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Pensions: the case of Natal

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The Surplus People's Project (1983) found that in resettlement areas, pensions and migrant remittances were the way that people survived. Entire families were attempting to survive off pensions, as people in resettlement areas have no access to land or employment in proximity to where they live. Landlessness in rural KwaZulu has been estimated as between 30-40%, thus the situation as far as reliance on migrant earnings and pensions in the reserves is concerned, is much the same as that in resettlement areas where we find absolute landlessness.

Pensions in KwaZulu and Natal reflect a scene of confusion. Pensions are firstly very low, secondly bureaucratic obstacles prevent individuals from getting their pensions and thirdly the existence of two separate government pension schemes, Ulundi and Preterita adds to the general confusion. If the pensioner lives in an area run directly by KwaZulu, his/her pension is administered from Ulundi. If the pensioner lives in an area still run by the central government, his/her pension is administered from Preterita.

Two sets of regulations are framed under the act. One set is for the Central Government and found in Govt notice No R 1034 of the 21st June 1974, the other for the KwaZulu government is published in KwaZulu Govt Notice no 20 of 1974 on Nov 1st.

The extent of the crisis in pensions in KwaZulu emerged in March 1983. The Natal Mercury reported (30/3/84) that the KwaZulu Cabinet had approached the South African Government for more funds to wipe out the huge backlog of pension applications in the region. This was the first public admission that people eligible for pensions were not being paid what was due to them. Dr Frank Mlalele, KwaZulu Minister of Health and Welfare said that an extra R10 million would be required to implement the proposals. Dr Mlalele admitted that there were 24 000 outstanding pension applications. If these were processed there would be 198 000 pensioners receiving payment in KwaZulu in 1983/4. He continued that an 'unnatural' growth had taken place in the number of processed pension applications during the 1983/4 financial year. The growth in pension applications was 18%, while the growth 'allowed', was only 5%.

This statement by Dr Mlalele contains some extraordinary admissions. Firstly, that there are 24 000 pensioners who are eligible for pensions but who are not being paid, secondly that KwaZulu has some set figure (5%), by which pension applications are allowed to increase.

In terms of the law, every person who is eligible for his/her pension should be paid the stipulated amount. Here we find an admission by KwaZulu that in fact this is not the case.

The AFRA advice office, based in Wembezi, attempts to cater to the problems of rural people. The most common problem brought to the Advice Office is that of old age pensions.

The types of problems associated with old age pensions include:

A) A long time waiting for the pension to be processed and approved or rejected:

People have to travel to the offices where they applied to check whether any reply has arrived. In rural areas this is a great expense. Some people wait up to two years before they are told of any decision. The problem here is particularly with the administrative clerks. They pretend they have no power to establish what is taking place with the processing of applications. In fact administrative clerks should attempt to establish what has happened to pension applications that take long periods of time to be processed. White pensioners are paid out from the date of application.

Thus if an application takes 7 months to process, pensioners are granted 7 months backpay. This is not the case with black pensions. Regulations were altered in 1977 to give the Departmental Secretary the right to decide from which date payments should begin. These decisions almost always go against the pensioners.

The government office itself is often tardy in its processing of applications. If there is a minor mistake in the application form, they put it aside and after a long period the applicant might receive it back for corrections.

In the present situation where payout does not occur from the date of application, it is in the state's interests to delay the decision regarding the pension payout as this saves the government large amounts of money.

Two examples illustrate this particular frustration:

1: Dumangeze Ntombela is a very old woman who should qualify for an old age pension with no difficulty. Her husband has already been receiving a pension for a long time. However one pension is not enough to run the household. Dumangeze applied in February 1982. Up to the last pension pay out at the time of writing ( November 1983), she had not been paid. Ever since she applied she has been on innumerable trips to pension payout points and the Commissioner's office. The clerks merely say that no reply has arrived as to whether she qualifies or not. This lack of adequate information is coupled with the fact that if the delay goes on for long enough, the clerk who filled in the application leaves the job, and it is very difficult to know what has happened, whether any application was ever made or not; in many cases the file can't be traced.

This is what happened to Dumangeze. Her pension application could not be traced, though she had a date stamp in her reference book which proved that the application had had been made in February 1982. As far as the clerks were concerned, the solution to this problem was a new application for a pension.

2: Thekezile Andrina Hadebe has a long story to tell. She started applying for Pensions at the Wembezi location KwaZulu Offices. For one and a half years she waited on every pension payout day. The clerks could not offer any explanation as to what was causing the delay. She has a home in the Ntambankhlophe area, which is a reserve outside Estcourt. That is why she first tried the KwaZulu offices. After she lost hope she tried the Commissioner's court in Estcourt as she had been staying on a white farm which fell under Co-operation and Development. She applied in April 1982 at the Commissioner's office. She has still not been paid any pension.

Thekezile came to the Advice Office in November 1983.

People like Thekezile have no way of finding out what has happened to their

applications except to rely on information from the clerks, who are not concerned enough to actually make enquiries.

In making inquiries, the Advice Office received a reply from Ulundi that they had no reference to Thekezile's application. The Co-operation and Development offices also could not trace her file.

The only option is for Thekezile to make a fresh application.

There are many cases in this position. They are all desperate and all have no way to penetrate the pension bureaucracy.

**B) A sudden cutting off of pensions:**

Thus some people manage to overcome the initial hurdle of being granted a pension, but have the unfortunate later experience of it being suddenly cut off. The money can be cut off at any time. From the experience of the AFRA office it seems that it can equally arbitrarily begin again, but three months is shortest time for which it gets cut off.

When the money is eventually paid, the pensioner is generally never paid the money owing for the months for which the pension was cut off. For pension arrears to be paid, proof must be produced that the pensioner never received the money. The proof has to be any letter of complaint or inquiry concerning this problem. As the clerks keep on hoping that the government office will discover the problem and rectify it themselves and do not bother to write to the central pensions office, there is usually no proof of the periods without pay.

Three examples illustrate this point:

1) Enes Mabase had his pension cut off in 1970. It was eventually resumed in 1982. The entire period for which he was not paid however, was never compensated. Enes is from the Ntambankhlophe reserve near Estcourt. Enes is over 65 and has been receiving a pension for a long time. His story also reflects people's vulnerability to officialdom.

It was a winter pension payout day. As usual pensioners started queuing as early as 4.30 am. The start for the payout is usually 9.30 am. This particular day the clerks did not appear until after lunch. The reason was that the clerks were having a party at a neighbouring friend's house. While the party was going on, a sick pensioner died in the queue. Enes and some of the other councillors decided to talk to the clerks about the danger of having no fixed time for payouts. It is alleged that the clerks then decided that Enes was too big for his boots and were involved in the cutting off of his pension from 1979 to 1982.

Enes is used to bureaucracy. He tried several people for help. He approached the clerks for an explanation. They gave no satisfactory answer. He asked for help from the local KwaZulu MP. After contacting the local magistrate's office, the MP did not proceed with the inquiry and gave no explanation. He eventually wrote to Ulundi himself.

Enes eventually came to the advice office. When checking with Ulundi, no reason could be traced for this cut-off.

2) Minah Mbengwe is an old age pensioner. She lives at Ntambankhlophe. Minah's problems

began when she had eye trouble. She became partially blind. She was admitted to King Edward hospital in Durban. Since everything was so sudden, the necessary procedure of empowering another person to collect the money was never made. So during the months she was in hospital, she missed her pension for three months. These months were March, May and July 1982. When she was discharged from hospital she received the September pension. The clerks told her that nothing could be done about the three months missed pensions, since the money had been sent back to Ulundi.

The Advice office initially contacted the magistrate's court. The clerks admitted that no attempt had been made to recover her money. There was further no record in Minah's file of the money being sent back. The next step was to contact Ulundi. Ulundi's response was discouraging. It said that since Minah had been reinstated with her pension, it was very difficult to check from previous pension vouchers as to what had really happened. After much pressure from the office she finally got paid out for past months, in September 1983.

Minah's case was a success in a number of ways. The policy of the Advice Office is to teach people to handle their problems and bureaucracy. So in all cases it is best that the person involved be present when the follow-up takes place. However most people are so intimidated that the mere mention of taking them to the Magistrate's Court, is enough to frighten them. But Minah was very patient and brave. She came to all the appointments with the clerks and these were often bitter. Finally she got the money. She was very excited. She felt she had fought for her money herself.

3) Gamaana Khumale is an old aduna. He has been very unfortunate. His pension was cut off in 1981. No reason was ever given for the cut-off. He went often to the pension pay-out point after his pension was cut off. Everytime he merely heard that his money had not arrived. During this time Gamaana had no one to contact. He did write to Ulundi once, but his letter was not acknowledged.

The Advice Office tried often to contact the ever-busy Ulundi by both letter and telephone. Finally a letter arrived, stating that the reason for the cut-off of pension could not be traced. Nevertheless a cheque for 2 and a half years back pension arrived. The cheque was sent in June. Unfortunately due to carelessness, inefficiency or pressure of work, Gamaana was never reinstated on the pension pay list. So once again he did not receive his pension until November 1983.

### C Problems related to reference books

This illustrates the problem of two governments in one area. Around Estcourt the white areas are under the Dept of Co-operation and Development and KwaZulu operates in the homeland areas. Most of the old people who are eligible for old age pensions have the old reference books in which they are called SA citizens. According to the Black Citizenship Act, no black is a SA Citizen. Though the white magistrates are aware of this, they are not very strict in compelling people to change their reference books to meet the act's demands, that the reference books indicate KwaZulu citizenship. The KwaZulu magistrates however are very strict about this. For any thing to be done through the Magistrate's court, the reference book is checked. If it is the old book it has to be changed so that KwaZulu citizenship is stamped into the book.

However with the new book comes the requirement that dates of birth are also stamped into the book. This necessitates that the clerks estimate people's birth dates, because most old people cannot say when they were born. When the new reference books arrive they contain these arbitrary birth dates which lead to some old people being disqualified from applying for pensions.

The process for changing this is complicated and takes a considerable time. Documentary proof, for example marriage certificates, are often not available. At the Magistrate's office where people initially applied, the clerks partly because of the large number of cases needing to be reviewed and because they were the officials who initially made the decision, are reluctant to change the date. The reluctance is increased by the amount of work involved in this operation.

#### D Costs of paying for nduna

Because the nduna's opinion is used to decide on eligibility according to the means test, in an application for a pension, individuals often have to take the nduna along to the Commissioner's court. This can mean that the nduna must be paid bus fare lunch money and sometimes a little more by the pensioner who is making application.

#### E Problems of information

Pensioners depend on pension clerks for information and most often the pension clerks are not sufficiently concerned to do this. For instance a disability grant needs to be reapplied for every 8 months. The pensioners are unaware of this until suddenly the grant is cut off and reapplication is necessary.

#### UIF's

The Rural Advice Office deals with many problems associated with Unemployment Insurance. The problems again are bureaucratic, both at the office where application is made and the payment office which decides on the application and pays the applicant.

The application for UIF is a complicated process, requiring many details. These points need to be explained to the applicant before filling in his form, so that he understands the process. In most cases this is never done by the officials working at the application office. Some people who are not eligible for application are allowed to apply by the application office and wait years when the application has long ago been rejected by the payment office.

The office of application also has the habit of deciding on its own to stop signing all those who have been waiting for more than a year, partly because of the large number of people involved. Thus people are turned away after a year of waiting, regardless of whether their applications have been considered, turned down or accepted. An example of a UIF case is the following:

1) Thomas Mbele had been working for more than 15 years in Joburg without a break. He was retrenched. He is a father of 4 and has a house in Wembezi township.

He waited one and a half years for his application to be approved. With this approval he received an initial amount. While waiting for the full amount to be paid, all those who had been waiting for more than a year were told to stop signing the forms saying they were unemployed. He knew however that he was still owed some money by UIF. He wrote back to the UIF office to say that he is still unemployed and he was still waiting for some money.

The UIF replied that the reason why they did not pay him was that they got the impression that he was no longer unemployed. They thus needed further forms.

Thomas then came to the office with the reply from the UIF office. When the applying office was asked about Thomas Mbole and the reply from the central UIF office, a lot of confusion was evident. The application office had acted arbitrarily in stopping Mbole from signing for his money. The clerks were unwilling to fill in the necessary forms and send them to the central UIF office.

Eventually, after a great deal of pressure by the advice office, the money was paid out.

Conclusion:

These few case studies reflect the high level of frustration rural people face in dealing with bureaucracy. Uninformed they receive little help from the minor officials. For many, pensions and UIF provides support for whole families and delays and obstacles push them into total poverty.



These papers constitute the preliminary findings of the Second Carnegie Inquiry into Poverty and Development in Southern Africa, and were prepared for presentation at a Conference at the University of Cape Town from 13-19 April, 1984.

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