliate		Christian		Zionist		Islamic		Total	
	N	%	N	%	N	%	N	%	N	%
Male	5	5.20	25	26.04	9	9.38	3	3.13	42	43.75
Female	2	2.08	36	37.50	13	13.54	3	3.13	54	56.25
Total	7	7.28	61	63.54	22	22.92	6	6.26	96	100.0

**Frequency missing = 6; $X^2 = 1.5$; $p<0.05$

The responses given in Table 6.2 revealed 92.72% of the respondents were affiliated to various religious denominations: 63.54% were Christian, among them, 26.04% were males and 37.50% females; 22.92% were Zionist, 9.38% were males and 13.54% females; 6.26% believe to Islam, 3.13% were males and 3.13%; and 7.28% of respondents, 5.20% of males and 2.08% of females were unaffiliated.

There was no significant relationship ($X^2=1.5;p<0.05$) between gender and religious affiliation. Generally, piety and practice increased with age and that the old (males and females) were the backbone of their churches. However, there were a number of older persons, mostly Blacks who were agnostic believing rather in African culture.

Table 6.3: Respondents' spoken languages

Spoken languages	Xhosa		English		Afrikaans		Total	
	N	%	N	%	N	%	N	%
Female	20	20.20	7	7.07	26	26.26	53	53.54
Male	15	15.15	10	10.10	21	21.21	46	46.46
Total	35	35.35	17	17.17	47	47.47	99	100.00

**** Frequency Missing: 3**

According to the data in Table 6.3, 47.47% of respondents were Afrikaans speaking, among them, 26.26% were females and 21.21% males; 35.35% of respondents were Xhosa speaking, 20.20% of them were females and 15.15% were males; and 17.17% were English speaking, 7.07% were females and 10.10% males.

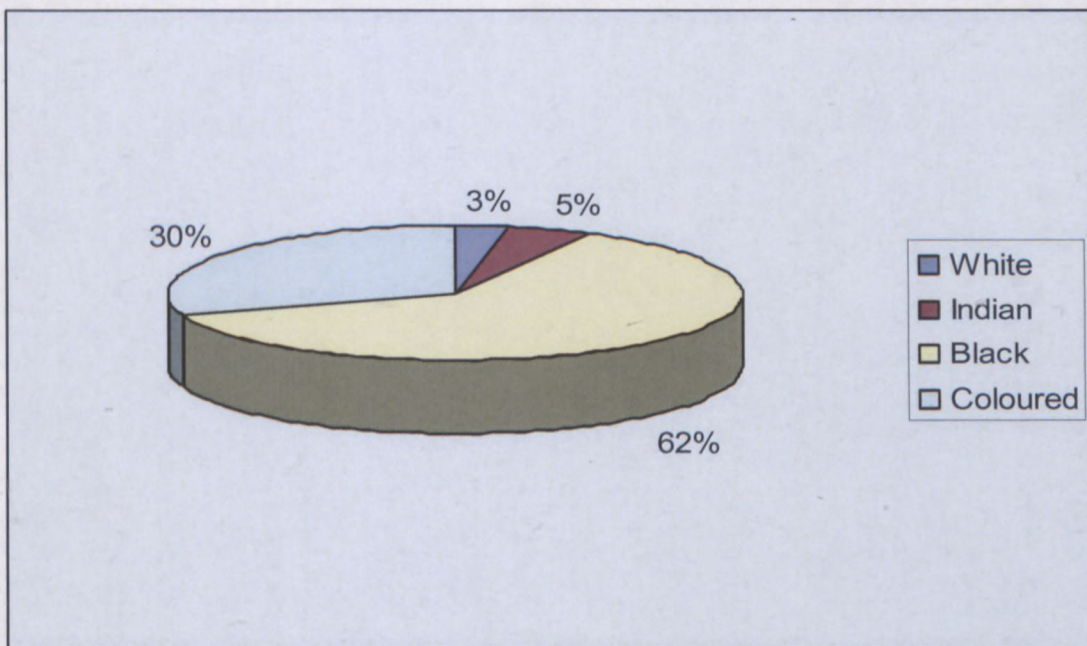


Figure 6.2: Number (percentage of respondents) in terms of racial group

The data in Figure 6.2 showed 62% of respondents were Black, 30% were Coloured, 5% were Indians and 3% were Whites. This statement meant more Black's participated in the surveyed group than Coloured, Indian and White. However, data provided by all the racial groups was important for the study's empirical survey.

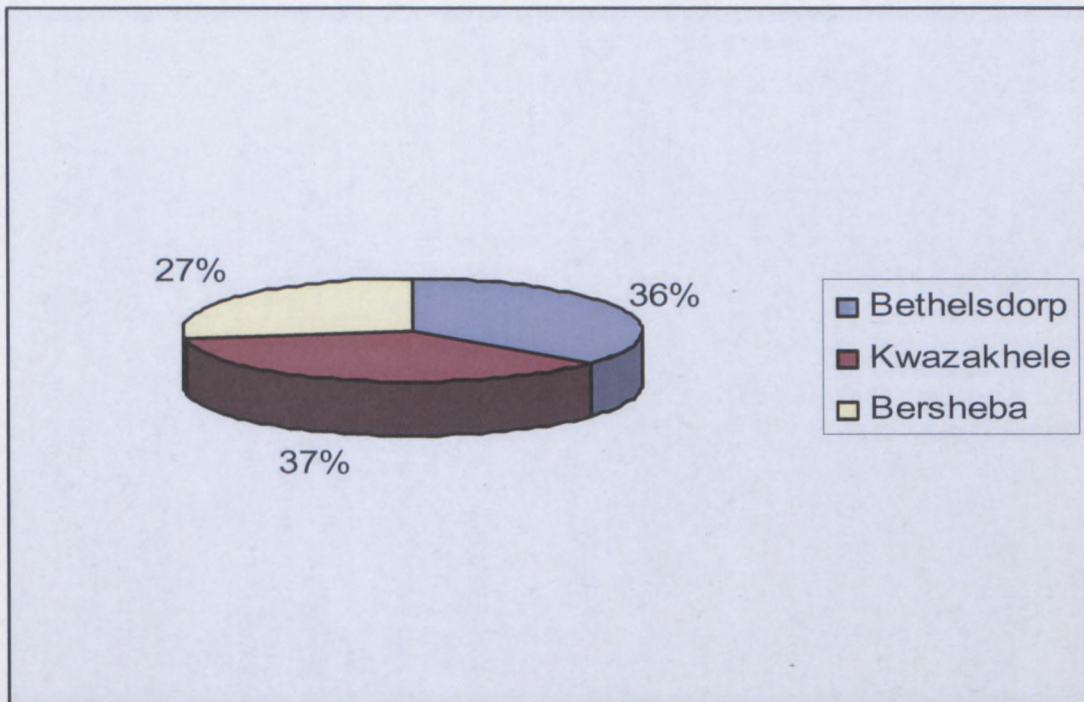


Figure 6.3: Percentage of respondents according to the surveyed areas

Figure 6.3 demonstrated all surveyed areas were not equally represented. 36% of respondents were from Betheldorp; 37% of respondents were from Kwazakhele. Bersheba were less represented in terms of targeted population for all the surveyed areas because it was the least populated. There were 36% of respondents in Betheldorp (Coloured urban) surveyed area; 37% of respondents in Kwazakhele (Black urban) surveyed area; and 27% of respondents in Bersheba (Black rural) surveyed area.

Table 6.4: Respondents' level of education in terms of racial group

Racial group	No educ.		Primary educ.		Sec. school educ.		Tertiary educ.		Total	
	N	%	N	%	N	%	N	%	N	%
Black	29	29.59	18	18.36	12	12.24	3	3.06	62	63.27
Coloured	0	0.00	4	4.08	23	23.46	1	1.02	28	28.57
White	0	0.00	0	0.00	1	1.02	2	2.04	3	3.06
Indian	0	0.00	2	2.04	2	2.04	1	1.02	5	5.10
Total	29	29.59	24	24.48	35	35.71	7	7.14	98	100.00

** Frequency Missing =4; $X^2 = 10.64$; $p > 0.001$

Table 6.4, demonstrated that:

- 29.59% of respondents (who were all Black) had no education;
- 24.48% of respondents (18.36% Blacks; 4.08% Coloured; 0% White; 2.04% Indian) had primary school education only;
- 35.71% of respondents (12.24% Black; 23.46% Coloured; 1.02% White; 2.04% Indian) had high school education; and
- 7.14% of respondents (3.06% Black; 1.02% Coloured; 2.04% White; 1.02% Indian) had tertiary education (diploma/degree).

A significant relationship ($X^2=10.64$; $p>0.001$) was found between Blacks level of education and unemployment in the Black communities. The relationship between high unemployment in the Black communities than Coloured, Indian and White was explained by the fact that Blacks were not likely to have skills jobs or be employed because Blacks level of uneducated people was the highest in South Africa. Only the minority of them could reach tertiary education while the majority reached only primary school education and high school education.

Table 6.5: Distribution of responses on respondent's household composition

Household composition	Bersheba		Bethelsdorp		Kwazakhele		Total	
	N	%	N	%	N	%	N	%
Top generation (elderly people)	17	17.35	22	22.45	20	20.41	59	60.21
Middle generation (adult children)	7	7.15	3	3.06	6	6.12	16	16.33
Bottom generation (grandchildren)	9	9.18	5	5.10	9	9.18	23	23.46
Total	33	33.68	30	30.61	35	35.71	98	100.00

**** Frequency Missing = 4**

Table 6.5 above indicated 60.21% of the respondents households' were part of the top generation (elderly people) among them, 17.35% lived in Bersheba, 22.45% in Bethelsdorp and 20.41% in Kwazakhele. However, 23.46% of respondents' household were composed of bottom generation (grandchildren), 9.18% lived in Bersheba, 5.10% in Bethelsdorp and 9.18% in Kwazakhele; and 16.33% of respondents' households were composed of middle generation (adult children), 7.15% of them lived in Bersheba, 6.12% in Kwazakhele and 3.06% in Bethelsdorp.

The majority of pensioners' households were occupied by elderly people (pensioners) than by grandchildren and children. Bethelsdorp was the area with high number of pensioners followed by Kwazakhele and Bethelsdorp. Pensioners' grandchildren household members' percentage was higher in Bersheba. This shows that pensioners in Bersheba have to spend more money than in other surveyed areas for household members' financial needs satisfaction (pay school fees, buy uniforms, medications and food).

Table 6.6: Distribution of responses on the respondent's type of household

Respondents type of household	Bersheba		Bethelsdorp		Kwazakhele		Total	
	N	%	N	%	N	%	N	%
Brick structure	2	2.0	12	12.0	8	8.0	22	22.0
Brick structure (RDP)	4	4.0	13	13.0	15	15.0	32	32.0
Hut/traditional house	7	7.0	0	0.0	0	0.0	7	7.0
Shacks	7	7.0	5	5.0	9	9.0	21	21.0
Mud house	12	12.0	0	0.0	0	0.0	12	12.0
Container	0	0.0	0	0.0	2	2.0	2	2.0
Bungalow	0	0.0	2	2.0	2	2.0	4	4.0
Total	27	27.0	34	34.0	39	39.0	100	100.0

**** Frequency Missing = 2**

Table 6.6 indicated that 54% of respondents lived in houses constructed with bricks, 32% lived in brick structured RDP houses, among them, 4% lived in Bersheba, 13% in Bethelsdorp and 15% in Kwazakhele; 22% lived in structured bricks houses, 2% in Bersheba, 12% in Bethelsdorp and 8% in Kwazakhele; 33% of respondents stayed in non-brick houses; among them, 21% lived in shacks, 7% lived in Bersheba, 9% in Kwazakhele and 5% in Bethelsdorp; 12% of respondents lived in mud houses, 12% lived in Bersheba, 0% in Bethelsdorp and 0% in Kwazakhele; 7% of respondents stayed in huts or traditional houses, 7% lived in Bersheba, 0% in Bethelsdorp and 0% in Kwazakhele; 2% of respondents stayed in containers, among them, 2% lived in Kwazakhele, 0% in Bersheba and 0% in Bethelsdorp; and 4% of respondents stayed in bungalow, 0% lived in Bersheba, 2% in Bethelsdorp and 2% in Kwazakhele).

Table 6.7: Distribution of responses on the respondents' household size

Household size	Bersheba		Bethelsdorp		Kwazakhele		Total	
	N	%	N	%	N	%	N	%
1 – 5	9	9.38	24	50.00	15	15.62	48	50.00
6 – 10	15	15.62	3	3.13	13	13.54	31	32.29
10 – 15	10	10.42	1	1.04	2	2.08	13	13.54
16 – 20	3	3.13	0	0.00	1	1.04	4	4.17
+ 20	0	0.00	0	0.00	0	0.00	0	0.00
Total	37	38.55	28	29.16	31	32.29	96	100.00

**** Frequency Missing = 6**

Table 6.7 revealed 50% of respondents' household sizes were from 1 to 5 household members, 9.38% lived in Bersheba, 25% in Bethelsdorp and 15.62% in Kwazakhele; 50% of respondents' household size was from 6 to 20 household members. But 32.29% of respondents household size was from 6 to 10 household members, 15.62% in Bersheba, 3.13% in Bethelsdorp and 13.54% in Kwazakhele; 13.54% of respondents household size was between 10 and 15 household members, 10.42% lived in Bersheba, 1.04% in Bethelsdorp and 2.08% in Kwazakhele; only 4.17% of respondents household members size was from 16 to 20, 3.13% lived in Bersheba, 0% in Bethelsdorp and 1.04% in Kwazakhele; and 0% of the respondents household size was more than 20 household members.

6.3 Definition of old age pension

This sub-topic analyses only the definition of the old age pension.

Table 6.8: Respondents' answers on the definition of old age pension

Old age pension definition	Frequency	Percent	Valid percent	Cumulative percent
A right	67	72.83	72.83	72.83
A benefit	12	13.04	13.04	85.87
A payment	8	8.70	8.70	94.57
An income	5	5.43	5.43	100.00

**** Frequency Missing = 10**

From Table 6.8, it appears that:

- 72.83% of respondents perceived old age pension as a right;
- 13.04% of respondents perceived old age pension as a benefit;
- 8.70% of respondents perceived old age pension as a monthly payment; and
- 5.43% of respondents perceived old age pension as an income.

The majority of pensioners believed pension benefits were their right rather than a benefit or a monthly income.

6.4 Pensioners and social assistance programmes in South Africa

This sub-topic included an analysis of respondent's on the level of comprehensiveness of the elderly social assistance programmes in South Africa, sources of information about the Government elderly social assistance programmes, the level of comprehensiveness of the elderly social assistance programmes by surveyed area, types of pension benefits; pension pay point's details; challenges faced by pensioners during old age pension payment and pensioners opinion on elderly social assistance programmes improvement.

Table 6.9: Respondent's level of comprehensiveness of pension programmes

Pension programmes comprehensiveness	Frequency	Percent	Valid percent	Cumulative percent
Programme comprehensiveness	86	87.76	87.76	87.76
No comprehensiveness of the programme	7	7.14	7.14	94.90
No answer	5	5.10	5.10	100.00

**** Frequency Missing = 6**

Table 6.9 demonstrated that 87.76% of respondents understood the elderly social assistance programmes in South Africa. However 7.14% of respondents did not understand the programmes; and 5.10% of the respondents had no answer on this issue.

Table 6.10: Respondents' sources of information on social assistance programmes

Sources of information	Frequency	Percent	Valid percent	Cumulative percent
Community meetings	18	18.56	18.56	18.56
Relatives	28	28.86	28.86	47.42
Radio	26	26.80	26.80	74.22
News paper	8	8.25	8.25	82.47
Television	17	17.53	17.53	100.00

**** Frequency Missing = 5**

Table 6.10 shows 18.56% of respondents were informed about elderly social assistance via community meetings; 28.86% were informed by relatives; 26.80% of respondents were informed via radio; 8.25% of respondents were informed via newspaper; and 17.53% of respondents become aware of the government social assistance from watching television.

When looking at the respondents sources of information on social assistance programmes as outlined above most of the respondents were aware of the elderly social assistance programmes via relatives and friends and few number of respondents source of information for their social rights was the newspaper. This shows that most of the respondents could not afford to buy television and newspaper. Television and newspaper are the most credible sources of information.

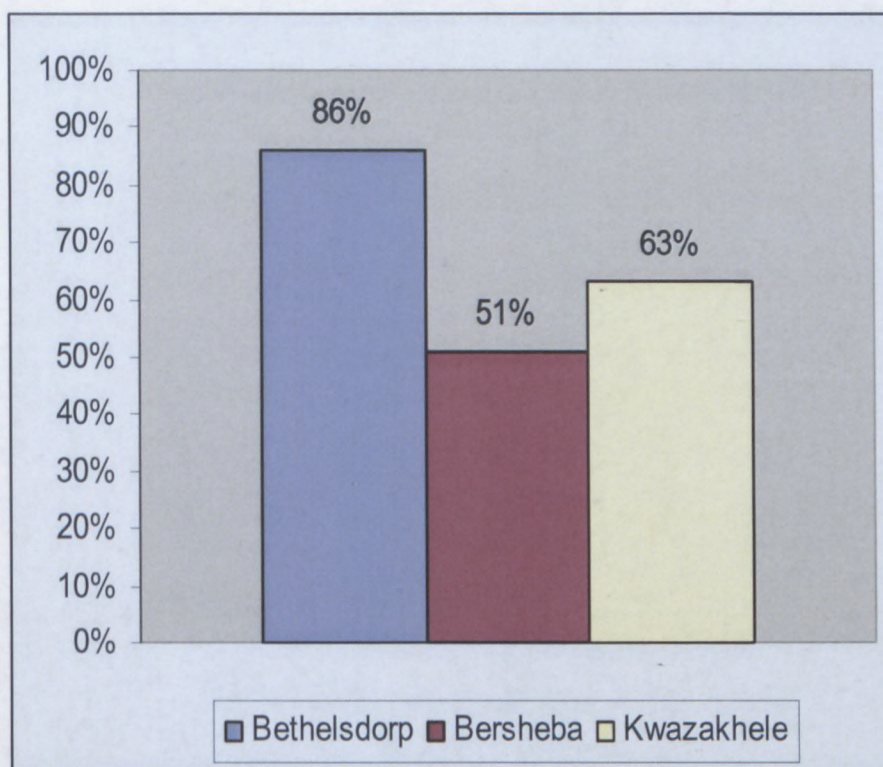


Figure 6.4: Respondents' comprehensiveness of elderly social assistance programmes by surveyed areas

The data in Figure 6.4 demonstrated 86% of Betheldorp respondents did understand the social assistance programmes; 63% of Kwazakhele respondents understood the social assistance programmes and a total of 51% of Bersheba respondents understood social assistance programmes.

Table 6.11: Respondents' answers to whether pensions are paid or not paid to them

Pension payments	Frequency	Percent	Valid percent	Cumulative percent
Yes	86	87.76	87.76	87.76
No	12	12.24	12.24	100.00

** Frequency Missing = 4

Table 6.11 data, demonstrated 87.76% of respondents were paid while 12.24% were not paid. Even if the majority of pensioners were paid there remained a percentage of unpaid pensioners because of unsolved managerial issues such as pension delivery.

Table 6.12: Respondents' responses on the type of pension they received

Pension types	Frequency	Percent	Valid percent	Cumulative percent
Old age pension	81	82.65	82.65	82.65
Disability pension	15	15.31	15.31	97.96
Veteran pension	2	2.04	2.04	100.00

**** Frequency Missing = 4**

Table 6.12 explained 82.65% of respondents were old age pension beneficiaries while 15.31% were disability pension beneficiaries; only 2.04% of respondents were veteran pension beneficiaries. The number of elderly benefiting from veteran pension was the lowest in the study survey.

Table 6.13: Distribution of responses on pension pay points access

Pensions pay points access	Frequency	Percent	Valid percent	Cumulative percent
Community centre	53	55.21	55.21	55.21
Bank	41	42.71	42.71	97.92
Police station	2	2.08	2.08	100.00

**** Frequency Missing = 6**

Table 6.13 shows that 55.21% of respondents (pensioners) were paid at community centres; 41% were paid at a bank; only 2.08% were paid at a police station.

Table 6.14: Distribution of responses on the difficulties encountered when paid benefits

Problems encountered	Frequency	Percent	Valid percent	Cumulative percent
Long queue	13	14.13	14.13	14.13
Lack of shelter	12	13.04	13.04	27.17
Lack of pay points	3	3.27	3.27	30.44
Broken machines	7	7.61	7.61	38.05
Micro-lender	23	25.00	25.00	63.05
Burial companies	15	16.30	16.30	79.35
Theft of pension	9	9.78	9.78	89.13
Corruption	10	10.87	10.87	100.00
None	0	0.00	0.00	100.00

**** Frequency Missing = 10**

Table 6.14 demonstrated the major difficulty respondents faced when getting old age pension payment. 25% of respondents said the presence of micro-lenders at pay points when getting old age pension payment was their major challenge because micro-lenders deducted loan money offered to pensioners at an exorbitant rate of 25% to 50%, leaving pensioners with little money to satisfy needs.

However 3.27% of respondents complained about a shortage of pay points in their areas on the days old age pensions were paid. 14.13% of respondents said long queues were the biggest problem; 13.04% said the main difficulty was a lack of shelter from rain or heat; 7.61% complained about the lack of machines to pay pensioners on time. According to them, paying pensioners using broken machines on payment day was a difficulty they faced; 16.30% of respondents agreed burial companies' presence at pay points was their main problem; 9.78% of respondents complained about theft of pensions at pay points, while 10.87% believed that the difficulties they encountered during pension payments were because social development and old age pension payment officials were corrupt.

Table 6.15: Respondents' responses on social pension payment at a bank

Pension payments at a bank	Frequency	Percent	Valid percent	Cumulative percent
To stop all kinds of corruption	88	88.89	88.89	88.89
Avoid deduction from banks	11	11.11	11.11	100.00

****Frequency Missing = 3**

Table 6.15 data revealed 88.89% of respondents suggested that all pensions should be paid at bank; 11.11% did not agree.

Table 6.16: Respondents' responses on problems encountered when applying for pension benefits

Difficulties encountered	Frequency	Percent	Valid percent	Cumulative percent
Lack of identity document	8	8.33	8.33	8.33
Transport issues	34	35.42	35.42	43.75
Time taken to process	5	5.21	5.21	48.96
Lack of information	17	17.71	17.71	66.67
Lack of welfare offices	13	13.54	13.54	80.21
Officials behaviour	19	19.79	19.79	100.00
None	0	0.00	0.00	100.00

**** Frequency Missing = 6**

The data in Table 6.16 indicated 35.42% of problems encountered by respondents when applying for an old age pension was a lack of transport. The time taken to process applications was the 5.21% of problems encountered by respondents when applying for an old age pension, while 8.33% of respondents had difficulties in applying for pension benefits because of lack of identity documents; 17.71% of respondents lacked information on how to apply for pension benefits; 13.54% of respondents had difficulties in applying for social pension grant because of the absence of a social development offices in their areas; and 19.79% of respondents encountered difficulties because of officials' bad behaviour.

Table 6.17: Respondents' responses on whether the government needed to improve social assistance programmes

Welfare programmes improvement	Frequency	Percent	Valid percent	Cumulative percent
Yes	98	100.00	100.00	100.00
No	0	0.00	0.00	100.00

**** Frequency Missing = 4; $X^2= 98.00$; $p>0.001$**

Table 6.17 demonstrated all respondents agreed that Government should improve the social assistance programmes. Respondents believed Government should supplement grants to pensioner's household members to meet expenses.

A significant relationship was found ($X^2=98.00$; $p>0.001$) between pensioners' quality of life and an improvement in social assistance programmes. Pensioners felt that their quality of life was bad because of the socio-economic responsibilities shouldering them while leaving together with household members without economical income. They suggested that Government should recognise their needs and role played in the South African society and supplement their household members with grants to satisfy their needs.

Table 6.18: Respondents' responses on how to improve elderly social assistance programmes and life quality

Social assistance programmes improvement	Frequency	Percent	Valid percent	Cumulative percent
Service delivery improvement	8	8.00	8.00	8.00
Grant supplement to pensioners (Government) household members	92	92.00	92.00	100.00

**** Frequency Missing = 3**

From the data in Table 6.18 it could be deduced:

- 8% of respondents believed social assistance grants service delivery should be improved; and
- 92% of respondents suggested Government should supplement grants to pensioner household members to meet their needs.

Table 6.19: Respondents' responses on improving quality of life via communication among stakeholders in the community

Stakeholders communication improvement	Frequency	Percent	Valid percent	Cumulative percent
Yes	85	85.86	85.86	85.86
No	14	14.14	14.14	100.00

****Frequency Missing = 3**

Table 6.19 data demonstrated 85.86% of respondents responded positively for an improvement of communication between stakeholders, while 14.14% responded negatively.

6.5 The old age pension socio-economic impact on pensioner households

This sub-topic covered an analysis of the old age pension socio-economic impact on the pensioners' households and respondents' relatives who live elsewhere.

Table 6.20: Distribution of responses on the respondents' spending money on household members

Respondents spending money	Frequency	Percent	Valid percent	Cumulative percent
Yes	85	90.43	90.43	90.43
No	9	9.57	9.57	100.00

**** Frequency Missing = 8; $X^2 = 61.44$; $p > 0.001$**

Table 6.20, shows that:

- 90.43% of the respondents (pensioners) spent money on their household members. They advanced the following reasons:
the majority of their grandchildren and children were infected by HIV/AIDS and were unable to work meaning they produced no income; the elderly were obligated to look after them;
- elderly granddaughters or daughters gave birth at an early age, (after benefiting from a child support grant) disappearing with their money, leaving children to be supported by their parents or grandparents; and
- the rate of unemployment in South Africa forced the elderly to assist socio-economically vulnerable family members.

However, 9.57% of respondents did not look after household members.

A significant relationship ($X^2=61.44;p>0.001$) was found between pensioners spending money and caring for household members and the old age pension socio-economic impact on pensioner households. In the surveyed areas it was found the majority of pensioners were household member socio-economical care-givers. There were spending money for their children and grandchildren for paying school fees, and buying uniforms and food.

Table 6.21: Respondents' responses on the economical generator role played by pensioners in the South African society

Economical role	Frequency	Percent	Valid percent	Cumulative percent
Yes	98	100.00	100.00	100.00
No	0	0.00	0.00	100.00

****Frequency Missing = 4**

Table 6.21 demonstrated all respondents recognised the economical generator role played by pensioners in the South African society.

Table 6.22: Distribution of responses to the old age pension socio-economic impact in the pensioner households

Old age pension impact	Frequency	Percent	Valid percent	Cumulative percent
Poverty alleviation	53	54.64	54.64	54.64
Health status improvement	8	8.25	8.25	62.89
Living standards	5	5.15	5.15	68.04
School enrolment	11	11.34	11.34	79.38
Gender equity	5	5.15	5.15	84.53
Family unity	8	8.25	8.25	92.78
Elderly dignity	5	5.15	5.15	97.93
Political stability	2	2.07	2.07	100.00

**** Frequency Missing = 5**

Table 6.22 demonstrated that 54.64% of respondents agreed that the old age pension alleviated poverty while 8.25% stated it improved pensioners' health status; 5.25% of respondents believed the old age pension improved living standards; 11.34% outlined the old age pension increased school enrolment; 5.15% believed it promoted gender equity; 8.25% agreed old age pensions promoted family unity while 5.15% of respondents believed old age pensions promoted pensioners' dignity, self-respect and empowerment; and 2.07% of respondents thought old age pensions promoted political stability.

Table 6.23: Respondents' average monthly spending on relatives living elsewhere

Average amount	Frequency	Percent	Valid percent	Cumulative percent
R0-R100	0.00	0.00	0.00	0.00
R100-R300	0.00	0.00	0.00	0.00

****Frequency Missing = 5**

Table 6.23 reflected an analysis of respondents' average monthly outlay on respondents' relatives living elsewhere. No respondents spend between R0 to R100 or R100 to R300 for their relatives living elsewhere.

6.6 Pensioners and the economic situation

This sub-topic covers an analysis of the pensioners' past and current financial situation, the reasons for financial situation changes; household income sources; household economic activities; household expenditures situation and the sufficiency or insufficiency of money to meet pensioners' and household members' needs.

Table 6.24: Pensioners' economic activities they were involved in the past

Gender	Farm worker	Domestic worker	Factory worker	Construction worker	Business	Soldier	Total
Male	7	0	4	20	0	8	39
Female	5	28	23	0	3	0	59
Total	12	28	27	20	3	8	98

** Frequency Missing = 4

Table 6.24 data shows 39% of male were employed in the past, among them, 8% were soldiers, 20% were constructors, 4% were factory workers and 7% were farm workers; and 59% of female were employed in the past, among them, 23% worked in the factory, 28% were domestic workers, 3% did small business and 5% were farm workers.

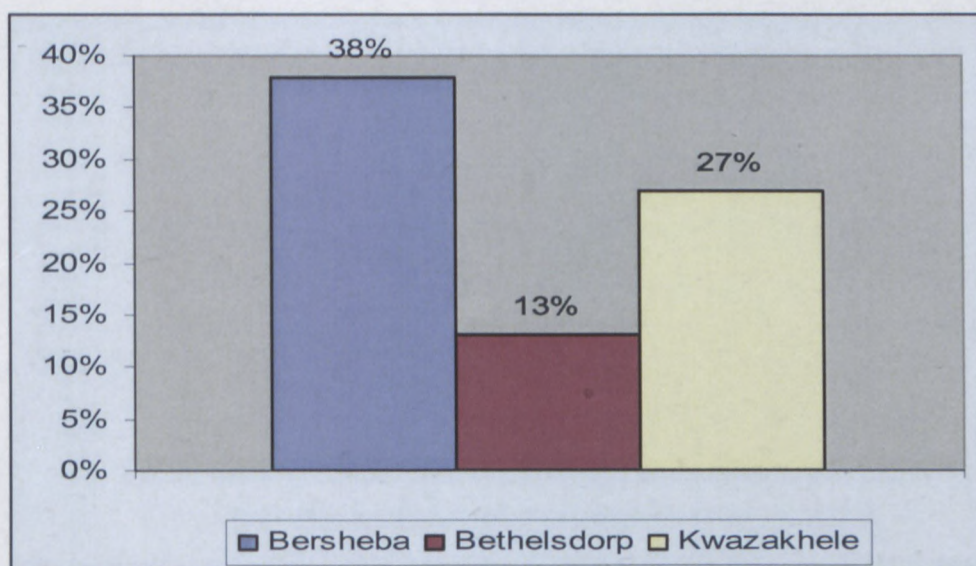


Figure 6.5: Responses on respondent's involvement in voluntary work

The information in Figure 6.5 revealed 38% of respondents from Bersheba were ready to take on an available job; 27% from Kwazakhele were also ready to work if opportunities were given to them; and 13% of Bethelsdorp respondents were prepared to work again.

Table 6.25: Pensioners' economic activities that they are involved

Gender	None	Farm worker	Business	Domestic worker	Factory worker	Construction worker	Total
Male	37	3	4	0	3	0	47
Female	33	4	8	4	4	0	53
Total	70	7	12	4	7	0	100

** Frequency Missing = 2

Table 6.25 demonstrated 70% of respondents, 37% of males and 33% of females do not work; however 30% of respondents, 10% of males and 20% of females were working; among them 7% of respondents, 3% of males and 4% of females were farm workers; 12% of respondents were in business, mostly small; 4% of respondents, 0% of males and 4% of females were domestic workers while 7% of respondents, 3% of males and 4% of females were factory workers; 0% of respondents had construction job.

Table 6.26: Distribution of responses on respondents' monthly incomes

Income value	Frequency	Percent	Valid percent	Cumulative percent
R0 – R499	5	5.00	5.00	5.00
R500 – R999	91	91.00	91.00	96.00
R1000 – R1499	4	4.00	4.00	100.00
R1500 – R1999	0	0.00	0.00	100.00
R2000 – R5000	0	0.00	0.00	100.00
+ R5000	0	0.00	0.00	100.00

** Frequency Missing = 5

Table 6.26 data revealed 96% of respondents earned less than R1000 a month, of these, 5% earned less than R500 a month and 91% earned between R500 and R999 a month. However 4% of respondents earned between R1000 to R1499; and no respondent earned between

R1500 to R1999; R2000 to R5000 and more than R5000.

Table 6.27: Distribution of responses on respondents' household source of income

Household sources of income	Frequency	Percent	Valid percent	Cumulative percent
Wages/salaries	5	4.95	4.95	4.95
Old age pension	50	49.51	49.51	54.46
Disability pension	4	3.96	3.96	58.42
Veteran's pension	1	0.99	0.99	59.41
Child support grant	12	11.43	11.43	70.84
Foster care grant	10	9.52	9.52	80.36
Earnings from hawking	3	2.97	2.97	83.33
Casual wages	3	2.97	2.97	86.30
Unemployment benefits	2	1.98	1.98	88.28
Care dependency grants	2	1.98	1.98	90.26
Grants-in-aid	1	0.99	0.99	91.25
Earnings from odd jobs	2	1.98	1.98	93.23
Remittances	3	2.97	2.97	96.20
Church and N.G.O.	2	1.98	1.98	98.18
Property rentals	2	1.98	1.98	100.00
Savings	0	0.00	0.00	100.00

** Frequency Missing = 1

Table 6.27 demonstrated, 49.51% of respondents highest source of income in the respondents' households was the old age pension; 3.96% source of income was the disability pension; 4.95% was wages/salaries; 11.43% of income was coming from child support grant; 9.52% was foster care grant; 2.97% was earning from hawking; 2.97% of respondents household income was from casual wages; 1.98% of income was from unemployment benefits; 1.98% of income was from care dependency grant; 0.99% of respondents household income was from grants-in-aid; 1.98% of income was from earnings from odd jobs; 2.97% of income was from remittances; 1.98% of income was from churches and non-governmental subsidies; and 1.98% of respondents household income was from property

rentals; and no income was from respondents savings.

Table 6.28: Distribution of responses on pensioners' monthly household expenses in surveyed areas

Expenses value	Bersheba		Bethelsdorp		Kwazakhele		Total	
	N	%	N	%	N	%	N	%
R0 – R399	0	0.00	0	0.00	0	0.00	0	0.00
R400 – R799	24	24.49	7	7.14	11	11.23	42	42.86
R800 – R1199	3	3.06	14	14.29	11	11.23	28	28.57
R1200 – R1499	0	0.00	11	11.23	6	6.12	17	17.34
R1500 – R1999	0	0.00	7	7.14	4	4.08	11	11.23
R2000 – R4999	0	0.00	0	0.00	0	0.00	0	0.00
+ R5000	0	0.00	0	0.00	0	0.00	0	0.00
Total	27	27.55	39	39.80	32	32.66	98	100.00

** Frequency Missing = 4

Table 6.28 data indicated all respondents monthly expenses were between R400–R1999. Of these, 0% of respondents' spent less than R400 a month; 42.86% of respondents spend monthly between R400 and R799, 24.49% lived in Bersheba, 7.14% in Bethelsdorp and 11.23% lived in Kwazakhele while 28.58% of respondents monthly expenses were between R800 and R1199, 3.06% in Bersheba, 14.29% in Behtelsdorp, and 11.23% in Kwazakhele only 17.34% of respondents spent between R1200 and R1499, 0% lived in Bersheba, 11.22% in Bethelsdorp and 6.12% in Kwazakhele; however 11.22% of respondents' monthly expenses were between R1500 and R1999, among them, 7.14% lived in Bethelsdorp, 0.00% in Bersheba and 4.08% in Kwazakhele; and 0% of respondents spent between R2000 and R5000.

Table 6.29: Respondents' responses on the item expenses

Respondents household expenditure items	Bersheba		Bethelsdorp		Kwazakhele		Total	
	N	%	N	%	N	%	N	%
Food ¹	7	7.00	8	8.00	9	9.00	24	24.00
Communication costs	1	1.00	2	2.00	4	4.00	7	7.00
Education costs	3	3.00	2	2.00	2	2.00	7	7.00
Health expenses	3	3.00	2	2.00	5	5.00	10	10.00
Utilities ²	6	6.00	8	8.00	7	7.00	21	21.00
Judicial costs ⁵	1	1.00	2	2.00	1	1.00	4	4.00
Transport costs	1	1.00	2	2.00	2	2.00	5	5.00
Social participation ³	3	3.00	1	1.00	2	2.00	6	6.00
Loan shacks dues	1	1.00	1	1.00	2	2.00	4	4.00
Furniture dues	1	1.00	2	2.00	2	2.00	5	5.00
Clothing, personal items	1	1.00	2	2.00	2	2.00	5	5.00
Recreational expenditures ⁴	1	1.00	1	1.00	1	1.00	3	3.00
Total	29	29.00	33	33.00	38	38.00	100	100.00

**** Frequency Missing = 2**

¹ Food: items included (groceries, take-away, vegetables, fruits and meat bills);

² Utilities: items included (electricity, energy (paraffin, gas and wood fuel)), rates, water and sanitation;

³ Social participation: items included (burial society dues, church dues, funeral expenses, traditional ceremonies costs, club dues, transfers to other relatives who live elsewhere and to household members who live together with the respondents);

⁴ Recreational expenditures: items included (entertainment, gambling, lottery, holiday, tobacco, and alcohol); and

⁵ Judicial costs: items included (bail payments and legal representation).

Table 6.29 data demonstrated 24% of respondents spent their money on food, among them, 7% lived in Bersheba, 8% in Bethelsdorp and 9% in Kwazakhele; 10% of respondents expenses went on health treatment, 3% in Bersheba, 2% in Bethelsdorp and 5% in

Kwazakhele; 7% of respondents, 1% in Bersheba, 2% in Bethelsdorp and 4% in Kwazakhele preferred to spend their money on phoning from landlines and cell phones; 7% of respondents spend their money on grandchildren and children's education, 3% in Bersheba, 2% in Bethelsdorp and 2% in Kwazakhele; 5% of respondents used their money for transport needs, 1% in Bersheba, 2% in Bethelsdorp and 2% in Kwazakhele; 6% of respondents contributed to social activities in paying church and club dues, burial society dues, funeral expenses, traditional ceremonies and made transfers to family members living elsewhere, 3% in Bersheba, 1% in Bethelsdorp and 2% in Kwazakhele; 4% of respondents took loans from money lenders, 1% in Bersheba, 1% in Bethelsdorp and 2% in Kwazakhele; 5% of respondents paid furniture fees, 1% in Bethelsdorp, 2% in Bethelsdorp and 2% in Kwazakhele; 21% paid for electricity, rates, water and energy, 6% in Bersheba, 8% in Bethelsdorp and 7% in Kwazakhele; 5% bought clothes, 1% in Bersheba, 2% in Bethelsdorp and 2% in Kwazakhele; 3% of respondents spent their money on recreational activities, 1% in Bersheba, 1% in Bethelsdorp and 1% in Kwazakhele; and 4% of respondents spent money on judicial matters, 1% in Bersheba, 2% in Behelsdorp and 1% in Kwazakhele.

Table 6.30: Distribution of responses on respondents' money saved from pension or other activities

Money saved	Frequency	Percent	Valid percent	Cumulative percent
R0 – R399	9	9.28	9.28	9.28
R400 – R799	5	5.15	5.15	14.43
None	83	85.57	85.57	100.00

**** Frequency Missing = 5**

According to Table 6.30, 85.57% of respondents did not save money from their pensions or other economical activities. However, 9.28% of respondents did save from their pension income or other activities between R1 and R399. Only 5.15% could save money from R400-R799 from their pensions.

Table 6.31: Distribution of responses on respondents' household economic situations

Current financial situation	Frequency	Percent	Valid percent	Cumulative percent
Very good	6	5.88	5.88	5.88
Good	10	9.80	9.80	15.68
Average	14	13.73	13.73	29.41
Bad	33	32.35	32.35	61.76
Very bad	39	38.24	38.24	100.00

**** Frequency Missing = 0**

The responses given in Table 6.31 revealed 38.24% of respondents' household financial situation as poor. In contrast 5.88% of respondents had a very good financial household situation; 13.73% of respondents had an average financial situation; 9.80% of respondents' household financial situation was good; and 32.35% of respondents' household financial situation was bad.

Table 6.32: Analysis of respondents' responses on the household financial situation compared to three years ago

Financial situation (3 years ago)	Frequency	Percent	Valid percent	Cumulative percent
Better	4	4.12	4.12	4.12
Same	12	12.37	12.37	16.49
Worse	81	83.51	83.51	100.00

**** Frequency Missing = 5**

Table 6.32 demonstrated 12.37% of respondents' financial situation unchanged from three years ago while 83.51% of respondents' financial situation had worsened only 4.12% of respondents' household financial situations had not change compared to three years ago.

Table 6.33: Respondents' responses on reasons for financial situation changes

Financial situation change	Frequency	Percent	Valid percent	Cumulative percent
HIV/AIDS	37	37.00	37.00	37.00
Food expenses	40	40.00	40.00	77.00
Lack of grants provision for pensioner household members	23	23.00	23.00	100.00

** Frequency Missing = 3

It appeared in Table 6.33 HIV/AIDS and food expenses were the main reasons for financial changes in the respondents' lives. 37% of respondents' financial situation had been affected by the pandemic. However 40% of respondents financial situation change was an increase in the pensioner household food expenses, respondents had an increase of household members to give care. 23% of reasons for financial situation changes in the respondents' household were the lack of grants provision by the Government to the pensioners' household members.

Table 6.34: Respondents' responses to whether they had sufficient money to meet needs

Money to meet needs	Frequency	Percent	Valid percent	Cumulative percent
Yes	14	14.58	14.58	14.58
No	82	85.42	85.42	100.00
None	0	0.00	0.00	100.00

** Frequency Missing = 6; $X^2 = 48.16$; $p > 0.001$

According to the data in Table 6.34:

- 85.42% of the respondents said they had insufficient money to satisfy needs; and 14.58% said they had sufficient money.

A significant relationship ($X^2=48.16$; $p>0.001$) was found between pensioners income and quality of life. Data in the present thesis demonstrated pensioners certainly reflected financial discontent, as they considered their income as insufficient.

Table 6.35: Respondents' responses on how having sufficient or insufficient money correlate to quality of life

Quality of life	Frequency	Percent	Valid percent	Cumulative percent
Very good	4	4.12	4.12	4.12
Good	6	6.19	6.19	10.31
Average	9	9.28	9.28	19.59
Bad	25	25.77	25.77	45.36
Very bad	53	54.64	54.64	100.00

**** Frequency Missing = 5**

Table 6.35, shows that:

- 80.41% of the respondents did not have enough cash to satisfy needs as their income had not increased sufficiently while their needs had increased. From this dissatisfaction 25.77% of respondents rated their quality of life bad, 54.64% rated their quality of life as very bad.
- However 19.59% of respondents rated their quality of life not bad or very bad; 6.19% of respondents rated their quality of life as good while 9.28% of respondents agreed their quality of life was average. Only 4.12% of respondents rated their quality of life as very good.

A very low percentage of respondents were satisfied with their quality of life, the majority had financial constraints to overcome household and personal needs.

Table 6.36: Distribution of responses on pensioners taking loan or not taking loans

Loan	Frequency	Percent	Valid percent	Cumulative percent
Yes	55	60.44	60.44	60.44
No	36	39.56	39.56	100.00

**** Frequency Missing = 11**

It appears in Table 6.36, 60.44% of respondents did take loans. But 39.56% of respondents felt their financial situation was average or good so they did not take loans.

Table 6.37: Respondents' responses to loan reduction percentage on pension income

Loans reduction percentage	Frequency	Percent	Valid percent	Cumulative percent
Yes	0	0.00	0.00	0.00
No	100	100.00	100.00	100.00

****Frequency Missing = 2**

Table 6.37 shows that all respondents disagreed on loan reduction percentage on pension income while no respondents agreed on loan reduction percentage on pension income. Respondents suggested that loan amount to pay to money-lenders should be the same amount borrowed to pensioners.

6.7 Pensioners and health aspects

This sub-topic analysis the health conditions in the respondents' households, causes of respondents' household members health status, the types of illnesses in respondents' household; causes of death in the respondents' households according to the household composition and the respondent's health status and the respondents suggestions on household health conditions improvement.

Table 6.38: Distribution of responses on respondents' taking care of sick household members

Respondents taking care	Frequency	Percent	Valid percent	Cumulative percent
Yes	98	96.08	96.08	96.08
No	4	3.92	3.92	100.00

****Frequency Missing = 0**

It appears in Table 6.38 that 96.08% of respondents took care of sick household members while 3.92% of respondents did not take care of sick household members. This means pensioners with their pension income give psycho-social and financial care to their household members while they do not satisfy their own needs. However Government will not evaluate each pensioner household health conditions, AIDS rate and loans system regulations to increase all pensions amount, Government should provide grants to the beneficiaries to cover

expenses.

Table 6.39: Distribution of responses on respondents' households' member's illnesses

Types of illnesses	Frequency	Percent	Valid percent	Cumulative percent
HIV/AIDS	16	16.00	16.00	16.00
Tuberculosis	24	24.00	24.00	40.00
Cold and Influenza	21	21.00	21.00	61.00
Arthritis	9	9.00	9.00	70.00
Hypertension	7	7.00	7.00	77.00
Heart conditions	5	5.00	5.00	82.00
Diabetes	7	7.00	7.00	89.00
Asthma	6	6.00	6.00	95.00
Chicken pox	2	2.00	2.00	97.00
Mental disability	3	3.00	3.00	100.00

****Frequency Missing = 2**

According to the data in table 6.39, 24% of respondents suffered from Tuberculosis (TB); 16% were HIV or AIDS victims; 21% were infected with colds and influenza; 9% of respondents had arthritis; 7% were struggling with hypertension; 5% had heart complications; 7% were diabetics; 6% suffered from asthma while 3 % of respondents were mentally disabled only 2% had chicken pox.

Table 6.40: Distribution of responses on respondents' household members causes of illnesses

Causes of illnesses	Frequency	Percent	Valid percent	Cumulative percent
Poverty	20	20.00	20.00	20.00
Malnutrition	24	24.00	24.00	44.00
Unemployment	22	22.00	22.00	66.00
Housing conditions	15	15.00	15.00	81.00
Health system	13	13.00	13.00	94.00
Lack of clothes	6	6.00	6.00	100.00

****Frequency Missing = 2**

Table 6.40 demonstrated 20% of respondents' causes of illnesses were poverty while 24% of respondents were sick because of malnutrition; 15% of respondent's illnesses were caused by housing bad conditions; 13% of respondents declared that they were sick because of ineffective health system in their areas; 6% said they were sick by lack of clothes to cover against cold; 22% of respondents confirmed they were not healthy because of unemployment that they can not afford to buy food, clothes and were not living in the good housing conditions. Refer to Table 6.44 for respondents' responses on health conditions improvement.

Table 6.41: Respondents responses on household deaths in the last five years

Cases of death	Frequency	Percent	Valid percent	Cumulative percent
Yes	16	16.33	16.33	16.33
No	82	83.67	83.67	100.00

****Frequency Missing = 4**

According to the data in table 6.41, there were 16.33% cases of death in the respondents' households; and 83.67% of respondents did not have a case of death in their households.

Table 6.42: Respondents responses on the household causes of death according to the household composition

Household causes of death	Top generation (elderly people)		Middle generation (adult children)		Bottom generation (grandchildren)		Total	
	N	%	N	%	N	%	N	%
AIDS	1	1.04	14	14.58	9	9.38	24	25.00
Cancer	3	3.13	0	0.00	0	0.00	3	3.13
Arthritis	9	9.38	0	0.00	0	0.00	9	9.38
Diabetes	5	5.20	0	0.00	0	0.00	5	5.20
Heart attacks	6	6.25	0	0.00	0	0.00	6	6.25
Murder	0	0.00	8	8.33	0	0.00	8	8.33
Stab/bullet wounds	0	0.00	4	4.17	0	0.00	4	4.17
Burns	1	1.04	2	2.08	2	2.08	5	5.20
Fatal injuries	0	0.00	4	4.17	0	0.00	4	4.17
Tuberculosis	6	6.25	12	12.50	10	10.42	28	29.17
Total	31	32.29	44	45.83	21	21.88	96	100.00

** Frequency Missing = 6

Table 6.42 reflected an analysis of the respondent's household causes of death in the past three years according to the household composition. TB was the highest cause of death among other causes of death in the respondent household. 29.17% of respondents died with tuberculosis, 6.25% of elderly, 12.50% of adults and 10.42% of children; however 25% died with AIDS, 1.04% elderly people, 14.58% adults and 9.38% children; 9.38% of respondents died from arthritis, all respondents who died from arthritis were elderly people; 8.33% of household members have been murdered in the last three years, 0% of elderly, 8.33% of adult and 0% of children; 6.25% of respondents household members died from heart attack, all respondents were elderly people; 5.20% of respondents died from diabetes, all respondents who died from diabetes were elderly people; 5.20% of respondents were burn to death, among them, 1.04% were elderly people, 2.08% were adult and 2.08% were children; 4.17% of respondents were stabbed to death and died with bullet wounds, all respondents who died from stab or bullet wounds were adults; 4.17% of respondents died from fatal injuries, all respondents who died from fatal injuries were adults; and 3% of respondents died with cancer, all respondents who died with cancer were elderly people.

Table 6.43: Distributions of responses on household causes of death in surveyed areas

Household causes of Death and surveyed areas	Bersheba		Bethelsdorp		Kwazakhele		Total	
	N	%	N	%	N	%	N	%
AIDS	5	5.05	2	2.02	16	16.16	23	23.23
Tuberculosis	6	6.06	3	3.03	20	20.20	29	29.29
Cancer	0	0.00	3	3.03	0	0.00	3	3.03
Arthritis	1	1.01	6	6.06	2	2.02	9	9.09
Diabetes	1	1.01	3	3.03	2	2.02	6	6.06
Heart attacks	0	0.00	4	4.04	1	1.01	5	5.05
Murder	0	0.00	7	7.07	4	4.04	11	11.11
Stab/bullet wounds	0	0.00	2	2.02	2	2.02	4	4.04
Burns	2	2.02	0	0.00	2	2.02	4	4.04
Fatal injuries	0	0.00	4	4.04	1	1.01	5	5.05
Total	16	16.16	29	29.29	54	54.55	99	100.00

** Frequency Missing = 3

Table 6.43 demonstrates that 29.29% of respondents in surveyed areas (Bersheba, Bethelsdorp and Kwazakhele) passed away from tuberculosis, among them, 6.06% were from Bersheba, 3.03% from Bethelsdorp and 20.20% from Kwazakhele; 23.23% of respondents died from AIDS, 5.05% in Bersheba, 2.02% in Bethelsdorp and 16.16% in Kwazakhele; 11.11% of respondents household members were murdered in the last three years, 7.07% in Bethelsdorp, 4.04% in Kwazakhele and no respondents was murdered in Bersheba; 9.09% of respondents died from arthritis, 6.06% in Bethelsdorp, 2.02% in Kwazakhele and 1.01% in Bersheba; 6.06% died from diabetes, 1.01% in Bersheba, 3.03% in Bethelsdorp and 2.02% in Kwazakhele; 5.05% of death was caused by heart attacks, no respondents from Bersheba died with heart attack, 4.04% in Bethelsdorp died with hearth attacks and 1.01% in Kwazakhele died with hearth attacks; 5.05% of death happened to respondents from fatal injuries, no respondent from Bersheba died from fatal injury, 4.04% of respondents in Bethelsdorp died with fatal injuries and 1.01% of respondents in Kwazakhele died from fatal injuries; 4.04% of respondents were stabbed to death or died from bullet wounds, no respondents from Bersheba was stabbed to death or died from bullet wounds, 2.02% of respondents died in Kwazakhele and 2.02% in Bethelsdorp; and 4.04% of respondents were burned to death, 2% in Bersheba, no respondent in Bethelsdorp was burn

to death and 2% of respondents in Kwazakhele were burned to death.

The majority of murders took place in Bethelsdorp but the rate of household members who died from AIDS were high in Kwazakhele. Tuberculosis was the major cause of death in the surveyed Black areas.

Table 6.44: Distribution of responses on respondents' health conditions improvement

Health conditions improvement	Frequency	Percent	Valid percent	Cumulative percent
Efficient health system	26	26.00	26.00	26.00
Better housing system	12	12.00	12.00	38.00
Efficient HIV/AIDS Programmes Implementation	23	23.00	23.00	61.00
Employment availability	17	17.00	17.00	78.00
Poverty eradication	22	22.00	22.00	100.00

*Frequency Missing = 1

Table 6.44 reflected an analysis of respondents on health conditions improvement, 26% of respondents suggested that an efficient health system will improve their health status also their households members health conditions will improve; 23% of respondents believed an efficient HIV/AIDS programmes implementation will improve household members infected with HIV/AIDS health conditions; 22% of respondents said poverty eradication will be one of the main response to health conditions improvement in their household; 17% of respondents taught employment availability in their areas will improve sick household members health status because food will be provided and household members will be in good nutritional conditions and 12% confirmed better housing will help household members to avoid cold. Respondents confirmed if poverty eradicated in their areas, people become employed, efficient health system implemented, quality houses provided to the people and efficient HIV/AIDS programmes implemented, household members and pensioners will live in good conditions.

Table 6.45: Respondents' responses on the initiative to fight HIV/AIDS/STI

Fight against HIV/AIDS/STI	Frequency	Percent	Valid percent	Cumulative percent
Yes	98	98.99	98.99	98.99
No	1	1.01	1.01	100.00

****Frequency Missing = 3**

Table 6.45 data, demonstrated 98.99% of respondents agreed on suggestions to fight HIV/AIDS/STI in South Africa while 1.01% did not agree. Respondents believed that HIV/AIDS/STI should be fought efficiently in South Africa that will decrease elderly socio-economical responsibilities shouldering them.

Table 6.46: Respondents' reasons why the government should fight HIV/AIDS in South Africa

Reasons to fight HIV/AIDS	Frequency	Percent	Valid percent	Cumulative percent
Decrease the number of death	35	35.00	35.00	35.00
Decrease orphans and street Children number	14	14.00	14.00	49.00
To decrease psycho-social and economic responsibilities	39	39.00	39.00	88.00
To maintain family structure	12	12.00	12.00	100.00

**** Frequency Missing = 2**

Table 6.46 data demonstrated 35% of respondents believed HIV/AIDS should be fought by the Government in order to decrease the number of deaths; 14% believed in decreasing the number of orphans and street children; 39% believed in the decrease of psycho-social and economical responsibilities shouldering by pensioners if government provide social grants to pensioners household members to meet expenses, only 12% believed in family structure cohesion.

Table 6.47: Pensioners' responses to health problems according to gender

Having health problems	Female		Male		Total	
	N	%	N	%	N	%
Yes	52	53.06	29	29.59	81	82.65
No	4	4.08	13	13.27	17	17.35
Total	56	57.14	42	42.86	98	100.00

**** Frequency Missing = 4**

Table 6.47 demonstrated 82.65% of respondents struggled with their health, 53.06% of female and 29.59% of male; 17.35% of respondents did not experience health complications, 4.08% of female and 13.27% of male. The majority of respondents confirmed they suffered from arthritis, high blood pressure, diabetes, asthma, cold and influenza and stress.

Table 6.48: Pensioners' responses to the current health status by gender

Respondents current health state	Very good		Good		Average		Bad		Total	
	N	%	N	%	N	%	N	%	N	%
Female	0	0.00	10	9.91	12	11.88	14	13.86	67	66.34
Male	0	0.00	4	3.96	7	6.93	9	8.91	34	33.66
Total	0	0.00	14	13.86	19	18.81	23	22.77	101	100.00

**** Frequency Missing = 1; $X^2 = 10.78$; $p < 0,001$**

Table 6.48 data reflected an analysis of respondents' current health status by gender. No respondents rated their current health status as very good; 13.86% of respondents rated their current state of health as good while 18.81% of respondents said their current health state was average; 22.77% of respondents said their health conditions was bad.

A significant relationship had been found between health problems and gender ($X^2 = 10.78$; $p < 0,001$). In this thesis data demonstrated in terms of gender there were more female than male respondents and more female respondents were taking care of household members than males. They were traumatised, stressed and affected more than male because of their willingness, responsibilities, and availability as mothers and grandmothers to care for their household members.

Table 6.49: Respondents responses on health facilities in their areas

Health facilities	Frequency	Percent	Valid percent	Cumulative percent
Yes	25	25.51	25.51	25.51
No	73	74.49	74.49	100.00

****Frequency Missing = 4**

According to the data in Table 6.49, 74.49% of respondents agreed they had a health care facility in their area while 25.51% confirmed there were no health care facilities in their area. The lack of health facility in the rural surveyed area such as Bersheba was one of the major causes of illnesses in the respondents' household.

Table 6.50: Respondents' treatment accessibility to health facilities

Treatment accessibilities	Frequency	Percentage	Valid percent	Cumulative percent
Full	47	48.96	48.96	48.96
Partial	38	39.58	39.58	88.54
None	11	11.46	11.46	100.00

**** Frequency Missing = 6**

From Table 6.50 it appears:

- 48.96% of respondents received full treatment from health facilities;
- 39.58% of respondents received partial treatment; and
- 11.46% of respondents did not receive treatment.

The majority of respondents accessed health facilities while more than a quarter received partial treatments less than a quarter received no treatment.

Table 6.51: Respondents' responses to building a permanent clinic in Bersheba

Building a permanent clinic in Bersheba	Frequency	Percent	Valid percent	Cumulative percent
Yes	102	100.00	100.00	100.00
No	0	0.00	0.00	100.00

****Frequency Missing = 0**

Table 6.51 data, demonstrated all respondents answered positively concerning an initiative to build a day or 24-hours clinic in Bersheba. Building a 24 hours or a day clinic in Bersheba will be a vital initiative to reduce illnesses in the respondents' households and in the area.

Table 6.52: Respondents' responses on the HIV/AIDS/STI programmes to recognise pensioners and relatives as care-givers to sick and orphaned household members

Elderly and relatives role recognition	Frequency	Percent	Valid percent	Cumulative percent
Yes	99	97.06	97.06	97.06
No	3	2.94	2.94	100.00

****Frequency Missing = 0**

Table 6.52 reflected an analysis of the respondents' view on the HIV/AIDS/STI developmental programmes to take notice of the care-giver role played by the elderly and relatives for their sick household members. 97.06% of respondents believed developmental programmes did fight HIV/AIDS and should recognise the role played by older people and relatives. Only, 2.94% did not agree with this suggestion.

6.8 Pensioners and social support

This sub-topic analysed support given to pensioners by family members or neighbours.

Table 6.53: Distribution of responses on the extent respondents could count on families

Counted on their families	Frequency	Percent	Valid percent	Cumulative percent
Always	76	75.25	75.25	75.25
Sometimes	22	21.78	21.78	97.03
Never	3	2.97	2.97	100.00

**** Frequency Missing = 1**

In Table 6.53 it appeared 75.25% of the respondents could count on families when in need; 21.78% of respondents could sometimes count on families; and 2.97% of respondents could not count on families when in need.

Table 6.54: Respondents' responses on support that male and female respondents receive from their families

Support from the family	Full		Partial		None		Total	
	N	%	N	%	N	%	N	%
Female	48	47.53	15	14.85	0	0.00	63	62.38
Male	25	24.75	10	9.90	3	2.97	38	37.62
Total	73	72.28	25	24.75	3	2.97	101	100.00

**** Frequency Missing = 1; $X^2 = 6.18$; $p < 0.001$**

Table 6.54 demonstrated 62.38% of female respondents received help from families when in need, 47.53% of female were fully helped and 14.85% were helped partially; 37.62% of males received help from families when in need, 24.75% were fully helped, 9.90% were helped partially and 2.97% did not receive help at all. A total of 72.28% of respondents were given full support by families; 24.75% received partially helped; and 2.97% of respondents did not receive help.

A significant relationship was found between respondents' family support and gender ($X^2 = 6.18$; $p < 0.001$). Women were more likely to receive full support. In the surveyed areas the study discovered women received full support from families because they also gave full support in return. The reverse was not true for men.

Table 6.55: Respondents' responses on support they received from neighbours when in need

Support from neighbours	Frequency	Percent	Valid percent	Cumulative percent
Always	12	12.50	12.50	12.50
Sometimes	59	61.46	61.46	73.96
Never	25	26.04	26.04	100.00

****Frequency Missing = 6**

Table 6.55 reflected that 61.46% of respondents received sometimes help from neighbours; 12.50% always received help; and 26.04% did not receive help.

6.9 Pensioners and social integration

This sub-topic analysed integration of pensioners in a community organisation.

Table 6.56: Respondents' responses on integration to a club or community organisation

Respondents social integration	Frequency	Percent	Valid percent	Cumulative percent
Yes	86	85.15	85.15	85.15
No	15	14.85	14.85	100.00

**** Frequency Missing = 1**

Table 6.56 indicated 85.15% of respondents believed they should integrate a club or a community organisation; and 14.85% disagreed.

Table 6.57: Distribution of responses on respondents' social integration

Respondents social integration	Frequency	Percent	Valid percent	Cumulative percent
Clubs	25	26.04	26.04	26.04
Burial societies	32	33.33	33.33	59.37
Church groups	35	36.46	36.46	95.83
Political organisation	4	4.17	4.17	100.00

****Frequency Missing = 6**

Data in Table 6.57 indicated 36.46% of respondents were integrated socially in different church groups; however 4.17% of respondents were integrated with political organisations; 26.04% of respondents were integrated with social clubs; and 33.33% with burial companies.

6.10 Pensioners and personal development

This sub-topic interest was on the analysis of the pensioner possibilities for personal development if opportunities had been given to them in the past.

Table 6.58: Distribution of responses on the respondents' possibilities for personal development

Possibilities for personal development	Frequency	Percent	Valid percent	Cumulative percent
Yes	96	96.97	96.97	96.97
No	3	3.03	3.03	100.00

**** Frequency Missing = 2**

Table 6.58 data demonstrated a total of 96.97% respondents believed there were possibilities for elderly personal development; and 3.03% did not believe to elderly possibilities for personal development if opportunities were given to them in the past.

Table 6.59: Distribution of responses on respondent's personal development

Respondents personal development	Frequency	Percent	Valid percent	Cumulative percent
Education	17	17.17	17.17	17.17
Social equality	54	54.55	54.55	71.72
Financial independence	28	28.28	28.28	100.00

****Frequency Missing = 3**

Table 6.59 data demonstrated 17.17% of respondents believed if better education opportunities were given to them during apartheid they would have a better standard of life today; 28.28% said they would have been financially independent if they had studied; and 54.55% felt that they could have been socially equal and financially independent if opportunities had been given to them in the past.

6.11 Pensioners and life satisfaction

Under this sub-topic three variables were analysed pensioners' feelings on old age pensions, life satisfaction and quality of life.

Table 6.60: Distribution of responses on respondents' feeling on being an old age pension beneficiary

Feelings about the old age pension	Frequency	Percent	Valid percent	Cumulative percent
Very satisfied	64	63.37	63.37	63.37
Satisfied	15	14.85	14.85	78.22
Dissatisfied	13	12.87	12.87	91.09
Very dissatisfied	9	8.91	8.91	100.00

****Frequency Missing = 1**

Table 6.60 showed 63.37% of respondents were very satisfied with being an old age pension beneficiary; 14.85% were satisfied, while 12.87% were dissatisfied only 8.91% were very dissatisfied. The dissatisfaction of being an old age pension beneficiary in a household was mostly present in respondents with a large number of household members because they

spent their pension income on household members needs rather than for their own needs.

Table 6.61: Respondents' responses on their quality of life

Respondents quality of life	Frequency	Percent	Valid percent	Cumulative percent
Very satisfied	9	9.00	9.00	9.00
Satisfied	17	17.00	17.00	26.00
Dissatisfied	28	28.00	28.00	54.00
Very dissatisfied	46	46.00	46.00	100.00

**Frequency Missing = 2

Table 6.61 data indicated 26% of respondents were satisfied with their life quality; 9% were very satisfied while 17% was satisfied; 46% were very dissatisfied; and 28% were dissatisfied.

Table 6.62: Distribution of responses on respondents' quality of life in the surveyed areas

Quality of life in the surveyed areas	Bersheba		Bethelsdorp		Kwazakhele		Total	
	N	%	N	%	N	%	N	%
Very satisfied	2	1.96	12	11.77	8	7.84	22	21.57
Satisfied	3	2.94	19	18.63	10	9.80	32	31.37
Dissatisfied	8	7.84	4	3.92	6	5.88	18	17.64
Very dissatisfied	15	14.71	3	2.94	12	11.77	30	29.42
Total	28	27.45	38	37.26	36	35.29	102	100.00

** Frequency Missing = 0

The data in Table 6.62, indicated 21.57% of the respondents were very satisfied, 11.77% lived in Bethelsdorp, 7.84% in Kwazakhele and 1.96% in Bersheba; 31.37% of respondents were satisfied, 18.63% lived in Bethelsdorp, 9.80% in Kwazakhele and 2.94% in Bersheba; 17.64% of respondents were dissatisfied, 7.84% in Bersheba, 3.92% in Bethelsdorp and

5.88% in Kwazakhele; and 29.42% were very dissatisfied, 14.71% lived in Bersheba, 2,94% in Bethelsdorp and 11,77% in Kwazakhele. In terms of rate, Bersheba was the surveyed area with the perceived lowest standard of life; Bethelsdorp was the highest.

Table 6.63: Respondents' responses on needs acknowledgement and support by the Government

Elderly needs acknowledgement and support	Frequency	Percent	Valid percent	Cumulative percent
Yes	98	100.00	100.00	100.00
No	0	0.00	0.00	100.00

****Frequency Missing = 4**

Table 6.63 indicated all respondents agreed Government should acknowledge the needs of the elderly and support them.

Table 6.64: Respondents' responses on elderly needs for improved conditions according to the surveyed areas in line with Government developmental programmes

Elderly needs satisfaction	Bersheba		Bethelsdorp		Kwazakhele		Total	
	N	%	N	%	N	%	N	%
Shelter	9	9.38	6	6.25	7	7.29	22	22.92
Water	5	5.21	4	4.17	6	6.25	15	15.63
Electricity	7	7.29	6	6.25	6	6.25	19	19.79
Safety & security	3	3.12	17	17.71	13	13.54	33	34.37
Tarred roads	7	7.29	0	0.00	0	0.00	7	7.29
Total	31	32.29	33	34.38	32	33.33	96	100.00

****Frequency Missing = 6**

Table 6.64 demonstrated, 9.38% of respondents in Bersheba needed shelter, 5.21% of respondents needed water and 7.29% electricity. However, 6.25% in Bethelsdorp needed shelter, 4.17% water and 6.25% electricity supply, while 7.29% of respondents in Kwazakhele needed shelter, 6.25% water and 6.25% electricity. Although, 7.29% of respondents in Bersheba needed tarred roads for life improvement, there were no respondents in

Kwazakhele and Bersheba who expressed needs for tarred roads improvement. 17.71% of respondents in Bethelsdorp were victim of house breaking and crime. Bethelsdorp was the most affected area by break-ins houses and crime among the three surveyed areas, Bersheba was the least affected area in terms of crime and break-ins houses with 3.12% of crime and break-ins houses and Kwazakhele level of crime and break-ins was 13.54%.

Table 6.65: Respondents' responses to the impact of developmental programmes on elderly life improvement

Elderly life improvement	Frequency	Percent	Valid percent	Cumulative percent
HIV/AIDS/STI-SP(2007-2011)	69	68.32	68.32	68.32
PGDP (2004-2011)	12	11.88	11.88	80.20
SASSA-SP(2007-2008/2009-2010)	15	14.85	14.85	95.05
MDG 2015	5	4.95	4.95	100.00

****Frequency Missing = 1**

Table 6.65 showed that 69.32% of respondents believed elderly developmental programmes such as the HIV/AIDS/STI-Strategic Plan (2007-2011) if efficiently implemented will have a major impact on elderly life. Developmental programmes will help to decrease number of HIV/AIDS infected people and help pensioners to do not spend money on medication for HIV/AIDS infected household members. 11.88% believed the Provincial Growth Development Programme: 2004-2011 (PGDP) had a positive impact on life with 14.85% supporting the SASSA-SP, while 4.95% believed the Millennium Development Goals 2015 would improve living conditions of the aged.

Table 6.66: Distribution of responses on respondent's believed on Government increasing Old Age Pension and supplementing other social grants

Respondents opinion	Frequency	Percent	Valid percent	Cumulative percent
Yes	99	100.00	100.00	100.00
No	0	0.00	0.00	100.00

****Frequency Missing = 3**

Table 6.66 demonstrated all respondents thought Government should supplement social grants so household members could also benefit.

6.12 Pensioners and good things in their life

In this sub-topic one variable has been analysed: "Good things in a pensioner's life."

Table 6.67: Distribution of responses to respondent's "good things in life"

Good things in life	Frequency	Percent	Valid percent	Cumulative percent
Family	20	19.61	19.61	19.61
Marriage	31	30.39	30.39	50.00
Home	14	13.73	13.73	63.73
Religion	25	24.51	24.51	88.24
Health	4	3.92	3.92	92.16
Life	8	7.84	7.84	100.00

** Frequency Missing = 0

Table 6.67 explained that while the majority of the respondents were dissatisfied with their quality of life, the majority also were satisfied with other aspects of life: family, marriage, home, religion, health and life. However 24.51% of respondents were satisfied with their religious activities; 30.39% of respondents were happy to be married; 19.61% were satisfied with family dynamic correlation; 13.73% of respondents believed having a home was a good thing in life than not having it; 7.84% said that life in general was God's gift; and 3.92% said being in good health was a positive aspect because life without good health has no meanings.

6.13 Safety and security

In this sub-topic one variable has been analysed: pensioners' safety and security.

Table 6.68: Respondents' responses on safety and security level

Safety and security level	Frequency	Percent	Valid percent	Cumulative percent
Very high	10	9.80	9.80	9.80
High	23	22.55	22.55	32.35
Middle	15	14.71	14.71	47.06
Low	28	27.45	27.45	74.51
Very low	26	25.49	25.49	100.00

****Frequency Missing = 0**

The data in Table 6.68 revealed 27.45% of respondents felt unsafe to live in their areas. 25.49% felt totally not safe, 22.55% felt safe, 14.71% believed they are sometimes safe. Only, 9.80% felt safe.

Table 6.69: Respondents' responses on strengthening safety and security measures in surveyed areas

Fighting crime in the surveyed areas	Frequency	Percent	Valid percent	Cumulative percent
Yes	73	74.49	74.49	74.49
No	25	25.51	25.51	100.00

****Frequency Missing = 4**

Table 6.69 above showed 74.49% of respondents felt that their areas safety and security conditions could be reinforced while 25.51% felt nothing.

6.14 Summary

In Chapter Six, respondents' responses on 13 major topics of the study were analysed demographic characteristics, household type and size, definition of old age pension, elderly social assistance programmes, old age pension socio-economic impact in the pensioner household, economic situation, health aspects, social support, social integration, personal development, life satisfaction, good things in life and safety and security. The findings in Chapter Six form the essence for data interpretation in Chapter Seven because it presented and analysed surveyed findings which were interpreted and discussed in Chapter Seven of the thesis.

CHAPTER SEVEN

INTERPRETATION AND DISCUSSION OF FINDINGS

7.1 Introduction

The aim of Chapter Seven was to interpret and discuss data presented and analysed in Chapter Six.

To be sure the findings were concisely and accurately communicated, the study in Chapter Seven cross-classified the findings of one question against another, to discover if different topics were related in some way to one another. The interpretation of some responses was longer than others as some questions might be intrinsically more interesting not demanding longer discussion. Interpretation and discussion of findings in Chapter revolve around 13 major topics outlined in Chapter Six of the study. After interpreting and discussing findings of empirical research and statistical results, a significant relationship between the interviewed groups and statements were used to develop a normative model.

7.2 Demographic characteristics

The survey group consisted of 102 respondents randomly selected from three surveyed areas (Bersheba, Bethelsdorp and Kwazakhele) in one Province, the Eastern Cape. The group proportion of respondents' differed in each of three surveyed areas; 27% in Bersheba, 36% in Bethelsdorp and 37% in Kwazakhele (see Chapter Six, Figure 3). Bersheba's target population (Government pensioners) number was smaller than the other surveyed areas' target population. This means Bersheba pensioners' number was the least comparatively to Kwazakhele and Bethelsdorp. Refer to Chapter 5 (Table 5.5).

43% of respondents were aged between 60 and 69 and 3% between 55 and 59. A further 42% of respondents were 70 to 79 and 12% were 80 to 84 (see Chapter Six, Figure 1). The respondents' age distribution was not equally represented. Most respondents were 60 plus. Perhaps respondents' age distribution was rationalised on the assumption that many people under 60 were still professionally and physically active than those above 60 years. This means population under 60 years of age were also selected in the target population because

some of them were pension beneficiary (disability and war veterans' pensioners).

The empirical survey indicated female respondents were more represented than male (see Chapter Six, Table 1). This gender difference could be attributed to the fact that South Africa had more women. The 2007 statistical mid-year population estimation for South Africa was 47.9 million, with females in a majority (24.2 million) 51% of the total population male constitute the minority with a total population of 23.7 million (South Africa, 2007c:3).

The majority of respondents were Black (see Chapter Six, Figure 2) it might be justified by the fact that they were the majority population in South Africa. Africans constituted the majority population of South Africa. There were 38.1 million Blacks, about 80% of the total South African population (South Africa, 2007b:3). However even if Blacks were the majority population with more elderly people (1.52 million, 68.9%) than other population groups (South Africa, 2007b:4) their life expectancy was the lowest compared to other South African population groups (South Africa, 2007c:2).

Socio-economic factors such as HIV/AIDS, poverty, illiteracy and unemployment contributed to the low life quality standard of the majority of Blacks population in South Africa (Fitzgerald and Munslow, 1997:57 and UNAIDS, 2002:2-3). This means that most of the Blacks in South Africa are still illiterate. However education is become the key of life quality improvement because more you study more your chances to find a better job to improve your living conditions are available.

Most of females were married than males. 15.30% of females respondents were widowed (see Chapter Six, Table 1).

Concerning religious affiliation 92.72% of respondents both females and males were affiliated to various churches. Only 7.28% of respondents remained unaffiliated (see Chapter Six, Table 6.2).

Regarding language, 47.47% of respondents spoke Afrikaans, 26.26% female and 21.21% male; 17.17% of respondents spoke English, 7.07% females and 10.10% males and 35.35% spoke Xhosa , 20.20% females and 15.15% males (see Chapter Six, Table 6.3).

Concerning education in the respondents' household, Blacks respondents' level of study was the lowest comparing to other group of respondents (White, Coloured and Indian) (see Chapter Six, Table 4). This may explain why most of the Blacks are not doing skills jobs while White, Indian and Coloured are having skills jobs.

The majority of the respondents' households were occupied by 3 different age groups (elderly people, grandchildren and children) (see Chapter Six, Table 5). Also most of the elderly people were household heads and provided care to their household members.

54% of respondents lived in houses constructed with bricks while 46% lived in houses build with no bricks (container, mud house, hut and shack) (see Chapter Six, Table 6.6). This means respondents who lived in the non bricks constructed household were more exposed to cold than those who lived in household with bricks. However the lack of better housing conditions generated diseases, such as, cold and influenza and arthritis (see Chapter Six, Table 40). In turn these illnesses generated expenses on medication. Concerning the above health conditions in the pensioner's household, respondents suggested that Government should provide better housing conditions to avoid diseases (see Chapter Six, Table 44).

7.3 Pensioners and definitions of an old age pension

After a subjective analysis on the definition of an Old Age Pension (OAP) made on the given responses, Old Age Pension is perceived and reacted to differently (see Chapter Six, Table 6.8). However Old Age Pension was perceived by the majority of respondents as a right, and few as a benefit, a monthly payment and an income. This result is supported by the Constitution of South Africa which stipulates in section 27(1)(c);(2) that everyone has the right to have access to social security, including if they are unable to support themselves and their dependants. They therefore needed appropriate social assistance. This was confirmed by the White Paper on Social Welfare published in 1997 which committed Government to an integrated and national comprehensive social security system (South Africa, 1997b:51) and stated every South African should have a minimum income sufficient to meet basic subsistence needs and should not live below minimum acceptable standards. However when looking at the elderly people life realities in South Africa one will say that most of the elderly are benefiting their pension grants, except for cases where pensioners have not been paid while they have rights to be pension beneficiary. However even paid pensioners are facing

challenges which does not allow them to satisfy their own needs. Pensioners are using their pension income to support financially their household members (pay school fees, buy food and school uniforms). Government should supply grants to pensioners' household members to satisfy needs.

7.4 Government social assistance programmes and pensioners

The respondents' comprehensiveness level of Government social assistance programmes was high for the majority of government pensioners while only few did not understand the Government social assistance programmes for elderly people (see Chapter Six, table 6.9). This means the majority of respondents were paid and the minority who did not understand the programmes were not paid (see Chapter Six, Table 6.11). However pensioners who borrowed money from money-lenders faced challenges, such as, micro-lenders and burial companies' presence at the pay place for reduction of borrowed with 25 to 50% of reduction on their pension income when they were paid (see Chapter Six, Table 6.14). The majority of respondents were paid at the community centre while others were paid at a police station and bank (see Chapter Six, Table 6.13). Finally, pensioners suggested solutions (pension delivery improvement and grants supplement to Government pensioners household members) to solve financial and psycho-social challenges they are facing (see Chapter Six, Table 6.18).

7.5 Pensioners and the old age pension socio-economic impact

The data demonstrated 90.43% of respondents cared financially and psycho-socially for household members and 9.57% did not spend money or care for household members (see Chapter Six, Table 6.20). This outcome was similar to a study by Ferreira and Møller (2003:34) which revealed pensioners, mostly in rural Black households, cared for their sick and unemployed household members, indicating that pensioners were able to get pension grant but were not able to satisfy their own needs because of financial obligations they have to fulfil for their household needs. However they suggested if grants will be supplemented to their household member's they can satisfy their needs (Ferreira and Møller, 2003: 34-35).

7.6 Pensioners and the economic situation

Respondent's economic situation in general was not good at all only few rated their quality of life as good or very good (see Chapter Six, Table 6.31). There were no respondents who could save money from pension income while they were spending money for household members.

Reasons were given compared to past three years, why respondents' financial situation had changed, 73.74% of respondents agreed that HIV/AIDS was the main reason for change while 12.12% confirmed unemployment was the reason, 9.09% said poverty was among the reasons and other 9.09% of respondents confirmed girl pregnancies was a reason among others.

When compared the old age pension effect in the pensioners household to other sources of income in the pensioners household one will say, old age pension played and continue to play a major role in the South African society while other grants, such as, foster care grant and care dependency grants once provided to pensioners household pensioners will also play a role in the pensioner socio-economic life because it will decrease pensioners financial responsibilities in the pensioner household. In terms of grants old age pension was the main source of income in pensioner household beside disability pension, child support grant, foster care grant, care dependency grants, grant-in-aids and veteran's grant (see Chapter Six, Table 6.27).

7.7 Pensioners and health aspects

The data reported the majority of respondents cared for sick household members and the minority did not (see Chapter Six, Table 6.38).

HIV/AIDS, tuberculosis, cold and influenza, hypertension, heart conditions, diabetes, asthma, arthritis, chicken pox and mental disability were reported as most prevalent illnesses in respondents' households.

The lack of health facilities in the surveyed area such as Bersheba, poverty, unemployment, malnutrition and housing system were among the main causes of illnesses in the pensioner

households.

Survey results of the 31 of July 2007 outlined that the majority of respondent's household members died from HIV/AIDS and lived in urban and rural Black surveyed areas (Kwazakhele and Bersheba). The majority of pensioner's household members who died with HIV/AIDS or tuberculosis were children and grandchildren while elderly people number who died from this scourge was the lowest in the household. However the majority of respondents agreed that HIV/AIDS should be fought intensively in these affected areas by all means.

These outcomes were confirmed by Gaffney (2005:413) that historically, population growth in the Nelson Mandela Metropolitan Municipality including Kwazakhele and Bethelsdorp was 2.8%, but with the impact of HIV/AIDS, growth was likely to be reduced to 1.9%. By 2010, it is estimated that the metropolite would have a population of 1.5 million. The prevention and management of HIV/AIDS related illnesses were a strategic priority to be addressed by the Nelson Mandela Metropolitan Municipality and organisations operating in the area (South Africa, 2007b:54). In fact, when looking at the day to day increasing rate of people infected with the scourge of HIV/AIDS in these parts of South Africa one will say that the Sundays River Valley Municipality Integrated Development Plan: 2007-2011 willingness to decrease the number of person infected by HIV/AIDS/STI in the Sundays River Valley Municipality to 7% by 2015 will not be fulfilled at that time (South Africa, 2007c:53-54).

Finally, it was interesting to note 86.74% of respondents had access to health facilities for treatment, 48.96% received full treatment and 39.58% received partial treatment. Only 11.46% of respondents did not receive treatment. It was only in Bersheba (rural Black surveyed area) where the level of treatment accessibility for respondents was low, 15.31% of respondents received partial treatment while 4.08% received full treatment. Comparatively to Kwazakhele and Bethelsdorp, Bersheba rate of health accessibility was the lowest while Bethelsdorp was the highest.

7.8 Pensioners and social support

The findings of the study revealed the type of support given to respondents by their family members and neighbours was either in cash or kind. However it was not valued. From a social, rather than an economic point of view, most pensioners were fully supported by family

members rather than by neighbours. In spite of the help they received, economic insecurity created by ramped inflation and unemployment remained a major problem. The aged increasing dependency was evident from the amount of help received from family members and neighbours. In fact, female received more help from family members and neighbours than male.

7.9 Pensioners and social integration

Survey results of the 02 of August 2007 revealed that the majority of respondents were integrated into various community organisations. The majority of respondents integrated church groups while the minority integrated political organisation and others integrated burial societies and clubs.

7.10 Pensioners and personal development

The data revealed that the majority of respondents believed if opportunities (study and well remunerated employment) were given to them during Apartheid they should have a better life and move from poverty to a good life quality. Only few among respondents were satisfied with their quality of life while the majority were not satisfied at all. Most believed it was because of their level of education that they have not a good quality of life (see Chapter 6, Table 6.60).

7.11 Pensioners and life satisfaction

In this sub-topic the level of life satisfaction were evaluated. The aim was to analyse respondents' feelings on old age pension impact on households. The data presented strong evidence, that most of the respondents were very satisfied with their pension income household impact, with 14.85% of respondents as satisfied. A further 12.87% of respondents were dissatisfied and 8.91% very dissatisfied (See Chapter six, Table 6.61). A second analysis concerned respondents' quality of life. It was noticed a majority of the respondents felt dissatisfied and very dissatisfied with their quality of life, while a minority felt satisfied and very satisfied (see Chapter Six, Table 6.62).

The study released that the majority of respondents who were satisfied with their quality of life were Coloured respondents (Bethelsdorp) and those dissatisfied were mostly Black

respondents (Bersheba and Kwazakhele). This result was similar to the Ferreira and Møller (2003:27) finding which said that by international standards the level of subjective well-being standard of life found in the Black communities of South Africa, especially in rural areas, was unacceptable for a democratic country. The result also went beyond the White Paper on Social Welfare commitment on South African citizens' rights, which stated that every South African should be able to meet basic subsistence needs and should not live below minimum acceptable standards (South Africa, 1997b:49). In South Africa there are people who still live below minimum acceptable standards, as analysed in this study.

Concerning the issue of elderly life satisfaction, the majority of respondents were not able to satisfy their basic needs (shelter, water, electricity and tarred road). In the rural area such as Bersheba roads status was poor or inexistent. This result confirmed the findings of Gaffney (2005:387) which outlined that in Sundays River Valley Municipality, including Bersheba, the status of internal and access roads throughout the area as an average to poor. Internal roads in a number of residential areas needed urgent upgrading as they hindered vehicular access to homes and water supply points. The municipality needed to upgrade bulk supply reservoirs, treatment works and pipelines (Gaffney, 2005:387).

Respondents suggested Government should recognise role played by elderly people in the South African households and support them.

Implementation of government design, cost, programming, recommend about monitoring and developmental programmes (such as HIV/AIDS/STI-SP), PGDP, SASSA-SP (South African Social Security-Strategic Plan: 2007-2008/2009-2010), as another recommendation suggested by respondents the improvement of living conditions. The majority of respondents favoured HIV/AIDS/STI-SP (2007-2011) programmes implementation while the minority believed in PGDP (2004-2011) and 14.85% hoped SASSA-SP will improve respondents living conditions (see Chapter Six, Table 6.66). Finally, all believed that the Government should supplement grants to pensioner household members to improve elderly people life conditions (see Chapter Six, Table 6.67).

7.12 Pensioners and the good things in life

The data measuring respondents' feelings on the good things in their lives was analysed. Interestingly, the majority of respondents held positive feelings on marriage and religious beliefs and the minority believed on good health and life existence. 3.92% believed that even if their life quality is not good at least their health is good. This means that as long as their health status will be good they will always be happy and forget about life issues and have opportunity to live long than those who have good or better life quality but are not in good health. However 7.84% believed that it is good to be alive than to be dead because when you are alive your life quality status can change from bad or bad life quality to good or better life quality.

7.13 Pensioners safety and security

The majority of respondents felt unsafe to live in their areas, while the minority believed that they are sometimes safe and sometimes not (see Chapter 6, Table 6.68). They suggested that safety and security measures be reinforced in order for them to circulate freely in their areas (see Chapter 6, Table 6.69).

7.14 Summary

The findings in Chapter Seven reflect the majority of the respondents, mostly Blacks, were dissatisfied with their quality of life, HIV/AIDS consequences, unemployment, poverty, crime, early girls' pregnancies, the inflation rate and illiteracy were reasons to alter respondents' life standards from time to time. In spite of a depressed quality of life, respondents showed some positive aspects in their lives, such as religion, marriage, family, home, life and health. However, a normative model to assess the socio-economic impact of the old age pension in the Government pensioner households and to improve Government pensioners' quality of life by providing grants to pensioner household members to meet their expenses, particularly in the surveyed areas (Bersheba, Bethelsdorp and Kwazakhele) and generally in South Africa was designed in Chapter Eight.

CHAPTER EIGHT

A NORMATIVE MODEL FOR PENSIONERS LIVING CONDITIONS IMPROVEMENT

8.1 Introduction

Data presented and analysed in Chapter Six as interpreted and discussed in Chapter Seven, while, in Chapter Eight data collected during the literature review, as well as certain inferences taken from the empirical survey, were used as points of departure for the design of a normative model of a new old age pension system (OAP) for pensioners living conditions improvement. This Chapter suggest a normative model to change today's OAP system (dysfunctional situations, policies and implementation procedures) to an effective old age pension system to ameliorate elderly living conditions.

The normative model proposed differs from any existing method to uplift elderly peoples' living standards in the rural and urban areas of South Africa in general, but particularly in the Sundays River Valley Municipality and Nelson Mandela Municipality. Also, it was not intended in the sense to change existing pension models. However, the normative model will set a basic normative framework for old age pension (OAP) that might be used to uplift the elderly's quality of life in urban and rural areas. This normative model should be seen as an attempt to change policies' and procedures dealing with elderly issues, into an efficient pension system.

In this Chapter the aims and design of the OAP will be assessed. The concept of model construction is examined, pension models analysed and social grants delivery system in South Africa is criticised. Finally, a normative model aimed at improving the elderly living standards in selected areas of the Eastern Cape (Bersheba, Bethelsdorp and Kwazakhele) and generally in South Africa will be suggested.

8.2 Overview of model theory

The basic criteria for the development of a normative model aimed at OAP system with reference to urban (Bethelsdorp and Kwazakhele) and rural (Bersheba) areas of the Eastern

Cape. Change in OAP policies, functional situations and implementation procedures were suggested.

According to Andersson and Holmberg (1978:343-345) a model is not the real world, but merely a human construction to help better understand "real world systems". However, it could appear in many shapes, size and styles. Thompson (1995:483) described a model differently from the above definition in a way that a model was considered a hypothetical description of a complex entity or process. Further, it outlined a model described the original in a way that is understand in essence, without having to deal with characteristics and complexities. Furthermore, it stated that generally all models have an information input, an information processor and an output of expected results.

8.3 Types of models

Policy models are defined by Steyn (2006:270) as simplified representations of selected aspects of a problem situation made for particular purposes. She also said if policy models were well applied they could assist and facilitate explanation description, understanding and planning of future initiatives (Steyn, 2006:270). Furthermore, she argue models could clarify why certain results had been achieved, while others had not and finally, models indicated who made policy or how it was made and are classified according to realities represented by a particular model (Steyn, 2006:270-271).

8.3.1 Pension models analysis and suggested normative model

Specialists have traditionally divided pensions into three systems, which group schemes from the perspective of pension providers:

- Old age pensions;
- Occupational pensions; and
- Personal pensions (World Bank, 2001:30).

However, South Africa is using all the three pension systems outlined above and covers the majority of elderly people, except elderly from informal sectors and unskilled workers. As defined, old age pension is a non-contributory and entirely financed by state revenue. Old

age pension schemes are important to pension beneficiary survival because it is referred as safety nets (Subbarao, et al., 1997:2). In South Africa, public pension include three types of social pension: a) the old age pension, b) the disability pension c) the war veteran's pension. More than 2 million of elderly South Africans are pension beneficiary. The second pension system in South Africa is the contributory pension system different to non-contributory pension because it is contributory by the employee and employer.

Social services usually target rural dwellers first, while those most in need of social security are the last to be covered by it (Zöllner, 1983:564-565), implying redistribution 'from the poorest to the poor' (Zöllner, 1983:568). The European example of social or occupational insurance as the mainstay of social security an 'unholy alliance' between work and welfare (Fuchs, 1985:42) has been widely copied in developing countries, placing wages and income maintenance in the foreground of social policy. This cannot adequately reach subsistence and informal sector workers, the unemployed, the elderly, and children (Gruat, 1984:47; Mulozi, 1983:581). Unlike social insurance, social assistance is funded from the budget and therefore competes for fiscal resources with *inter alia* other social programmes, especially education and health; there is often a perception amongst policy-makers that the contributory pension systems (individual and employees and employers contribution) are developmental and therefore 'good', while social assistance provide 'handouts' and is therefore 'bad'. Most developing countries, even partly industrialised ones, have too limited a fiscal base for extensive social assistance programmes, and thus Ambo (1983:591) concludes that '...approaches other than social insurance are beyond the capacity of developing countries...'

However, non-contributory pension policy-makers believe that old age pension system (social assistance is better than private pension (social insurance) because it provides grants to vulnerable and previous unemployed elderly while private pension do provide pension only to employees who contributed to pension income with from a certain percentage of their wages. Within the socio-economic realities in South Africa, the Government should necessarily use the public pension system because most of the youth (Blacks and Coloured) of the past currently elderly were not covered by the pension system because they lacked meanings to contribute to private schemes and were not covered by the former old age pension system. Today elderly, mostly Blacks and Coloured are among the vulnerable population of South Africa are receiving pension but are not totally satisfied they needs because pension income is the sole income in rural households headed by pensioners and elderly are facing socio-

economic challenges (caring financially and socially for HIV/AIDS infected and affected and unemployed household members) which does not allow them to satisfy their needs with pension income. Some of them in the rural areas are not paid. Sometimes they do not understand the social assistance programmes, i.e. how to apply in order to benefit pension grants and what are the criteria to fulfil to benefit grants. Elderly in the rural areas are mostly victimised by the lack of pension grants provision in their areas.

In view of the weaknesses of the South African Government social security system (inefficient service delivery of social grants to beneficiary) and the socio-economic challenges South African elderly in general, particularly in the Nelson Metropolitan Municipality (Bethelsdorp and Kwazakhele) and the elderly of Sundays River Valley Municipality (Bersheba) in the Eastern Cape Province of South Africa are facing, it is suggested to the Department of Social Development to efficiently provide pension grants to elderly, mostly in the rural areas and to supplement social grants to pensioners household member's to meet expenses.

The Non-Contributory Grants Supplements model will improve pensioners' living standards because it will provide grants to pensioner's household members to meet expenses. The Government pension model added with grants supplement to pensioner's household members will help pensioners to use pension income for purpose it was intended; poverty alleviation. In providing pensioner's household member's social grants, pensioners will use pension's income to satisfy their needs. Also, the Government had to fight the spread of HIV/AIDS to reduce infected or affected orphans and adult persons increasing number. The pandemic is increasing pensioners' socio-economic responsibilities. Finally, pension system should be supplemented by Government developmental programmes such as the PGDP, SASSA-SP and the HIV/AIDS/STI-SP to alleviate poverty and deliver social grants to beneficiary, including pensioner's household members.

8.4 A normative model for Government pensioners quality of life improvement (Pensioners household members Non-Contributory Means-Test Grants Supplement Model) in South Africa, particularly in the surveyed areas (Bersheba, Bethelsdorp and Kwazakhele)

South African socio-economic realities, challenges faced by older South Africans, data collected in the field work, pension models analysis, PGDP (Eastern Cape Provincial Growth

and Development Plan: 2004-2014), SASSA-SP (South African Social Security Agency-Strategic Plan: 2007/08-2008/10). FYLGSA (Five Year Local Government Strategic Agenda: 2006-2011), the MDG (Millennium Development Goals) 2015 on elderly living conditions improvement, HIV/AIDS/STI-SP (HIV/AIDS/STI Strategic Plan: 2007-2011) and scientific model (Fox's Public Management Model and Easton Model for political change) were used in the thesis as a basis for the design of a proposed scientifically acceptable normative model.

This normative model will strengthen the present old age pension system by supplementing pensioner's household member's social grants they have rights to benefit. Pensioners and household members could then use their pension income for the purpose it was originally intended; poverty alleviation.

The model should be seen as a tool that will change elderly living conditions in satisfying their needs while Government will provide household members grants to meet expenses. For more information refer to the model in Figure 8.1

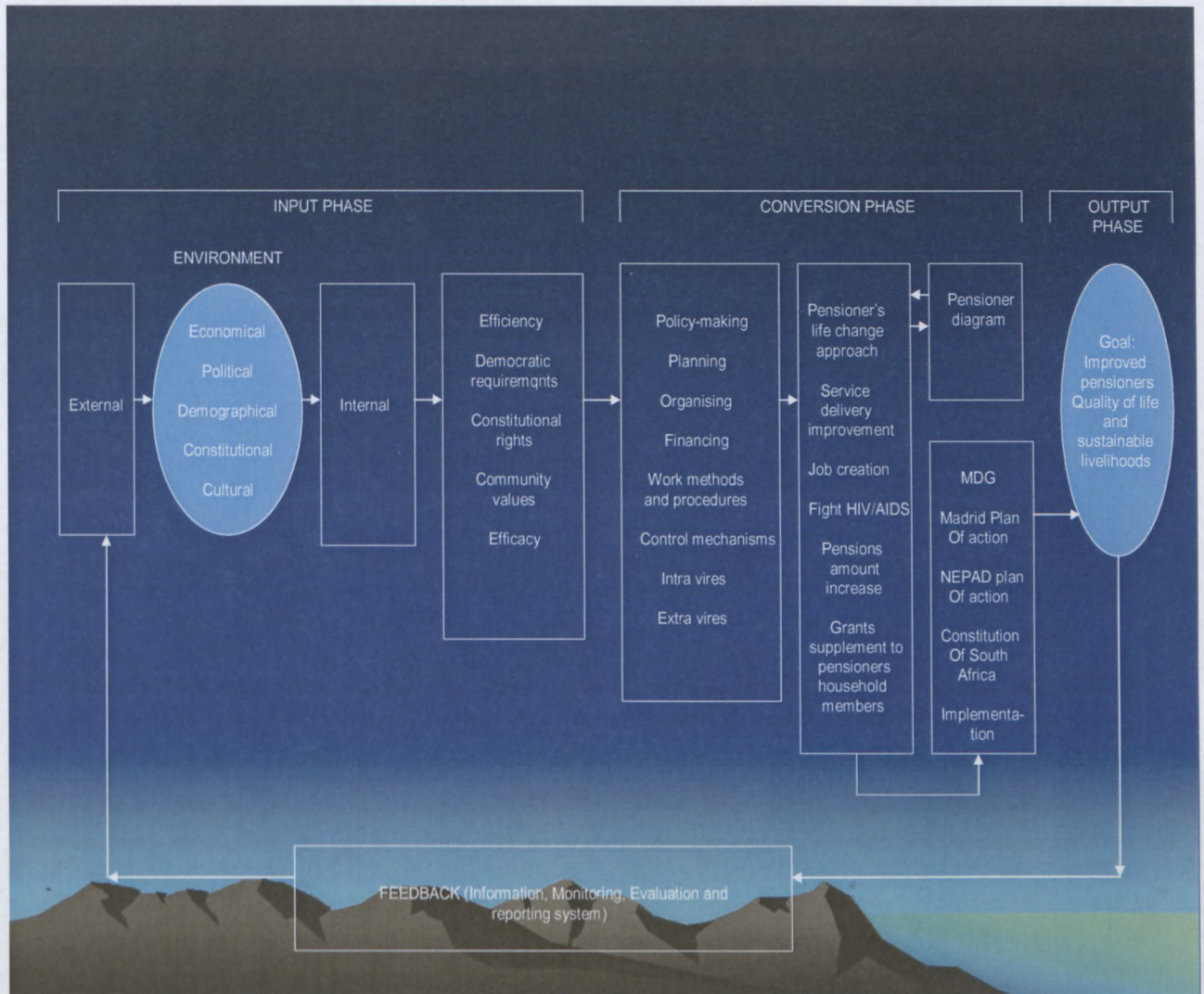


Figure 8.1 A normative model to improve Government pensioner's living conditions

Examples of extra-societal (external) need-generating environments included social, economical, political, constitutional, cultural and demographical. Public pensioners' generated needs could be satisfied only through goal-setting, the reaching of which would be considered sub-system "outputs". The process of need satisfaction should move through an internal environment, consisting of a new input sub-system, the different normative guidelines of which would serve as "filters" to maintain norms and standards in terms of legal requirements, community values and body politic during the policy process.

A "conversion" (management) sub-system, consisting of various steps will be utilised during the policy implementation phase to serve as a mechanism to enable an institution faced with

satisfying need generated by external factors, to proceed towards its goal. In this instance, it will improve quality of life or living improvement (Steyn, 2006:284). Because of the subjective and variable nature of public pensioners' needs, conversion mechanism could and did vary. Each society or situation set requirements necessitating suitable adaptation of conversion mechanism within a situational context. Figure 8.1 illustrated enabling functions to serve as conversion mechanism for goal achievement, policy-making, planning, organising, financing, work methods and procedures, control mechanisms, as well as intra vires and extra vires. Refer to Chapter One, sub-section 1.11.6 for information.

To execute functions mentioned, a process needed establishing to meet socio-economic needs of Government pensioners and satisfy Government requirements. It needed a follow-up of government pension programmes implementation. It should make a contribution to pensioners' quality of life and generate positively to pensioners and their household members' lives.

The conversion phase should be followed with design, Implementation and monitoring of a developmental programmes, for long challenge to Government for efficient implementation and control mechanism. The Government had a commitment to implement and follow-up developmental programmes in terms of pensioner's quality of life improvements. For example, the PGDP, SASSA-SP, HIV/AIDS/STI-SP and FYLGSA functions involve government pensioners' life improvement functions within verified public pensioners needs before weaving viable and efficient developmental programmes.

8.4.1 Management of normative model

When looking at Government implementation of developmental programmes concerning pensioners' quality of life improvement it was proposed a more practical process be piloted for improving pensioners' conditions in implementing efficient government developmental programmes. Therefore, the following action steps are recommended:

*The government should be aware of the old age pension beneficiary daily needs;

*Constitutional rights and other legislative framework principles and guidelines plus international framework objectives on elderly South African life improvement should be applied; and

*pension grants and other social grants should be paid to the beneficiary.

Government should also recognise the psycho-social and economical role played by old age pension beneficiary in the lives of their orphaned grandchildren, own children infected or affected by HIV/AIDS, unemployment and poverty and then provide grants to all the social grants beneficiary to meet their expenses in order to allow pensioners to use pensions for the aim it was intended; poverty alleviation.

For efficient government developmental programmes on pensioners and household member's life improvement, the Department of Social Development should firstly be aware of the pensioners and their household members' daily challenges. Secondly, the Department of Social Development has to assess the pensioners and household members Constitutional rights, legislative framework principles, guidelines plus international framework objectives if they are well implemented in South Africa. After discovering the rights of pensioners and household members the Department of Social Development should have to find out if pensioners and household members are benefiting from their rights has stipulated in the legislative and international framework if not, the Department of Social Development has to supply them with their grants in order to satisfy their needs once the pensioners household members needs are satisfied pensioners could satisfy their own needs. But if pensioners are benefiting their grants and household members are not benefiting their grants, the Department of Social Development should make it possible by registering them as grants beneficiaries if they have rights and provide them with benefits.

After a goal (quality of life and living conditions improvements) had been achieved and needs satisfied, feedback (information, monitoring, evaluation and reporting system/framework) on success or failure should be made.

This analysis concluded the explanation of proposed normative model and various components for the supplement of social grants to the pensioners household members, aimed at increasing South African Government pensioners' quality of life with reference to the selected areas of Bersheba, Bethelsdorp and Kwazakhele. The proposed normative model is particularly right for this research as it is easier to understand.

8.5 Summary

In Chapter Eight the concept of model construction was briefly examined and examples of selected pension Models analysed. Finally, a normative model for South African public pensioners' living improvements with reference to the selected areas of the Eastern Cape was suggested.

The Models, as analysed, is proposed to develop an effective and efficient scientifically acceptable normative model, the implementation of which might contribute positively to change current dysfunctional situations, policies and implementation procedures of the current non-contributory means-tested pension model into an effective and efficient non-contributory pension system added with pensioners household members grants supplement to meet expenses and to allow pensioners to satisfy their own needs.

It was concluded the normative model for non-contributory pension beneficiaries' life conditions improvement, as proposed, should be used as a reference in design and implementation to improve current non-contributory pension beneficiaries' quality of life. It concluded a normative model adopted, applied to all South African Government pensioners household members, with reference to selected areas in the Eastern Cape of Bersheba, Bethelsdorp and Kwazakhele, as well as for the management of government developmental programmes with similar objectives such as the PGDP, SASSA-SP, FYLGSA and the HIV/AIDS/STI-SP.

CHAPTER NINE

RECOMMENDATIONS AND CONCLUDING REMARKS

9.1 Introduction

The research presented in this thesis was based on an investigation of the socio-economic impact of the old age pension (OAP) in pensioner households within selected rural (Bersheba) and urban (Bethelsdorp and Kwazakhele) areas of the Eastern Cape.

The problem researched was outlined in Chapter One as being psycho-social and economic responsibilities shouldered by South African's elderly to satisfy orphaned grandchildren, own children and other relatives needs caused by HIV/AIDS, unemployment and crime. Non-contributory South African pensioners are caring financially (paying school fees, buying food, medications and uniforms and paying electricity) for household members that they can not use pension income to satisfy own needs.

Elderly South Africans' mostly Blacks, who entered old age with little or no resources, often in poor health, are unable to prepare timeouts retirement. The 1994 elected Government of South Africa offered a non-contributory means-test pension grant to the aged poor. Accordingly, researchers recognised the non-contributory pension in South Africa contributed to alleviating poverty in the pensioner household, mostly in rural areas where the pension was often the sole household income. In urban areas pension also alleviated poverty. In Chapter Four of the thesis, researchers outlined a pension impact positively on household, helping beneficiaries to buy food for their household, pay school fees for their grandchildren and improve a pensioner household's quality of life.

An increase in unemployment, rise in inflation and the devastated consequences of HIV/AIDS, rural-urban migration, crimes and girl's pregnancies, increase pensioners financial responsibilities. Pensioners do not use pensions for purpose it was intended: elderly poverty alleviation, pension grants become an income to support HIV/AIDS infected and affected and unemployed pensioner household members than to satisfy pensioners needs. The Government development programmes such as the HIV/AIDS/STI stipulated that HIV infections rate should be 50% by 2011. Also, the reduction of HIV infected people will reduce the impact of HIV and AIDS on individuals, families, communities and society and will finally

reduce its negative socio-economic impact in the South African households. In view of the South African realities in terms of HIV/AIDS rate, study of (Dorrington and Bourne, 2008:754-755) has proved that HIV/AIDS is undoubtedly South Africa's biggest concern. According to the research results collated by Dorrington and Bourne (2008:754-755), cited above, some 5.6 million people in South Africa were HIV infected in 2008. Over 11% of the population is living with HIV/AIDS. There were 505.046 new HIV infections in 2008. Between 2002 and 2008, the increase, in the country's HIV prevalence rate was 20.8%. An estimated 1.384 people are infected daily in the country. In 2008, there were 1.250.00 AIDS orphans in the country.

When referring to the information supplied above by Dorrington and Bourne (2008:754-755) concerning the HIV/AIDS increasing rate in South Africa it become a concern that people start to realise the danger of the scourge of the century in the South African society and households. Unfortunately, youth who are the physically valuable resources of income in households are the most infected by the scourge. This generates the lack of income in households and increases the number of affected and infected persons, mostly among children who are elderly grandchildren. Elderly are still lucky to be part of the least infected group but are unlucky because they are part of the surviving group of the population though they have no choice to care for the infected and affected grandchildren with their pension grants. Government should efficiently implement HIV/AIDS programmes to reduce the daily increasing number of persons infected with HIV/AIDS.

In order to research the problem as stated, the broad research goal for the study was design of a scientifically acceptable normative model to suggest relevant recommendations to improve the social pension beneficiary's quality of life.

9.2 Key findings of survey

The old age pension socio-economic impact response in the pensioner household within selected areas of the Eastern Cape has shown that:

*The survey group proportion of respondents differed in the three surveyed areas.

*The majority of respondents were black pensioners, mostly female, the head of the households were mostly the sole provider, especially in the Black rural (Bersheba) and Black urban (Kwazakhele) surveyed areas. Respondents' age distributions were not equal.

*Most respondents in the rural area (Bersheba) were married and a minority were widowed. More females were married than males and females widowed exceeding male widowers. The majority of respondents were affiliated to different religions while the minority were not affiliated.

*While a majority of respondents in the surveyed areas (Bersheba and Kwazakhele) were Xhosa speaking the minority were English and Afrikaans speaking. The majority of Blacks were not educated, the minority were educated.

*Respondents' household were mostly multigenerational occupied by three generations (top generation: elderly people, middle generation: children, bottom generation: children). The thesis confirmed pension income was shared throughout a pensioner's household members.

*The thesis confirmed pension income impacted on the socio-economics of a pensioner's household. It improved the living standards of pensioner household members.

*It was found in the study a pension as a sole income in a pensioner household with a large number of members was insufficient to satisfy needs. The survey findings confirmed few respondents thought they could save, invest or start a business project using pension money.

*Data in the current thesis demonstrated pensioners reflected financial discontent, as they considered their income as insufficient for needs because of the financial responsibilities shouldering them. Respondents' with enough money to satisfy needs earned it from other financial activities, such as property rental and savings. The majority of respondents rated their life quality as average, bad and very bad.

*The study confirmed pensioners, mostly Blacks, are among the poorest in South Africa in terms of money availability and standards of life. Elderly people's household without social pension grants because of the inefficient service delivery of old age pension to the beneficiary, pensioners could not satisfy even the most basic needs.

*A majority of pensioners reported understanding the of old age pension programmes in South Africa and knew their pension rights while the minority did not understand the programmes.

*Few pensioners reported having problems in accessing pensions, most accessed it via a bank or a mobile point.

*The survey findings confirmed a majority of respondents (Bersheba and Kwazakhele) cared for sick household members'. Death from non-natural causes (tuberculosis and HIV) accounted for more than the half of surveyed causes of death.

*Results confirmed a majority of respondents felt safety and security system should be reinforced for their life survival while the minority did not think that safety and security system should be reinforced.

9.3 Concluding remarks

This thesis investigated the socio-economic impact of the old age pension (OAP) within selected areas of the Eastern Cape (Bersheba, Bethelsdorp and Kwazakhele). The research topic namely: **“Investigating the socio-economic impact of old age pension in the pensioner household within selected areas of the Eastern cape”** was interesting and exhaustive in terms of its context within the Eastern Cape’s socio-economic realities.

9.4 Recommendations

For an effective implementation of future Government programmes is important to view the recommendations, in relation to the suggested normative model in Chapter Eight, in order to modify Government pension beneficiaries’ quality of life.

9.4.1 Nationally

9.4.1.1 Recommendation 1

The South African Government needs to acknowledge the contribution of the elderly in South African society development. Older people's particular needs needed to be recognised and supported in order to improve the elderly's quality of life. Analysis of the survey response to this problem indicated that all respondents supported such a recommendation. Analysis of the survey response to this problem (see Chapter Six, Table 6.21) indicated that all respondents supported such a recommendation.

9.4.1.2 Recommendation 2

Government should implement effective social security system to improve pensioners live conditions by providing grants to pensioners household members to meet expenses in turn pensioners will be able to satisfy needs. Analysis of the survey results to this question (see Chapter Six, Table 6.18) indicated that all respondents favoured the recommendation.

9.4.1.3 Recommendation 3

Programmes on HIV/AIDS/STI-Strategic Plan should support the elderly because of caring (buying food, medication, school uniforms and pay school fees) for sick and orphaned household members while themselves (elderly) are not satisfying their own needs. According to the results of the statistical analysis (see Chapter Six, Table 6.45), 98.99% of respondents to the empirical survey favoured such initiatives; only 1.01% of respondents did not.

9.4.1.4 Recommendation 4

There was a need to co-ordinate Government, NGO and private sector efforts. A need for collaboration and networking and improved communication among stakeholders was desired by the key informants. Providing information and helping new applicants earn state grants, for example, should involve churches, NGOs and traditional structures. This would also alleviate budgetary and under-staffing constraints, mostly in rural areas. Analysis of the survey response to this question (see chapter Six, Table 6.19) indicated that the 85.86% of

respondents favoured the recommendation while 14.14% did not.

9.4.1.5 Recommendation 5

The Government should extend the old age pension disbursement to those who qualified. This study indicated available state pensions' sometimes did not reach a number of elderly needy mostly in the rural areas. This statement is supported by the results of the statistical analysis (see Chapter Six, Table 6.11), which revealed 87.76% of respondents were paid, but 12.24% were not paid.

9.4.1.6 Recommendation 6

Strategies to make the non-contributory pension more accessible needed to be developed. The practice of paying pensions at schools, civic centres and police stations did not take into account the physical, health, insecurity and socio-economic circumstances of the elderly. Government should pay state pension benefits via a bank suitable for pensioners make it more accessible, and pay it on time. Analysis of the survey response to this question (see Chapter Six, Table 6.15), indicated that 88.89% of respondents supported such an initiative while 11.11% did not.

9.4.1.7 Recommendation 7

The social pension should be viewed as the elderly's right and not a monthly income. Analysis of the survey response to this question (see Chapter Six, Table 6.8) indicated 72.83% of respondents saw the South African social pension as a right; only 5.43% of respondents saw the old age pension as "income."

9.4.1.8 Recommendation 8

There was a need to promote programmes designed to help people prepare for old age and retirement by introducing a culture of saving and investing. From the results of this thesis it would seem old age automatically meant economical vulnerability.

9.4.1.9 Recommendation 9

Non-contributory South Africans pensioners should be seen as an important tool of the development of the South African society through the socio-economical care role they played, taking care of their own children and grandchildren. Analysis of the survey response to this question (see Chapter Six, Table 6.21) indicated all respondents favoured this idea.

9.4.1.10 Recommendation 10

There was need for Government to supplement social grants to pensioner household members to meet expenses. According to the results of the statistical analysis (see Chapter Six, Table 6.18), all the respondents to the empirical survey agreed positively to the recommendation.

9.4.1.11 Recommendation 11

There was need for Government to apply the “whistle-blowing” information system in order for pensioners and other community members to report pension service provider misconduct.

9.4.2 Provincially (The Eastern Cape Province)

9.4.2.1 Recommendation 1

The Eastern Cape provincial Government should implement developmental programmes (PGDP: Provincial Growth Developmental plan: 2004-2011) goals on health system improvement to facilitate health provisions for Bersheba's elderly and other members of the community, by building a 24-hour clinic. According to results of the statistical analysis (see Chapter Six, Table 6.51), all respondents to the empirical survey supported such a recommendation. If pensioners are in good health they will not spend money for medication.

9.4.2.2 Recommendation 2

There was need for the Provincial Government to provide basic needs such as water, electricity and shelter to non-contributory pensioners and other member of the community in the rural area of Bersheba and urban surveyed areas of Kwazakhele and Bethelsdorp who lack the above basic needs provision in their area (Bersheba) to improve pensioners, household members and community members living conditions. Analysis of the survey response to this question (see Chapter Six, Table 6.64) revealed the majority of respondents in the three surveyed areas wanted shelter, 9.38% lived in Bersheba, 6.25% in Bethelsdorp, 7.29% in Kwazakhele. Other respondents wanted water, 5.21% in Bersheba, 4.17% in Bethelsdorp and 6.25% in Kwazakhele; 7.29% of respondents in Kwazakhele required electricity as did, 6.25% in Bethelsdorp and another 6.25% of respondents in Kwazakhele. Although 7.29% of respondents in Bersheba sought tarred roads, Bethelsdorp and Kwazakhele respondents had such a demand.

9.4.2.3 Recommendation 3

The Eastern Cape Provincial Government should apply the PGDP developmental programmes objectives on roads construction to tarred Sundays River Valley Municipality roads, ^{e²} specially the roads linking Bersheba to Kirkwood to facilitate the needy's access to governmental and private structures with service provisions. Study results revealed tarring roads was a major need required for life improvement. Analysis of the survey response to this question (see Chapter Six, Table 6.64) indicated all respondents favoured such a recommendation.

9.4.2.4 Recommendation 4

There was a need for the Provincial Government to reinforce safety and security measures in Bersheba, Kwazakhele and in Bethelsdorp to protect elderly peoples' belongings and lives because elderly people in areas such as Bethelsdorp and Kwazakhele felt unsafe to walk alone in their areas during pension pay day. Analysis of results to this question (see Chapter Six, Table 70) indicated 74.49% of respondents wanted such a move.

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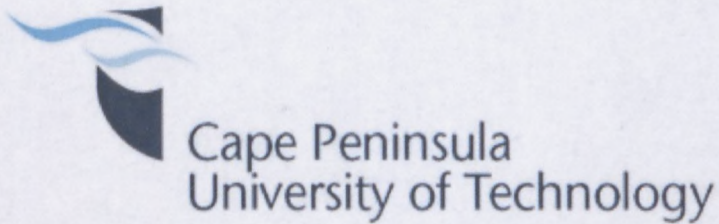
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Annexure A: Faculty of business fieldwork letter



12 April 2006

CONFIRMATION OF REGISTRATION

TO WHOM IT MAY CONCERN

We hereby certify that the under-mentioned person is a registered student at the Cape Peninsula University of Technology (Cape Town Campus).

Date : 12 APR 2006
Student Number : 205124542
Name of Student : MR MPIANA KALULA
Calender Year : 2006
Course : D TECH: PUBLIC MANAGEMENT GRANGER BAY –
FULL TIME
Year of Study : 6

Subjects

GF D2V1010 RESEARCH PROJECT AND DISSERTATION

Please note that the above student will be conducting research for this dissertation in the Eastern Cape area.

Kind Regards,

Michelle Moller
Graduate Centre for Management
Faculty of Business
Cape Peninsula University of Technology
Cape Town Campus
Tel: 021 460 3538
Email: mollerm@cput.ac.za

Annexure B: Letter of research fieldwork

11.06, ERINHOF BUILDING
DE LAANG STREET/DURBAN ROAD
BELLVILLE
7530

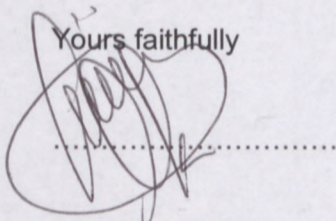
03 August 2006

TO WHOM IT MAY CONCERN

I am a student from Cape Peninsula University of Technology, Faculty of Business, and Department of Public Management. I am currently doing a research dissertation on the socio-economic impact of the old age pension in the pensioner household within selected areas of the Eastern Cape (Bersheba, Bethelsdorp and Kwazakhele). As part of this research, I am conducting a research fieldwork, using interviews by the help of structured and unstructured questionnaires and personal fieldwork observations with pensioners, government officials and non-governmental organisations officials. I would like you to answer to the attached questionnaires below.

Your co-operation will be highly appreciated.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mpiana Kalula', is written over a horizontal dotted line. The signature is stylized and somewhat cursive.

MPIANA KALULA

Annexure C: National poverty line for South Africa

Rand values and poverty incidence	Poverty line in Rands (2000)	% of individuals below the poverty line (2000)
Poverty line set at per capita expenditure of the 40 th percentile of households	R346 per capita	54.9%
Poverty line set at 50% of mean national per capita expenditure	R538 per capita	68.1%
Statistics South Africa-lower bound	R322 per capita	52.6%
Statistics South Africa-upper bound	R593 per capita	70.4%
"Dollar a day"-international poverty line of US\$ 370 (1985 prices) per capita per annum	R81 per capita	8.1%
"Two dollars a day"-international line of US\$370 (1985 prices) per capita per annum	R162 per capita	27.0%
"Poverty line" implied by the Old Age Pension means test for married persons, assuming a household of 5 persons and no non elderly income earners	R454 per capita	63.4%
"Indigence" line of R800 per household per month (in 2006 prices)	R573 per capita	11.7%
"Indigence" line of R2400 per household per month	R1750 per capita	55.1%

(http://www.naledi.org.za/docs/povertylinew2.pdf)

Annexure D: Framework of the 2002 Millennium Development Goals, targets and indicators to measure South African achievement

GOALS	TARGETS	INDICATORS
1. Eradicate extreme poverty and hunger	<p>1. Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day</p> <p>2. Halve, between 1990 and 2015, the proportion of people who suffer from hunger</p>	<p>1. Proportion of population below 1 dollar per day (World Bank)</p> <p>2. Poverty gap ratio (incidence x depth of poverty) (World Bank)</p> <p>3. Share of poorest quintile in national consumption (World Bank)</p> <p>4. Prevalence of underweight children under five years of age (UNICEF-WHO)</p> <p>5. Proportion of population below minimum level of dietary energy consumption (FAO)</p>
2. Achieve universal primary education	3. Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	<p>6. Net enrolment ratio in primary education (UNESCO)</p> <p>7. Proportion of pupils starting grade 1 who reach grade 5 (UNESCO)</p> <p>8. Literacy rate of 15-24 years old (UNESCO)</p>
3. Promote gender equality and empower women	4. Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	<p>9. Ratio of girls to boys in primary, secondary and tertiary education (UNESCO)</p> <p>10. Ratio of literate women to men, 15-24 years old (UNESCO)</p> <p>11. Share of women in wage employment in the non-agricultural sector (ILO)</p> <p>12. Proportion of seats held by women in national parliament</p>
4. Reduce child mortality	5. Reduce by two thirds, between 1990 and 2015, the under-five mortality rate	<p>13. Under-five mortality rate (UNICEF-WHO)</p> <p>14. Infant mortality rate (UNICEF-WHO)</p> <p>15. Proportion of 1 year old children immunized against measles (UNICEF-WHO)</p>

GOALS	TARGETS	INDICATORS
5. Improve maternal health	6. Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	16. Maternal mortality ratio (UNICEF-WHO) 17. Proportion of births attended by skilled health personnel (UNICEF-WHO)
6. Combat HIV/AIDS, malaria and other diseases	7. Have halted by 2015 and begun to reverse the spread of HIV/AIDS	18. HIV prevalence among pregnant women aged 15-24 years (UNAIDS-WHO-UNICEF) 19. Condom use rate of the contraceptive prevalence rate (UN Population Division): Condom use at last high-risk sex (UNICEF-WHO) Percentage of population Aged 15-24 years with comprehensive correct knowledge of HIV/AIDS (UNICEF-WHO) Contraceptive prevalence rate (UN population Division) 20. Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years (UNICEF-UNAIDS-WHO)

GOALS	TARGETS	INDICATORS
	8. Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	21. Prevalence and death rates associated with malaria (WHO) 22. Proportion of population in malaria-risk areas using effective malaria prevention and treatment measures (UNICEF-WHO) 23. Prevalence and death rates associated with tuberculosis (WHO) 24. Proportion of tuberculosis cases detected and cured under DOTS (internationally Recommended TB control Strategy) (WHO)
7. Ensure environmental sustainability	9. Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources 10. Halve, by 2015, the proportion of people without sustainable access to safe drinking water and sanitation	25. Proportion of land area covered by forest (FAO) 26. Ratio of area protected to maintain biological diversity to surface area 27. Energy use (kg oil equivalent) per 1000 dollar GDP (World Bank) 28. Carbon dioxide emissions per capita and consumption of ozone-depleting (UNEP-Ozone Secretariat) 29. Proportion of population using solid fuels (WHO) 30. Proportion of population with sustainable access to an improved water source, urban and rural (UNICEF-WHO) 31. Proportion of population with access to improved sanitation, urban and rural (UNICEF-WHO)
	11. achieve by 2020 a significant improvement in the lives of at least 100 million slum dwellers	32. Proportion of households with access to secure tenure (UN-HABITAT)

GOALS	TARGETS	INDICATORS
8. Develop a global partnership for development	<p>12. Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. Includes a commitment to good governance, development and poverty reduction-both nationally and internationally</p> <p>13. Address the special needs of the least developed countries (LDC's). includes: tariff and quota-free access for LDC's exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction</p> <p>14. Address the special needs of landlocked developing countries and small island developing States (through the programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)</p>	<p>33. Net ODA, total and to LDC's, as percentage of OECD donor's gross national income (GNI) (OECD)</p> <p>34. Proportion of total bilateral, sector-allocable of OECD donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation) (OECD)</p> <p>35. Proportion of bilateral of OECD donors that is united (OECD)</p> <p>36. ODA received in LLDC's as a proportion of their GNI's (OECD)</p> <p>37. ODA received in SIDS's as proportion of their GNI's (OECD)</p> <p>38. Proportion of total developed country imports (by value and excluding arms) from developing countries and from LDC's, admitted free of duty (WTO)</p>
8. Develop a global partnership for development (continue)	15. Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term	39. Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries (WTO)

<p>8. Develop a global partnership for development (continue)</p>	<p>16. In co-operation with developing countries, develop and implement strategies for decent and productive work for youth</p> <p>17. In co-operation with pharmaceutical companies, provide access to affordable essential drugs in developing countries</p> <p>18. In co-operation with the private sector, make available the benefits of new technologies, especially information and communications</p>	<p>40. Agricultural support estimate for OECD countries as percentage of their GDP (OECD)</p> <p>41. Proportion of ODA provided to help build trade capacity (OECD)</p> <p>42. Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (IMF-World Bank)</p> <p>43. Debt relief committed under HIPC initiative (IMF-World Bank)</p> <p>44. Debt service as a percentage of exports of goods and services (IMF-World Bank)</p> <p>45. Unemployment rate of young people aged 15-24 years, each sex and total (ILO)</p> <p>46. Proportion of population with access to affordable essential drugs on a sustainable basis (WHO)</p> <p>47. Telephone lines and cellular subscribes per 100 population (ITU)</p> <p>48. personal computers in use per 100 population and internet users per 100 population and internet users per 100 population (ITU)</p>
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(http://unstats.un.org/unsd/mi/mi_goals.asp)

Annexure E: Fieldwork questionnaires

AREA NAME:..... Date.....

NAME AND SURNAME OF THE INTERVIEWER:.....

INSTRUCTIONS

WRITE ANSWERS WHERE BLANK SPACES HAVE BEEN PROVIDED; AND MARK WITH AN X IN THE APPROPRIATE BOXES.

1. DEMOGRAPHIC CHARACTERISTICS

1.1 Age

How old are you?

1.1.1	55-59 years	
1.1.2	60-69 years	
1.1.3	70-79 years	
1.1.4	80-84 years	

1.2 Gender

Personal Observations.....

1.2.1	Male	
1.2.2	Female	

1.3 Marital status

What is your marital status?

1.3.1	Single	
1.3.2	Married	
1.3.3	Divorced	
1.3.4	Widowed	
1.3.5	Separated	

1.4 Religious affiliation

What is your religious affiliation?

1.4.1	Non-affiliate	
1.4.2	Christianity	
1.4.3	Zionist	
1.4.4	Islamic	

1.5 Spoken languages

What is the mainly spoken language in the household?

1.5.1	Afrikaans	
1.5.2	English	
1.5.3	Xhosa	

1.6 Racial group

Personal observations.....

1.6.1	White	
1.6.2	Black	
1.6.3	Coloured	
1.6.4	Indian	

1.7 Highest standard passed

What is your level of education?

1.7.1	Noeducation	
1.7.2	Primary education only	
1.7.3	Secondary diploma	
1.7.4	University degrees	

1.8 Household composition

With which family members or non family members are you living together?

1.8.1	Grandchildren	
1.8.2	Own children	
1.8.3	Other relatives	

1.9 Type of Household

Personal observations.....

1.9.1	Brick structure	
1.9.2	Brick structure (R.D.P.)	
1.9.3	Hut/traditional house	
1.9.4	Shacks	
1.9.5	Mud house	
1.9.6	Container	
1.9.7	Bungalow	

1.10 Household size

How many persons live in this household?

1.10.1	1-5	
1.10.2	6-10	
1.10.3	10-15	
1.10.4	16-20	
1.10.5	+20	

2. DEFINITION OF OLD AGE PENSION

2.1 According to your life experience what could be the meaning of old age pension?

2.1.1	A social right for elderly people	
2.1.2	A benefit for elderly people	
2.1.3	A payment by the government	
2.1.4	A monthly income for elderly	

3. SOCIAL ASSISTANCE PROGRAMMES

3.1 Are you aware of elderly people social assistance programmes by the South African Government?

3.1.1	Yes	
3.1.2	No	
3.1.3	No answer	

3.2 If yes, how do you become aware of the programmes?

3.2.1	Community meetings	
3.2.2	Relatives	
3.2.3	Radio	
3.2.4	Newspaper	
3.2.5	Television	

3.3 Are you social pension grant beneficiary?

3.3.1	Yes	
3.3.2	No	

3.4 At what age can you become old age pension beneficiary?

3.4.1	65 years	
3.4.2	63 years	
3.4.3	61 years	
3.4.4	60 years	

3.5 Which type of social pension grants are you beneficiary?

3.5.1	Old age pension	
3.5.2	Disability pension	
3.5.3	War veteran pension	

3.6 Where do you get paid?

3.6.1	Community centre	
3.6.2	Bank	
3.6.3	Police station	

3.7 What kind of problems are you facing during pension payments?

3.7.1	Long queue	
3.7.2	Lack of shelter	
3.7.3	Lack of pay points	
3.7.4	Broken machines	
3.7.5	Micro-lender	
3.7.6	Burial companies	
3.7.7	Theft of pension money	
3.7.8	Corruption	
3.7.9	None	

3.8 What do you think could be advantageous paying all pensioners at the Bank?

3.8.1	Stop long queues and corruption	
3.8.2	Pensioners be paid at the pay points to avoid deduction fees	

3.9 What type of problems are you encountering when applying for pension benefits?

3.9.1	Lack of identity document	
3.9.2	Lack of transport money	
3.9.3	Time taken to process documents	
3.9.4	Lack of information	
3.9.5	Lack of nearby welfare offices	
3.9.6	Officials behaviour	

3.10 According to your opinion do you agree that the government should improve elderly assistance programmes?

3.10.1	Yes	
3.10.2	No	

3.11 If yes, how do you think that the Government should improve elderly social assistance programmes?

3.11.1 Service delivery improvement	
3.11.2 Pension amount increase	
3.11.3 Grandchildren free education	
3.11.4 Pensioners and household members free health care	
3.11.5 Free water and electricity supply	

3.12 Are you of the opinion that community communication among stakeholders on pensioners could improve pensioner's quality of life?

3.12.1	Yes	
3.12.2	No	

4. THE OLD AGE PENSION SOCIO-ECONOMIC IMPACT IN THE PENSIONER HOUSEHOLD

4.1 Do you care financially for your household members?

4.1.1	Yes	
4.1.2	No	

4.2 In your opinion do you believe that pensioners are playing the role of economical generator in South African society?

4.2.1	Yes	
4.2.2	No	

4.3 According to your life experience what could be the socio-economical role of old age pension in the pensioner household?

4.3.1	Poverty alleviation	
4.3.2	Health status improvement	
4.3.3	Living standards improvement	
4.3.4	Grandchildren school enrolment	
4.3.5	Pensioners gender equity	
4.3.6	Family unity	
4.3.7	Elderly dignity	
4.3.8	Political stability	

4.4 What could be the estimated monthly amount spending on household members?

4.4.1	R0-R399	
4.4.2	R400-R799	
4.4.3	R800-R1199	
4.4.4	R1200-R1499	

5. PENSIONER AND ECONOMIC SITUATION

5.1 What kind of job you were doing in the past?

5.1.1	Farm worker	
5.1.2	Domestic worker	
5.1.3	Factory worker	
5.1.4	Construction worker	
5.1.5	Security officer	
5.1.6	Business	
5.1.7	Soldier	
5.1.8	None	

5.2 What could be your answer if opportunity was given to you to work?

5.2.1	Yes	
5.2.2	No	

5.3 What are you doing now in terms of job?

5.3.1	Farm worker	
5.3.2	Business	
5.3.3	Security officer	
5.3.4	Domestic worker	
5.3.5	Factory worker	
5.3.6	Construction worker	
5.3.7	None	

5.4 What could be your monthly income?

5.4.1	R0-R499	
5.4.2	R500-R999	
5.4.3	R1000-R1499	
5.4.4	R1500-R1999	
5.4.5	R2000-R5000	

5.5 What are your household member's sources of income?

5.5.1 Wages/salaries	
5.5.2 State social grants	
5.5.3 Earnings from hawking	
5.5.4 Casual wages	
5.5.5 Unemployment benefits	
5.5.6 Earnings from odd jobs	
5.5.7 Remittances	
5.5.8 Church and NGO supplement	
5.5.9 Property rentals	
5.5.10 Savings	

5.6 How much money do you spend monthly for your household members?

5.6.1	R0-R399	
5.6.2	R400-R799	
5.6.3	R800-R1199	
5.6.4	R1200-R1499	
5.6.5	R1500-R1999	
5.6.6	R2000-R4999	

5.7 What are your monthly expenses in terms of items?

5.7.1	Food	
5.7.2	Communication costs	
5.7.3	Education costs	
5.7.4	Health expenses	
5.7.5	Utilities	
5.7.6	Judicial costs	
5.7.7	transport costs	
5.7.8	Social participation	
5.7.9	Loan shack dues	
5.7.10	Furniture dues	
5.7.11	Clothing, personal items	
5.7.12	Recreational expenditures	

5.8 What could be the estimated monthly amount you are saving?

5.8.1	R0-R399	
5.8.2	R400-R799	
5.8.3	None	

5.9 What is your current household financial situation?

5.9.1	Very good	
5.9.2	Good	
5.9.3	Average	
5.9.4	Bad	
5.9.5	Very bad	

5.10 What is the household financial situation compared to three years ago?

5.10.1	Better	
5.10.2	Same	
5.10.3	Worse	

5.11 According to your opinion what could be the reasons for household financial situation change compared to three years ago?

5.11.1	HIV/AIDS	
5.11.2	Unemployment	
5.11.3	Poverty	
5.11.4	Early girls pregnancy	
5.11.5	None	

5.12 When looking to your financial situation do you have sufficient money to meet your needs?

5.12.1	Yes	
5.12.2	No	

5.13 How lacking money and having money to satisfy your needs is correlated to your life quality?

5.13.1	Very good	
5.13.2	Good	
5.13.3	Average	
5.13.4	Bad	
5.13.5	Very bad	

5.14 Are you taking loan when lacking money?

5.14.1	Yes	
5.14.2	No	

6. PENSIONER AND HEALTH STATUS

6.1 Do you take care of your sick household members?

6.1.1	Yes	
6.1.2	No	

6.2 What could be the causes of poverty in pensioners' households?

6.2.1	HIV/AIDS	
6.2.2	Unemployment	
6.2.3	Tuberculosis	
6.2.4	Health system	
6.2.5	Poverty	
6.2.6	Girls pregnancy	
6.2.7	Housing	
6.2.8	Accidents	
6.2.9	Crimes	
6.2.10	Loans	

6.3 Did you lost any household members in the last five years?

6.3.1	Yes	
6.3.2	No	

6.4 If yes, what could be the cause of death?

6.4.1	AIDS	
6.4.2	Cancer	
6.4.3	Arthritis	
6.4.4	Diabetes	
6.4.5	Heart attack	
6.4.6	Murder	
6.4.7	Stab/bullet-wounds	
6.4.8	Burns	
6.4.9	Fatal injuries	
6.4.10	Tuberculosis	

6.5 In your opinion do you believe that the Government should fight HIV/AIDS/STI?

6.5.1	Yes	
6.5.2	No	

6.6 If yes, why the Government should fight HIV/AIDS/STI?

6.6.1 To decrease the number of death	
6.6.2 To decrease the number of orphans and street children	
6.6.3 To decrease the psycho-social and economical responsibilities	
6.6.4 To stop family structure destruction	

6.7 Do you have any health problems?

6.7.1	Yes	
6.7.2	No	

6.8 What is your current health status?

6.8.1	Very good	
6.8.2	Good	
6.8.3	Average	
6.8.4	Bad	
6.8.5	Very bad	

6.9 Do you have any healthcare facilities nearby?

6.9.1	Yes	
6.9.2	No	

6.10 If yes, what is the level of treatment from your health care facilities?

6.10.1	Full	
6.10.2	Partial	
6.10.3	None	

6.11 Are you of the opinion that the Government should build clinic in the rural areas such as Bersheba than using mobile clinic?

6.11.1	Yes	
6.11.2	No	

6.12 Do you believe that the government should recognise you as the caregiver of your sick household members?

6.12.1	Yes	
6.12.2	No	

7. PENSIONER AND SOCIAL SUPPORT

7.1 To what extent can you count on your family when you need them?

7.1.1	Always	
7.1.2	Sometimes	
7.1.3	Never	

7.2 How much support do you get from your family?

7.2.1	Full support	
7.2.2	Partial support	
7.2.3	None	

7.3 To what extent can you count on your neighbours when you need them?

7.3.1	Always	
7.3.2	Sometimes	
7.3.3	Never	

8. PENSIONER AND SOCIAL INTEGRATION

8.1 Do you belong to any community organisation or a club?

8.1.2	Yes	
8.1.3	No	

8.2 If yes, which one do you belong to?

8.2.1	Clubs	
8.2.2	Burial societies	
8.2.3	Church groups	
8.2.4	Political organisation	

9. PENSIONER AND PERSONAL DEVELOPMENT

9.1 Do you think that you could have a better life if opportunities were given to you to develop yourself?

9.1.1	Yes	
9.1.2	No	

9.2 How could you benefit from your personal development?

9.2.1	Good education	
9.2.2	Social equality	
9.2.3	Financial independence	

10. PENSIONER AND LIFE SATISFACTION

10.1 How do you feel about being old age pension beneficiary?

10.1.1	Very satisfied	
10.1.2	Satisfied	
10.1.3	Dissatisfied	
10.1.4	Very dissatisfied	

10.2 How would you rate your life quality?

10.2.1	Very good	
10.2.2	Good	
10.2.3	Bad	
10.2.4	Very bad	

10.3 Are you of the opinion that the Government should recognise your needs?

10.3.1	Yes	
10.3.2	No	

10.4 What could be pensioner's needs for their life quality improvement?

10.4.1	Shelter	
10.4.2	Water	
10.4.3	Electricity	
10.4.4	Safety and security	
10.4.5	Tarred roads	

10.5 What could be the impact of the Government and international framework programmes guidelines and objectives implementation in the life of pensioner's?

10.5.1 HIV/AIDS/STI-SP (2007-2011): Decrease psycho-social and financial constraints	
10.5.2 PGDP (2004-2011): Socio-economical development	
10.5.3 SASSA-SP (2007-2008/2009-2010): Pension benefit effective delivery	
MDG 2015: Elderly people rights respected	

10.6 What is your opinion on government supplementing pensioner's household members with social grants they are beneficiaries?

10.6.1	Yes	
10.6.2	No	

11. PENSIONER AND GOOD THINGS IN LIFE

11.1 What are the good things in your life?

11.1.1	Family	
11.1.2	Marriage	
11.1.3	Home	
11.1.4	Religiosity	
11.1.5	Health	
11.1.6	Life	

12. SAFETY AND SECURITY

12.1 What is the level of safety and security in your area?

12.1.1	Very high	
12.1.2	High	
12.1.3	Middle	
12.1.4	Low	
12.1.5	Very low	

12.2 Are you of the opinion that the Government should ameliorant safety and security conditions in your area, if not good?

12.2.1	Yes	
12.2.2	No	

Thank you for your co-operation.

Annexure F: Nelson Mandela Metropolitan Municipality demographical trends

Population figures	Figures
Geographical Area	1 950 km ²
Population	1.3 million
Females within NMMM area	52%
Youth below the age of 20	37%
Estimated	2,8%
Estimated national population: Residents older than 15 years	

(IDP, 2007: 6)

Annexure F.1: Nelson Mandela Metropolitan Municipality economic analysis

Economic analysis	Figures
Income levels within the NMMM Area	
Beneficiaries of the Assistance to the poor (ATTP) households	45 000
Increase of qualifying households due to revised qualification criteria	85 200
Beneficiaries represented of all households in the Nelson Mandela Metro	400 000 or 35%
Monthly value of ATTP free basic services per qualifying household	+/- R157-00
Cost of the ATTP per annum	R160 million
Estimated population economically active sector	42%
Estimated unemployment rate by 2020	46%
Unemployment increase over the last five years	32.5%
Overall job increase over the same period	1.6%
Formal employment declining rate per year	0.4%
Employment in the informal sector as per the economically active population	10%
Human resources Management Business Unit costs of the operating budget	28%
Human resources Management figures of total operating budget	30.6%
National directive	28%
Amount to be generated on the current annual budget to deal with challenges Of poverty eradication	R590 million
Increase in gross geographic product (GGP) in 2004	44%
GGP for the Eastern Cape	41.3%
GGP of the entire South Africa	2.9%
Economic growth per annum (far exceeding the national average)	3.9%
The average growth of the area since 1999 and approximately 9%, averaging At 3.7%	Between 0.5%
Sustainable annual economic growth required for the NMMM	5%
Tourism contribution to the GGP	17%
Estimated of tourists have visiting the NMMM area since 2000	1.3 million
The volume increase of tourists	4%
Tourist expenditure level increase	10%

(IDP, 2007:6-7)

Annexure F.2: Nelson Mandela Metropolitan Municipality housing delivery

Housing delivery	Figures
Estimated households within the Metro	265 099
Households who do not have access to a formal structure	59 794
Housing units built in the 2005/06 financial year, which were issued with and an	6 546
Occupation certificates issued	4 800
Additional units in various stages of construction	1 746
Money spent on housing delivery	R 120,5 million
Sites serviced	8 000 (80%)
Success rate on the delivery of housing units	78%

(IDP, 2007:7)

Annexure F.3: Nelson Mandela Metropolitan Municipality infrastructure

Infrastructure	Figures
Metro residents' access to water supply	9 %
Households who have access to the basic level of sanitation	85%
Households in the formal areas who have access to electricity	95%
Infrastructural development costs of the NMMM MIG programme	R65 million
Roads tarred in 2004/05	22,5 kilometers
Roads resurfaced 2004/05	97 kilometers
Number of erven that had water and sewer pipe networks installed (relating directly to housing support)	+/- 8 500 erven
Estimated number of infrastructural projects implemented	220
Estimated value of infrastructural projects implemented	R250 million
Estimated number of consultants appointed	90
Contracts awarded	100

(IDP, 2007:7)

Annexure F.4: Nelson Mandela Metropolitan Municipality health figures

HIV/AIDS	Figures
HIV positive sero-prevalence among pregnant women in NMMM	34,5%
Provincial HIV positive sero-prevalence in pregnant women	28,0%
National HIV positive sero-prevalence in pregnant women	29,5%
HIV-positive patients commencing ARV treatment in NMMM as October 2005	3939
Distribution of the 12 ARV treatment points within NMMM area	
Hospitals	3
Municipal clinics	5
Provincial clinics	4
Traditional healer's training as of December 2005 in: HIV/AIDS, TB and Traditional Circumcision education	187
Traditional circumcision (ulwaluko)	
Annually registered number of initiates having a medical examination with the metro	3,500-4,000
Tuberculosis	
TB cases during the 2004/2005	13 100
Prevalence of multi-drug resistant TB cases among new TB cases in the province	1%
Prevalence of multi-drug resistant TB cases among retreatment TB cases in the province	7,4%
The new smear positive Tuberculosis cure rate in the Metro as at 2003/2004	38,9%
The new smear positive successful treatment rate as at 2003/2004	60,3%
Breakdown of the curative and preventative health services within the NMMM area	
Permanent clinics	41
Mobile clinics	14
Nurse vacancy rate	42%
Number of clinics upgraded	2
Number of clinics built	6
Mortality rate	
TB mortality as a proportion of all the top ten causes of mortality within the NMMM for 2004/2005	20.9%
Homicide as a proportion of all the top ten causes of mortality within the NMMM for 2004/2005	1.7%
Infant mortality rate for 2004/2005 per 1000 live births	65
Infant mortality rate variation across the different ethnic groups within the NMMM per 1 000 for 2004/2005	Between 11 and 84

(IDP, 2007:6)

Annexure G: The Sundays River Valley Municipality wards overview

Wards	Settlements	Total KM²	Total population	Households
1	Moses Mabida Msengeni area Bongweni area Nosini area Steve Biko area	2.68	6100	1404
2	Kirkwood town JC Steyn Bersig Jagvlakte Malmasion Aqua park	117.32	6476	1380
3	Addo Valencia Zuney	1585.73	6990	1869
4	Paterson Moreson-Kwazenzele Farms	702.66	4867	1197
5	Nomathansanqa	0.798	6482	1617
6	Nomathansanqa Selborne Langbos Sunland	99.68	5157	1356
7	Bersheba area Summerville-Mistkraal Wesbank Enon Dumbrody	998.72	5508	1209
		3507.59	41.580	10.032

(IDP, 2007:20)

Annexure G.1: Age composition per ward

Wards	0-4	5-14	15-34	35-64	Over 65	Total population
1	447	1188	2316	1755	396	6100
2	561	1215	2424	1860	417	6476
3	633	1479	2559	1983	333	6990
4	441	978	1908	1284	252	4867
5	501	1071	2130	1554	252	6482
6	405	1050	1941	1452	309	5157
7	579	1317	2520	1677	387	5508
Total	3 567	7 298	15 798	11 565	2 346	41 580

(IDP, 2007:22)

Annexure G.2: Demographical trends

Wards	African		Coloured		Indian		White		Total	
	N	%	N	%	N	%	N	%	N	%
1	6045	29.19	54	237.50	0	0	0	0	6100	29.16
2	2513	26.35	2941	2.06	4	50	1018	28.36	6476	17.90
3	4971	2.16	1556	3.89	0	0	463	27.66	6990	5.73
4	3827	4.19	896	13.60	3	40	141	54.22	1283	3.24
5	6442	24.17	40	185.71	0	100	0	0	6482	24.39
6	4610	3.15	336	47.74	0	0	210	62.23	5157	14.16
7	3427	16.72	2604	35.22	0	100	628	37.26	5508	25.45
Total	31 835		7 511		7		2 226		41 580	

(IDP, 2007:21)

Annexure G.3: Increase in population by age and gender

Gender	Age	1996	2001
Male	35 to 64 years	5238	5300
Female	15 to 34 years	8059	8211
Female	35 to 64 years	5515	6271

(IDP, 2007:22)

Annexure G.4: Employment related data

Wards	Employed	Unemployed number %	Not economically active	Economically active
1	777	1470 65.42	1863	2247
2	1668	378 18.47	2268	2046
3	2244	915 28.96	1395	3159
4	804	1116 58.12	1293	1920
5	1113	945 45.91	2166	2058
6	1551	609 28.19	1260	2160
7	2013	156 0.07	1536	2169
Total	10 170	5 589 35.46	11 781	15 759

(IDP, 2007:31)

Annexure G.5: Individual monthly income

Wards	Number of persons	R0		R1-800		R801-R1 600		R1 601+	
		Nr %		Nr %		Nr %		Nr %	
1	4465	2232	49.98	1821	40.78	243	5.44	171	3.83
2	4700	2019	42.95	1911	40.65	297	6.32	474	10.09
3	4878	1980	40.59	2184	44.77	408	8.36	309	6.33
4	3448	2079	60.29	957	27.75	252	7.31	162	4.70
5	4910	2937	59.81	1467	29.87	396	8.07	114	2.32
6	3702	1443	38.97	1875	50.64	240	6.48	147	3.97
7	3612	903	25.00	2157	59.71	231	6.40	321	8.89
Total	29 715	12 372	41.63	13 593	45.74	2 067	6.96	1 698	5.71

(IDP, 2007:31)

Annexure G.6: Household income is reflected by annual income

Wards	TOTAL HOUSEHOLDS	NONE		R1-R4 800		R 4 801-R9 600		Total households living below R800 per month	
		Nr	%	Nr	%	Nr	%	Nr	%
1	1404	228	16.24	75	5.34	402	28.63	705	50.21
2	1380	96	6.96	102	7.39	339	24.75	537	38.91
3	1869	171	9.15	186	9.95	465	24.88	822	43.98
4	1197	345	28.82	81	6.77	291	24.31	717	59.90
5	1617	462	28.57	111	6.86	429	26.53	1002	61.97
6	1356	150	11.06	165	12.17	333	24.56	648	47.79
7	1209	39	3.23	60	4.96	309	25.56	408	33.75
Total	10 033	1 491	14.86	780	7.78	2 568	25.60	4 839	48.27

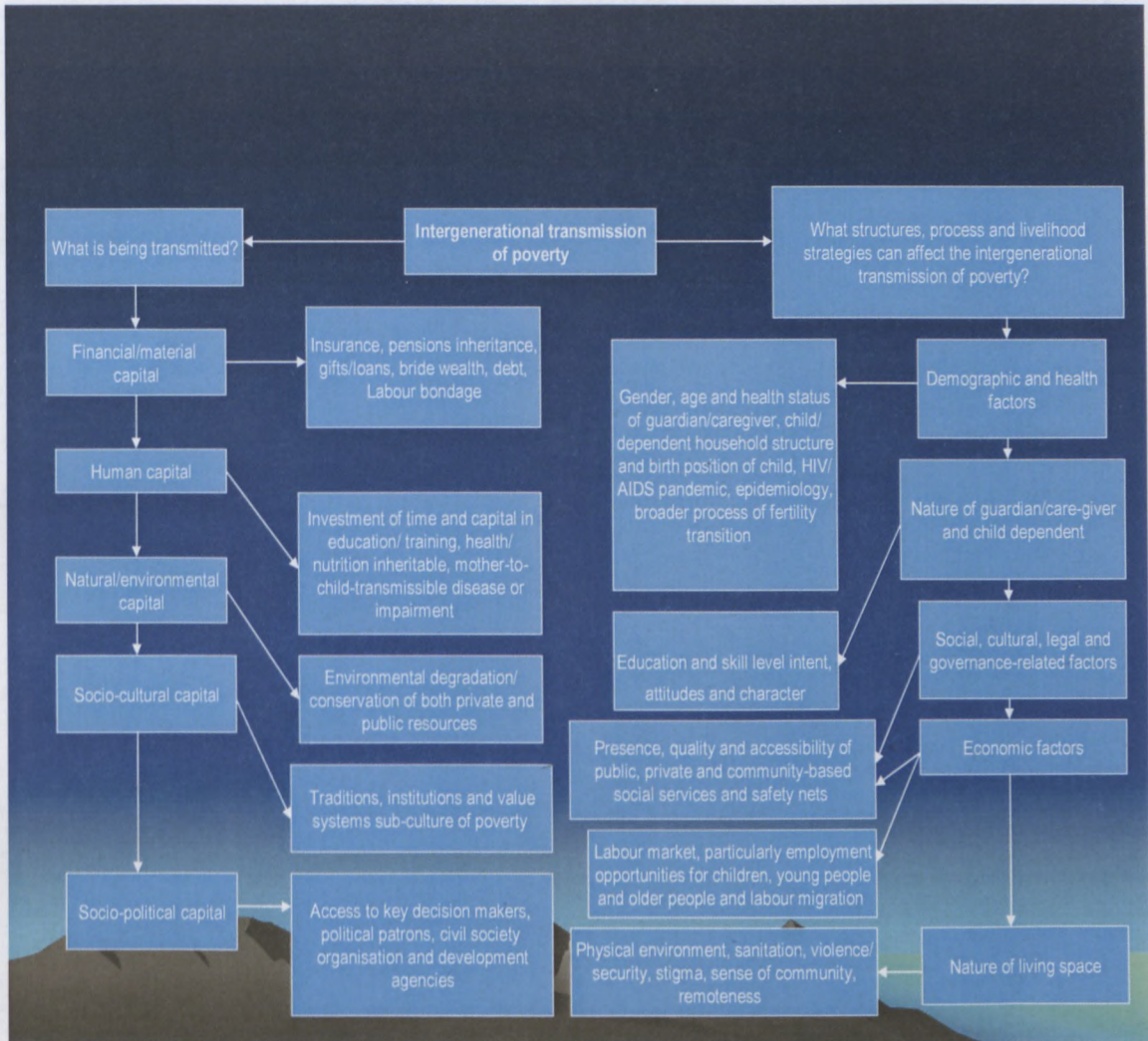
(IDP, 2007:31)

Annexure G.7: Ward profile summary of access to basic services

WARDS	1	2	3	4	5	6	7	No. of Households	% of total H/holds
No. of H/holds	1343	1439	1553	1081	1440	1146	1224	9226	
Refuse Removal									
Weekly by municipality	1188	624	408	846	9	144	366	3585	38.86
Municipality other	21	12	24	18	0	6	45	126	1.37
Communal dumping	3	36	129	6	42	126	126	468	5.07
Own dump	84	567	1185	147	1008	795	450	4236	45.91
No disposal	108	144	123	180	561	282	216	1614	17.49
Access to electricity	1155	981	990	816	921	867	816	6546	70.95
Sanitation									
Flush toilet	39	573	411	72	390	657	276	2418	26.21
Flush septic tank	87	51	156	54	6	42	72	468	5.07
Chemical	9	3	6	12	3	3	120	156	1.69
Pitlatrines	1119	531	525	84	1086	342	297	3984	43.18
Bucket latrine	9	6	30	639	6	6	6	702	7.61
None	108	132	555	291	27	210	63	1386	15.02
Water									
Dwelling	60	357	264	90	3	114	249	1137	12.32
In yard	1029	522	504	765	1083	729	423	5055	54.79
Community Stand < 200m	63	33	198	108	195	9	138	744	8.06
Community Stand >200m	69	12	303	162	321	69	113	1049	11.37
Borehole	0	12	87	21	0	15	18	153	1.66
Spring	0	0	12	0	0	3	3	18	0.20
Rain tank	66	141	285	3	0	120	147	762	8.26
Dam/stagnant water	3	126	186	24	0	231	78	648	7.02
River/stream	0	39	21	3	0	24	3	90	0.98
Water vendor	0	24	3	3	0	0	3	33	0.36
Other	108	114	18	15	15	42	30	342	3.71

(IDP, 2007:23)

Annexure H: Framework of intergenerational transmission of poverty and well-being in developing countries



(Moore, 2001)

Annexure I: Social grants beneficiary numbers by type of grant, 2005 to 2009 (South Africa)

Type of grant	April 2005	April 2006	April 2007	April 2008	April 2009	% of annual average growth
Old age pension	2.093.440	2.144.117	2.1950.018	2.218.993	2.324.615	2.7%
War veterans	3.343	2.832	2.340	1.963	1.649	-16.2%
Disability grant	1.307.551	1.319.536	1.422.808	1.413.263	1.4.4.884	1.8%
Foster care grant	252.106	312.614	400.503	443.191	487.510	17.9%
Care Dependency grant	88.889	94.263	98.631	101.836	105.909	4.5%
Child support grant	5.661.500	7.044.901	7.863.841	8.195.524	9.061.711	12.5%
Total	9.406.829	10.918.263	11.983.141	12.374.770	13.386.278	9.2%

Source: Intergovernmental Fiscal Review, 2009:90.

Annexure J: Social grants beneficiary numbers by province, 2005 to 2009 (South Africa)

Province	April 2005	April 2006	April 2007	April 2008	April 2009	% of annual average growth
Eastern Cape	1.743.007	2.094.642	2.244.303	2.291.898	2.507.094	9.5%
Free State	596.083	678.522	723.698	755.665	808.438	7.9%
Gauteng	1.165.679	1.318.981	1.406.445	1.451.967	1.571.129	7.7%
Kwazulu-Natal	2.149.969	2.498.888	2.931.722	3.033.463	3.275.005	11.1%
Limpopo	1.412.882	1.640.032	1.751.512	1.798.859	1.956.601	8.5%
Mpumalanga	704.070	836.451	901.386	925.171	1.006.932	9.4%
Northern Cape	188.578	213.512	232.102	307.095	259.279	8.3%
North West	777.722	888.065	1.001.629	980.018	1.118.912	9.5%
Western Cape	668.839	749.170	790.344	830.634	882.888	7.2%

Source: Intergovernmental Fiscal Review, 2009:90.

