

SECOND CARNEGIE INQUIRY INTO POVERTY  
AND DEVELOPMENT IN SOUTHERN AFRICA

Poverty experienced by Black  
(African) residents of Cape Town:  
The Views of some social workers

by

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PENINSULA WELFARE FORUM

POVERTY EXPERIENCED BY BLACK (AFRICAN) RESIDENTS OF CAPE TOWN : THE VIEWS OF  
SOME SOCIAL WORKERS.

The Peninsula Welfare Forum was formed in 1977 to attempt to provide an opportunity for contact and co-ordination to welfare organizations and other interested community bodies rendering service to Cape Town's African residents.

This paper attempts to reflect the views of social workers employed by organizations affiliated to the Peninsula Welfare Forum. Our comments are limited to a description of the fragmented welfare structure, problems related to influx control and the Coloured Labour Preference Policy and welfare-related issues. We have not referred to the very serious problems in the sphere of education. Our views on employment and housing are contained in a memorandum submitted to the Minister of Co-operation and Development which is attached for information (Annexure A), together with his response (Annexure B) and our subsequent follow up (Annexure C).

Also attached is our memorandum on Pensions and Grants (Annexure D) together with the official response (Annexure E).

The paper is illustrated with brief descriptions of some cases dealt with by our member organizations.

The Welfare Structure:

State welfare services are designed within the country's apartheid structure. The Department of Co-operation and Development is therefore responsible for social services provided by the state and for the subsidization of welfare services run by the private welfare organizations.

Pension and grant applications are processed by this Department; the handling of maintenance (non-support), divorces, estates and work that would otherwise be handled by the Department of Internal Affairs (i.e. births, marriages etc.) are all dealt with by the Department of Co-operation and Development.

The Department's welfare service in Cape Town is not only shortstaffed at times, but there are insufficient posts to cope with the demands of servicing

/the community.....

the community and, as is the case with other structures within our apartheid society, energy and funding is devoted to separate regional welfare boards which causes excessive and unnecessary strain to be placed on available resources. Suitable persons with skill, experience and expertise who should serve on these bodies have refused to do so in some cases, because they are segregated. Some have possibly been overlooked for appointment. Nominees are subject to "security" checks.

Repeated pleas for the unification of welfare services have been rejected. Social welfare is now listed in Schedule 1 of the Republic of South Africa Constitution Act (no. 110 of 1983) as an "own affair" with the noteworthy proviso as follows:

- "1. Social Welfare, but subject to any general law in relation to:-
- (a) norms and standards for the provision or financing of welfare services; (own emphasis)
  - (b) the control of the collection of money and other contributions from members of the public for welfare services or charity; and
  - (c) the registration of social workers, and control over their profession."

As a result of differential and discriminatory salaries, subsidies and funding, there is a dearth of resources serving the community.

Unlike other local authorities in the Cape Peninsula, the Western Cape Administration Board which administers all black areas, employs social workers who render a general family welfare service.

Grants and pensions are very inadequate and grossly discriminatory. e.g. The present old age pension for blacks is R57,00 per month (paid out bi-monthly) while that for whites is R152 per month. The free income maximum for qualifying for an old age pension was raised from R29,50 per month to R40,00 per month on 1.10.83. A pensioner qualifies for a pension of R38 per month if her earnings are R40,00 per month. The amount of pension is increased (to the maximum of R57,00 per month) commensurate with less other income.

/Social pensions....

Social pensions and grants are not available to Crossroads residents who have section 10(1)(d) rights prior to their completing a full five years residence from the date of their 10(1)(d) endorsement.

Influx Control:

Because resources serving the African residents of Cape Town are both inadequate and overstretched, there is a tendency to exclude from help those people who do not "qualify to live in Cape Town" in terms of Section 10 of the Urban Areas Consolidation Act (no. 25 of 1945). e.g. A Cape Town hospital whose social workers have access to a benevolent fund to assist their patients when discharged has been known to refuse applications from Crossroads residents "because they are illegal".

No pensions or grants are available to persons not qualifying for residence in the prescribed area of Cape Town and no "illegal" person is subsidizable in any institution.

Persons who lose their residence qualifications or who decide to relinquish their residence rights in the urban areas in order to reside in an "independent homeland" (both Ciskei and Transkei, of which all Xhosa-speaking people are deemed to be citizens, are "independent") automatically lose their pensions. They can reapply for these to the "independent governments" of Ciskei and Transkei (they are not automatically transferrable). Delays are experienced in grant and pension applications that cause severe hardship both in Cape Town and in the "homelands". Such delays often require alternative funding from private sources to be sought, and, as a result, immense demands are placed upon these very limited resources. Needs cannot always be met and the responsibility for sustaining those in temporary or permanent need is then met entirely by individuals in a community upon which there are many demands. Money-lending is rife in such circumstances, with repayments usually being required at the rate of 20-25% per month e.g. R10 would be repaid with R2,00 interest per month.

Persons who obtain visiting permits for temporary sojourns in the Peninsula are not legally permitted to work (even casually) during their stay. No

/person residing.....

person residing "illegally" in the Peninsula is legally permitted to take up employment.

The official estimate of "illegal" persons in the Peninsula is 42%.

For contraventions of the influx control laws, persons are tried in the Commissioner's Court which falls under the auspices of the Department of Co-operation and Development. Upon conviction, they are fined between R70 and R100 or the equivalent number of days in prison.

Residence qualifications can be very easily lost. Any person, other than those who were born in Cape Town and have continuously resided in the area, will lose his qualification automatically if he is sentenced to a fine of R500 or a 6-month term of imprisonment.

Men over the age of 18 who have no residence rights, or have lost their rights, may only legally enter the prescribed area of Cape Town as contract workers. Unmarried women who are the dependents of "qualified residents" may join their "legal" relatives provided that accommodation is officially approved. The only way in which a married woman who has no residence rights in Cape Town can reside legally in the area is if she is legally married to and lives with a legally qualified man who either owns his own house or is the main tenant (not lodger) of a rented dwelling (excluding contract workers). No woman without permanent residence rights unless dependent upon a qualified husband or father is permitted to enter the area (e.g. widows, divorcees, separated or unmarried mothers) other than on an officially approved temporary "visit".

People employed "illegally" are open to being exploited as they have limited bargaining power. Employers of such "illegals" may be fined up to R500 if found doing so.

Coloured Labour Preference Area Policy:

The rigid implementation of this policy has caused various discriminatory practices to be adopted against African people.

/It has been.....

It has been the cause of an extremely severe housing shortage, with not even 99-year leasehold housing having been made available to Capetonions.

Creches, institutions, homes for the aged, children's homes, facilities for the handicapped are all in very short supply and in some cases non-existent. The first conventional 125-bedded home for the aged is still in its planning stages. All planned facilities are currently frozen pending the establishment of Khayelitsha, a new "city" to which it has been decided all legal black Capetonions will be moved.

Africans are not permitted to be employed in certain work categories at all, e.g. as hairdressing shampoo-ers; in some categories they may only be employed if no suitable white or "coloured" person is available e.g. in domestic service; in certain work categories they may only be employed if their language skills are required in addition to their skills e.g. as a typist/interpreter; people who do not qualify for residence rights have to overcome the additional hurdle of preference being given to urban labour; training in Cape Town is denied to certain categories e.g. nurses, primary school teachers.

#### Social Work practice:

Given overcrowding/lack of housing, it is almost impossible to conduct a private interview at the home of a client. Coming into the agency office requires additional expenses for clients.

Clients with no "legal status" are actually frightened of using public transport to travel to resource/helping agencies.

In case of behaviour management (e.g. for mental retardation) it is difficult for social workers to recommend or implement programmes such as toilet training; especially when one outside toilet might be shared among 15 people.

#### Summary:

It is believed that the structure within which the community operates has contributed towards the impoverishment of that community. The following case

/illustrations should....

illustrations should be read in conjunction with the above description.

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Illustration from the Cape Peninsula Welfare Organization for the Aged:

Mr. X., 88 years of age and his wife, 57 years of age, live in a Guguletu house with 6 other adults (2 sons, 2 daughters and 2 of their friends) and 4 grandchildren.

Mr. X. has been bedridden for 5 years following a stroke. He is incontinent and catheterised. Mrs. X. is arthritic. One of the sons is totally blind.

Mr. & Mrs. X have no income of their own. Although technically eligible for a social pension, Mr. X. has to date not received an old age pension because his family were unaware of the procedures to be followed. (These are complicated by the fact the Mr. X was born in Malawi). Although he is well over the qualifying age for a pension he only recently came to the attention of a social worker.

Mrs. X is endeavouring to obtain a Disability Grant. One of the sons is employed. He contributes R20 per week towards family expenses.

The blind son is in receipt of a Blind Persons Pension of R57,00 per month of which he contributes R30,00 to the household.

The reputed father of the daughter's four children died, subsequent to which she received a Maintenance Grant. However, this was withdrawn during 1983 when the authorities decided that the mother of the children was abusing it. She now sells liquor illegally to supplement the family income.

Mr. & Mrs. X's last born and their 4 grandchildren all attend school. Studying is a real problem for them because of overcrowding (8 adults and 4 children in a 4-roomed house) and, during weekends, the house is a shebeen.

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Illustrations from NICRO: The National Institute for Crime Prevention and the Rehabilitation of Offenders.

1. The family consists of a father, a mother, and six children whose ages range from 16 years to 1½ years. The mother is the offender.

The father is employed as a petrol attendant. His income is low and he is unable to provide adequately for the family. The mother is a recidivist. All her offences have been of an economic nature. While she is in prison (present sentence - 2½ years for theft) there is no suitable caretaker for the children who are unsupervised and neglected.

Four of the children are of school-going age but only the older two children attend school. The third oldest child takes care of the younger children whilst the older two children are at school.

The home is sparsely furnished and neglected.

2. The family consists of a father, a mother and four children. The oldest child is the offender.

The father is paralysed and in receipt of a disability grant.

The mother, who is in her early sixties, is not a legal resident of Cape Town. She is unable to obtain employment.

The offender (eldest of four children) is 21 years old. He left school at the age of 14 years to work in order to supplement the family's income. His weekly wage is insufficient to maintain the family. He has three convictions, i.e. for theft(two) and housebreaking and theft (one).

His explanation as to why he committed the housebreak and theft was in order to "sell the goods to support my family".

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Illustrations from Cape Mental Health Society:

1. Mr. A.J. - born in 1946 - his wife and 2 children live in the men's single quarters where they share a room with 7 other people - 4 men and 3 women.

The couple have no legal rights to be in Cape Town. Their only source of income is from Mr. A.J.'s occasional casual employment.

The 4 year old child was seen at a Day Hospital where he was found to be undernourished and his development retarded. He looks more like a 9-month old child who is totally dependent on his mother. He does not qualify for admission to the day centre run by the agency because he has no self-help skills.

This family qualifies for no financial assistance because of their "illegal" status.

2. Mr. J.M. (with Std. 4 education) earns R45 per week as a labourer. His wife earns R15 per week as a charworker. They have 6-year old twins one of whom is severely mentally retarded. This child has been very prone to infection and has been repeatedly admitted to hospital. Whilst making provision for the care of this child and the repeated need for his hospitalization has proved to be very disruptive to the parents' employment, the family has also been lead to believe that he is "better-off" in hospital because of their overcrowded, unhygienic living conditions.

The couple live in a 5-roomed shack and have taken boarders. The hospital reports that Mr. & Mrs. J.M. are rejecting the child. There is no institution available for his admission. The lack of a social support system for these needs is likely to place the rest of the family's welfare in jeopardy.

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Illustration from the Association for the Disabled:

Date of birth 1951

Disability: Paraplegic T12. Has calliper on Right leg and uses a stick.  
Cause of disability: Stabbed.

Family Background: Client is the only child of Mrs. M. who is a widow.

Client's Family: Mr. X (client) - husband, unemployed  
Jessica - wife, housewife

Children:  
Vukile - Sub A  
Wandisa - Pre-School age  
Zoksiva(1968) - (girlfriend's child)

Standard of education: Standard 6 with training in watchmaking as a field of specialization.

Accommodation: The mother and son are staying in a four-roomed house with 3 other lodgers in order to pay the rental. The client's wife and children are also in the house. Wife is not accepted as she is illegally in the area and therefore is housebound.

Finance: The only income is from the mother's charring although she is old, and occasional earnings from Mr. X's watch repairing clients.

Rent: R19,00

Poverty Indicators: No regular income.

Causes:

1. Wife cannot go to open labour market because of her illegal entry
2. The mother is in the middle because she is not seen as a disabled and does not qualify for old age pension.
3. House is overcrowded in order to secure accommodation i.e. to house many lodgers in order to pay the monthly rental.

Consequences:

1. Children's schooling will be limited.
2. Infection because of overcrowding.
3. Lack of confidence among the children i.e. insecurity which leads to behavioural problems.

## MEMORANDUM

9 September 1981

TO: The Honourable Minister  
Dr. P. Koornhof  
Minister of Co-operation and Development

FROM: Peninsula Welfare Forum  
Cape Town

SUBJECT: EMPLOYMENT AND HOUSING PROSPECTS FOR BLACKS IN WESTERN CAPE AREA

1. Introduction

All the members of the Forum are professional social workers and community workers involved either directly with a service in the community or indirectly in supervising a service.

They are in close touch with the practical problems within the community and in discussion of all welfare problems an attempt is made to view the situation objectively.

It has been evident throughout that two basic problems are creating instability and insecurity in the community which tend to make the solving of general family and other problems difficult and sometimes impossible. They are -

1. Housing situation
2. Employment prospects

For the purpose of this memorandum we are referring to residents of the Peninsula with legal status to be here.

2. Historical Background

According to the White Paper on the report of the Interdepartmental Committee on the Decentralisation of Industry (1971),

"The Government has accordingly decided that in regard to the Western Cape, the employment of Bantu will continue to be relatively restricted. This area must be looked upon as mainly the employment sphere of the Whites and Coloureds and the industrial development in the area will have to become adjusted to this pattern of labour supply. Any relaxation in the application of Section 3 will not only reduce the employment opportunities for the Coloureds, but will also militate against the Government's objective to reduce systematically the number of Bantu in the Western Cape. The Western Cape region is regarded as the area West and South of and including the magisterial districts of Hankey, Steytlerville, Jansenville, Pearston, Graaff Reinet, Middelberg, Colesburg, Philipstown, Hope Town Bay and Gordonia".

(p.10, paragraph 34).

Mr. L. Kok, Department of Co-operation and Development has informed

a member of the Peninsula Welfare Forum that a direct result of the latter State policy is that the 99 year leasehold of land plan for Blacks has not been extended to the Western Cape area.

The Black (Urban Areas) Consolidation Act No. 25 of 1945 as regulated by Government Notice No. R.2471 of December, 1978, does not preclude the possibility of the Western Cape area being included in these provisions.

The list of areas approved by the Minister of Cooperation and Development for application of the 99 year leasehold principle since 1979 does, however, not include the Western Cape area.

It seems, in addition, that in view of the policy stated in the aforementioned White Paper that it is "... the Government's objective to reduce systematically the number of Bantu in the Western Cape" that no planned approach to the housing of Blacks legally in the Western Cape Areas has been adopted.

In a projection of the 1980 census figures, undertaken by Mr. S.A. Grobbelaar of the Unit of Futures Research, University of Stellenbosch, a total of 18,200 new homes for the expected increase of 109,000 blacks will be needed in the Western Cape area by the year 2000 (Argus 20/8/1981).

### 3. Present Situation

#### 3.1 The Housing Situation

##### a) Present Population

The present population of the Black townships in the Cape Peninsula area is 166,000 excluding Emfuleni.

##### b) Supply of Houses

The area of Langa was proclaimed in 1924, Nyanga in 1945 and Guguletu in 1960. The relevant authorities built homes for letting purposes. To date 11371 units have been built with further units in Emfuleni, where accommodation is provided for 130 families and 3000 single men.

Excluding Emfuleni there is thus an average of about 15 people per unit of accommodation.

Prior to the instigation of the New Crossroads Scheme, the first phase of which includes the erection of 3000 homes, 366 of which were complete on 26/7/81, no houses have been built since 1972. At the time 650 units were erected in Section 4 of Guguletu. When all homes were allocated a waiting list was kept which in January 1981, included the names of 2500 families. Officials report that this number is conservative as many with the legal right to reside in the Peninsula have not placed their names on the waiting list because of the hopelessness of the situation.

In addition, it is estimated that family heads are increasing at the rate of 350 per annum.

A recent contract was signed for the erection of 180 houses at Nyanga, but to our knowledge no further plans have been

made for the building of homes for letting purposes. It is understood that a number of single barracks originally used by contract workers are being converted for occupation by 1700 families. It is understood that the rental of these converted dwellings will be above the means of many families.

Building sites have been made available in Guguletu for firms to erect houses for their own staff. The site is provided without security of tenure. A service charge of R13,52 per month per site is made. Very few companies have taken advantage of this offer. Those who have taken advantage are to be congratulated on bringing a "new look" to the community.

Through the efforts of the Urban Foundation, 200 houses are being planned by Uluntu on a 30 year lease for the building of homes on a home ownership basis. We understand that Uluntu are negotiating with the authorities for further sites. This development is encouraging.

In the existing townships there is limited land for the provision of additional schemes. Available ground could house 2000 families which does not provide for existing needs let alone for future planning.

To sum up the situation, the options that are open to legal residents remain for the majority the existing letting schemes. The privileged few will have the opportunity of home ownership. The development at New Crossroads which has not been mentioned because it is a special situation has created a great deal of ill feeling among those who have lived in Cape Town all their lives and are unable to obtain homes.

c) Results of Inadequate Supply of Housing

A large number of homes are grossly overcrowded. The effect on health is obvious, but besides this, it results in marital problems, lack of family cohesion and forces young people onto the streets. It is also one of the causes of juvenile delinquency.

Disabled persons in wheelchairs cannot easily be mobile. They do not have proper facilities for sleeping. This results in bedsores and re-admission to hospital at considerable State expense. The general situation of insecurity aggravates alcoholism.

Young married couples have little opportunity of procuring a stable union. In several instances known to the Forum, due to accommodation difficulties, the couple are forced to live apart with their own parents and only visit each other. In addition, there is no provision made for single adults. They, too, are forced to reside with their family in frequently overcrowded conditions. They thus have little

or no opportunity for privacy or development of their own independent life style. In every part of the world where these situations have been allowed to develop there has been social deterioration.

(d) Recommendations

1. That additional ground be proclaimed for developing Black residential areas.
2. That leasehold land be made available to private persons who wish to improve their homes or to erect their own homes.
3. That the procedure used in Kroonstad be used whereby persons are allowed to erect a shack on leasehold property provided that they build a house within a stipulated period.

That a community organisation provide support in the form of provision of building material at low cost and expert technical advice if these are requested.

4. That the provision be made for suitable independent accommodation for single adults.
5. That such action be taken immediately not only to solve the housing shortage but to give residents a certain choice and an opportunity to solve their own problems.
6. That community bodies such as Uluntu, the Co-ordinating Civic Council be consulted with regard to the planning of future housing needs.

3.2 Employment

Because of the State policy of coloured labour preference in the Cape, employment opportunities for unskilled and skilled Blacks are limited. Leading Coloured spokesmen have called for an end to this policy.

The National Manpower Commission in its 1980 report urged the Government to give attention to the scrapping of the policy. The Bureau for Economic Research has also urged the Government to embark on a new deal for Blacks in the Western Cape and has specifically called for an end to coloured labour preference policy. Prof. Nic Wiehahn states that the shortage of artisans meant that there were not persons available to fill existing jobs. These are experts who are making recommendations on economic grounds.

The following figures were given by the Minister of Manpower Utilisation regarding the number of applications refused for the employment of African labour in the Western Cape.

	<u>Applications Refused</u>	<u>Africans affected</u>
x 1977	688	4884
x 1978	298	1270
x 1979	465	1375
+ 1980	633	2866

x Hansard 11Q Col. 60  
+ Hansard 26/2/81 Col. 330

Apart from these employment opportunities being denied to Africans in the Western Cape, there is a further cause for concern. It has been shown that there is an underutilisation of trained Black work seekers in the Western Cape area.

According to a study "Die Arbeidsituasie van die Swartman in die Wes-Kaap, met besondere aandag aan die toestand in die Kaapse Skiereiland" (Cillier, Bekker Feb. 1980) employers

"een uit tien swartes in diens het met hoër kwalifikasies as wat vir hul posisies benodig word;

- een uit vier aansoeke kry van swartes wat te hoog opgelei is vir beskikbare posisies.

- een uit drie van hierdie laaste groep (28%) redes aanvaar vir hierdie situasies wat direk skakel met die Kleurling voorkeur beleid"

Apart from such situations causing individual frustration and resentment, South Africa at present faces a critical skilled manpower shortage. Unless trained persons can hold employment appropriate to their qualifications, there is no incentive to improve education.

This lack of opportunity or appropriate opportunity as elaborated above, no doubt contributes to the current unemployment of Africans in the Western Cape. The number of African males and females registered as unemployed in the Western Cape Administration Board area on 31.3.1980 was -

<u>Males</u>	<u>Females</u>
4422	213

The Forum members are not economic experts. Their goal is to see maximum stability which comes from full employment. It is particularly concerned about the number of well educated Blacks who are forced to do unskilled labour. This is an unhappy situation. If we are to encourage education there should be no artificial barriers preventing any particular employment field. General unemployment can be more easily accepted than that controlled by artificial rules.

#### Recommendations

1. That the recommendations of the Riekert Commission for the fuller utilisation of the country's manpower and for the removal of unnecessary friction, conflict and discrimination also be extended to the Western Cape.
2. That the White/Coloured labour preference policy for the Western Cape be scrapped.

#### Conclusion

Members of the Peninsula Welfare Forum would request that the Minister

give urgent attention to the need for suitable housing and employment prospects for blacks in the Western Cape.

Lack of suitable housing has been high-lighted by various sources including the "Verslag van die Kommissie van ondersoek oor die oproer in Soweto en elders van 16 Junie 1976 tot 28 Februarie 1977" which stated that -

"Die Kommissie stem egter saam met die getuies wat verklaar het dat die onvoldoende inwoningsfasiliteite en gepaardgaande ongeriewe in 'n sekere mate bygedra het tot sommige inwoners se geestersgesteldheid van frustrasie, misnoeë en weerbarstigtheid wat maklik tot verset en oproer kan oorgaan" (Afdeling E, Bladsy 605, para 15.5).

The Peninsula Welfare Forum calls upon the Honourable Minister of Co-operation and Development to give urgent attention to these matters.



24 DEC 1981

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Ministerie van Samewerking en Ontwikkeling  
Ministry of Co-operation and Development

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The Chairman  
Peninsula Welfare Forum  
P.O. Box 1375  
CAPE TOWN  
8001

17-12-1981

Dear Mrs Reynolds

INTERVIEW WITH DR. THE HONOURABLE G. DE V. MORRISON, DEPUTY  
MINISTER OF CO-OPERATION ON 21 SEPTEMBER 1981

In pursuance of the interview held with Dr. The Honourable  
G. de V. Morrison Deputy Minister of Co-operation on 21 Sep-  
tember 1981, it is hereby confirmed that the following matters  
were discussed:-

A. HOUSING

(1) Langa Conversion Scheme:

Since 1978 a total of 1 144 family housing units  
have been provided under this scheme at a total cost  
of R2011 811. A further 484 units will be provided  
as soon as funds are made available by the Depart-  
ment of Community Development. The estimated cost  
of the latter project is R1 498 000.

(2) Nyanga

There are 160 dwellings in the process of being  
erected at an estimated cost of R1 713 285.  
The date of completion has been set at June 1982.

(3) Crossroads

In the first phase of new Crossroads 1 731 houses  
will be provided at an estimated cost of R18 000 000.  
To date 483 houses have been completed. The rest  
will be completed before 31 March 1982 and a further  
1 200 houses are being planned.

(4) Malunga Park

The Uluntu Utility Company intends erecting approximately 200 houses in Malunga Park, Guguletu in the near future.

(5) The Uluntu Utility Company is planning for an additional 500 dwellings on various sites which will be made available in Langa, Nyanga and Guguletu.

(6) The Administration Board Western Cape is planning the erection of 540 houses on various sites in Nyanga, Langa and Guguletu. The estimated cost is R5 995 256 and will be commenced with as soon as funds are obtained from the Department of Community Development.

(7) The dwellings under construction or being planned for the immediate future are:-

Langa Conversion	484
Nyanga Scheme	160
Malunga Park	200
Crossroads	2900
Various sites (Adm. Board)	540
Various sites (Uluntu)	500
Total	<u>4784</u>

(8) The number of houses referred to in paragraph (7) above plus the 1 144 completed conversions in Langa totals 5 928 units. Owing to the non-availability of land no further housing units are being planned at this stage. The provision of additional land is at present being investigated by the planners of the Department of Co-operation and Development.

B. EMPLOYMENT

It is agreed that the difficulties in obtaining employment could have an adverse effect on the quality of life of a community. It is, however, also true that in spite of an unemployment figure of over 4 000 amongst Black people that thousands of workers have to be recruited from outside the Western Cape area because the Blacks in the Western Cape area refuse to take up jobs offered to them. The action recently taken to remove illegal squatters emphasises the Government's policy to ensure a job for every Black who is legally living within the area and who wants to work.

That is also the reason for controlling the number of Black workers entering the area. Workers from outside the Western Cape area are only allowed to take the jobs which the Coloured people and the section 10 qualifying Blacks refuse to do. Before such recruited worker is allowed to work in the Western Cape his employer must obtain a certificate from the Department of Manpower that there is no coloured labour available to do the job.

Another reason for controlling the number of Blacks who want to work in the Western Cape is to ensure that an employer will not recruit a worker from outside the Western Cape area solely because such worker is prepared to accept a lower wage. People have to pay rents, feed and clothe their families. The legal residents cannot afford to remain without work while others enter the Western Cape illegally and take up their jobs at a lower rate of pay. This is the reason why employers can be fined up to R500 if they employ Black workers illegally.

It must be borne in mind that it is the function of the private sector to create job opportunities and the pace of creation of job opportunities goes hand in hand with the pace of the economic development of the country. The available job opportunities must therefore be divided as fairly as possible amongst the legally resident workseekers. It is absolutely necessary that a strict curb be put on the influx of labour from outside the Western Cape area. The employers in the Western Cape should set an example by scrupulously adhering to the declared policy, namely that the Western Cape should largely remain a White and Coloured labour zone. It should be borne in mind that the Western Cape policy also has positive aspects which should be taken into account.

Between 1960 and 1975 the remuneration of Coloured workers (excluding farm workers and household servants) increased from R177 million to a total of R979 million. The average income of Coloured families in the Cape Peninsula increased from R1 586 per annum in 1960 to R3 131 per annum in 1975.

The question arises whether this rather healthy state of affairs as far as the Coloureds is concerned would have materialised had recruited labour been allowed to enter the Western Cape indiscriminately while their services were being offered at a much lower rate of pay, and whether the number of unemployed Blacks would not have increased.

The Administration Board Western Cape has a primary objective to attend to the interests of the Blacks who are legally resident in the Western Cape and one way to fulfil this objective is to control the influx of cheap labour at the cost of the legally resident Blacks and their families. In this effort they need the support of your organisation and the support of the employers. In this way the local Black population will be helped.

Yours faithfully

ADMINISTRATIVE SECRETARY:  
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Cape Town  
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Mrs. H. Ackermann  
Tel. 21 4235

26th May 1982

Dr. G. de V. Morrison  
The Deputy Minister  
Co-operation & Development  
Hendrik Verwoerd Building  
CAPE TOWN  
8001

Dear Dr. Morrison

EMPLOYMENT AND HOUSING PROSPECTS FOR BLACKS IN WESTERN CAPE

On behalf of the Peninsula Welfare Forum, I would like to thank you for your letter confirming your interview with a delegation of Forum members to discuss the above matters.

The Forum has noted your comments relating to the influx of labour from outside the Western Cape area. While the Forum is equally as concerned about the effects of influx control measures, the memorandum submitted to you on 9.9.1981 referred specifically to residents of the Western Cape area who have legal status to be here. Bearing this in mind, we would like to re-emphasise several points with regard to -

1. Housing

- 1.1 Specific reference was made in the memorandum to the lack of 99 year lease-hold of land for Blacks in the Western Cape. We would like to know whether the Western Cape could be included in this plan to accommodate Blacks with legal status in Western Cape, despite Coloured preference policy. If so, when this is likely to be considered.
- 1.2 Information mentioned in your letter confirms that additional land needs to be proclaimed for Black residential areas. Forum members note that the provision of additional land is at present being investigated by planners of Department of Co-operation and Development. However, we would like to know when it is envisaged that further land will be proclaimed.
- 1.3 The Forum recommended the consideration of Self-Help housing schemes. The Hon. Minister, Dr. P. Koornhof, himself stated in answer to a question in Houses of Parliament in September 1981 that -

"In order to give the individual a greater share and responsibility in providing his own housing, self-built housing schemes are being encouraged and promoted, also by loans in respect of building material, wherever this is practicable, subject to control and specified minimum standards."

Are such schemes being considered for the Western Cape. If not, why?

- 1.4 Comment was made by Forum members on the need for provision of suitable accommodation for single people. Has this matter received your Department's consideration?

2. Employment

- 2.1 We note that "Blacks in the Western Cape area refuse to take up jobs offered to them." Forum members wonder if any research into this matter has been undertaken, particularly insofar as the reasons for such refusal are concerned. Could you inform us as to any such research?

We would again like to confirm the findings of the study carried out in 1980 by Cillier and Bekker, i.e.,

According to a study "Die Arbeidsituasie van die Swartman in die Wes-Kaap, met besondere aandag aan die toestand in die Kaapse Skiereiland", employers

"een uit tien swartes in diens het met hoër kwalifikasies as wat vir hul posisies benodig word;

- een uit vier aansoeke kry van swartes wat te hoog opgelei is vir beskikbare posisies.

- een uit drie van hierdie laaste groep (28%) redes aanvaar vir hierdie situasies wat direk skakel met die Kleurling voorkeur beleid"

Presuming that there are refusals of job offers, it is the Forum's contention that a factor which should indeed contribute to this is the frustration of having to assume employment not commensurate with qualifications.

- 2.2 We note that the Coloured preference policy has been re-enforced by Regulation 798, published in Government Gazette dated 23 April 1982, relating to Black Labour Regulations. Despite all pleas therefore, even Blacks in the Western Cape with legal status may be refused a permit to take up employment.

Surely competition is the basis of a free market economy as we say we have in South Africa.

- 2.3 We would further request that you advise us whether there is any law which prevents Black nurses being employed in local provincial hospitals, or whether this is solely an decision taken by the Cape Provincial Administration. The only Black  
/...

nurses employed are those within Day Hospitals located in  
Black townships.

We would be grateful if you could forward us the information requested  
at your earliest convenience.

Yours faithfully



CHAIRMAN  
C.V. MEHANA

MEMORANDUM ON PENSIONS AND GRANTS

The Peninsula Welfare Forum requests that urgent attention be given to the review of pensions and grants for Africans the means test on which they are based.

The Peninsula Welfare Forum supports the right of all people to an adequate standard of living, with equal opportunity for all persons to support themselves and their dependents.

The Forum therefore supports adequate and equal grants and pensions payable to all. In this respect, social security in this country needs earnest review. Grants and pensions for "Whites" enjoy the highest payments, are inadequate in terms of the rising cost of living, yet there is grave disparity both in eligibility and the grants and pensions for all other population groups.

Despite the increase in pensions and grants as from 1.10.82, it is the belief of the Forum that the payments and the means test on which they are based do not allow for adequate living standards, and in fact contribute to the poverty cycle in which many of the population find themselves.

In order to support our belief, we would ask your careful consideration of the following points:-

1.0 Amount of Grants

<u>Increase Date</u>	<u>African</u>		<u>Increase in Cost of Living</u>
	<u>Pension</u>	<u>Increase</u>	
1.10.76	R18.50		
1.10.77	R20.50	10.8%	11,3%
1.10.78	R23.75	15.9%	10,9%
1.10.79	R27.50	15.8%	13,2%
1.10.80	R33.00	20.0%	13,8%
1.10.81	R40.00	21.2%	15,2%
1.10.82	R49.00	22,5%	

The increase in pensions has been greater than the increase in cost of living as is reflected in the above table. However, the actual rand value amounts on which percentage increases in pensions have been determined are minimal and thus the annual rand value increase is negligible. Hence in order to determine an adequate pension, the percentage increases in our opinion should have been far greater than the percentage increase in cost of living.

- 1.2 In a study undertaken by the University of Port Elizabeth in April 1982 household subsistence level for various population groups was reflected as follows:-

African in Cape Town R238,16 per month

This amount reflects the basic essentials required for a family comprising 2 adults and 4 children.

1.3 In addition to above increases, there have over past few years been particularly high increases in the cost of basic foodstuffs - maize, sugar, bread, vegetables, eggs and dairy products. These are precisely the foodstuffs on which the lower income group, such as old age pensioners and disability grantees are dependent.

1.4 The Forum realises that :-

- (a) The aid given by the State should not take the responsibility off the shoulders of children and relatives to also help their family when they are in need.
- (b) The service to pensioners, includes free medical care in Provincial Hospitals.
- (c) Welfare services include care for the aged and disabled in the Republic and are rendered by the State, various church groups and voluntary welfare organisations. In addition, that it is accepted Government policy to encourage various private welfare organisations by means of subsidies to render various welfare services to their respective local communities.

The subsidisation of service centres for the aged and sheltered workshops for the disabled are included in State subsidy procedures. Services of a different nature to the aged, such as meals-on-wheels, health services, recreational facilities are sometimes provided at these centres. The bread and butter issue of pensions and grants is, however considered to be a State responsibility.

1.5 The Forum appreciates too that the social pension schemes in the Republic are non-contributory by nature and the funds for the payment thereof are thus solely derived from taxation. The taxes a person pays during his economically active life are used for a wide range of essential services such as defence, health, education and the provision of infra-structure. The allocation of more funds for the payment of social pensions, which include old age and disability pensions could affect the economy of the country as a whole. However, it is felt that it is the responsibility of any community to make provision for those less fortunate, many of whom have themselves been taxpayers.

1.6 To avoid a "Welfare State" the authorities seem to have adopted the other extreme and issue grants and pensions as a privilege and not a right.

The Forum recognises that it is partly the responsibility of each individual to provide for himself and his family provided he has the means and the opportunity to do this. However, in adopting the policy of paying grants and pensions, the State has also committed itself to some responsibility in this respect.

The main issue is, therefore, that as the State has adopted this policy, payment should be realistic amounts.

1.7 Members of the Forum are aware that in order to retain incentive the gainful employment, pensions and grants payments should not be higher than potential earnings of any person. In this respect we understand that the private sector has a responsibility as indeed does State in

in terms of determining minimum wage levels.

## 2.0 Application of Means Test

Some persons are not eligible for grants or pensions as their income is more than the free income level prescribed by the means tests applied as follows in respect of African persons.

### i) Introductory

The Means Test sets a limit to the amount of income and means which individuals may have at time of application. Assistance given by children is disregarded.

### ii) Age Consideration

- (a) Minimum Qualifying Ages - Males 65, Females 60.
- (b) Earnings of Men Over 70 and Women Over 65 not taken into account.
- (c) Persons 100 or Over exempt from means test.

### iii) Income and Means

- (a) Employment - any remuneration for services rendered.
- (b) Business - any profits from business owned by applicant or spouse.
- (c) Farming - any profits from farming activities.
- (d) Other Sources - any income from another source, e.g. investments, letting or subletting of property, cultivation and use of crops for nutritional purposes and benefits in kind, included in income.
- (e) Blindness / Marriage / Working Children - Income of blind unmarried person or widow or widower halved for application of means test. Combined income of married couple halved for application of means test except in case of blind applicant half of whose earnings added to earnings of spouse and that total then halved. Where applicant has more than one wife according to custom of Blacks, joint income of all spouses must be divided by number of spouses (husband and wives) provided applicant supports wives. Where applicant already in receipt of a pension, position must be carefully examined to establish whether maximum pension justified. When children who are working or are capable of working live with pensioner parents, reasonable amount for lodging or hire of rooms must be fixed and included in income of parents for purpose of means test.
- (f) Allowances or Pensions From Previous Employers - Taken into account as means for purpose of means test.

- (g) Statutory and Other Grants - when paid in monthly instalments taken into account.
- (h) "Gisa" or "Ngoma" Custom - income from the cattle included in income.
- (i) Allowances from National War Fund - disregarded.
- (j) Allowances from Civilian Charitable Institutions - disregarded unless for services rendered - same applies to voluntary gifts from other sources, e.g. family connections, etc.
- (k) Livestock and Crops - guidelines laid down to establish value of means or income for purpose of means test.
- (l) Fixed Property - where applicant owner or usufructuary of property which he occupies, income therefrom arrived at by calculating estimated yearly yield on basis of 4% of unencumbered value of property in excess of R2450 - where not occupied by applicant net income therefrom taken into account.
- (m) Subletting - amount received ignored unless in excess of rent for whole property in which event excess taken into account.
- (iv) Application of Means Test

Old Age Pensions calculated as follows :-

Annual Income (taking into account Means and Circumstances)	R	Maximum Pension	
		Yearly	Monthly
	R	R	R
Nil - 126		480	40,00
> 126 & < 132		474	39,50
> 132 & < 138		468	39,00
-		-	-
-		-	-
-		-	-
> 342 & < 348		258	21,50
> 348		Nil	Nil

(v) Postponement of Application

Supplementary allowance payable to persons delaying application beyond minimum qualifying age in respect of old age pensioners.

<u>Period of Postponement</u>	<u>Additional Amount p.m.</u>
1 year	R1,25
2 years	R1,75
3 years	R2,25
4 years	R2,75
5 years	R3,25

i.e. After delay of 5 years or more overall maximum pension R43,25 p.m.

vi) Summary

<u>Maximum Pension P.M.</u>	R40,00
- Payable while monthly income is not more than	10,50
- Monthly pension reduces in proportion to increasing income in steps of	0,50
- monthly income level above which State pension falls away	29,00
- State pension at this level, i.e., minimum basic pension	21,50
<u>Maximum Free Assets</u>	R2 450,00
- Maximum assets above which State pension falls away (assuming no income)	11 250,00

vii) Changes in Status

Any change in a pensioner's status that affects the assessment of income in the means test must be advised to the authorities. The pension being paid will be adjusted accordingly. Post-retirement increases in private pensions are ignored.

In its simplest form, it is evident that anyone with an income of R29 per month is not eligible for grant or pension. (Ref. to Household subsistence level p.1, 1.2).

- 2.2 Insofar as disability grant payments are concerned, it is imperative that the State accept the philosophy and purpose of rehabilitation which is to secure maximum independence of the disabled person in medical, technical, educational, vocational and social spheres.
- i) The process of promoting residual abilities in order to secure this independence includes the acquisition of technical appliances/apparatus, mobility aids and adjustment of the physical environment amongst other things. Hence it costs money to be disabled.
  - ii) The income ceiling for free aids from Provincial Authorities is R240 per month. Many persons who are employed on the open labour market earn slightly more than this and therefore do not qualify.
  - iii) A process in rehabilitation is encouraging growth of self esteem by way of gainful employment. This gainful employment could be protected, sheltered or within open labour market.
  - iv) It should be noted too that if gainful occupation is received,

the person in this event becomes a tax payer thus contributing to the State income from which pensions/grants are disbursed.

At present the free income level allowed to those in receipt of a disability grant discourages and acts as disincentive to seeking gainful occupation.

- a) Persons employed in the open labour market frequently do not qualify as they earn more than means test will allow. Hence, despite the fact that technical apparatus or mobility aids may be needed in order to retain employment, they are not eligible for Disability Grant.
- b) More particularly in sheltered and protected workshops the possibility of earning more money cannot be used as an incentive to encourage greater productivity, lest they lose their Disability Grant.
- c) Disabled persons who could possibly enjoy menial tasks at low wage (but wage higher than free income allowed) are not keen to lose their disability grant in favour of menial wage.

The Forum would recommend, that if a means test has to be applied, the free income level should be a much higher sum provided there is adequate screening of those applying for a Disability Grant.

### 3.0 Parity in Pensions

3.1 Meanwhile many in this country receive a variety of inadequate grants and pensions and in all instances there is disparity among various population groups. This disparity is as follows :-

<u>Type of Pension</u>	<u>Pension per Month / Population Group</u>		
	<u>White</u>	<u>Indian/Coloured</u>	<u>Black</u>
Old Age Pension	R138	R83	R49
Disability Grant	R138	R83	R49

3.2 The present free income level for single persons of various population groups also reflect disparity.

<u>Population Group</u>	<u>Free Income Level of Single Person</u>
White	Income above R1992 p.a. not eligible for grant. Income between R504 p.a. and R1992 p.a. pro-rata Disability Grant paid.
Coloured/Indian	Income above R900 p.a. not eligible for grant. Income between R696 p.a. and R900 p.a. pro-rata Disability Grant paid
Black	Income above R348 per annum not eligible for grant. Income between R126 and R348 p.a. pro-rata Disability Grant paid.

- 3.3 Making ends meet is felt more by the population groups, other than White in view of the lower amounts received. The cost of basic maintenance in terms of food, clothing and shelter, which is the least that social security should cover, does not necessarily vary a great deal from group to group.
- 3.4 Despite attempts on the part of the Government to review the gap between the various population groups, the following amounts projected for pensions until year 1995 reflect an increasing gap in rand value of these pensions:-

	<u>White</u>	<u>Col./Indian</u>	<u>African</u>	<u>Ratio</u>
1976	72	38,50	18,50	4:2,14:1,03
1980	106	61,00	31,85	4:2,30:1,20
1985	172	112,00	66,30	4:2,60:1,54
1990	276	207,00	138,00	4:3:2
1995	445	381,00	287,50	4:3,42:2,58

The amounts have been increased approximately as follows:-

Whites	:	61% every five years
Coloureds	:	84% every five years
Blacks	:	108% every five years

Extending the figures beyond 1995 at the same rates, pensions for coloureds will equal whites in 2000. Pensions for Blacks will equal Whites in 2004.

- 3.5 Parity should not necessarily be sought for its own sake, but there should be an intensive investigation into percentage expenditure on basic essentials by various population groups.

Persons living below poverty datum line, for example, will have to spend whatever they have on basic essentials. In the present situation, for example, an African living in Cape Town, according to survey done by University of Port Elizabeth in April 1981, pays average of R18,09 on rental - 45% of present old age pension/disability grant leaving only R22 per month for all other items. An investigation could reveal that the percentage spent by Whites on rental may well be less than 45%.

It should be noted that there are very few organisations rendering supportive material assistance for Africans. Thus the chances of supplementing pensions and grants from this type of resource are negligible.

#### 4.0 Other Factors

- 4.1 A great cause of concern is the time taken to process applications for grants and pensions. Applicants have been known to wait up to six months for the first payment of their grant/pension. In addition, there is some confusion as to criteria used in deciding whether payments should be made retrospective to date of application. We would request that this matter be investigated.

- 4.2 Further cause for concern is the procedure applicable to pensioners and recipients of grants who are retiring to the National States. People in receipt of grants and pensions have these cancelled on their return to National States where they are requested to re-apply. Long delays are known to occur in the process of re-application while some people have never had their grants and pensions reinstated.
- 4.3 It is the feeling of the Forum that a facility should exist for the transference of pensions and grants from the Republic to the National States. This would avert such problems, to old and frail people having to travel long distances in the National States for the application of grants and pensions.
- 4.4 Details of some specific problem in relation to pensions and grants payments are attached for information. An interview has been requested with the local offices responsible for the payment of these grants and pensions to discuss some of these difficulties. The Peninsula Welfare Forum would request that the above matters receive urgent consideration.



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28-06-1983

Dear Mr Mehana

**PENSIONS AND GRANTS**

Further to my letter dated 28 October 1982 I refer to the announcements made by the Minister of Finance in his budget speech including, inter alia, the following :-

- (a) Increase of maximum social pensions for Blacks from R49 per month to R57 per month (16,3%).
- (b) Increase of maximum assets limit from R8700 to R10500.
- (c) Increase of maximum income level from R348 to R480 per annum.

The Government is sympathetic towards the plight of social pensioners, but due to financial considerations the phasing out of differences has to be a gradual process.

As far as problems relating to payment of pensions are concerned, the Commissioner, Cape Town comments as follows :-

(a) Powers of Attorney

At present, powers of attorney have been allowed in respect of 215 pensioners. The allegation that pensioners might have to wait for up to four months while in hospital, is not correct. Somerset, Conradie and Groote Schuur Hospitals are visited regularly in order to pay out pensioner-patients. As far as other hospitals are concerned, arrangements have been made that social workers contact this office on behalf of pensioners, for payment by warrant voucher. The social workers assist pensioner-patients with the cashing of such warrant vouchers.

(b) Alternative pay-out points.

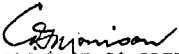
The system whereby cards are sorted in different sections, was introduced a few years ago on the suggestion of members of similar organisations, who claimed that differentiation would result in less inconvenience to pensioners and higher pay-out tempo.

(c) Reviews of disability grants.

Pensioners are often negligent in returning medical certificates when called upon by paymasters to report to a district surgeon for medical reports. From enquiries made I am satisfied that the notification in connection with a review is brought to the pensioner's notice at least four months before the due date. If a pensioner acts promptly, and hands in a medical certificate in which the continuation of the pension is recommended, payment will not be discontinued.

4. The request that social workers employed by private agencies be allowed to draw money on behalf of incapacitated pensioners, cannot be agreed to unless acceptable indemnity bonds are filed in each case. Nextdoor neighbours or relatives who are at present in many cases performing the task satisfactorily, appear to be much more acceptable.
5. It has been found in other densely populated areas that a system allowing pensioners to come to any pay-out point in the area, leads to long queues on the first day, usually resulting in more hardship for pensioners who have to wait longer hours before their turn comes. This system also makes it impossible to make use of more than one pay-out team.
6. The allegation that applications for pensions are not dealt with promptly does not appear to be founded, but specific cases brought to my notice will be investigated. Discussions with the Commissioner or the Chief Commissioner on such specific cases should also prove fruitful.

Yours faithfully

  
DEPUTY MINISTER OF CO-OPERATION