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Transforming the Present - Protecting the Future
Consolidated Report

Report of the Committee of Inquiry into a Comprehensive System of Social Security for South Africa

March 2002
Dr ZST Skweyiya, MP
Minister for Social Development
South Africa

Minister

Report of the Committee of Inquiry into a Comprehensive System of Social Security for South Africa

We have the honour to present to you the Report setting out our findings, conclusions and recommendations.

A comprehensive Report of the Committee of Inquiry is presented here, drawn from the detailed research chapters developed by the Committee.

Careful consideration has been given to meeting the Terms of Reference of the Committee as approved by Cabinet. The Committee has been mindful of the significance of social protection as an instrument to redress the legacy of apartheid and promote social and economic development that prioritises the most disadvantaged.

Professor Viviene Taylor
Chairperson

Signed: March 2002
Committee Members

The Cabinet appointed the following as Committee Members:

- Professor Viviene Taylor (Chairperson): Special Advisor, Minister for Social Development
- Mr Fezile Makiwane, Chief Director: Social Security, Department of Social Development
- Professor Pieter le Roux, Director: Institute for Social Development. University of Western Cape
- Mr Elias Masilela, Chief Director: Macro-economic Policy Department of Finance
- Mr Alex Van den Heever, Advisor, Council for Medical Schemes
- Dr Charles Meth, Senior Lecturer: Department of Economics. University of Natal
- Mr Shadrack Mkhonto, Commissioner: Unemployment Insurance Fund. Department of Labour
- Professor Guy Mhone, Director: Graduate School of Public and Development Management, University of Witwatersrand
- Professor Anthony Asher, Department of Statistics and Actuarial Science, Wits University
- Mr John Kruger, Chief Director: Social Services. Department of Finance
- Professor Marius Olivier, Director: Centre for International and Comparative Labour and Social Security Law (CICLASS), Rand Afrikaans University (RAU)
- Mr Ravi Naidoo, Director: National Labour and Economic Development Institute (NALEDI)
- Mr James Chiumya, Chief Director: Department of Transport
- Mr Patrick Masobe, CEO: Council for Medical Schemes
- Ms Nobayeni Dladla, Chief Director: The Presidency
- Ms Doris Sikhosana, Executive Director: Community Internship and Development Programme. University of Natal
- Adv. Michael Masutha. Member of Parliament
- Ms Brenda Khunoane, Director: Department of Health.

Professor Francie Lund was unable to take up her membership on the Committee because of other work pressures and Ms Doris Sikhosana was also unable to fully participate in the work of the Committee. However, both Professor Lund and Ms Sikhosana made useful contributions to the work of the Committee.
Contributors

South African

Many academics, research institutions, non-governmental agencies and universities made valuable research and other contributions. Their role in the Inquiry was essential to the work of the Committee. The various policy research institutes and others that assisted the Commission include:

• Economic Policy Research Institute (EPRI) especially Dr Michael Samson who with his colleagues, Mr Gilbert, Mr Kenneth Mac Quene, and Ms Ingrid van Niekerk, provided significant insights on various scenarios and micro-simulations commissioned by the Committee.

• National Labour and Economic Development Institute (NALEDI) especially Ebrahim Hassen, Mandy Moussouris, David Jarvis, Eric Watkinson and Claire Horton.

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• Professor Sandra Liebenberg of the Community Law Centre of the University of Western Cape.

• Centre for International and Comparative Labour and Social Security Law (CICLASS), RAU – staff members, researchers and associates: Ms Adriette Dekker, Mr George Mpedi, Ms Gail Kuppan, Ms Elsabe Klinck, Prof. Linda Jansen van Rensburg, and Mr Francisco Khoza.

• South African Development and Policy Research Unit (SADEP) and the Department of Social Development of the University of Cape Town.

• Health Economics Unit especially Prof. Di McIntyre.

• The Child Health Policy Unit of the University of Cape Town.

• Industrial Health Research Group of the University of Cape Town.

• Ms Debbie Budlender of the Community Agency for Social Enquiry (CASE).

• The South African Federal Council on Disability.

In addition views and insights were received from bodies such as:

• The Commission on Gender Equality.

• The Human Rights Commission.

• The Youth Commission.

• The Finance and Fiscal Commission.

• The Office of the Public Protector.

• The Financial Services Board.

• The Competition Board.

Major stakeholders who contributed through consultations and submissions include:

• Business South Africa.

• Cosatu.

• Nedlac.

• Sangoco.

• Sanco.

• SACC.

• Catholic Bishops Conference.
International Experts

The Committee benefited from the contributions made by leading international experts and organisations. Particular mention must be made of the role of Mr John Langmore, Director of the Bureau for Economic and Social Policy in the Division of Economic and Social Affairs of the United Nations and Dr Sergei Zelenev, Senior Policy Analyst who facilitated the participation of an expert group of international participants in the South African process.

In addition Dr Guy Standing of the ILO and Dr Robert Holzman from the World Bank together with other leading international experts shared valuable experience.

United Nations Expert Group on Social Protection

Particularly for their participation, as the United Nations Expert Group on Social Protection, in a number of workshops and discussions.

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United Kingdom

The role of Mike Noble and Robert van Niekerk of Oxford University facilitated the sharing of experiences from the United Kingdom in research debates on “Alleviating Poverty and Building Citizenship in South Africa through Social Security: What lessons from the UK Experience”. The Rhodes Trust and DFID provided financial assistance for the UK debates. The contributors are listed below:

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Fran Bennet: Research Fellow, Department of Social Policy and Social, previously worked as Oxfam Policy Adviser on EU/UK Poverty Issues

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John Hills, CBE: Director of the Centre for Analysis of Social Exclusion and Professor of Social Policy at London School of Economics

Marilyn Howard: Independent Social Policy Analyst related to sick and disabled people

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Michael Noble: Head of Department, Department of Social Policy and Social Work, Oxford University and Reader of Green College

David Piachaud: Professor of Social Policy at the London School of Economics. Professor Piachaud has written extensively on child poverty, social security and social exclusion

Katherine Rake: Lecturer in Social Policy at the London School of Economics

Adrian Sinfield: Professor Emeritus of Social Policy of The University of Edinburgh

George Smith: University Research Lecturer in the Department of Social Policy and Social Work, Oxford University and is Co-director of the Social Disadvantage Research Centre

Gavin Williams: Fellow of St Peter’s College, Oxford University.

Other International Experts

Prof. Bernd von Maydell: Director, Max Planck Institute for International and Comparative Social Security Law.

Prof. Jos Berghman: Catholic University of Leuven, President: European Institute of Social Security

Ms Pauline Barret-Reid: International Labour Office, Team for Eastern European and Central Asia, Moscow, previously: Social Security Specialist, ILO Multi-disciplinary Team, Harare, Zimbabwe

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The work of the Committee and of the Chair was supported during various stages in the Inquiry by a core team of individuals whose effort, commitment and energy in the process was invaluable. Mr Fezile Makiwane and his staff, Mr Ravi Naidoo and his team of researchers, Dr Charles Meth, Mr Alex van den Heever, Prof. Pieter le Roux and other Committee members who chaired task teams and subcommittees such as Prof. Marius Olivier and his team of researchers, Prof. Anthony Asher, Prof. Guy Mhone must be acknowledged.

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Professor Vivienne Taylor
Chairperson
Foreword by the Chair

The findings and recommendations contained in the Report of the Committee of Inquiry into Comprehensive Social Security represent a wide range of views, empirical research and policy analysis based on the most recent data available. It is in keeping with the Terms of Reference as laid out by the South African Cabinet. It also includes additional areas that the Committee was requested to investigate such as Disability and a necessary expansion of the brief based on certain problems identified that required urgent attention in the short term.

The findings in the report indicate that South Africa has made significant advances in addressing some of the most fundamental problems in social development. However, given the historic backlogs as a result of apartheid and the contradictory impacts of this phase of economic globalisation, the challenges of addressing structural poverty and inequality are many. Government’s emphasis on the need to redesign the existing piecemeal and fragmented system in response to these challenges is timely and significant.

Throughout the Inquiry, the Committee was mindful of the complex nature of the issues that were before it and also of the many diverse and competing claims and interests that had to be considered. Despite this, the overwhelming experience of the Committee was the commitment shown by all sectors across South Africa to address persistent and pervasive poverty.

This report provides a comprehensive attempt to bring together the different elements of a fragmented social security system to address, in a coherent and phased way, the constitutional and democratic imperatives as well as the socio-economic challenges facing South Africa.

While this is not the first time issues of social security have been engaged, this Report is significant for a number of reasons. First, it is one of the most comprehensive inquiries into both public and private forms of social security in South Africa and seeks to identify those who fall through the system and are without any social protection. Second, it identifies the need to ensure that there are complementary and considered relationships between economic and social objectives. Third, it provides recommendations that could ultimately lead to comprehensive social protection within an integrated public-private benefit system. Fourth it prioritises the needs of the poorest and excluded in line with Government’s policy framework. Fifth, it provides a baseline of social policy information and analysis that could contribute in a small way to building knowledge and capacity within and outside of Government to make informed decisions on available options to transform the lives of those who are in desperate need and protect the future of all.

Navigating and negotiating a process of social security reform, especially within a comprehensive social protection framework, as suggested by the Committee, is an ongoing and complex process. The Committee is pleased to be able to contribute to this process. The Committee recognises that while a long-term vision and policy framework is essential to ensure a balanced response to economic and social objectives, there is also an urgent need to respond to those whose everyday survival is being compromised.

Professor Viviene Taylor
Chairperson
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