



**Delivery of Social Services Through State Owned Enterprises: The Case of the South African Social Security Agency (SASSA) in Pietermaritzburg**

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## DECLARATION

Submitted in fulfilment / partial fulfilment of the requirements for the degree of  
....., in the Graduate Programme in .....,  
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## **ABSTRACT**

The apartheid regime influenced the high inequality levels, which perpetuated poverty rates particularly amongst black Africans. The democratic government thus inherited a society that consisted of majority of its Black citizens who were labelled as “poor”. It is within this context of discriminatory practices by social welfare services during the apartheid period, that the South African government committed itself to redressing issues of poverty, and restructuring the social security system to be inclusive.

This study aimed to investigate the challenges and successes of implementation in the delivery of social services through state-owned enterprises, as a mechanism to deliver services in South Africa. It entails a case study of the South African Social Security Agency as an example of a state owned enterprises, delegated to deliver social services. The study focused on the SASSA office in Pietermaritzburg, which is situated within Mgungundlovu District, in KwaZulu Natal.

This study, therefore, proved that SASSA in PMB as a state owned enterprise has successfully been able to deliver social services, effectively and efficiently. The delivery of social services through state owned enterprises has fundamentally improved as compared to before the inception of SASSA. However, it further uncovers that there are still various challenges in the delivery of social services that impede further progress. The challenge of incapacity in the administration of social grants was seen as one of the challenges. Secondly, the biometric system of payment opened up to other corruptive actions, such as illegal deductions of the social grant.

This research study took a qualitative study approach by using in-depth structured interviews to collect primary data from respondents (SASSA, Black Sash, CINDI, PADCA, and Youth For

Christ). The study also used primary data from official government documents; as well as secondary data. The sample consisted of a total of nine participants for the study, SASSA officials and members of NGO's, namely Black Sash, PADCA, CINDI and Youth For Christ. Data was analysed using the thematic content analysis, using manual coding according to the themes. The research study used word for word transcription.

## ACRONYMS

SASSA	:	South African Social Security Agency
DSD	:	Department of Social Development
CSG	:	Child Support Grant
PFMA	:	Public Finance Management Act
PMB	:	Pietermaritzburg
SOE's	:	State Owned Enterprises
CINDI	:	Children In Distress Network

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# CHAPTER 1

## INTRODUCTION

### 1. Background

During apartheid, the South African society was segregated; citizens received unequal economic, political, social, and geographical privileges (Department of Welfare, 1997:6). The widespread poverty, vast income inequalities, and high unemployment rates during the apartheid period, led to the establishment of social welfare using cash transfers as a basis of income (Department of Welfare, 1997:6). The social welfare system consisted of two divisions, social welfare and social services (Lund, 2008: 6). The social welfare services aimed to alleviate poverty with income generating opportunities and cash transfers offered support for the social welfare clients, while social services were delivered through a partnership between government and the voluntary welfare sector. The social security sector particularly focused on the administration of pensions and grants (Lund, 2008:8). According to Brockerhoff (2013:21) the social grants were initially created to support the White pensioners, children, and the disabled, from poor families. The classification of people as poor was done through a means test and those who did not meet the threshold of that specified income were eligible to receive the social grant. However according to Brockerhoff (2013:21), under the apartheid government, the social security grants were a mechanism to lure electoral support from the White people. There also existed the State Maintenance Grant which supported Colored people, mainly used to ensure electoral support. Brockerhoff (2013:21) states that, the reason for a shift towards equal social assistance provision in the late 1970's and early 1980's, was a result of the apartheid government attempting to give the homeland system and the three chamber-parliament (tri-cameral parliament) political legitimacy.

Furthermore, according to Brockerhoff (2013:24) cited from Lund (2008:8) the social security services were racially skewed in their deliverance: Coloureds, Indians and Whites received payments monthly, whereas Blacks were paid their allowance every second month. Whites and Indians received payment by cheque at the post office, whilst Blacks were paid in cash at various mobile sites, such as schools, under the trees or in stores (Brockerhoff, 2013:22). Additionally, the

pensions for the minority were payable from the date of application, whereas for the Black majority, pension was payable from the date of approval (Brockhoff, 2013:22). Additionally, the Black majority lived in worse poverty in the rural areas, the cost lines and distance impacted on their ability to access their allowance (Lund, 2008:11). Under apartheid, the Chief of Grant Systems and Administration found the delivery of grants to be fragmented and racially divided because they discriminated against certain races and certain needy populations did not receive their grant. The grants were under resourced and beyond the reach of the vast majority that was needy (CRSS report, 2001:4). Additionally the White Paper for Social Welfare (1997) identified that: *past welfare policies, legislation, and programmes were inequitable, inappropriate and ineffective in addressing poverty, basic human needs and the social development priorities of all people* (White paper, 1997:11).

Thus, it is within this context of discriminatory practices by social welfare services during the apartheid period, that the South African government committed itself to redressing issues of poverty and restructuring the social security system to be inclusive (Department of Welfare, 1997:2). A democratic social welfare system was put in place by government “to facilitate the provision of appropriate developmental social welfare services to all South Africans, especially those living in poverty, those who are vulnerable and those who have special needs” (Department of Welfare, 1997:9). The democratic social security system aimed at poverty reduction, ensuring a basic minimum standard of living for people and those who cannot actively participate in the labour market (Department of Welfare, 1997:2). Post-1994, under a democratic South African government, the administration and payment of social grants was the responsibility of provincial governments who were responsible for social development in the nine provinces (Brockhoff, 2013:30). During this period, old age grant beneficiaries received cash payments through identification cards from pay-points such as community halls, or local super markets, which were situated close to their homes for easy access. However the administration of grants through this system of payment was associated with fraud, delays in approving applications, hitches in accessing payments, and the welfare system was characterized by a lack of accountability, and a lack of good management (Department of Welfare, 1997:6).

In an attempt to deal with these challenges, the South African government established an independent agency, the South African Social Security Agency (SASSA), a state-owned enterprise to provide improved services in the provision of social assistance grants to the appropriate persons. State-owned enterprises deliver services, inclined with effective and efficient management systems to administer the application, verification, approval, and payment of grants (Department of Social Development, 2013:1). In 2004, payment of grants was outsourced to various private contractors by the government together with the Department of Social Development and the management of these contractors, was ceded to the South African Social Security Agency when it came into operation in 2006 for the administration and payment of social grants (Department of Social Development, 2013:1). SASSA is managed by the Department of Social Development, to deliver its constitutional mandate, by properly delivering social grants to the appropriate, qualifying beneficiaries. National Treasury authorizes and supplies the funds for social assistance SASSA (PFMA, 1999).

Furthermore, seeing that the old payment system was associated with rampant fraud within the system (i.e. registration of non-existent children in order to receive income) and lacked norms and standards in the administration and payment of social grants (Department of Social Development, 2013: 1), the National Department of Social Development designed a new technological system of payment. The new system of payment uses biometric technology, which uses finger and palm verification, as well as voice recognition for each social grant beneficiary. The biometric system is able to trace fraudulent applications for social grant applicants, each applicant has to verify their existence by using their finger print on the biometric machine. The biometric technology system is used by the South African Social Security Agency to enroll the social grant clients, this is done to prevent fraudulent activities, and to ensure that the grant money is paid to the relevant beneficiary at all times (Department of Social Development, 2013:1).

According to Black Sash (2014:1), SASSA's biometric system of payment is however also open to corruptive actions of the most vulnerable beneficiaries. There have been reported cases and complaints of grant beneficiaries receiving less of the anticipated grant amount due to unauthorized deductions from loan payments, prescribed debts, and multiple funeral schemes (Black Sash, 2014:1). Scammers have also been reported to clone the SASSA card and utilize it to buy prepaid

services such as airtime and electricity through accessing personal information of grant beneficiaries as well as details of their SASSA payment cards (Black Sash, 2012:1).

These findings imply that the current system of delivering grants is also experiencing challenges. This study sought to research the disbursement of social grants by SASSA to grant beneficiaries in Pietermaritzburg, focusing on the experiences of SASSA officials in the administration of grants, as well as the experiences of beneficiaries in collecting grants from SASSA. The broad objective of the study is related to investigating the use of State Owned Enterprises (SOE) in the delivery of social services.

A study conducted by Makafane (2005:45) in Lesotho on Lesotho Airways Corporation (LAC) a state-owned enterprise, he found it to be ineffective in its services. The initial aim of privatizing LAC was to ease the fiscal burden on government and to sell a controlling interest in LAC to a strategic partner capable of providing adequate services (Makafane, 2005:47). The LAC could not sustain the competition by other companies, and its collapse led to retrenchments of workers where government was obliged to pay the benefits which were expensive (Makafane, 2005:58).

A case study that was conducted by Bo (2007:61) looked at China's transition period, measured people's benefit in the welfare system and how state-owned enterprise reform has changed the welfare system. The study found that state owned enterprise reforms had a significant effect on the cutback of the welfare system. The motive behind the cut backs in the welfare system was for cost effectiveness. Most of those who were in need of the welfare received it, but it reduced urban people's welfare benefits in the reform era, which meant the enterprises, retained a bigger portion of profit (Bo, 2007). The state-owned enterprises were however found to be effective in cost effective activities, and in provision of welfare services.

Another study conducted by Joseph (2012:80) assessing the strengths and weaknesses of SASSA as a state-owned enterprise, found that even though there have been improvements in making social assistance accessible to the majority of the eligible persons, there are still challenges (weaknesses) in the system, and in the way payments are disbursed. There are delays that are being experienced concerning capturing, validation, and approval of applications by SASSA officials. This is a result of the shortage in human resources, lack of technological resources, and a large number of backlogs (Joseph, 2012:80).

Furthermore, the South African Social Service Agency experienced a social grant syndicate. The syndicate operated within the SASSA grants system and inter-provincially (Barbeau, 2016:1). The alleged SASSA debit cards were being sold for R2 500 each (Barbeau, 2016:1). It was a fraud of social grants suspected from over 200 fake grants, which led to an arrest of SASSA officials that were employed in the grants administration department and were responsible for capturing and verifying social grants on SASSA's Socpen system (Barbeau, 2016:1). A house was identified which operated as an illegal SASSA office and fraudulent identity documents were being manufactured (Barbeau, 2016:1). The embezzlement of funds was identified by the Hawks, police crime intelligence, SASSA fraud management and compliance department, and a private auditing and accounting firm (Barbeau, 2016:1).

Another case was when the news reporting agency called GroundUp, reported that the SASSA system works well, most grant beneficiaries receive their money on time every month without any problems (GroundUp, 2015:1). However, there was a suspicion that various Net1 companies, which owns the companies that pay out social grants, have been sharing confidential information of grant beneficiaries to carry out their business. Therefore the anonymous deductions are made from grant beneficiaries' accounts before they have seen their money (GroundUp, 2015:1). Grants beneficiaries have complained of the anonymous and, unauthorized deductions, as they receive less of their anticipated monthly amount (Ground Up, 2015:1).

Furthermore, the South African Social Security Agency, together with the Department of Social Development, found that social grant beneficiaries were in debt. The agency found that financial service providers such as Net1, UEPS and Finbond Mutual Bank are financial service providers providing loans to social grant beneficiaries, particularly those with debt problems (Maake, 2016:1). This led to a legal action against Net1 and associated companies; however, the financial companies were against the legal action which led to the court declaring for an amendment of the Social Assistance Act No. 13 of 2004, regulating the deduction of social grants (Maake, 2016:1).

The Net1 subsidiaries continued to lend money to grant beneficiaries despite the demands made by the minister of social development to stop lending money to grant beneficiaries (Steyn, 2014:1). Black Sash, an advocacy movement on the protection of social protection area, stated that moneylenders or loan sharks were "debiting the bank accounts of grant beneficiaries in a manner that is increasingly frenzied and often unauthorized, leaving families with vastly reduced monthly

incomes” (Black Sash, 2015:1). The minister found that the deductions presented were unwarranted and unlawful and requested that they should be reversed (Steyn, 2014:1). Black Sash also found that SASSA grant beneficiaries complained of the hardships of repaying the exorbitant interest rates from their loans, where initially these loans were thought of by grant beneficiaries as an extension of the little grant money (Steyn, 2014:1).

Advocacy organizations and members of parliament representing grant beneficiaries have ensured enquiries in rural areas from the social grant beneficiaries about the challenges they have been experiencing regarding the recurring problem of social grant deductions and debts on loans. The Black Sash and DA MP’s (all women) enquired on the subject in rural communities and have received frequent complaints from the grant beneficiaries who claim they are forced and “tricked” into opening bank accounts with EasyPay, a Net1’s subsidiary (Gonstana, 2016:1). The cards automatically transferred the money into the EasyPay account, a private account, and SASSA has no control of it.

On 12 October 2016, social grant beneficiaries, members of the Black Sash and other civil society organizations gathered outside the St George’s Cathedral in Cape Town to pray for justice for beneficiaries who were affected by unauthorized, unlawful and fraudulent deductions from their grants (Gontsana, 2016:1). After the prayer, the beneficiaries and other people stood outside with placards demonstrating “no deductions from SASSA bank accounts”, “SASSA take over grant payments in April 2017” (Gontsana, 2016:1).

Thus, the outcry has resulted in a stand from civil society organizations, Black Sash, and members of the parliament to address the matter. The constitutional court, therefore, ruled for an amendment in the Social Assistance Act, which includes changes to the administration of social grants. The court ruled that except for the child grant, only funeral policies were allowed to be deducted from other grants for the elderly, which only amounts to 10% of the total value of the grant (Maake, 2016:1). As a result of the unforeseen challenges in the payment of grants and outcries in the challenges that social grant beneficiaries are facing, civil society organizations are advocating for change and insourcing the payment of grants to curb the illegal deductions, loans, and unreliable grant amounts. Even though the cash payment contract was contracted out to a cash-distribution company because the Department of Social Development struggled to execute the mammoth task of disbursing grants, the civil society representatives for grant beneficiaries, demand that the

Department of Social Development takes over. Therefore, the Department of Social Development plans to take over the responsibility of grant payments. With less than a year to go to April, the Department of Social Development claims to still be considering its options (Noseweek, 2016:1) but has not revealed a solid plan.

After a presentation from the Minister of Social Development on the 24<sup>th</sup> of November 2016, to account for a fruitless and wasteful expenditure of R316 million for irregular payments to Cash Payment Master (Thamm, 2016:1), the Minister seemed not to have a plausible plan for taking over in 2017. The Minister Bathabile Dlamini was quoted saying that “her wish” was that “SASSA will control the system from April 1, 2017”. The Minister was also questioned whether the Cash Payment Services (CPS) contract will simply be rolled over, but the Minister could not provide a fitting response, this then led to suspicions that the CPS contract “will indeed simply again be rolled over” or extended so to speak (Thamm, 2016:1).

The Minister of Social Development is yet to make an announcement about the switchover, on how SASSA will go about disbursing grants to about 17 million beneficiaries in April 2017, when the contract with CPS expires. Though there are growing concerns because of SASSA’s bad record of wasteful expenditure, staffing problems, fraud, and failure to curb illegal and unauthorized deductions on grants recipients’ money by private companies, there is a chance that they will fail to take over, leaving millions of grant beneficiaries in despair (GroundUp, 2016:1).

Lastly, the Hands Off Our Grants campaign has urged SASSA to take over the payment of social grants by 1 April 2017 because the Net1 contract is due to end by the 30<sup>th</sup> of March 2017 (Noseweek, 2016:1). The Black Sash led Hands Off Our Grants campaign specifically called for, “SASSA to take over the payment of social grants; insource of the services by 1 April 2017; the creation of a special and protected SASSA bank account; improved implementation of SASSA’s recourse system; refund disputed deductions with bank charges and interest backdates to 2012; and the protection of personal and private information of all in the social grant system” (Noseweek, 2016:1).

## **1.2 Research Problem and Objectives: Key questions to be asked**

1. What are state-owned enterprises?
2. What is the legislative framework for state-owned enterprises?

3. What is their relationship to the state?
4. What are the systems/ processes/ structures that SASSA uses to administer the grants in Pietermaritzburg?
5. What are the challenges that SASSA in Pietermaritzburg has encountered in administering the grants?
6. What are the successes that SASSA in Pietermaritzburg has achieved?

### **1.3 Research problems and objectives: broader issues to be investigated**

The broad aims of the study are to gain an understanding of the delivery of services using SOE's. The broad objectives guiding the project are:

- To find what are state-owned enterprises
- To find out what is their relationship to the state in terms of governance
- To find out how SASSA delivers services
- To find out what are the issues confronting SASSA in PMB in delivering services

### **1.4 Research methodology and methods**

This study has used the qualitative research method. Qualitative studies are intended to describe the nature of certain situations, settings, processes, relationships, systems and people, and it provides the means through which a researcher can judge the effectiveness of particular policies, practices or innovations (Peshkin, 1993:24). It is underpinned by an interpretive paradigm which aims “to gain a deeper and more empathetic understanding of aspects of social life and human behaviour” (Plooy-Celliers and Bezuidenhout, 2014:65). The use of a qualitative methodology in this study was most appropriate because it seeks to investigate the processes, procedures and effectiveness of the delivery of services by SASSA to grant beneficiaries and explore the experiences of grant beneficiaries and SASSA officials.

#### **1.4.1 Case Study: The Pietermaritzburg South African Social Security Agency (SASSA)**

The research used a case study approach. According to Plooy Cilliers Bezuidenhout (2014:178) “a case study is a thick and detailed description of a social phenomenon that exists within a real-world context”. The case study for the research is the PMB SASSA office, as an example of a state-

owned enterprise. SASSA is a state-owned enterprise that administers the application, approval, and payments of social grants.

The South Africa Social Security Agency is a social grant service provider. Its vision is to be “*a leader in the delivery of social security services*”. The agency’s vision in delivering social grants encapsulates the idea of implementation. Their mission is “*to administer quality customer-centric social security services to eligible potential beneficiaries*” (SASSA, no date:1). The agency adheres to values of democracy and values that promote a culture of respect for human rights. It also subscribes to values of cohesion that entail, transparency, equity, integrity, confidentiality and customer care centered approach (SASSA: no date:1). Furthermore, the agency acknowledges that there should be continuous improvement in order to meet the demands and needs of the customers. “The responsiveness of SASSA to community needs and expectations may require adjustments in respect of service delivery, information technology and administrative processes” (SASSA: no date:1).

Moreover, SASSA is responsible for ensuring that the right grant is paid to the correct person at a place of convenience to the grant recipient (SASSA, 2014:2). The social grants constitute of eight different types of grants in the form of a cash transfer. The different types of social grants are grants for older persons, child support grants, disability grants, foster child grants, care dependency grants, war veterans’ grants, grant in aid, and social relief of distress (SASSA, no date:1). These social grants are not universal, each of the grant requires similar documents but entails a different criterion.

The study is conducted in Pietermaritzburg which falls under KwaZulu-Natal region, the SASSA social grant administration local office is situated in Pietermaritzburg district under Umsunduzi municipality which is comprised of a population of 618 536. There are 22 grant administration offices and 4 service points in the Pietermaritzburg district (SASSA PMB, no date:1). The 22 offices are Pietermaritzburg, Raisethorpe, Vulindlela, Camperdown, Richmond, New Hanover, Howick, Mooi River, Impendle, Hlanganani, Underburg, Kokstad, Ixopo, Phungashe, Umzimkhulu, Harding, Izingolweni, Gamalakhe, Port Shepstone, Umzumbe, Umzinto and Vulamehlo. The four service offices are at Riverside, Maqonqo, Maswazini and Snathing. The Pietermaritzburg office has 17 pay points, with all of them having 100% basic facilities (SASSA PMB, no date:2).

The Pietermaritzburg grants administration unit consists of a total number of 35 staff members referred to as grants administrators (SASSA PMB, no date: no page number). The Pietermaritzburg SASSA office entails all the basic facilities for social grant clients. The local office has an average of 70 grant applications finalized per day, with the Child Support Grant as the most applied for social grant and the grant for older persons as the second highest (SASSA PMB, no date: no page number).

### **1.4.2 Sampling**

The study employed a non-probability sampling method. A non-probability method is used when the researcher has no way of forecasting that each element of the population will be represented in a sample (Leedy and Ormarod, 2005:206). The SASSA officials as participants of the study, were chosen according to their convenience. Convenience sampling is the process of choosing subjects because of accessibility and proximity to the researcher (Maree and Pietersen, 2007:173). The SASSA participants were chosen because they are the service providers for social grant beneficiaries and are in constant communication with the social grant beneficiaries.

The participants for the study, SASSA officials consisted of the social grant administration unit that is divided into different sections, the operations management consists of 24 staff members, the Customer Care entails 4 staff members, the Pay Point Management consists of 4 members, the Disability Management has 4 staff members, and the Benefits Admin Support has 2 staff members (SASSA PMB, no date: no page number).

The sample consisted of a total of 8 participants for the study, 3 (three) employees, the assistant manager, the supervisor (senior grant administrator) and a grant administrator were from the local SASSA office in Pietermaritzburg in KwaZulu Natal. The other participants were Pietermaritzburg and District Council for the Care of the Aged (PDCA), Youth for Christ, Children in Distress Network (CINDI), and Black Sash staff members. The participants were purposefully chosen because they work in organisations that assist social grant beneficiaries access their monthly allowances and work with SASSA as a social grants administration agency. “Purposeful sampling is based on the assumption that the investigator wants to discover, understand, and gain insight, and so must select a sample from which the most must be learned” (Merriam, 1998:128). The

SASSA officials were chosen because they are the administrators of the social grants and the research aims to explore their experiences in the delivery of social grants. A few non-governmental organizations were also included in the study because they assist the beneficiaries in accessing the grant and also engage in policy and advocacy work around social development issues. Members of the following organizations were interviewed:

-1 respondent from Children in Distress Network (Grants facilitators)

-1 respondent from Youth for Christ (which is affiliated with CINDI)

- 1 respondent from PADCA (Grants facilitator)

-2 respondents from Black Sash (Regional manager and general worker)

The respondents from the participants of the study were given codes, R-1 Assistant Manager, R-2 Senior grant administrator, R-3 Grant administrator, R-4 Research Consultant, R-5 Black Sash, R-6 Social Worker and R-7 Deputy Director.

### **1.4.3 Data collection method**

The study used an in-depth structured interviews to collect primary data from SASSA, PADCA, Youth for Christ, Black Sash, and CINDI respondents. “In depth structured interviews allow a researcher to pose questions to participants with the aim of learning more about their views, opinions and beliefs about a specific phenomenon” (Bezuidenhout, 2014:188). The interviews explored SASSA officials’ experiences, challenges and successes in administering social grants and beneficiaries’ experiences through interest groups in accessing grants. The study also analysed primary data from official government documents; Constitution of the Republic of South Africa Act (No.108 of 1996), Social Assistance Act (No.13 of 2004), South African Social Security Agency Act (No.9 of 2004), Public Finance Management Act (No.1 of 1999), Companies Act (No.71 of 2008), White Paper for Social Welfare 1997, Age Persons Act of 2006. Secondary data was also used and the content was collected and analysed from other SASSA, Department of Social Development reports, UKZN and University of Pretoria unpublished thesis, and journal publications which dealt with the delivery of grants and SASSA’s administration of the grants.

#### **1.4.4 Data analysis method**

The data is analysed using the thematic content analysis using manual coding according to the themes. Thematic analysis is “a method for identifying and analysing patterns in qualitative data” (Braun and Clarke, 2013:3). According to Bezuidenhout (2014:234) qualitative content analysis is used to explore and identify obvious and hidden themes. Coding assisted in organizing the data and thus help the researcher to collect the data associated with thematic ideas. According to Maree (2007:105) coding is the process of developing categories based on the properties and dimensions of the concept. The study used verbatim transcription. According to Maree (2007:178) verbatim transcription is the process of converting spoken words into textual forms. The themes used to analyse the responses relate to the implementation theory and delivery system concept.

#### **1.5 Limitations of the Study**

Due to ethical considerations, the study obtained the experiences of the beneficiaries receiving the social grant through non-governmental organisations, PADCA, Youth for Christ, CINDI, and Black Sash that work with them. Thus the responses received were not from a primary source which meant the study was not able to access information from the actual social grant beneficiaries, but received information that was cited as what social grant beneficiaries experienced. Also only one office, the SASSA office in Pietermaritzburg was involved in the study, due to distance and financial constraints of the researcher.

#### **1.6 Structure of Dissertation**

Chapter 1 is an introduction, and it includes the background and statistics. It entails a detailed problem definition and the literature overview of the study. It also contains the literature behind state-owned enterprises and the methodology that is used in the study.

Chapter 2 is the conceptual framework, this chapter presents the implementation theory of public policies, and the concepts that perpetuated the idea of adopting state-owned enterprises.

Chapter 3 is the legislative framework for State-owned Enterprises. This chapter is an analysis of the legislative framework that governs State-owned Enterprises (e.g. SASSA) in South Africa and the implementation of the Social Assistance Act. It is comprised of the Companies Act, PFMA Act, Social Assistance Act, and South African Social Security Agency Act.

Chapter 4 is the findings and analysis of SASSA, it presents an analysis of state-owned enterprises using the case study of SASSA as its focus. The findings will be presented according to themes of similar ideas, under implementation, governance and new public management.

Chapter 5 will present the conclusion of the study, as according to the findings.

## CHAPTER 2

### CONCEPTUAL FRAMEWORK

#### 2.1 Introduction

Chapter Two presents the conceptual framework for the study and it looks at the implementation challenges that are encountered by state-owned enterprises in the delivery of public policy. It discusses the factors that could result in experiencing challenges in implementing the policy. The concepts used in this chapter illustrate different forms of implementation that have been adopted by the modern government, for reasons of enhancing service delivery, and devolving responsibility so as to minimize the work load. The chapter explains the approaches to implementation, it provides a conceptualization of state owned enterprises, the conditions that could result in successful policy implementation, and the processes required for successful implementation. In addition, this chapter will discuss how different factors such as street level bureaucrats could obstruct successful policy implementation. It further outlines how new public management has resulted in improved strategies that governments adopt to improve governance and service delivery. This is illustrated using the concept of new public management as a way of implementing policy.

#### 2.2 Public Policy Theory

Public policies are a guide for government and accountability links to citizens (Mackay, no date: 1). It is important to note that before defining a policy; no clerical process can take place if there are no defined goals and objectives of the policy. According to Parsons (1953:3) he defines public policy as “that dimension of human activity which is regarded as requiring governmental or social regulation or intervention, or at least common action”. To be more precise; Ikelegbe (2006: 4) defines public policy as "the output or product of the governmental process and activity, which is usually expressed in legislative enactments or laws, executive decrees or orders, executive and official statements or speeches, government budgets, judicial decisions and, sometimes, political party manifestos". The purpose of a public policy is to react to an identified social problem, because by reacting, it presupposes an improvement in people’s lives.

Policy is often stipulated as a formal statement in writing, but interpreted and communicated verbally. Policies are often implemented through programmes and if successfully implemented, they address the problem identified (Mary, 2009:13). Parsons (1953:13) adds that policy does not always follow a path of intended activity and can therefore, result in unintended consequences (Parsons, 1953:13). The factors that determine the successful consequences that may result from the activity are; the process, programs, and politics concerned. The process is concerned with the manner in which societies could or should make collective choices on behalf of the citizens' interest. The process aspects are the actions of government; basically; what governments do. Programs consist of the different basic resources and tools of government such as- laws, public personnel, public expenditure, tax incentives and exhortation (Rose, 1984, Hood and Margetts 2007, Howlett, 2010:5). Lastly, in understanding what governments do, we should take note of the fact that programs have political consequences. The decisions taken by government have repercussions for the reputation and electoral views of politicians and their capacity to manage political agendas (McConnell, 2010:350).

As stated above, policy entails a series of decisions consisting of differing and numerous actors; working in an uncertain institutional setup; and employing a variety of instruments. It is therefore, a complex phenomenon (Turner and Hulme, 1997:198). It may be regarded as a continuous process as it is defined by stages in the different types of activities that take place in the process, according to John (1998:36). Although there is no consensus on the number of stages in the policy process, the general idea of the stages includes agenda setting, issue identification, policy design, decision making and implementation (Colebatch, 2002:50).

As soon as the identification of a social problem has gained a position in the agenda setting stage, the policy objectives are then transcribed into a document, identified as a policy. Subsequently, the policy paper is provided to address the social problem, thus it is put into effect which is called policy implementation stage.

### **2.3 Policy implementation**

A public policy is “a formally articulated goal that the legislator intends pursuing with society or with a societal group” (Hanekom, 1987:7). It is a mechanism employed to realize a societal goal and it must be put into action to achieve the stipulated goals and objectives. Policy making is

therefore not the end of the policy process as there is an implementation stage that is required so that the results of the desired goals may be realized. It is associated with specific policies that are directly responding to a social problem in society (Hill and Hupe, 2002:5). Implementation is a complex phenomenon in policy, and the literature surrounding it is enormous, however there is no consensus regarding how implementation should be carried out in order to achieve successful implementation. Different scholars have commended various thoughts, models and theories that can be used to understand the implementation process; however; the context is diverse and different dimensions apply in different places. Therefore, these are not specific in context. Though there is no widely accepted theory for implementation, there exists a convergence on the identified variables of policy implementation, and scholars have identified similar variables that speak to implementation (Cloete and de Coning, 2011:136).

Hill and Hupe (2002:46) defined implementation as “a process that begins after policies have been formulated, aimed at transforming policy mandated to attained objectives”. This implies that policies are ineffective until implemented. Implementation occurs in different stages and its mandate requires the participation of more than one agency and as a result, the program is not controlled by a single actor (Montjoy and O’ Toole, 1979, 469). It is a complex process that does not unfold in a neat sequential process (John, 1998:34). It is essential to indicate that the implementation process moves from a decision that is appropriate to address a need or specific problem in society that necessitates those in charge of implementation, to successfully implement it practically within the broader sphere of the policy cycle (Howlet and Ramesh, 2003:185).

Furthermore, as stated above that a policy implementation is a complex process to understand, Barret and Fudge present factors that are important for understanding policy framework. According to Barret and Fudge (1981:26) in order to understand actions and responses, we need to look at the group of actions involved; the agencies within which they operate and the factors which affect their behaviour. Mary (2009:20) states that there is a need to consider actors and agencies not in just single roles as makers of the policy for others or the implementers of someone else’s policy. Hence, understanding the implementation process, necessitates examining the policies, the implementers and conditions in which they operate in and those target groups affected by the policy (Mary, 2009:20), which evaluates the possibility of successful policy implementation. Furthermore, Moore (1995:137) suggests a strategy for the implementation of the

public policy in order to ensure that the services rendered are of value to clients. Moore (1995:137) states that there should be substantive value, legitimacy and political sustainability, and operational and administrative feasibility. Substantive value entails that the goods and services provided to the clients should be of value; the policy implementation should be legitimate and politically sustainable, and the organization should be able to function effectively, efficiently and within available resources. Moreover, Moore (1995:137) emphasizes that policy “implementation is not only about operational feasibility and technical capacity, but also about the substantive value of policy”.

It is therefore important to note that, general policies that possess substantial value to it are redistributive policies, where government aims to redress and bridge the gaps between different populations. This means that the services are only provided to certain categories of people, often disadvantaged as a result of similar characteristics that pertain to them (Anderson, 1957:9).

#### **2.4 Approaches to Policy Implementation**

Policy is composed of different actors, institutions, organizations, modes of enforcement, and values whose relationship varies and changes over time (Parsons, 1995:3). There has been an increase in the number of stakeholders involved in modern implementation. There is also rich information of comparisons of government and administration in the medieval period and the alternative government since the 1980’s. The administration and governance differs, particularly on whether the state one is looking at is democratic or non-democratic. In a democratic regime, the contemporary government has been characterised with interdependencies from different networks, belonging to private sectors, non-governmental organizations and more.

Thus, public services nowadays are delivered through complex and diverse mixes of institutions and instruments (Parsons, 1995: 489). This is a result of government devolving powers and disseminating responsibility to local governments, where governments are not necessarily producing and providing all the resources, but simply steering and not rowing. As noted by Rhodes cited from Parsons (1995:491) that “government has not been rolled back but splintered and politicized, a process which can only frustrate the attempt to control through centralization”. The focus is on the increasingly diverse intergovernmental and inter-organizational networks used to deliver public services, which are propellers of the country’s transformation (Parsons, 1995:491). The realm of policy implementation “is shaped by an increasing mutual concern about cost-

effectiveness, delivery of public policies and services, improving human resource management and better monitoring and evaluation” (OECD, 1993 cited from Parsons, 1995:491). Consequently, the modes of implementing policy have been of particular concern. Parsons (1995:491) then suggests policy delivery modes that illustrate the complexity and diverse nature of institutions, actors and instruments involved in ensuring that services are delivered through multifaceted networks. He goes further to describe these modes as four types of delivery mixes; governmental mix, sectorial mix, enforcement mix and value mix.

The governmental mix concept will be explained elsewhere in the chapter. Moving forward, the sectorial mix contains a complex pattern, “services may comprise a mix between public and private responsibility, as well as between voluntary sector and ‘community’ agency which may have a role in delivering a service” (Parsons, 1995:497). It contains the conditions of business and market orientated thinking and acting, which is one of the project conditions suggested by Parsons (1995:498) that enables cost effective policy implementation.

In addition, the enforcement mix is compliant to perform in the lines of the policy. Parsons (1995:509) states that, “without enforcement or compliance capability, the delivery of policy is unlikely and uncertain”. Parsons (1995:509) points that the mix of enforcement may range from brute force to fixed bayonets, to information broadcasts which seek to change behaviour. Boulding (1990:497), cited from Parsons (1995:509) distinguishes between three kinds of power behind the enforcement mix, threat, exchange and love. Markets, bureaucracy and community may be perceived as an enforcement mechanism, through demand prices, buyers and sellers, attitudes and beliefs, trust and reciprocity (Parsons, 1995:509).

Ideally, implementation should take precedence and deliver services to the citizens, guided by the rule of law as a vital tool for regulation. Furthermore, seeing that there has been an increase in the number of stakeholders involved in modern implementation, Parsons (1995:496) also cautions that the increase in stakeholders provides a platform for potential conflict that may delay the implementation process.

## **2.5 Processes of Implementation**

The goal is to provide successful public policy related decisions and implementation processes in a positive impact. In the new information era, governments have developed strategies that should result in improved policy processes, using appropriate technology known as electronic governance. The notion of e-governance has altered the way in which governments communicate with each other and with the citizens. Communication between and among government in the past was in the form of public meetings, printed media reports, and through radio and television. However today this is done through modern information technology, such as the internet and satellites (Kroukamp, 2005:6).

According to Cloete and de Coning (2011:157), electronic governance (e-governance), “is conceptualized as a new approach to public service delivery in the form of internal public management, external service delivery and democratic interaction with society, primarily through electronic means in order to improve the state of that society”. E-governance is the result of governmental developments. It is related to e-government which is “the use of Information and Communication Technologies (ICT) to improve the efficiency, effectiveness, operations, service delivery and accountability of government” (World Bank, 2001:9). Tlagadi (2007:66) then states that “e-governance involves new styles of leadership, new ways of debating and deciding policy and investment, new ways of accessing education, new ways of listening to citizens and new ways of organizing and delivering information and services”.

Electronic governance is gradually being used in developing countries, with limited capacity with the aim to provide effective governance and efficient public services. Although there is no substantial evidence that electronic service delivery is cost effective when compared to customary services delivery, but much literature points to that (Cloete and de Coning, 2011:158). Many institutions that implement electronic service delivery appear to be providing effective services to their clients. Cloete and de Coning (2011:158) stated that in 2001, the Reinvented government forum determined that “e-government can consistently improve the quality of life for citizens in all countries and can create a sharp reduction of costs and time”. Therefore, the use of electronic management can have positive contributions to public management outcomes (Cloete and de Coning, 2011:159). The outcomes include “the education of public officials in information

technology and through this, achieve more systematic management design, implementation and assessment of public programmes, facilitate the development of a culture of transparent performance, build capacity for more effective and efficient service delivery, and fulfil better governance functions of the state (Cloete and de Coning, 2011:159). These can be achieved if electronic technology is applied appropriately.

Furthermore, even though electronic technology is becoming cheaper to use, there are significant challenges that especially developing countries encounter and are yet to encounter in the future. Cloete and de Coning (2011:159) outline that technology can obstruct the process of development in the sense that the costing of the technological equipment can hinder development. Also general low levels of literacy and lack of appropriate technological expertise and infrastructure can be a serious obstacle, particularly; in developing countries (Cloete and de Coning, 2011:159). Nevertheless, developing countries that aspire to provide sustainable good governance will have to adopt these new age strategies, and it will also be sensible for governments to engage in improving their traditional policy implementation capacities and mechanisms. Moreover, “applied correctly, it is crucial for developmental success as had been proved over time in developed nations” (Cloete and de Coning, 2011:164).

## **2.6 Factors for successful policy implementation**

The study will elaborate on the six conditions that are specified by Sabatier and Mazmanian (1983:453) that aim to synthesize the ideas of both top-down and bottom up theories, for effective implementation of a policy. However the study will focus on 1-4 conditions outlined by Sabatier and Mazmanian (1983).

The conditions for effective policy implementation are:

- (i) Policy objectives should be clear and consistent, so that they can provide a standard of legal evaluation and resource,
- (ii) causal assumptions contained in the policy must be correct; so that the policy has an accurate theory on how to bring about change
- (iii) legal and administrative structures must be sufficient for discretion and,

- (iv) implementing agents must be skilled and committed, support from organized constituency groups and a few key legislatures throughout the implementation process, with the courts being neutral and supportive (Sabatier and Mazmanian, 1979:485).
- (v) Support of interest groups and sovereigns.
- (vi) Changes in socio-economic conditions which do not substantially undermine political support or causal theory.

(i) Clear and consistent objectives

Is based upon an underlying causal theory, that can be divided into two parts; the first relating to achievement of the objectives back to changes in target group behaviour, the second specifying the means by which target group compliance can be obtained (Sabatier and Mazmanian, 1979:486). This means the program is based on a sound theory relating changes in target group behaviour to achieve the desired outcomes. These can be found in the policy content, where specification of what the actual policy entails and how it intends to achieve its objectives. According to Brynard (2005:146), the policy content contains information regarding the problem that is being addressed, the goals set to be achieved and a description of how the policy intends to achieve specific goals. The content of the policy consists of “what it is set to do, how directly it relates to the issue, and how directly it aims to solve the perceived issue” (Cloete and de Coning, 2011:145). So the policy objectives and how group compliance can be obtained can be established from the content. The policy content is either regulatory, distributive or redistributive in nature. A regulatory policy seeks to control and sanction behaviour of citizens. A redistributive policy aims at shifting wealth and power from the haves to the have-nots and a distributive policy aims at sharing public goods at the expense of all consumers or tax payers (Najam, 1995:38). More importantly the substance of the policy content should entail the activities and projects that it intends to do and then from there group compliance can be established (Cloete and de Coning, 2011:147).

(ii) Causal theory

The second condition, states that explicit and legitimate objectives that are clearly ranked are of importance, they serve as essential aid in program evaluation, as clear directives for policy implementers, and as a resource available to supporters of those objectives both inside and outside

the implementing institutions (Sabatier and Mazmanian, 1979: 487). Lipsky (1980:2) argues that policy is comprised of ambiguous language and uncertain goals, such that individual interpretation may differ from the states intentions. These mishaps are a result of lack of communication, which often results to subvert outcomes (Lipsky, 1980:2). Though there has been a desire to attain unambiguous policy objectives, it is also essential that institutions delegated to an implementing agency, clearly specify the relative priority that the new directives are to engage in the totality of the agency's programs. These however depend on adequate financial resources to appoint staff for duties, to carry out the technical analysis and administer service delivery (Sabatier and Mazmanian, 1979:488-489).

#### (iii) Legal and administration structures

Furthermore, condition three presents that the leaders of the implementing agencies should possess substantial managerial and political skill and are committed to statutory objectives (Sabatier and Mazmanian, 1979:495). Lipsky (1980:5) then states that government may formulate the most logical policy ever, however if there is little or no commitment from the implementers, little will happen. Sabatier and Mazmanian (1979:495) add that policy support is essentially ineffectual if there is lack of managerial and political skill in utilizing resources to achieve the desired goal. Basically, a managerial skill includes the ability to maintain efficiency, control internal disputes and promoting competent work (Sabatier and Mazmanian, 1979:495). This also means that according to Cloete and de Coning (2011:148) government should "play the role of a promoter, facilitator, regulator, observer or even just a participant". Furthermore, a political skill entails the ability to develop good working relationships with sovereigns in the agency's subsystem, to convince opponents and target groups that they are being treated fairly, to mobilize support among talent supportive constituencies, to present the agency's case competently through the mass media and so forth (Sabatier and Mazmanian, 1979:495).

#### (iv) Committed implementing agents

On condition four, it is vital that throughout the implementation process, the program being implemented receives adequate support from constituency groups, legislators and with courts being neutral (Sabatier and Mazmanian, 1979:495-496). Sabatier and Mazmanian (1979:496) emphasize that political support is essential for the long-term process of the program, merely because the net results of the program would be satisfying if the necessary legislators showed

positive support. This means commitment is not only required at the implementers level only, but all other relating sub-units that are part of the policy. Additionally, commitment is influenced much by the institutional context, clients and coalitions. As Warwick (1982:135) pointed out, “if those responsible for carrying it (the policy) out are unwilling or unable to do so, little will happen”. Thus, in a programme implementation, implementers, bureaucratic structures and political support and commitment are vital for enduring momentum of the policy.

(v) Support of interest groups and sovereigns

This idea entails the important of maintaining political support throughout the long implementation process, from interest groups, legislative and from executive sovereigns.

(vi) Changes in socio-economic conditions

This simply recognized that changes in socio-economic conditions, could have dramatic repercussions on the political support or causal theory of a program.

Brynard (2005:148) also identifies factors for successful implementation, namely content, context, commitment, capacity, and clients and coalition. Content basically entails categorizing policy as either distributive, redistributive or regulatory. In very broad terms, distributive policies create public goods for the general welfare, redistributive policies attempt to change allocations of resources, wealth or power of some groups at the expense of others, and regulatory policies specify rules of conduct with sanctions for failure to comply (Brynard, 2005:148). Context focuses on the institutional context, which is shaped largely by the context of social, economic, political and legal realities of that particular system. The significance of this variable is how the contextual factors impact on the implementation process. Commitment focuses on the commitment of street level bureaucrats, and also at all levels of the policy phases that it goes through. Furthermore, clients and coalition are also an important factor. Brynard (2005:152), emphasizes that identifying the relevant factors that are directly and indirectly affected by a policy is essential, because it is easier to know which clients are relevant and have the desire, or the ability to influence the implementation process. Furthermore, ‘capacity’ transforms rhetoric into action. Capacity does not only entail tangible resources, it constitutes of intangible resources such as leadership, commitment, motivation, willingness, courage, endurance and other nontangible resources

required for implementation (Cloete and de Coning, 2011:148). Therefore, capacity within an agency enables the execution of the above mentioned policy objectives. Moreover, the conducive spaces and economic, administrative and technological factors according to Brynard (2005:149) fall under the ambit of capacity, which consists of tangible and non-tangible resources for successful implementation. Organizational capacity has the ability to successfully allow for implementation or hinder implementation of the policy. There seems to be no other implementation variables that require much more than compared to that of successful implementation capacity. Capacity is regarded as the fundamental resource that enables transformation of written objectives into action. Not forgetting the ability to optimize the available resources constitutes effective capacity. In essence, access to and availability of adequate resources and the ability to use the available resources at optimum level is essential for successful policy implementation.

## **2.7 Policy Implementation challenges**

Policy implementation entails other factors that present challenges in the implementation process. These challenges are outlined by different below.

### **(a) Causal theory and environmental conditions**

According to Wildavsky (1975:56) “policy is made, based on the present knowledge of an uncertain future, it is bound to fall short in some aspects depending on the accuracy of existing knowledge and estimated predictions”. In essence, the process of implementation is dependent on the environmental conditions of the implementing agency and causal theory. Howlett and Ramesh (2003:72) also add that though there may be a general agreement regarding a particular policy, there are different stakeholders or bureaucratic agencies in different spheres of government, national, provincial and local that may have their individual interests and traditions in policy implementation, and thus affect the policy implementation outcomes and its shape. These differing interpretations create an opportunity for delay in policy implementation (Pressman and Wildavsky, 1973:6).

### **(b) Inter-organisational relations**

Furthermore, in the South African context, according to Cloete and de Coning (2011:136) there has been growing impetus for delivery of services by government, between and within the

different spheres of government; national, provincial and local to address local service delivery and development. However, the integration to deliver services between the relevant departments has proved to be a challenge, the government units have created silos that they only operate in. According to Brinkerhoff (2002:118), these interdependencies require coordinated actions in order to achieve the policy objectives. Coordination simply entails coherence and interaction in the elements and policy objectives required to produce the desired results. Brinkerhoff (2002:119) provides that one way to think about coordination should be through the lenses of information-sharing, resource-sharing, and joint action. Coordination cannot automatically happen because there are these three types of activities. For coordination to be effective, it should address the interorganizational problems, threats to autonomy, lack of task consensus, and conflicting requirements from vertical and horizontal linkages (Brinkerhoff, 2002:120).

(c) Multiple actors in policy

In collaborating forces, with multiple actors involved, there is often a threat to the host organizations' independence. Brinkerhoff (2002:120) states that, "A core dynamic in most organizations is to try and maintain as much independent control over inputs, outputs, and operations as possible". Often if there is little potential for the host organization to retain its independence, they are likely to be reluctant to coordinate. Over and above, task consensus simply means agreeing on what the policy intentions are and how the objectives would be achieved (Brinkerhoff, 2002:121). Particularly the task consensus requires an inclusion of the target group, the actions to be carried out, the services to be provided, the methodologies to be employed, etc. Without minimum level of agreement, it is likely for cooperation and coordination to be difficult (Brinkerhoff, 2002:120). Lastly, because of the multiple actors involved in implementation, coordination often places actors in positions, which are subject to conflicting demands. The potential for high conflict is frequent where resources are scarce because agencies do not have a specific operating budget for coordination (Brinkerhoff, 2002:121).

(d) Street level bureaucrats discretion

Furthermore, in the policy process, there are street level bureaucrats who are the personnel that are responsible for putting policy into effect; they are the people that interact with citizens on a daily basis so as to deliver services to the public, the implementers of policy (Lipsky, 1980:2). The street level bureaucrats operate in complex environments, where they are expected to execute policy goals, perform according to the management's expectations, and be compassionate to citizens (Lipsky, 1980:3). However, they work with deficient resources and work in overwhelming environments which results in them creating coping mechanisms that create a conducive and manageable environment.

This means that policy implementation may be shaped by the street level bureaucrats' behaviour, attitude, and way of executing it. Lipsky (1980:5) cautions that, since street level bureaucrats possess discretionary power in the positions they hold, their decisions and actions has the ability to deviate from the policy intent stipulated by the legislative body. This often leads to deviation from the policy intent and jeopardizes the process of implementation that results in undesired goals (Lipsky, 1980:6). Furthermore the street level bureaucrat's roles are mutually exclusive. They are required to follow a rigid policy content outlining its goals and objectives, yet they are also expected to be compassionate towards each citizen that comes to their office (Lipsky, 2010:24).

Thus policy is not always determined by the legislature but by the street level bureaucrat's decisions, through interacting with citizens or clients on a daily basis. Other measures of implementing policy differently have emerged from different scholars, such as the new public management concept.

## **2.8 New Public Management**

New public management is another approach for implementation. It is largely premised on the idea that government should steer and not row, decentralize authority, and particularly focus on the needs of the customer should be of priority. These measures are in pursuit for more efficient mechanisms for managing public and carrying out policy implementation (Kamarck, 2007:63).

Historically public services were delivered through restrictive and rigid bureaucracies that centralized power to make decisions and thus take actions to execute provision of services

(Kamarck, 2007:61). The bureaucratic governing ruled government in the eighteenth century and prior years. This means the government structure was in a hierarchical form, where power vested in the central structures of government only. Government's rigidity and being obsolete precipitated a negation from society, where the government did not focus on the outcome but input, therefore society was dissatisfied with an ineffective government through evident policy implementation failures. Policy failure was a result of policy implementers who delivered policy according to a linear process that ensued with no deviation from the stated objectives which meant automatically implementation was going to be successful because it was not a difficult process. The constant failure in the implementation process resulted in scholars enquiring and conducting research on implementation, in search of the difficulty that result in policy failure. Therefore, the hostility towards government forced the bureaucratic states to confront their obsolete beliefs in terms of policy implementation (Kamarck, 2007:5).

Thusly, the new age period advocated for policy implementation through non-bureaucratic means. The non-bureaucratic form resembled the private sector which is flexible, participative and marketable (Kamarck, 2007:9). Kamarck (2007:11) also stated that it is vital that the non-bureaucratic government focuses on modern methods of policy implementation, where policy problems are linked to appropriate methods of implementation; thus, better service for the public interest. This idea was compatible with the notion of new public management. According to Kaul (1998b:4) "new public management is now based on the fact that the mould of unitary bureaucracy has broken down, and it has become possible for governments to see the adaptation of strategies such as public-private partnerships, or the contracting out of services to private companies or non-governmental organizations in a different light".

According to Larbi (1999:21), often many states will adopt the concept of new public management because of economic and fiscal crises, which necessitates a means of cost cutting in the provision of public services yet efficiently, deliver the services. In addition, Osborne and Gaebler (1992:230) argue that "government should be 'reinvented' to take account of the information-rich possibilities of the 1990's, and exploit the entrepreneurial spirit, greater decentralization and more responsive forms of public organizations". Therefore, the contemporary government has presided over the prudent delegation of public service to those who are able to effectively execute it and ultimately provide better services (Kaul, 1998b:5) as deemed by the new public management concept. This

means government has adopted either of the following principles of new public management (Osborne and Gaebler, 1992:234):

- “Government should steer and not row
- Encourage competition in delivery of services rather than monopolies,
- Be driven by mission rather than rules,
- The needs of the customer should be of priority,
- Decentralize authority”

For effective policy implementation, Cloete and de Coning (2011:148) implied that a government needs not produce and provide all the services, instead the government should simply facilitate, regulate and promote similar to the idea of new public management where government should steer and not row. This is done through employing other organisations from the public sector, private sector, or voluntary organisations enabled by decentralisation. In that way, the government is able to adopt alternative service delivery mechanisms, such as corporatisation, joint ventures, partnerships and alliances (Cloete and de Coning, 2011:149). Orsbone and Gaebler (1992:235) provided that services can be delivered through a decentralised approach, the following section advances this idea.

## **2.9 State-owned enterprises**

The urgent and pressing issue is the need for infrastructure and services that will be provided in an effective and cost efficient manner, extending particularly to the previously disadvantaged group in society. “Of wider and longer-term significance, is the belief that SOEs should ideally be equipped to lead the way in promoting an African renaissance by providing world-class expertise, resources, services, and infrastructure to a developing continent” (DPE 2000:1). According to Klopper (2010:3) in the last century the definition and reasoning for state-owned enterprises is in accordance with each country’s interpretation, but it is often comprised of a mix of social, economic and strategic interests. In Ireland according to MacCarthaigh (2010:9) state-owned enterprises are defined as “a company in which the state has majority or complete shareholding, and which is principally involved in commercial activity in a normally competitive market environment”. There however is no definite definition of state-owned enterprises, but an ideology with similar ideas of what constitutes a state-owned enterprise.

Moving forward, in line with state-owned enterprises, Shabalala (no date: 4) differentiates between the two types of states owned enterprises; commercial and non-commercial SOE's. Shabalala (no date, 4) states that commercial SOE's are "a governmental organization, or a state-owned company, or a state-owned enterprise, or a publicly-owned corporation, or a government business enterprise, government business corporation or a parastatal, is defined as a legal entity created by a government to undertake commercial activities on behalf of the owner the government". Whereas a non-commercial SOE is "largely an entity that is created and owned by a government to undertake certain functions of government with the purpose of improving service delivery to the citizens" (Shabalala, no date:4). These are often government agencies or state entities that engage in non-financial activities and they have no goal to satisfy the shareholders with return on their investments (Shabalala, no date:4). The focus of the study is based on a non-commercial state-owned enterprise, which is a government agency that is premised around the notion that they will improve service delivery for the people. However, this chapter will elaborate on the concept of state-owned enterprises and the ideology that encompasses the adoption of them as mechanisms of effective social service deliverers.

State-owned enterprises are a result of economic and efficiency reasons, where increases in productivity were necessitated by changing expectations in society. Individuals demanded better modified services and political and specialization in skills resulted in a shift from bureaucratic systems and processes, and is thus thought of as an efficiency mechanism. This connoted the idea that governments will have more time in policy development, whilst the new body focuses on administrative and implementation tasks (McCarthaigh, 2007:4). Moreover, what McCarthaigh (2007:4) termed as isomorphic factors resulted in the establishment of SOE's, this means new organizations are instituted to practice what is regarded as the appropriate form for particular service delivery. State-owned enterprises also operate with subnational devolution, in essence public services are put closer to the users and devolution provides for more local forms of accountability and legitimacy by involving the public (McCarthaigh, 2007:5).

According to the Development and Transformation Work Stream (Shabalala, no date: 4) a state-owned enterprise "is often referred to as a corporation if it has been corporatized i.e. although state owned, the SOE operates like a private company with some autonomy". In the history of state-owned enterprises, initially the goal with the establishment of SOE's in South Africa, was import-

substitution and to ensure the country's sustainability and self-efficiency (Fourie, 2014:33). In South Africa, there is a long history of state-owned enterprises as a mechanism of socioeconomic advancement (Fourie, 2005:21). The contribution of state-owned enterprises in South Africa has been significant, however; their services have been associated with structural and operational issues that have resulted in unbalanced delivery of services and infrastructure and irregular patterns of development (Fourie, 2005:27).

However the then National Party led government around the 1980's, chose to focus on economic development through strict export policies (Fourie, 2014:33). The reason being, around the late 1980's, a considerable number of SOE's underwent privatization because of their financial instability, they were funded from limited state resources, and they were incapable of attaining immediate capital for additional projects and were inefficient such that government attracted unnecessary criticism (Fourie, 2014:33). Private individuals were as a result given liberty to purchase shares from many SOE's. The semi-privatized companies were regulated by government through withholding or granting them state finances (Fourie, 2014:33).

The South African governments' vision regarding SOE's is that it should have the means to contribute in improving the standard of living of the population by creating sustainable economic and social benefits. This vision comprised of immediate and long-term challenges for SOE (Fourie, 2014:206). State-owned enterprises use market mechanisms as a basis for their operation. These market mechanisms allow for competitiveness, efficiency and productivity (Bo, 2007:61). Similarly, they are a critical mechanism to aid government to achieve economic growth and service delivery, but to also ease the countries tax burden (Fourie, 2014:30). According to Fourie (2014:30), the public and private enterprises have become flexible, innovative, and internationally competitive; which makes it easier for government to utilize in the delivery of services and economic growth. "The challenge for every government is to build a platform for growth consisting of suitable infrastructure and logistics, competitive input prices, skills, technology and innovation and partnerships, efficient regulation and effective government offerings" (Fourie, 2014:30). In an effort to address these challenges, the South African government with a delegation from the Department of Enterprise adopted and advanced the notion of state-owned enterprises anticipating efficient and effective service delivery.

Furthermore, adopting an idea comes with a realization that there are principles that encompass that ideology which is thought of as a tool that would make implementation of that idea successful. Mbilase and Crafford, (2012:12) argued that for SOE's to be effective and efficient in the delivery of services, they should provide services that are aligned to their primary purpose for being established. Allocation and use of resources optimally and ensuring a contribution to the developmental state objectives should be in their activities (Mbilase and Crafford, 2012:15). This means that the realization of a SOE's strong points will result in execution of activities in an effective manner. In essence, state-owned enterprises are set out to execute policy in different forms, emphasizing the importance of involving the target in the policy making and implementation process. State-owned enterprises are set out to do policy implementation, regulation, advice, and policy development and many more (McCarthaigh, 2007:5); however, the focus will be on policy implementation concerning the focus of the study.

## **2.10 Conclusion**

The chapter has discussed the conceptual framework that encompasses the study. It has explained how public policy is put into effect, often implemented as programmes. The chapter has outlined the concepts of state owned enterprises. The delegates of the government, entrusted to execute social services at local levels, effectively and efficiently. Furthermore, the implementation process is a complex process, encompassed by different conditions that could result in successful implementation. There are also challenges that pose difficulty in implementation and similarly these challenges apply to any programmes that are to be implemented. With the history of implementation being a complex phenomenon, scholars, and government sought other ways of implementation, and the new public management was one concept. New public management realised that policy implementation through the bureaucratic government was restrictive and inflexible which was the result of the constant failures in policy implementation. Therefore new public management resembled the private sector, which is flexible, participative, and marketable for successful policy implementation. New public management delivers public policy through cost cutting measures, but effectively and efficiently. The chapter explained the approaches that are employed in policy provision through programmes for successful implementation. It also outlined the factors that result in challenges in the implementation process, such as the discretionary power that street level bureaucrats possess, whilst implementing policy at ground level that could obstruct

successful policy implementation. This chapter has also outlined other concepts of implementation which seek to achieve optimal implementation given that they are implemented appropriately.

## **CHAPTER 3**

# **LEGISLATIVE FRAMEWORK FOR STATE-OWNED ENTERPRISES AND SASSA**

### **3.1 Introduction**

This chapter provides a policy legislative framework for South African state-owned enterprises, including SASSA. This chapter consists of the Constitution of the Republic of South Africa, the Companies Act, and the Public Finance Management Act, as legislations pertaining to the South African state-owned enterprises. Also SASSA as a state-owned enterprise is provided with a legislation that mandates its functions, the South African Social Security Agency Act. The chapter also has a brief rationale of the provision of social assistance which is authenticated by the Constitution of the Republic of South Africa, and the Social Assistance Act.

### **3.2 Constitution of the Republic of South Africa Act No. 108 of 1996, Chapter 2 section 27**

In the RSA Constitution of 1996 chapter 2, section 27, it is enshrined that “everyone has a right to have access to social security, including; if they are unable to support themselves and their dependents” (RSA constitution, 1996:13). It is under this obligation that the poor and vulnerable enjoy the rights to social assistance, specifically the child support grant, grants for older persons, care dependency grant, foster child grant and disability grant.

### **3.3 Companies Act, (No.71 of 2008)**

The Companies Act No.71 of 2008, Section 21 established the term “State-Owned Enterprises” and it refers to it as: “an enterprise that is registered in terms of this Act as a company or either (a) is listed as a public entity in Schedule 2 or 3 of the Public Finance Management Act, 1999 (Act no.1 of 1999), or (b) is owned by a municipality, as contemplated in the Local Government: Municipal Systems Act, 2000 (Act no.32 of 2000)” (Companies Act, No. 71 of 2008). Also state-owned enterprises fall within the ambit of the Public Finance Management Act, which means they need to abide by other supplementary requirements besides those in the Companies Act.

### **3.4 Public Finance Management Act, (No.1 of 1999)**

State-owned enterprises in South Africa are legally defined by the Public Finance Management Act of 1999 (PFMA). Section (1) of the PFMA of 1999 (updated in 2008, pp8-10) defines the equivalent of a State-Owned Enterprise, which it referred to as a “National Government Business Enterprise” to be “an entity which: (a) is a juristic person under the ownership control of the national executive; (b) has been assigned financial and operational authority to carry on a business activity; (c) as its principal business, provides goods and services in accordance with ordinary business principles; and (d) is financed fully or substantially from sources other than the National Revenue Fund or by way of a tax, levy or statutory money” (PFMA, 1999). The existence of this Act created an environment of accountability across all public or state-owned enterprises, where each produces a financial report. The Public Finance Management Act is considered the principle legislation; all other legislations are subordinated by the PFMA.

### **3.5 Social Security in South Africa**

The apartheid regime facilitated high inequality levels which perpetuated poverty rates particularly amongst black Africans. The democratic government inherited a society that consisted of the majority of its Black citizens who were labelled as “poor” (Lund, 2008:8). It is within this context of discriminatory practices by social welfare services during the apartheid period that the South African government committed itself to redressing issues of poverty and restructuring the social security system to be inclusive through provision of cash transfers to the disadvantaged.

The legislative framework for SASSA, the Constitution and Social Security Act enables the agency to function solely as an agency that oversees the effective and efficient management, administration and payment of social grants. Such that the agency is given autonomy to verify any application for social security and therefore, effects payment to respective persons.

#### *3.5.1 Types of Social Grants*

The old age pension, child support grant, disability grant and foster child grant, require that the recipient and a caregiver should be South African citizens or a permanent refugee in the Republic and must submit a 13-digit bar coded identity (SASSA, no date:3). For the older persons grant, the

person should be 60 years of age or above, and they should not be receiving any other social grant or not be cared for in a state institute, to receive the grant.

The child support grant provides that the primary caregiver should be a South African citizen or a permanent immigrant, both the caregiver and the child should reside in South Africa. The child should be 18 years or younger with age and should not be cared for in a state institute. The caregiver should provide a 13-digit barcoded identity document accompanying the child's birth certificate. It is also a requirement that a school going child should provide a school report as a school attendance certificate. However, if the school report is not provided it will not result in termination of the child support grant (SASSA, no date:3). Similarly, with foster child grant, the care giver should be a South African resident or a permanent immigrant, and the beneficiary should reside in South Africa. The caregiver should provide a court order indicating foster care status and the child should remain in the care of the foster parent (SASSA, 2014:3).

Moving forward, the care dependency is also provided to South African citizens or permanent residents and, the beneficiary should be under the age of 18 years with provision of the birth certificate. The spouse or applicant must meet the means test and "should submit a medical assessment report confirming the child's permanent severe disability" (SASSA, no date: 3). The beneficiary should also not be cared for in a state facility (SASSA, no date: 3). The disability grant requires similar documentation as the other social grants; however, the applicant should be between 18 to 59 years of age and, they should not be in receipt of another grant, more importantly the spouse should meet the means test requirements. The disability grant requires a medical assessment not older than 3 months, which should confirm disability (SASSA, 2014:2).

The war veterans' grant's general requirements are that the candidate should be a South African citizen or a permanent resident in the Republic. The applicant must be 60 years and older or must be disabled and should not be under care in a state institution. "They must have fought in the Second World War or the Korean War" (SASSA, no date:3). The spouse of the applicant must meet the requirements of the means test and the applicant should not be in receipt of another social grant.

The grant in aid grant entails that the applicant must be receiving either the older persons grant, disability grant or a war veterans grant and requires assistance from another person due to his/her

mental or physical disability. But the applicant cannot be in care of a state institution (SASSA, 2014:4). Lastly the social relief of distress grant is a temporary assistance that is paid to a maximum of 3 months. It is paid to South African or permanent residents who lack the most basic needs or if: the person is awaiting an approved social grant. If the person is medically unfit to take on work that brings a monthly salary, the person receives no maintenance from a person obligated by the law to pay maintenance, the bread winner has passed away and the application is made in less than 3 months or the person applying has been affected by a disaster (SASSA, no date:4).

The different types of social grants outlined above, emerged as a result of high poverty rates that affected South Africa. SASSA is the main agency that disburses and is in charge of the administration of social security grants that will be elaborated below.

### *3.5.2 Social Assistance Act, (No. 13 of 2004)*

The Social Assistance Act No.13 of 2004 was promulgated to provide for social assistance, to provide for the mechanism for the rendering of such assistance, to provide for the establishment of an inspectorate for social assistance and to provide for matters connected therewith. The objectives of the Act are to:

- (a) Provide for the administration of social assistance and payment of social grants
- (b) Make provision for social assistance and to determine the qualification requirements in respect thereof
- (c) Ensure that minimum norms and standards are prescribed for the delivery of social assistance; and
- (d) Provide for the establishment of an inspectorate for social assistance.

### *3.5.3 Aged Persons Act, (No.81 of 1967)*

The Aged Persons Act No. 81 of 1967, “*provides for the protection and welfare of certain aged and debilitated persons, for the care of their interests, for the establishments and registration of certain institutions and for the accommodation and care of such persons in such institutions*”.

### **3.6 The South African Social Security Agency (SASSA)**

The South African Social Security Agency is a state-owned enterprise; and it is delegated by national government to administer and disburse social grants.

The South African Social Security agency operates under the SASSA Act No. 9 of 2004 to fulfil these objectives of the Act. It is obligated and abided by the Constitution of the Republic, SASSA Act, PFMA and all other legislations that are relevant to deliver social grants. In the delivery of social grants, SASSA is guided by the constitutional mandate as a state-owned enterprise and public administration entity on the kind of services that are provided to the clients and the manner of operating on a daily basis.

The rational is improved services with effective and efficient management systems to administer the application, approval, and payment of grants (Department of Social Development, 2013:1). The social assistance grants are administered through a SOE's, the South African Social Security Agency, which is overseen by the Department of Social Development. The aim of SASSA is to ensure administration and payment of social assistance and the provision of services related thereto; and to provide for matters connected therewith. SASSA ensures the provision of social security services against the vulnerable and poor (SASSA, 2004:1). The SASSA local office in Pietermaritzburg also functions to provide application, approval and payment of social grants, to the qualifying, needy persons at the right time and place convenient to them. SASSA implements the Social Assistance Act No. 13 of 2004 according to the provided mandate from its legislation.

#### *3.6.1 Constitution of the Republic of South Africa, (1996)*

The constitution is regarded as the highest law in the country, and the policies that are employed in the country are in accordance with the provisions of the Constitution. The Constitution of the Republic of South Africa, Act No. 108, chapter 10 section 195, provides basic democratic values and principles that govern the public administration in South Africa that every government department should adhere to as a public administration institution. These basic values and principles provide the following:

- (a) A high standard of professional ethics must be promoted and maintained;
- (b) Efficient economic and effective use of resources must be promoted;
- (c) Services must be provided impartially, fairly, equitably and without bias;

- (d) People's needs must be responded to ,and the public must be encouraged to participate in policy making, and,
- (e) Transparency must be fostered by providing the public with timely, accessible and accurate information.

The basic principles and values basically entail that professional ethics should be maintained, and efficient economic and effective use of resources should be of priority in public administration which links with section 27(1) that obligates the bureaucracy to develop a comprehensive administrative mechanism that ensures that social assistance beneficiaries are served in the most effective, efficient and adequate way. The principles and values provided in chapter 10 of the constitution for public administration are also in conformity with the SASSA Act No. 9 of 2004, subsection 2(a) which safeguards the economic payment of social security to beneficiaries. This should be efficiently and effectively carried out, as well advocate for honest, impartial and fair service delivery. To ensure compliance to the provisions, it is enshrined in the Constitution and enforced through financial penalties which is stipulated in subsection 2(a) of the SASSA Act.

### *3.6.2 South African Social Security Agency Act, (No. 9 of 2004)*

The Act is a provision for the establishment of the South African Social Security Agency as a schedule 3A public entity according to the PFMA that is responsible for the administration of grants. The aim of SASSA is to provide for the administration of social assistance and payment of social grants, make provision for social assistance and to determine the qualification requirements in respect thereof; ensure that minimum norms and standards are prescribed for the delivery of social assistance, and to provide for the establishment of an inspectorate for social assistance.

The agencies objectives are to:

- *Act, eventually, as the sole agent that will ensure the efficient and effective management, administration and payment of social assistance*
- *Serve as an agent for the prospective administration and payment of social security and*
- *Render services relating to such payment*

According to the SASSA Act No. 9 of 2008, some of the functions of the agency are:

- (a) *“Administer social assistance in terms of Chapter 3 of the Social Assistance Act No.9 of 2004, and perform any function delegated to it under that Act;*

- (b) Collect, collate, maintain and administer such information as is necessary for the payment of social security, as well as for the central reconciliation and management of payment of transfer funds, in a national data base of all applicants for and beneficiaries of social assistance;*
- (c) Establish a compliance and fraud mechanism to ensure that the integrity of the social security system is maintained and*
- (d) Render any service in accordance with an agreement or a provision of any 40 applicable laws as contemplated in subsection (4) (SASSA Act No. 9 of 2004).”*

The effectiveness and efficient use of resources at SASSA is guided by the SASSA Act, which states in subsection 2(a) that the agency may enter into an agreement with the minister and any person in order to effectively deliver social grants to beneficiaries, however such an agreement must include the provisions entailed in subsection (3). The agreement must thus include to ensure:

- (a) “The effective, efficient and economical use of funds designated for payment to beneficiaries of social security*
- (b) The promotion and protection of the human dignity of applicants for and beneficiaries of social security*
- (c) The protection of confidential information held by the Agency other than as is contemplated in section 16*
- (d) Honest, impartial, fair and equitable service delivery*
- (e) Mechanisms to regulate community participation and consultation*
- (f) And financial penalties for non-compliance with the provisions of the agreement.”*

It further stipulates the administration of applications function. The Agency may in terms of any applicable law or any agreement between itself and any other relevant authority responsible for the provision of forms of social security, other than social assistance, administer, evaluate and verify any application for such forms of social security and effect payment in respect thereof.

### **3.7 Conclusion**

State-owned enterprises are differentiated between two types, namely commercial and non-commercial SOE's. They basically operate as government business corporations, the focus of the study is on a non-commercial SOE, and it functions under government with the purpose of improving service delivery to citizens. In order for SOE's to function, there are regulations that guide their functioning. The Companies Act and the Public Finance Management Act (PFMA) regulate the functioning of state-owned enterprises; they require SOE's to abide by the basic requirements enshrined in both the acts. The PFMA created an environment of accountability across all SOE's, where each is obliged to produce a financial report regarding its operations.

Furthermore, the focus of the study is a case study of SASSA, an example of a state-owned enterprise. The aim of the agency is to ensure provision of social assistance grants to the qualifying persons. It is regulated by the SASSA Act, which mandates SASSA to function according to the Acts principles, to deliver social assistance grants as a 3A public entity. SASSA is also largely authorised by the South African Constitution to administer grants to every persons who qualifies and deserves the social security. The SASSA Act therefore works in collaboration with the Social Assistance Act and the South African Constitution that gives precedence to the administration of the social grants.

# CHAPTER 4

## FINDINGS AND ANALYSIS

### 4.1 Introduction

This chapter presents the findings and analyses from the in-depth interviews conducted with SASSA and the non-governmental organisations that represented social grant beneficiaries during the study. The chapter explores the challenges that SASSA as a state-owned enterprises encounters in the delivery of social services in PMB. Whilst the responses of the participants look at the challenges from the social grant beneficiaries' perspective as well as from the SASSA officials' perspectives. Data from the 8 in-depth interviews is from SASSA and 4 other non-governmental organisations. The interviews included the assistant manager, senior grants administrator, grant administrator from SASSA, a social worker from PADCA, Deputy director from Youth For Christ, Regional Manager and Para legal fieldworker from Black Sash and a research consultant from CINDI. The responses are based on the experiences of the delivery of social grants by SASSA officials and social grant beneficiaries in receipt of the grant. The eight respondents have been coded as R-1 Assistant Manager, R-2 Senior grant administrator, R-3 Grant administrator, R-4 Research Consultant, R-5 Black Sash, R-6 Social Worker and R-7 Deputy Director.

The questions that guided the study were:

- What are state-owned enterprises?
- What is the legislative framework for State-owned Enterprises?
- What is their relationship to the state?
- What are the systems/ processes/ structures that SASSA uses to administer the grants in Pietermaritzburg?
- What are the challenges that SASSA in Pietermaritzburg has encountered in administering the grants?
- What are the successes that SASSA in Pietermaritzburg has achieved?

The responses of both the respondents from SASSA and the non-governmental organisations were analysed under the following themes: conceptualisation of state-owned enterprises, processes of

implementation, and challenges in service delivery and successes in service delivery. The themes were drawn from the policy implementation approaches, new public management, and good governance in policy implementation.

#### **4.2 Conceptualisation of State-owned Enterprises**

According to Sabatier and Mazmanian (1983:121), for successful policy implementation, it is important that “policy objectives should be clear and consistent, so that they can provide a standard for legal evaluation and resource”.

The following response highlight the goals and mandate of SASSA.

The following responses were recorded:

*“I think SASSA’s greatest goal is to administer social grants effectively thus paying the right social grants to the right person at the right time and place. And aligning that to our constitutional mandate bearing in mind that the social assistance is a right” (R-1).*

Respondent 1 further elaborates on the organizations mandate, which guides the actions for SASSA to deliver social grant services.

*“We have what is called a Social Assistance Act which gave rise to the SASSA Act which we are currently utilizing. We do also have regulations which form part of the Act but we are also in line with you- know- your general legislative mandates which apply throughout government, like your Public Finance Management Act, your Basic Conditions of Employment Act, your Labour Relations and a whole list of other things” (R-1).*

According to Sabatier and Mazmanian (1983:120) argue that clear policy objectives, will give an outcome satisfying the intended policy objectives in the end. The understanding of the policy objectives and co-operation for implementation from the employees is apparent and imperative.

## 4.3 Service Delivery of Social Grants

### 4.3.1 Street level bureaucrats

#### (a) Capacity

According to Brynard (2005:656), in the implementation process there are essential variables that influence the process of to be successful; he outlines the importance of capacity as one. Capacity entails the availability of tangible resources such as financial, human and material resources and accessibility of intangible resources, willingness and commitment from those in policy process and management (Cloete and de Coning, 2011:148). The following responses from SASSA officials outline the degree of capacity available or not available, which enables the agency to deliver services to the eligible beneficiaries.

*“We utilize a system which is called a SOCPEN system. The SOCPEN system is a system which has been developed by head office, the term SOCPEN just merely means Social Pensions. It’s a system that enables us to capture data, to verify and either to approve or to reject a grant. So any activity that is performed on the system is monitored and head office keeps a close eye on that system. We have the very necessary resources like infrastructure, like ICT equipment’s and also human resources as well as other assets like transport, and furniture etc. (R-1).*

The ability for implementers to effectively execute the specified objectives relies on the capacity and the availability of necessary resources. According to SASSA officials that were interviewed, the available resources allow them to effectively deliver the social grants. However there are some tangible and intangible resources that hinder the efficiency and effectiveness of the daily services. According to Cloete and de Coning (2011:148), for policy implementation to be successful, the capability to efficiently optimize the available resources is part of capacity and it is equally important for policy implementation.

According to Cloete and de Coning (2011:148), the availability of capacity facilitates the implementation of the policy to be either successful or can hinder implementation of the policy. The following response from respondent 2 emphasizes the necessary resources that can enable effective delivery of services within SASSA:

*“For big offices like ours, management needs to be present at all times. I think SASSA needs to have, let’s say it can be a manager and assistant manager and making sure that for each and every office there must be a manager” (R-2).*

Respondent 3 also counts the equipment’s which constitutes as a tangible resource for service delivery:

*“We do have computers, photocopying machines, phones but we don’t have a fax, I mean we can fax, it’s the scan yah” (R-3).*

It can be deduced from the responses above that, SASSA officials are able to optimally use the available resources in order to deliver services. The resources that are not available do not hinder the delivery of social grants, although it occasionally effects the delivery of services.

#### **(b) Commitment**

Brynard (2005:656) refers to 5 variables that influence the process of implementation. He also outlines that within an organization, commitment at all levels between the state and street level bureaucrats, is important. In a process of implementing a project or programme, the implementers have to be fully committed from the beginning to the end, because if they are unwilling or unable to do so, little will happen (Warwick, 1982:135).

According to the responses received, the participants outlined how the commitment of implementers is kept at optimum level:

*“The commitment is at a very high level, cause we instil in them uh certain values which are SASSA values and SASSA is saying that we are a customer centric organisation. We have seen an increase in the number of grants uptake, the number of beneficiaries receiving grants and we’ve seen, noted a decrease in the number of queries and short falls that we experience within the processes at SASSA” (R-1).*

*“And we ensure that we, we assist each other cause another thing, since we are all here we not the same and even our grasping of the work effectively and our grasping of the work quickly it’s not the same” (R-2).*

Respondent 1 further outlines how as management they ensure commitment.

*“We have every day, every morning what we call climate meetings. Those are our 10 minute meetings where we plan for the day, where we give motivational talks. So yes we, we have those little incentive ways, incentivised. We have employee of the month we have employee of the year, and the prizes are very, very good prizes” (R-1).*

Cloete and de Coning (2011:147) cautioned that people who are involved in the implementation process should not lose their commitment to the program, because it is detrimental to the program being implemented. Also Sabatier and Mazmanian (1979:496) emphasized the importance of commitment from all levels of government and implementers themselves in policy implementation. Adequate support from constituency groups, legislators and courts are equally important for long-term implementation and success of the program.

### **(c) Clients/ Coalition**

Brynard (2011:150) further outlines that these variables show the importance of the government creating coalitions with interest groups, opinion leaders, and other outside actors who vigorously support a certain implementation process. Clients and coalition requires the integration and interaction of governments, private sectors, civil societies/ interest groups and communities at large, which is for successful policy implementation (Cloete and de Coning, 2011:150).

The following responses are from relevant ‘clients’, the beneficiaries represented by relevant organizations which illustrate the level of coalition and relationship between government, opinion leaders, and non-governmental organizations.

The following responses were recorded from the different organizations:

*“We do have a relationship let me talk about at national level. We were able to use the research input into the child protection policy that is being developed at national level” (R-4).*

*“We’ve been involved in uh many campaigns over the years about social grants. So we constantly monitoring and evaluating, in fact we are literally starting to monitor SASSA offices again” (R-5).*

*“SASSA is one of the service providers that we refer cases to, cause many of our clients that we get, because in schools isn’t we do trainings but also we get cases that require a one on one” (R-7).*

Cloete and de Coning (2011:7) note that, it is important that beneficiaries of the program are of priority and joining forces with interest groups for the benefit of supporting the implementation process. Osborne and Gaebler (1992:419) also emphasise that the needs of the customer should be of priority, which fall under the principles new public management, which are essential for successful policy implementation. Thus the inclusion or relation between SASSA and the non-governmental organisations that assist social grant beneficiaries to access their monthly allowances, portrays that the results would have less adverse consequences of the intended objectives.

#### **(d) Reporting Mechanisms**

According to Cloete and de Coning (2011:148), the minimum requirement for successful implementation is essentially having administrative and other abilities to do the job, and not simply the capacity to implement. This consists of structural and functional abilities, the availability of and access to tangible resources such as human, financial, material, technological, and logistical resources. The availability of these resources enables effective policy implementation if utilized accordingly.

The respondents from SASSA outlined below the reporting mechanisms that they use and whether they are effective or otherwise, the responses were as follows:

*“We report to Social Development on a monthly basis and the reports that we submit are operational and strategic reports. They are effective because we get feed backs and we also get told areas of concern are identified, short comings are identified and then we’re able to close those gaps” (R-1).*

Respondent 2 outlined the procedural order that is followed on a daily basis, for the flow of services. The response is as follows:

*“Verification of transaction are done on a daily basis, it’s timed okay you started this file at nine o’clock and it ended up to me probably let’s say ten o’clock. So for each and every individual who did that file there’s a timing for it, and it’s on the system and once it’s been approved then the transaction is gonna report at district, at district level” (R-2).*

The reporting mechanisms at SASSA obviously consist of technological, material and human resources mostly, which allow for communication within and between the relevant stakeholders so as to carry out their daily operations and meet the agencies objectives. As noted by Kroukamp (2005:6) that communication in the new age era happens through modern technology, with the use of satellites and the internet. (World Bank, 2001:9). Through the availability of operating information technology; appropriate outcomes of operations, effectiveness and service delivery should be evident (World Bank, 2001:9).

#### **4.4 Challenges to Service Delivery of Social Grants**

It is evident that the minimum condition for successful implementation requires administrative and other abilities to conduct the work (Cloete and de Coning, 2011:148). Hence unavailability of resources or sufficient capacity has the potential to hinder effective service delivery.

##### **(a) Administrative Challenges**

The following response was recorded from a SASSA official regarding the organizational challenges they encounter as implementers:

*“A greater challenge for SASSA is that uh the limited resources that we have and it all starts with you know, limited budgets. As you may be aware this year the budgets have really been cut uh by 50% so we’re operating on half of what we should be operating on and that makes it difficult then to employ more staff, to buy uh additional resources in the form of computers, vehicles or whatever it is” (R-1).*

In addition, respondent 2 states some of the results of the challenges that hinder effective service delivery are the following:

*“I can say lack of staff because each and every one is got its units understand. It’s also lack of staff and it’s also lack of working, what can I say; cause it’s like now we working, we not thinking, we just working people cause we like we get here to work and then okay we allocate work to somebody, you allocate work to that person, you allocate that people. We not working, like professionals” (R-2).*

Respondent 3 also adds on the causes that result to administrative challenges in the delivery of social grants. The response was as follows:

*“Like the number of staff available is not enough firstly, the equipment; we always have a lot of people coming in everyday so people they end up having to come back the next day” (R-3).*

*“We have a lot of paper work here, so it’s time consuming; if maybe everything is done on, it’s done online it would be easy, maybe we may be able to do as many people as possible even though we may not be able to finish all of them, but most of them we may be able to finish them if we were able to cut down on paper work. Cause we do the paper work, after the paper work you also have to capture on the system” (R-3).*

Respondent 2 further added that:

*“Lack of involvement definitely affects their efficiency and effectiveness. There’s lack of communication results to the staff being not up to date with changes. There’s a breakdown of communication up there” (R-2).*

Cloete and de Coning (2011:148) outlined that the most pertinent variable for successful implementation is administrative capacity and other abilities to do the job. However, it is also difficult to articulate what the necessary resources are for implementation, which can create a problem in the provision of appropriate resources, and hence, delivering services (Cloete and de Coning, 2011:148). As result of lack of involvement from the upper structures in the agency, it is difficult to define and discuss the necessary resources, which therefore affect their productivity in the delivery of services.

Additionally, government departments delegated to deliver services have created silos where they operate in isolation rather than working with the pertinent government departments to deliver policy services. This is a result of lack of coordination (Brinkerhoff, 2002:121). Which is likely to occur in organizations where there is insufficient capacity to execute the policy. With deficient resources, there is likely to be a high level of conflict between the relevant departments (Brinkerhoff, 2002:121) hence, departments are often reluctant to coordinate.

### **(b) The Biometric System**

According to Cloete and de Coning (2011:159) the reason that there is possible reluctance to increase the use of electronic tools in public service provision, might be because of low levels of computer literacy. This might be the result of the challenges that grant beneficiaries have experienced in the delivery of social grants, using the biometric system of payment. Respondent 5 stressed the challenges of using the biometric system as a form of payment.

The responses are as follows:

*“In terms of the biometric information, I think South Africa is maybe a little behind in terms of the rest of the world, cause not a lot of our people are familiar with the concept of biometric information and how that’s linked into our whole life” (R-5).*

The respondents highlighted the persisting problem in the provision of social grant that beneficiaries have been experiencing.

*“Uh there are still some challenges around the illegal deductions coming off, money is coming off that’s not supposed to be coming off and people not understating why that’s happening” (R-5).*

*“Deductions have been a bit of an issue, uh well we’ve got two (2) or three (3) cases.*

Cloete and de Coning (2011:158) state that low technological literacy levels between citizens and among the government subdivisions might result in less adoption of electronic management, across the world even in countries considered as leading in e-government. The general low levels of technological literacy are cited as one of the challenges that result in the unwillingness to adopt

electronic technology infrastructure as well as the developmental challenges that this notion would cause in the near future, particularly, for developing nations (Cloete and de Coning, 2011:159). Less adoption of electronic technological equipment poses an assumption that SASSA officials are less knowledgeable about technology which could result to policy implementation failure. As Cloete and de Coning (2011:158) reiterated, the lack of appropriate technological expertise causes disappointments.

Furthermore, considering that the ultimate goal is to successfully implement public policy and meet the demands of the citizens in an effective and efficient manner; it is sensible that governments adopt the new age electronic technology as an approach to delivering services to the citizens. The rationale behind e-governance is that service provision is delivered in an effective manner and can create a reduction in cost and time, and it advocates for better governance and transparency in the delivery of services (Cloete and de Coning, 2011:158).

The following responses are regarding the beneficiaries' experience of the new biometric system of payment, and using the biometric system of payment as a mechanism to facilitate service delivery.

The responses from the non-governmental organisations were as follows:

*“Compared to like five (5) years ago, it’s so much improved, it’s really working much better” (R-4).*

Respondent 5 further acknowledges the successes of social grant delivery. The response was as follows:

*“Since SASSA was created their turnaround strategy grew over time and it’s now about 24 hours in terms of the application process” (R-5).*

Likewise, the responses were also recorded the from SASSA officials regarding the implementation of the new biometric system of payment and their experiences in relation to the biometric system of payment.

*“This biometric system to me, so far the system was working quite well, but until the recent issues of airtimes being deducted from our clients, electricity, which is something that we*

*do not sell at SASSA. So to me that thing can be cited as the one that has been a challenge at most of the time” (R-2).*

*“I would say in a good way, it has minimized the way of people, because previously everybody was collecting from the cars, the cash payment services cars so a large number was minimized by this biometric system. And in a good way it minimized fraudulent activities that were being identified amongst other offices. I think this biometric system would change a lot of fraudulent activities”. (R-2)*

*“Some of them were complaining because the time this new system was introduced some were recipients of grants for children who did not belong to them. And since there is a SASSA card some complain that they receive money which is short. But as for us, as the organization it helped because a lot of people who were grant recipients for children who did not belong to them couldn't do their applications, they could not continue because they did not have children. So it does also eliminate the issue of fraud, as much as it is still there but it is slowly decreasing” (R-3).*

According to Cloete and de Coning (2011:159) the use of electronic management tools can be of benefit to public management, because it facilitates the development of a culture of transparent performances. The positive outcomes of public management can be attributed to the benefits of using electronic technology because it fulfils better the governance functions of the state (Cloete and de Coning, 2011:159). This means the electronic technological culture advocates for better governance and transparency in the delivery of services. Therefore in the application of electronic technology, if done appropriately, it is bound to produce satisfying outcomes. It thus builds more capacity for more effective and efficient service delivery.

### **(c) Beneficiaries Experience of Social Grant Delivery**

According to Lipsky (2010:2) “street level bureaucrats have the ability to provide benefits and allocate sanctions to the citizens”. Since they work in overwhelming environments which results in them creating coping mechanisms that create a conducive and manageable work space and work load for them to perform their daily duties. Therefore, Lipsky (2010:5) states that street level bureaucrats should be given discretionary power to take decisions because their work is complex to make traces of accountability and managing them. This is solely because the actual policy

makers are not in constant contact with citizens, they may not be able to assume the manner of accountability at the bottom level (Lipsky, 2010:7).

The responses below are according to the beneficiaries' challenges that they encounter at the SASSA premises concerning grant applications or social grant deliveries.

*“There’s still the odd case where people talk about the treatment they receive at SASSA. The treatment that they receive from SASSA staff is a problem for some people, particularly certain types of applicants. So often single women on their own, younger women applying for the you know, teenage mothers, early youth, say youth mothers let’s say rather than calling them teenage mothers, there’s often, they often feel discriminated against regarding that” (R-4).*

Respondent 6 cited the following:

*“Queues, long queues these are the challenges, the long queues the fact that you, it’s not always clear what documentation you’ve got to bring in, so they sometimes go without enough documentation. Then sometimes the rudeness of staff, the whole Batho Pele thing doesn’t work, people are next, why haven’t you got this, where’s that, come back when you’ve got all your stuff, next you know it’s not right” (R-6).*

Respondent 7 outlined the following as an issue:

*“To us, they often report that, they complain with the staff’s attitude that they ill-treat them (R-7).*

In order for street level bureaucrats to process large numbers of clients, they develop practices to control the clients and moderate services. These coping mechanisms become obvious in decisions taken by them that limit service delivery (Lipsky, 2010:6). Street level bureaucrats separate their work by differentiating among clients; consequently the clients are processed through stereotyping, screening, and rubberstamping (Lipsky, 2010:7).

#### **4.5 Success Factors in Service Delivery of Social Grants**

Sabatier and Mazmanian (1979:486) provided that clear and legitimate objectives should be explicitly ranked and clear directives for policy implementers are crucial conditions for effective

policy implementation. Since policy is notorious of ambiguous language and uncertain goals, which often result in displeasing outcomes, it is therefore, essential that implementing agencies are given clearly specified priorities that the delegated agency will engage in for the totality of the program (Sabatier and Mazmanian, 1979:488).

The following NGO responses were recorded regarding the successes in the delivery of social grants. Respondent 4 stated the following:

*“SASSA has really improved the system. Of course there are some challenges and there some things that we inherited that are gonna keep presenting challenges but they’re aware of the challenges and they either put policy or practice in place trying to address those. It’s as so many things in South Africa, it’s how it gets implemented at the ground level that is the challenge. So I think, I would say in general they are effective, there’s always room for improvement” (R-4).*

Respondent 5, outlined the following response as success for SASSA:

*“Absolutely, I mean yes there are challenges as with any organisation but I honestly believe many of the areas they, you know they working very hard they ensuring that they’re being on time, they serving as many beneficiaries as possible. Their turnaround time has improved quite dramatically. So, I think they are doing a very good job, I think they clearly want to understand their mandate and progress, I think maybe they might need to be support you know rather than top-down, understand bottom up” (R-5).*

Respondent 6 further made a comparison of SASSA’s social grant delivery success, the following was stated:

*“I think they are pretty effective, I mean if you look at the number of pensions they paying out and the number of problems, yes there are problems but the number I think, they quite small compared to the numbers they actually paying out” (R-6).*

The following response is according to respondent 7:

*“They are effective yes, because most people here in Pietermaritzburg they are on social grants whereas compared to other areas. But if you were to look at or compare to other*

*sub-districts, here in Maritzburg a lot of people receive social grants. So I would say they are effective it's just that there are certain things here and there" (R-7).*

The primary goal for every government is to provide and deliver services in the most efficient and effective way as possible to the citizens. Effective ways for policy implementation are facilitated by provision of resources, capacitating the implementers, and adequate organisational capacity. The responses illustrate that, SASSA's functioning is effective. Successful policy implementation is also achieved through unambiguous policy objectives and sufficient policy support and commitment from both the implementers and relevant stakeholders (Cloete and de Coning, 2011:147).

Whereas, the following responses were recorded from the SASSA management, about their successes in the administration of grants at the local office in Pietermaritzburg.

*"At the local office we, we have currently at this local office if I may speak about this one. We, we are paying in excess of 7 million beneficiaries which is a great achievement for us" (R-1).*

*"We have migrated because it was a project for us to move all our assessments and I'm talking about disability, grant in aid and care dependency, we had to move our assessments from the offices and we had to engage with the department of health for them to allow us to conduct the assessments at their premises, so that was an achievement for us" (R-1).*

*"Social relief of distress, as an office we spend at least R800 000 per annum, per financial year on social relief of distress which is your vouchers, it comes in a form of vouchers, school uniforms and a whole host of others" (R-1).*

*"As an office we've also achieved office renovations in terms of our infrastructural developments, we have also employed a number of staff because we were really short staffed, we've employed a number of staff. We have acquired a number of resources as well in terms of computers, printers and I think those were the major achievements. Oh we've also been able to successfully re-register all our beneficiaries and put them on the new SASSA card from the previous way of being paid up to the SASSA card that they are using now" (R-1).*

The concept of new public management entails that the needs of the customer should be of priority (Osborne and Gaebler, 1992:230). This can only be done if the necessary administrative capacity is available. According to Brynard (2005:148), part of what constitutes capacity variables are spaces that are considered conducive, the economy, administrative (tangible) resources and technological factors. Also intangible resources such as leadership, commitment, motivation, and willingness to work are vital capacity variables that enable transformation of written abstract objectives into action, which is implementation. Therefore, the availability and access to necessary resources that capacitate the functioning of an organisation are of the utmost importance for successful implementation.

#### **4.6 Conclusion**

Chapter 4 focused on the findings of the research and presented an analysis of these findings. Each of these sections reported SASSA's goals, implementation processes including, implementation challenges that SASSA encounters as a state-owned enterprise, encompassing as well as the challenges of social grant beneficiaries. It also reported on the factors that influence the successes of the agency SASSA in the delivery of grants.

The staff seem to understand the role and goals of the agency. They understand the mandate of the agency and the legislation that they should abide by. Furthermore, in the process of implementing a policy, capacity is emphasised by Cloete and de Coning (2011:148) as an important component that either hinders or enables successful implementation. The study found that SASSA possesses limited resources, both tangible and intangible resources, which restrict their ability to fully implement the policy without hindrances. The study also found that SASSA staff has considerable commitment to execute their work on a daily basis. Even though there is a constant need for motivation because their work is overwhelming.

Moving forward, the study found that between the non-governmental organisations that assist social grant beneficiaries access their grant and SASSA, there is adequate joined forces. To emphasize this, Cloete and de Coning (2011:7) outlined clients and coalitions as important for supporting the implementation process. Thus through the joined forces the agency is able to address pressing issues that affect social grant beneficiaries as the mandate is centred around them.

SASSA has however experienced administration challenges which are a result of limited resources, lack of staff and too much paper work. The study found that, SASSA staff members complain a lot about the limited resources which slow down service delivery, including the amount of paper work that is time consuming, largely affecting the effectiveness of the agency. The study also found that there is lack of communication between the local offices and district offices, which affects the effectiveness and efficiency of the Pietermaritzburg office. They are often not updated on changes taking place; if they are updated, it is through emails, without trainings and at times they would hear about the changes from clients.

Moreover, SASSA has also experienced other challenges in measures adopted to curb corruptive social grant applications and corruptive access to social grant beneficiaries' allowances from outside scammers. Although the electronic biometric system has controlled significant cases of corruption within SASSA offices, the social grant beneficiaries have encountered other forms of corruption. Some social grant beneficiaries have received illegal deductions, thus receiving less of the anticipated amounts of their social grants. According to Cloete and de Coning (2011:158), the results of service delivery disappointments when using electronic biometric technology is often because of lack of literacy and appropriate technological equipment. Little knowledge and understanding of the contemporary electronic technology poses chances of failure which impacts on quicker service delivery. The study therefore found that SASSA staff members also criticise their level of technology used within the agency, and they would rather advocate for more improved contemporary technological equipment. In that way, according to them, they will be able to improve service delivery, effectively conduct their daily duties and control the level of corruptive actions within SASSA and external to SASSA premises.

Ideally, the use of SASSA as a state-owned enterprise has certainly improved the delivery of social grants. The respondents highlighted how the turnaround time for SASSA to approve applications has improved compared to when the Department of Social Development administered social grants. Respondent 1 also highlighted the successes SASSA has achieved over the years, outlining the increase in the number of intakes on a daily basis and the increase in the number of social grant beneficiaries every year and reaching a target of that particular year. According to Sabatier and Mazmanian (1979:495) effective ways for policy implementation are facilitated by provision of

resources, capacitated implementers, unambiguous policy objectives, and sufficient policy support from the implementers and relevant stakeholders are the main key.

## **CHAPTER 5**

### **CONCLUSION**

The introduction of state owned enterprises in South Africa entailed the vision that, SOE's would improve the living standards of the society by creating sustainable economic and social benefits. The findings of the study found that SASSA in PMB has been effective in the delivery of social grants as an example of a state-owned enterprise. The turnaround time has improved as compared to before 2004 when the Department of Social Development administered social grants. The study found that levels of corruption have significantly decreased since the inception of SASSA as an independent agency to administer social grants to the appropriate persons. The adoption of the electronic biometric system of payment has been able to build a capacity for more effective and efficient service delivery. The social grant beneficiaries have cited less delays involved in the application and approval processes, which shows that there has been improvement in service delivery. The adoption of the electronic biometric system has also been able to enforce a culture of transparent performance in the delivery of services. It has also fostered citizen empowerment, by providing other channels for them to access information, and services as well as to interact with government, which essentially improves the concepts of good governance.

Furthermore, the study found that challenges that are associated with state-owned enterprises as deliverers of social services are that of lack of communication between the upper structures of government and local offices, lack of adequate resources both tangible and intangible resources, and literacy levels. The study found that SASSA encounters challenges in the administration of social grants because of limited resources that enable effective service delivery such as human resources, technological equipment, financial resources and administrative capacity. Lack of capacity in terms of staff members and financial resources was fairly cited even by the non-governmental organisations as a big issue for SASSA. SASSA management narrated how they have little control over the budget allocation, because they are not involved in budget distribution discussions; therefore they are obliged to work with the allocated budget in the best optimal way. The restricted budget allocation hinders a number of services to be delivered; particularly home based issues that can be addressed by SASSA officials, but reasons such as no budget allocation

for transport to conduct in-house services is a problem for clients that are disabled or old age person to travel long distances to SASSA offices.

The aims of the study include understanding the delivery of services using state-owned enterprises, how SASSA delivers social services and to find out the issues confronting state-owned enterprises in delivering social services, as well as the successes in delivering social services as state-owned enterprises. The study also focuses on the case study of SASSA, investigating on whether the agency abides by the SASSA Act No. 9 of 2004 and Social Assistant Act No. 13 of 2004 that regulates its functions, as an independent agency that administers social grants.

The conceptual framework outlined a public policy to be “the output or product of the governmental process and activity, which is usually expressed in legislative enactments or laws, executive decrees or orders, executive and official statements or speeches, government budgets, judicial decisions and sometimes, political manifestos” (Ikelegbe, 2006:4). Sabatier and Mazmanian (1983:129) state that, for successful policy implementation the objectives of the policy should be clear and consistent. Unambiguous policy objectives provide a standard for legal evaluation and resources, where legal authorities can hold policy implementers accountable for the delivery of services, and also provide sufficient resources allocated for that particular programme. Therefore through the provision of adequate resources, policy implementers should be able to optimally produce satisfying results of the policy implemented, and can be subjected for legal evaluation for the continuation, refining, or termination of the programme. The Social Assistance policy has been substantially implemented. It was created for the needy individuals and families of all races to be able to provide for themselves basic nutritional needs and for basic survival.

The provision of social assistance was ceded to an independent agency that could mainly focus on the administration of social grants. This was done through transfer of certain powers under the concept of new public management that essentially entails that service delivery should be done on less rigid bureaucratic structures. Implementing policy through flexible and innovative measures has resulted in multifaceted outcomes in policy implementation. There has been significant improvement in the delivery of social services as compared to the apartheid period and before the inception of SASSA in 2004, when social grants were delivered by the Department of Social Development. SASSA as a legally established agency of government delegated to administer social grants to thousands of qualifying persons has successfully attained effective delivery of

services. The agency has been able to enroll and achieve the target number of social grant beneficiaries of every specified year, through committed policy implementers and limited financial resources.

However, the improvement in the delivery of social grant services has also resulted in challenges in service delivery. The number of social grant beneficiaries has increased which has resulted in the street level bureaucrats being faced with momentous work on a daily basis. This means street level bureaucrats are dealing with an overwhelming number of clients on a daily basis, which results in them developing different attitudes and perceptions for different groups of people. This results to unequal treatment of clients which causes the delivery process to be less effective. So the power that SASSA officials possess makes it a challenge for central government to build accountability structures that speak to their attitude and decisions towards grant beneficiaries. This poses as an implementation challenge in the policy delivery process. The policy could ultimately be partially delivered, with corruption involved and little commitment from the policy implementers, which is the case for SASSA.

In addition, street level bureaucrats are also discouraged because of the limited capacity in the agency. There is a gap in the capacity at SASSA; human, technological and financial resources are lacking. The staff capacity is lacking, such that SASSA officials are not able to catalyze the administration process which is the reason why there are long queues on a daily basis. This is a result of financial and technological constraints which were cited by the nongovernmental organizations as well as SASSA officials. According to the new public management concept, government should steer and not row; therefore a provision of sufficient capacity that is required by the agency will enable implementation of the new public management concept. The responses suggested an increase in electronic technological capacity, so as to escalate the processes in administration, so that grant beneficiaries will not stand in long queues and also ease SASSA officials' workload, mainly a decrease in paper work. This means government will also have fewer rectifications which are a drawback; however, more improvements and development in the provision of social assistance by SASSA may be noted.

Furthermore, the technological equipment used at SASSA for payment of social grants lacks the appropriate expertise to protect confidentiality and transparency. The agency functions under the principles of state owned enterprises, as a mechanism for effective and efficient delivery of

services to the masses, with improved technological equipment- the electronic biometric system of payment. The electronic biometric system of payment is the result of the currently occurring deductions and fraudulent activities at SASSA. The adoption of e-governance presupposes achieving good governance which necessitates transparent operations in service delivery. However this cannot be attained with information systems that lack appropriate expertise and resources. Evidently, the study has found that in SASSA responses, there are lacking advanced technological resources and skills that make it a challenge for the agency to achieve desired results, and transparent performance within the agency.

Moving forward, the excessive control in the delegation of powers means that SASSA cannot allocate and handle its own budget, thus their expenditure is limited and hinders effectiveness. In essence, the agency cannot freely increase capacity in the sense of human resources, financial resources or technological capacity, which poses a challenge in delivering effective and efficient social services. However, the idea of devolution of powers entails that government transfers its authority for decision making, finance and administrative management (White, 2011:2). Evidently, SASSA has limited authority on financial resources which could be a result of the turned back social grant applicants because of shortage of staff members.

Moreover, Cloete and de Coning (2011:161) suggested that particularly for developing countries to achieve desired results; through efficient and optimal use of resources, they should adopt the idea of technological revolution. They have suggested that countries should entail the general literacy and specialized computer literacy programmes for digital enhancement and service provision (Cloete& de Coning, 2011:160). However, SASSA cannot adopt electronic technology because majority control of the budget lies on the government.

In conclusion, state-owned enterprises have successfully been able to deliver social services effectively and efficiently. The delivery of social services through state-owned enterprises has radically improved as compared to the period before its introduction of state-owned enterprises as service providers of social services. However, the functions of state-owned enterprises are often more effective and successful, if there is accessibility of the required resources and availability of intangible and tangible resources for implementation to take place. Hence, drawing from evidenced responses, SASSA has improved in delivering social services. Even though the agency's branch in Pietermaritzburg encounters challenges with human resource capacity, technological,

and financial resources, has managed to improve the service delivery rate for the qualifying social grant clients. SASSA has captured the principles of functioning in a customer centered approach, functioning as an independent agency that provides specific social services, and optimizing the available resources in service provision, in order to achieve the desired goals. SASSA in Pietermaritzburg has also improved its turnaround time in the delivery of social grants, which reiterates the idea of a state owned entity as a catalyst in delivering social services.

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## **Appendix 1: Interview guide**

### **INTERVIEW GUIDE FOR SASSA OFFICIALS in PMB OFFICE**

#### **Respondent 1**

1. What is the mandate of SASSA?
2. What is the legislative mandate for SASSA?
3. How is good governance ensured in the agency?
4. Does the agency have autonomy within the agency ensured for it to do what it is supposed to do? If so how?
5. What are the management processes in place for the application process?
6. What are the management processes in place for the payment of social grants?
7. Who is SASSA accountable to externally?
8. What are the reporting mechanisms externally?
9. How is the agencies performance monitored externally?
10. How has cross-sectoral partnering impacted on service delivery within the agency?
11. How does partnering impact on the payment of social grants?
12. What are the challenges of functioning under these partnerships?
13. What are the successes of the partnering within the agency?

#### **Respondent 2**

1. What are the mechanisms in place to perform the application process?
2. What are the mechanisms in place for the biometric payment process?
3. What are your experiences with the biometric grant payment system?
4. How has the biometric payment system impacted on the processes for effective service delivery?
5. What are the challenges that SASSA in PMB central have encountered in administering the grants generally?
6. What are the agencies structures for effective service delivery?
7. What are the mechanisms in place for effective service delivery internally
8. What are the agencies reporting mechanisms internally?
9. What are the challenges regarding the reporting mechanisms within the agency?

### **Respondent 3**

1. What are the operational barriers that beneficiaries encounter when applying for grant?
2. How have you experienced the application process as an administrator?
3. What are the agencies operational barriers that are experienced during the grant administration process as a whole?
4. How would you explain the challenges of administering the social grant to beneficiaries?
5. How would you describe the experiences of grant recipients regarding the biometric system of payment?

## Appendix II

### **INTERVIEW GUIDE FOR NON-GOVERNMENTAL ORGANISATIONS PADCA, CINDI, AND YOUTH FOR CHRIST**

1. What is the function of your organisation?
2. What is the relationship between your organisation and SASSA?
3. What are the challenges in the application process for beneficiaries?
4. What are the operational barriers that beneficiaries have encountered in accessing the grant?
5. What other challenges have been cited by grant beneficiaries in accessing the grant?
6. What are the attitudes of grant beneficiaries towards the payment system?
7. What do you think causes the challenges in the administration system at SASSA?
8. Would you say that the attitudes at the front line at SASSA are quite a problem?
9. What are your encounters when working with/ consulting with SASSA?
10. Is SASSA effective in its functioning?
11. What would be your comparison of the services rate of Department of Socials Development and SASSA currently, if the organisation was in existence by then?

### **INTERVIEW GUIDE FOR BLACK SASH**

1. What is the function of your organisation?
2. What is often the reason for consulting with SASSA?
3. What are the challenges that beneficiaries experience during the social grant application process?
4. What are the challenges that have been cited by grant beneficiaries of the biometric payment system?
5. What are the operational barriers that beneficiaries have encountered in accessing the social grant?
6. What other challenges have been cited by grant beneficiaries in accessing the social grant?
7. What do you think would be the cause of the challenges in the administration system?
8. What is your perspective on SASSA's administration system of social grants?

9. What are the advantages and disadvantages of the current biometric payment system in comparison to the old payment system?
10. Would you say SASSA is effective in its functioning?
11. How has your intervention as Black Sash impacted on the provision of social grants to the target groups?
12. How has your advocacy impacted on SASSA's administration system?
13. What are your encounters when working with/consulting with/ challenging SASSA officials?