

SOCIAL PENSIONS AND RETIREMENT FROM  
LABOUR MIGRANCY : A SURVEY  
EVALUATION OF EXPECTATIONS  
AND EXPERIENCE

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into Social Pension Matters in KwaZulu.

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1. INTRODUCTION <sup>1)</sup>

The information and recommendations put forward in this memorandum are based on evidence collected in two separate studies of retirement involving three surveys conducted among migrant workers, the majority of whom were of KwaZulu origin.

- 1) The first study (1982/83) was an in-depth investigation into retirement issues involving 51 middle-aged to elderly male and female domestic and service workers in the Johannesburg and Durban areas. The majority of the respondents originated from KwaZulu.
- 2) The second study (1983/84) involved two groups of male migrant workers who gave personal interviews on the basis of a questionnaire on retirement issues containing open- and closed-ended probes;
  - a) 350 working migrants of all ages, the majority of whom were hostel dwellers (300) in the Durban metropolitan area, the remainder being township lodgers (50) in Umlazi.
  - b) 253 retired migrants who were residing permanently in rural KwaZulu at the time of interviewing. Half of these men were over sixty-five years of age.

In the following these groups are simply called domestics, working migrants, and retired migrant workers (retirees) for ease of reference.

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1) The results presented here are based on research which was undertaken under the auspices of the National Programme for Environmental Sciences. Views are those expressed by the author, who also wishes to acknowledge financial support from the Foundation for Research Development of the Council for Scientific and Industrial Research.

## 2. ANTICIPATION OF RETIREMENT

Ideally migrant workers look forward to the time when they can retire from wage employment and labour migrancy. The domestics studied described an ideal situation in which migrant workers enjoyed the fruits of their labour in the bosom of their family at home in the rural area of origin. Similarly, when asked about *"the best things about being retired"*, the working migrants enumerated items such as staying with the family (24%), caring for land/cattle (20%), resting (10%) and enjoying ones's pension (11%), freedom from work (6%) and the opportunity to socialise with friends (6%). The majority of the working migrants wished to retire (57%) while young and *"still in good health and strong"* rather than wait until pension age to retire in order to have *"sufficient money to live on when you are too old to work"*. Fifty percent of the working migrants indicated their preference of taking early retirement on a reduced company pension rather than opting for the regular company pension at the age of 65. Only 6 percent would opt for late retirement with an increased pension benefit. A general preference for early retirement was also discovered in an earlier pilot study.

In a 1981/82 survey conducted among 98 Durban-based male contract migrant and urban workers the respondents fixed the median ideal retirement age at some 57 years (Møller 1984a : 87). In the 1983/84 study the majority of the working migrants (80%) also stated they looked forward to retirement. In general, the working migrants held a favourable stereotypical image of the retired worker. The majority saw the retiree as a person who was considerate, important, kind to relatives, sociable, pleasant to be with, helpful to others, and busy. However, the stereotypical retiree was also characteristically weak, poor, complaining and dependent. The negative attributes associated with retired migrant workers are an indication of some of the problems workers foresee for their own futures.

Despite the relatively optimistic notion of retirement there is also a foreboding among the domestics and the working migrants that their basic needs and those of their families might not be met in retirement. It is perhaps symptomatic that 81 percent of the working migrants were of the opinion that it is *"more difficult for a retired migrant contract worker to survive these days"*.

### 3. THE ACTUAL EXPERIENCE OF RETIREMENT

With the wisdom of hindsight the retired migrants painted a somewhat less rosy picture of life in retirement.

The majority (69%) felt retirement had turned out to be worse than they had expected in terms of financial security (55%, N = 172), poor health (17%), inadequate pension benefits (8%), involuntary retirement (5%) and educational expenses (4%). In contrast to the working migrants, the majority of whom looked forward to retirement, only 20% of the retirees said they had looked forward to retirement. Eighty percent of the retirees stated they had *"disliked the idea"* of retirement. This is hardly surprising when we learn that 45 percent of the retirees had retired because they were too sick or frail to work, and a further 13 percent had lost their jobs or had been made redundant. The median age at retirement from wage labour was calculated to be 53 years.

In response to another probe into the motivations for retiring from wage labour the main reasons cited were: incapacity to work due to illness/frailty (49%), attainment of retirement age (22%), loss of employment (22%), asked to leave one's job (15%). In contrast to the above reasons voluntary withdrawal appeared to be a minority option : only 17 percent in the sample of retirees said they had left work because they *"were tired of working and wished to enjoy leisure"*, or because they felt they had *"sufficient savings"* (1,6%).

In contrast to the working migrants the retired workers had difficulties in enumerating the positive aspects of retired life in response to an open-ended probe. A significantly higher proportion of the retired (14%) than the working migrants (1%) said there was nothing good about retirement. Only 5 percent of the retired but 11 percent of the working migrants stated receipt of pension benefits as one of the *"best things"* about retirement.

Some of the "*worst things*" about retirement included the following items:

economic hardship (10% retirees/11% workers), difficulties in supporting family, and schoolchildren, in particular (9%/11%), reduced income/inadequate pension (9%/10%), irregular income/pension cycle (8%/2%), difficulty in applying for pensions (3%/3%), no savings (7%/2%), and health problems (6%/7%).

The median income of the retirees was estimated at some R63 per month. Moreover, on average, the dependency burden was some 1 - 2 adults and 3 - 4 children. This burden did not appear to decrease with age. Therefore, it comes as no surprise that 80 percent of the retirees reckoned that their standard of living had deteriorated now that they had retired. Similarly, 97 percent of the retirees but only 81 percent of the working migrants stated that it was more difficult for a migrant worker to retire these days.

Although the retirees as a group relied mainly on agriculture as a means of livelihood, less than one-third (31%) stated they were self-sufficient in maize under favourable rainfall conditions. Less than one-fifth grew vegetables (15%), fruit (13%), or a cash crop such as cane (17%), for the market. Furthermore, some 23 percent of the retirees were uncertain if they could use their land as long as required.

Possibly due to their dominant concern with economic survival, significantly higher proportions of the retirees (75%) than the working migrants (25%) opted for retirement at pension age in order to have money to live rather than for early retirement. Similarly, 67% of the retirees but only 44% of the working migrants, stated preference for full company pension benefits claimable at age 65 years rather than for a reduced pension at age 55 years.

Speaking from their own experience the retirees advised younger men who were planning to retire from wage employment to commit themselves to industrial work until pension age (47%), to secure a retirement income (26%), to invest in an agricultural or some other type of enterprise (24 - 49%), and to save for their retirement (23%).

#### 4. RECOMMENDATIONS FOR CHANGES WHICH WOULD IMPROVE THE QUALITY OF LIFE IN RETIREMENT

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In their current situation the retirees named the high cost of living and economic hardship as their major problem in retirement (approx. 66%). In order to solve their problems the retirees made the following recommendations for changes which would improve their retirement situation. In response to the probe *"If there existed an organisation or agency which dealt only with the problems of retired contract workers, what should it do first? What next?"*, some 46 percent of the retirees suggested that the pension system be improved. Further suggestions concerned the improvement of job opportunities for rural retirees, assistance for agriculture and other enterprises, and housing and welfare assistance. The full list of recommendations included a wide range of items which have been grouped under three major headings: pensioner issues, issues related to agricultural production and income generation, and welfare issues, (cf. Table 4.1).

TABLE 4.1.

Recommendations for change by issue.

<u>Pensioner issues:</u>	<u>%*</u>
Improved pension delivery system	35 <sup>+</sup>
Increased pension benefits/monthly pension pay cycle	11 <sup>+</sup>
Concessions for pensioners (GST exemption, discount cards, travel concessions)	4
Pensioner advice bureaus	10
Old age homes	2
<u>Issues related to agricultural production and income generation:</u>	
Agricultural advice and assistance (traction, seed and fertilizer, technical assistance)	16
Job opportunities for retirees, the sick and the disabled	12
Capital loans	8
Water for agriculture and domestic consumption	8
Access to land	5
Rural infrastructure	5
Assistance to hawkers and informal sector workers	2
Remove influx control	2
Skills development programmes	2
<u>Welfare Issues:</u>	
Poor relief (Food, clothing and other basic needs)	17
Housing assistance	12
Improved health services	12
Assistance with education fees	7
Other: Police protection (1%), control of disrespectful youth (1%),	N = 251

\*Multiple responses

<sup>+</sup>These two categories were treated as mutually exclusive for coding purposes, these percentages can be added.

5. THE ROLE OF PENSION BENEFITS IN RETIREMENT

Ideally, retired migrant workers would wish to spread their risks and derive income from several sources. If possible, migrants would prefer to be financially independent of a state pension. Longer-term industrial commitment is seen as a means to achieving financial security in retirement. These ideas were put forward by the working migrants in the study in response to projective probes. Despite these ideal views, the working migrants admitted that they expected a state pension to be their single most important source of income in retirement, although they also anticipated deriving incomes from other sources as shown in Tables 5.1 and 5.2.

TABLE 5.1

Expected and actual sources of income in retirement.

	Working Migrants %	Retirees %
Savings	83	18
Company pension	85	16
State pension	96	36
Farming	86	75
Odd jobs/small business	71	43
Support from children	54	34
Other (mainly wife's income, wife's pension)	2	12
	N = 350	N = 253

The figures in Table 5.1 show that workers' expectations of deriving retirement incomes from several sources are exaggerated. The retirees in the study were able to derive a cash income from far fewer sources than their working counterparts expected.

TABLE 5.2  
Main source of income in retirement (expected or actual income)

	Working Migrants %	under 65 years %	Retirees 65 years and over %	Total %
Savings	17	2	4	3
Company pension	8	7	10	9
State Pension	38	10	45	27
Farming	18	49	29	39
Odd jobs/small business	16	25	7	16
Support from children	3	4	4	4
Other	-	3	1	2
	100	100	100	100
	N=350	N=122	N=126	N=252

However, the working migrants were at least partially right in predicting that the social (old age) pension would be the chief means of livelihood for retired migrants. Table 5.2 shows that income patterns tend to differ significantly for the younger and older return migrants. The younger migrants among the retirees tended to derive their main income from farming and to a lesser extent from casual work. Among retirees over sixty-five the income pattern approximated the one predicted by the working migrants: Some 45 percent of the retirees over 65 stated that their main source of income was their state pension.

Nevertheless, it is remarkable that over one-fourth of all the retirees (27%), and some 45 percent of the retirees over 65 years of age regard the state pension as their chief source of income. These findings highlight the crucial role of the social pension for the future well-being of migrant workers and their families.

6. BRIDGING THE GAP

In the study of domestic workers the period between retirement from wage employment and receipt of social pension benefits was identified as a belt-tightening phase of life. Retirees would need to live off their savings, until their retirement "*business*" had taken off or they received their first pension payment. This bridging period could last some 8 - 10 years as in the case of the retired workers cited earlier. As one retired migrant put it: "*We are getting our pensions very late and we are expected to support our families*" (Highflats retiree). The 1983/84 study confirms that the majority of the younger retirees tend to live off income derived from agriculture and casual work before they graduated to pensioner status.

The process of obtaining a social pension was likened to an ordeal by the surveyed domestics. It required time and patience and the counsel and assistance of community elites. The social pension thus signified a crown of success in retirement after surviving the bridging period. In other words, the social pension was a lifeline for the person who had exhausted his savings or was too old to farm effectively or take a hand at casual work. It is perhaps significant that when required to recall cases of "*successful*" retirement, the stories recited included those of successful applicants for social pensions among other tales of prosperous or enterprising retired migrant workers. (Møller 1984a : 136). Similarly, the working and retired migrants indicated that the pensioner status is one of worth. For example, pensioners are credit-worthy.

*"He is able to support his family because in certain stores you are allowed to buy groceries on credit. They know you will be able to pay your debt on pension day"* (Mapumulo retiree). However, by the same token pensioners are also subject to victimization and exploitation by relatives or unscrupulous tradespeople. In this connection, the domestic workers saw the need for advice and assistance in managing the financial affairs of retirees in order to protect their meagre savings and their pension earnings.

11.

In response to a probe the surveyed domestics made the following recommendations for change which would assist domestic workers to become successful retirees in terms of the financial security afforded by social and private pension benefits (N = 51):

- provide a private pension fund for domestic workers 24%
- provide information and advice concerning retirement 20%
- provide assistance with application for state pension 16%

## 7. IMPROVEMENTS TO THE PENSION SYSTEM

Earlier mention was made of the need to improve the pension system. Members in all of the samples saw the need for the pension system to be revised. The major grievances have been listed under three headings: 1) application for pension 2) payout, and 3) size of benefit.

### 7.1 Application for a social pension

- Uncertainty about procedures.
- Long waiting period until application is processed.
- Cost and inconvenience involved in checking on the outcome of the application.
- Lack of respect for the dignity of applicants.
- Difficulty in proving age/or disability.
- Difficulty in meeting the requirement that KwaZulu taxes be paid before application is accepted.
- Corruptive practices.

In general, applicants felt they were at the mercy of officials who decided their fate in terms of social pension benefits. In this connection it is interesting to note that only mention was made of age/or disability by way of a qualifying criterion for a state pension. Some very few retirees mentioned that they were disqualified on the basis of the means test (work pension, income from farming). The study findings suggested that there seemed to be a general lack of information regarding state pension benefits. We have mentioned above the respondents' stated need for advice and information on retirement matters and pensions.

Some excerpts from interviews with working and retired migrants illustrate points raised so far:

- *"They used to say your age is still below the pension age and you're supposed to go back and work until you're eligible for a pension. ... so it used to go like that until most of the pensioners give up, they lose interest". (Working migrant).*
- *"Government officials oppose us if we mention our age when we apply for government pension. They say we are still young". (Highflats retiree).*

- *"Another thing is I can't get pension money. I've been visiting pension offices but I can't get it, and I've become tired of going there". (Mapumulo retiree, 70 - 74 years).*
- *"I will ask the agency\* to help those who retired because of sickness to get pension money, as it is always difficult for a person who left work because of illness not to get pension money. (Mapumulo retiree).*
- *"To see that new applicants for pensions are not kept in suspense for an indefinite period while waiting for a reply". (Umbumbulu retiree).*
- *"You travel to government offices several times but you don't get your pension. Even your busfare gets finished without your getting your pension". (Working migrant).*
- *"There are also many unnecessary details to be completed prior to getting pension like a doctor's certificate. They say come on a certain day but you don't get your pension". (Working migrant).*
- *"Bribery is the most serious problem in government offices". (Working migrant).*
- *"There are other people who claim to be government officials thus filling false application forms for the pensioners. Taking their last money for nothing". (Working migrant).*
- *"When you go to court to apply (for a pension) they don't inform you politely all the details but just harass you anyhow". (Working migrant).*
- *"When they make applications at the government office, they find that government officials, like clerks, are so rude that they sometimes forgive and forget". (Working migrant).*
- *"We still lack pension advisors prior to the pension stage. About how to use their money to their best advantage". (Working migrant referring to company pensions).*
- *"The agency should assist them to get pensions as soon as possible without having to pay KwaZulu tax first. They can pay it later out of their pensions". (Highflats retiree).*

\* Reference to an agency was made in response to a particular probe mentioned in Section 4.

## 7.2 Pension Payments

Once a social pension has been secured, a pensioner's woes are not ended. These include:

- Costs and difficulties in accessing pension payout points.
- Inconvenient payout time (early evening payouts mean the journey home must be undertaken in the dark. Alternatively, quicker and more expensive means of transport are required).
- Long payout queues.
- Disrespectful pay clerks.
- Required to return if pension money is exhausted during the payout.

Many respondents described the payout procedure as an exhausting, humiliating experience. Some 10 percent of the domestics suggested social pensions be paid out through the post or be deposited into the payee's bank or building society account. Alternatively, domestics (8%) and a number of working and retired migrants recommended that access to payout points be improved, say, by increasing the number of points or by providing special transport to the points on payout days.

- *"The worst thing about retirement is to have to queue for the pension. Others arrive a day before pension day and sleep at the community halls in the queue for the following day". (Working migrant).*
- *"To see that paying stations for pensioners are increased and selected within reasonable walking distances. Also pensioners should not be paid late in the afternoons as is the present practice. This leaves them stranded without transport facilities and exposes them to highway robbery". (Umbumbulu retiree).*
- *"Pensioners are robbed. If there is any complaint in connection with their payment they don't know the right procedure or channel to take so as to be backpaid". (Working migrant).*
- *"When they don't get their pension money they have no one to complain to". (Eshowe retiree).*
- *"Security is not good. Sometimes paymasters are robbed by hooligans and the pensioners forfeit their pension". (Working migrant).*
- *"The major problem experienced by retired contract workers is that they are too old to travel when they are supposed to go and get their pension money. It would be better if there could be transport for old people on pension day". (Eshowe retiree).*
- *"Pensioners should have buses to convey them to the government buses when they get their pension". (Highflats retiree).*

### 7.3 The size of the pension benefit

- Pension insufficient to cover basic needs of family.
- Long pay cycle.

Finally, a substantial proportion of all survey respondents recommended that pension benefits be increased. In particular, the two-monthly pay cycle was considered too long, because the money tended to *"run out after the first month"*.

- *"The agency should negotiate with the government to increase our pension wages. (Mapumulo pensioner).*
- *"The pension money we get does not satisfy me and my family because I'm supporting a big family, some of them have got no people who can support them". (Highflats pensioner).*
- *"When you retire you become miserable. Now I depend on pension money which is very small". (Eshowe retiree, ca. 80-84 years).*
- *"They become sick and lack money to cure themselves as the pension is very low". (Working migrant).*
- *"There is nothing but pension money. It's very small. It was better before because we used to work our land and live on what we produced. As I'm talking everybody is starving and looking forward to the day of getting pension money". (Eshowe retiree).*
- *"There is no regular income and it's half the amount because you get it alternatively". (Working migrant).*

## 8. SOCIAL PENSIONS

The survey findings were suggestive that older retirees who had bridged the gap and were in receipt of a state pension may have been better off than their younger counterparts. Whilst the median monthly income for all retirees was some R63, half the retirees 65 years and older were taking in R79 or more in cash per month.

Assuming that only the retirees over 65 years who pass a means test will qualify for a state old age pension, an age distinction has been applied to the sample. (However, it should be noted that the ages of the retirees had to be estimated in a number of instances and are therefore only approximations). In terms of this age distinction, the proportions of retirees receiving pensions of various types are as in Table 8.1

<u>Pension benefits by age</u>	<u>- 64 years</u>	<u>65 years +</u>
	%	%
Company pension	6	13
State pension <sup>1)</sup>	13	48
Both company and state pension	1	9
None	<u>80</u>	<u>30</u>
	100	100
	N=125	N=128

A case study exposed further details of pension benefits received by sample members in the two age categories:

1) Problems were encountered in making a clear distinction between disability and old age pensions. Therefore both types are grouped together.

8.1 Work pensions:

In the younger category (64 years or less) 9 retirees received company pensions ranging from R23 to R200 per month with an average of R69 per month.

In the older category (65 years or more) 15 retirees were paid company pensions ranging from R25 to R140 per month, with an average of R56,50 per month. It is noteworthy that theoretically 8 of the 15 (or 53%) were disqualified from receiving a social pension of some R57 per month yet, on average, they were earning only R36 per month in company pensions.

8.2 Disability grants:

In a small number of cases it appeared that pensioners would have benefitted if their disability grants had been commuted into old age pensions. In one known case a retiree had been issued with a disability grant although he had applied for an old age pension. In another instance a retiree reported he was still waiting for his application for an old age pension to be considered after his disability grant had expired some twelve months earlier.

8.3. Combinations of company and social pensions:

One person in the younger category was in receipt of a combined pension payment of R132 per month.

Fourteen in the older category were receiving combined pension payments of between R89 to R244 per month, with an average of R113,50 per month.

#### 8.4 Social (old age) pensions

Eight in the younger category indicated they were receiving old age pensions. However, 4 of the eight were categorised as between 60 - 64 years of age. There is a possibility that the survey may have under-estimated the age of at least 4 in this category who may, in fact, have been eligible for a state (old age) pension in terms of age.

It was established that some 96 retirees who did not have a company pension would qualify for a social (old age) pension in terms of the age criterion. The case study suggested that 9 of the 96 cases would most likely be disqualified in terms of the means test. These nine cases represented mainly rural entrepreneurs (e.g. cane farmers, landlord and shebeen operator). This leaves us with 87 cases which should in all probability qualify for an old age pension.

Of the total 87 cases estimated eligible for a state (old age) pension:

- 60 or 69% were social pensioners;
- 27 or 31% received no pension.

A reason analysis was applied to the cases which did not receive pensions.

<u>Breakdown of non-recipients by reason:</u>	<u>Number cases</u>
No information	8
Tribal policemen (eligibility uncertain) <sup>1)</sup>	2
Not yet applied for pension	2
- no money	
- told to report with a headman	
Application still being processed	4
Application turned down (no apparent reason)	2
Difficulties in proving age	2
Tax problems:	4
- 2 applications refused owing to tax arrears	
- 2 retirees have not applied fearing reprisal for tax arrears	
Ex-disability pensioners encountering difficulties in obtaining old age pensions	<u>3</u>
Total	27

Some comments on the 27 cases of non-recipients may be useful. One of the persons still awaiting pension is estimated to be in his seventies. This suggests, either that he made a late application or that the processing time is unduly long. Another respondent also estimated to be in his seventies, complained he had been referred several times, ostensibly because his papers had not yet been processed.

Some points raised by the respondents suggest that obtaining a social pension is akin to a Catch-22 situation. In order to apply for a pension one requires money, say, to pay up one's taxes, to pay for numerous visits to the officials who will assist and process application forms, possibly to pay token gifts in return for assistance. However, one is applying for a pension precisely because one is in need of a reliable and regular source of income in order to survive.

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1) No specific information was obtained. However, one case had no regular income, the other relied on his wife's old age pension and casual work. The eligibility of these 2 cases might be queried.

The impression was also gained that applicants frequently felt they were completely at the mercy of the officials or their sponsors who must decide on the merits of their case. Problematic is, for example, the case of a man in Eshowe who had applied for a pension in 1978 and had been refused a social pension, apparently, without a reason supplied. According to the survey findings this man is now some 75 to 79 years old and is completely dependent on the money sent to him by his children. There are many similar cases of hardship among the 27 cases cited here. These men who do not receive pensions appear to depend entirely on others, or if they are sufficiently healthy, rely on casual work to bring in some cash from time to time.

Unfortunately, we do not know the exact reasons for some 8 retirees not receiving a pension. It is not even certain if these men have applied for a pension. The evidence collected suggests that some persons who are eligible for an old age pension may not attempt to risk what may prove to be a costly and humiliating exercise. Still others may encounter sufficient frustrations so that they do not survive the process. This may be particularly true of the ill and the frail who lack the physical and moral stamina to fight their cases. To quote the two examples of the men whose ages had been queried:

- *"When I apply for pension, they tell me I am still young even if I produce documentary proof".*
- *"I've got no pension money because my age is not accurate. I lost my passbook and they wrote me younger years".*

(As an aside, at least two members of the younger category similarly reported difficulties in obtaining medical certificates to prove their eligibility for a disability grant).

One can really only expect the *"young-old"* and the relatively healthy to be sufficiently persistent to overcome the typical frustrations of the pension system. Moreover, such a person would most probably also need either the social support of a community leader or sufficient knowledge of the pension system to be able to argue his own case. Judging by the survey findings, it is precisely people who feel they have been discriminated against by the pension system who perceive the need for an impartial advice and information service to assist retirees with their pension problems.

## 9. PENSION BENEFITS AND THE QUALITY OF LIFE

There is reason to believe that pension benefits, company or social (disability and old age) pensions, may ease the plight of many return migrants, who through illness or age are not in a position to secure a sufficiently satisfactory standard of living. For some a pension may mean a new lease of life and a bit of extra breathing space. The survey data are suggestive that this may be the case at least for the old age pensioners in the sample.

In terms of activities and mood indicators it was discovered that the pensioners in the older age category distinguished in the paper (65 years or more) were less likely than others to be compelled to carry out odd jobs (48% pensioners vs 26% others) in order to live. In some instances old age pensioners exhibited a more buoyant mood than others. For example, significantly higher proportions of pensioners than others in the 65 years and older category felt retirement had *"turned out better than expected"* (36% vs 24%), disagreed that *"the things I do are boring or monotonous"* (69% vs 53%) or that *"my life is full of worry"* (37% vs 18%).

It also appears that the old age pension might be providing support for otherwise relatively socially isolated people who might have no one to care for them. For example, significantly lower proportions of the pensioners than others in the older age group reported having a confidant (59% vs 84%), or attending community meetings often (52% vs 82%), or getting as much love as when they were younger (46% vs 63%).

The situation of young pensioners in the sample is essentially different. The majority, who will be disability grantees, represent a group of failed migrants who have been forced to return to rural poverty through unfortunate circumstances.<sup>1)</sup> A *"sick pension"*

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1) It is interesting to note that in the case of permanent disability the domestics in the 1982/83 survey tended to make little distinction between an old age and a disability pension. The former pension was seen as a reward for services rendered in the course of a working lifetime, the latter as luck in misfortune. The *"possession"* of one or the other type of pension was regarded as a sign of *"successful"* retirement.

may ease their plight somewhat, for example 16 percent of the pensioners, but 39 percent of others in the younger age category frequently undertook "*odd jobs*". Otherwise, it would appear that a pension cannot dispel the gloom, apathy, and despair of persons whose health has failed them early in life. Unlike their older counterparts who may have led full lives before retiring, the younger pensioners appear to be caught up in the vicious circle of rural poverty : they have only a pension subject to renewal, few rural resources and little energy to work in agriculture, and few opportunities to seek work locally or in town if their health is restored. The prevalent mood was one of despair among the younger return migrants. This was discovered by the field team surveying areas where tuberculosis was a common disease afflicting the younger men. This mood is also reflected in the survey results. For example, 96 percent of the younger pensioners but only 71 percent of their age-peers without pension benefits felt retirement had turned out worse than expected. A significantly higher percentage of pensioners than other young retirees stated they were often depressed (83% pensioners versus 60% others), often felt powerless to do what they wanted (71% vs 47%), always felt tired even after a good night's rest (54% vs 25%), were all aches and pains (63% vs 35%), had nothing worthwhile making the effort to do (54% vs 40%), had had fewer chances in life than most people they knew (38% vs 17%). The fact that a significantly higher proportion of the pensioners than others (76% vs 57%) also expressed dissatisfaction with their health provides an adequate explanation for the low spirits of the younger pensioner who has been "*pensioned off*" before his time.

These findings suggest that two approaches might be required when coping with pensioner problems.

Younger pensioners may be particularly sensitive about their unemployed status. They may need special encouragement to make every effort to benefit from the state assistance they are receiving

in order to escape the rural poverty trap. These cases may require follow-up care which is beyond the scope of the regular duties of pension officials.

Old age pensioners appear to have problems which may be more easily solved within the existing framework. Old age pensioners need to be treated with the courtesy becoming their age and require assistance with the more practical aspects of securing a pension and collecting the benefits. The very fact that these people are entitled to a pension may prove to be a boost to their morale. The survey findings indicate that an old age pension is viewed as a reward and not a hand-out. Therefore, care should be taken to loosen the knots in the pension delivery system, which detract from the old age pensioners' simple pleasure in receiving the financial assistance which they feel they have earned at the end of their lifetime.

## 10. CONCLUSIONS

The three studies conducted among elderly domestic workers, Durban-based migrant workers, and retired migrants in the rural areas of KwaZulu, highlighted the opportunity costs and problems but also the rewards of social pensions. The rural survey confirmed that old age pensions provide real financial benefits for elderly return migrants and may also improve their morale and their ability to remain dignified, well-integrated members of their communities.

The survey revealed that currently working migrants have a generally positive view of retirement and retired migrant workers. However, they foresee economic problems for their futures, especially as the cost of living is increasing steadily.

On the basis of their experience the retired migrants gave a generally more negative picture of retirement than their working counterparts. In particular, the period between leaving work and adjusting to retirement was thought to be a crucial test which could make or break a retiree. During this period retirees must fend for themselves. According to survey results the majority are reliant upon income from agriculture during these years. However, despite the fact that some 46 percent of the retirees had invested migrant savings in agriculture, the majority did not produce sufficient maize for domestic use and only a minority produced other items for the market. It was also discovered that the period between leaving work and becoming eligible for a social pension was relatively long, some 8 - 10 years. This was due to the fact that substantial numbers of the retirees had left work before the regular pension age of 65 years due to poor health or retrenchment. This trend is likely to persist in view of the economic climate predicted for the future.

While the largest single category of working migrants (38%) expected to rely mainly on the state (old age) pension in retirement, only some 30 percent of all the retirees in the survey actually drew a state pension at the time of the survey, whilst a further 15 percent also benefitted from a company pension (10%) or both (5%). However, 45 percent of the retirees over 65 years claimed to derive their main income from their social pension.

A case study revealed that some 25 to 27 persons or between 29 -31 percent of those estimated to be eligible for a social (old age) pension in terms of age and insufficient means were not receiving benefits at the time of the survey.

A number of problems were encountered when applying for social pensions. These included long delays in the processing of pension applications and the commutation of disability grants into old age benefits, difficulties in providing proof of chronological age and in meeting the requirement that tax arrears be paid up in full. All these factors tended to cause considerable anxiety among applicants. It is concluded that an applicant will require physical and mental stamina and sufficient social support if he is to make a successful application especially in a disputed case.

Although no case study was undertaken among the younger pensioners, similar difficulties were reported regarding the renewal of disability grants, and providing proof of disability.

Both working and retired migrants, and also the domestics interviewed in an earlier study, were of the opinion that the pension system needed revision. Points which might be considered when adjusting the system include the following issues:

a) Assistance and Advice: An impartial agency is required to provide expertise and support for pensioners who are encountering problems in obtaining pension benefits. Obviously, the centre would have to be accessible, therefore a mobile unit might be envisaged. Apart from advice on pension matters, expertise in financial matters in general would be welcome. A mobile advice clinic might also pool resources with a health clinic, another urgently needed service in some areas surveyed.

Under the present circumstances, the majority of the migrants of all ages who are returning to resume their rural lives after many years spent away from their homes in wage labour, will encounter difficulties in adapting to rural conditions. Pension applicants and pensioners receiving benefits are likely to be multiple problem cases, because economic hardship is usually accompanied by other related problems. Therefore, an advice centre might operate most efficiently if it provided a support package including assistance in the field of health and nutrition, financial matters, agricultural extension, small business, personal development and recreation, etc. Judging from the survey results, the better established returnee who does not qualify for a social pension, might also be attracted to use some of these services, possibly for a small fee.

If the centre caters for the needs of a wider spectrum of the rural community and not only for the most basic needs of its most under-privileged members, it will also serve as a rallying point which integrates various sections of the community. Pensioners, according to the survey results, appear to be relatively more isolated than other people from the mainstream of rural society and are in need of social support as well as technical advice on pension matters. However, care must be taken that the packaging of a primary support service does not detract unduly from its core function. It is also important that the primary users, i.e. the pensioners, are not intimidated by other, possibly more sophisticated users, who might wish to develop the services exclusively for their own purposes.

b) The pension delivery system: Pension days are tiring events for the majority of pensioners. If the number of payout points were increased or inexpensive and more convenient forms of transport were organised for pensioners living in the remote areas, the day might prove less taxing. Waiting in long queues under uncomfortable conditions is an exhausting and humiliating ordeal for elderly people. Therefore, the introduction of a more personalised system of pension payouts might be considered. No doubt such a system would be costly. Therefore, if a personalised payout system is not feasible and the present system of centralised payouts is retained, one might consider making the payout point an attractive meeting place so that the opportunities for socialising on pension days are enhanced. This, in order that pension day may become an important social event and a welcome holiday in the lives of the old folk.

Similarly, the payout routine must work smoothly. At present it appears that the pension delivery system is still fraught with too many "*hiccups*". According to field reports, pensioners were sometimes required to wait long hours for their benefits. In some instances pensioners were required to return on another day or could only make their way home late at night if the payout routine was disturbed. Thus, there is a need to iron out these problems in order to make pension days less anxiety-ridden for those receiving pension benefits.

c) Tax arrears: A small number of retirees reported that their applications had been refused on the grounds of tax evasion or tax arrears. If pensioners are required to be up-to-date in their tax payments, and their financial situation prevents them from meeting this requirement, it might make good sense to deduct tax debts from pension benefits by instalments rather than to condemn the applicant indefinitely to a late life of poverty.

d) Pension benefits: A substantial proportion of the retirees suggested that pensions be increased, and the general opinion among the surveyed was that it was difficult to make ends meet on a social pension. More often than not, pensioners were called upon to support others, including schoolchildren, with their pension incomes. Obviously, the size of the pension benefit will have to be reviewed from time to time in the light of rising living costs.

During the survey period social pensions rose substantially but so did the cost of living. It is doubtful whether pensioner satisfaction will ever be achieved in these inflationary times. Moreover, it is a common fact that virtually no one is totally satisfied with their present income. However, pensions which are commensurate with a reasonable standard of living, and equality in pensions, must remain a longer-term target.

In this connection it is important to note that the pension pay cycle is commonly regarded as too long. The survey evidence suggests that many workers have become used to budgeting for far shorter periods during the course of their working lives and find it particularly difficult to adjust in retirement to an "*irregular*" and reduced cash income. A common complaint was that the money ran out long before pension pay day and pensioners were forced to borrow. Whenever problems in obtaining benefits were encountered on pension pay day, and this was not infrequently the case, pensioners were in a very poor state indeed. However, it is questionable if halving the pension currently payable on a bimonthly basis and paying out this halved sum monthly would be of real assistance to pensioners unless the delivery system is streamlined. Moreover, pensioners and the state would have to bear the cost of 12 instead of 6 payout days per annum. It is true that if pensioners received monthly allowances they might be able to budget somewhat better. Nevertheless, they would not have more income at their disposal. It is highly likely that pensioners who would prefer the shorter pay cycle also envisage monthly payouts

of substantially larger amounts than, say, the R57 they are effectively receiving at present. In fact, many pensioners interviewed appeared to have difficulty in calculating the cash sum actually at their disposal per month. One might assume, then, that some pensioners would expect their pensions to be doubled if the length of the bimonthly pay cycle were halved.

e) The dignity of pensioners: Lastly, a seemingly trivial but nevertheless very important point must be mentioned. The majority of retirees and working migrants in the survey aspired to be as financially independent as possible in retirement. They intimated that they would prefer to educate their children in the hopes of receiving token gifts of appreciation when they are old rather than have to rely entirely on remittances from their children. Some of the retirees who were not as fit as in former years and could not personally supervise their agriculture or were dependent on, say, their wives' income from casual jobs were obviously unhappy. On the other hand, one can also foresee that as long as the social (old age) pension is tied to a means test there will be a mild form of social reproach or stigma attached to being a pensioner. It may be telling that a significantly higher proportion of the pensioners than the others (66% versus 42%) in the age category 65 years and older agreed that when they thought back over their lives they had not accomplished most of the important things they had wanted.

However, it would appear that the stigma of pensions is not related entirely to the fact that one may be without a cash income in old age. Many return migrants, especially those who left work before the time of company pensions, did not manage to save on the low wages they were earning. The migrant labour system is largely to blame, they feel. However, far more serious is the manner in which the pension system perpetuates the uncertainty, the humiliations, and the frustrations which return migrants hope to leave behind them when they retire from the migrant labour system.

Retired migrants wish to be treated as responsible adults and dignified people when they apply for a pension or collect their benefits. As mentioned earlier retirees need to be armed with sound advice and a basic knowledge of the system in order to become "*emancipated*" pensioners. The rationalisation and humanisation of the pensions system would also go a long way toward restoring the self-respect of retired workers and improving their quality of life.

References

Møller, V.

1984a *Images of Retirement, An Exploratory Study among Black Domestic and Service Workers*, Centre for Applied Social Sciences, University of Natal, Durban.

1984b *Contract Workers' Perceptions of Return Migration: A South African Case Study*, Centre for Applied Social Sciences, University of Natal, Durban.

APPENDIXMethodological notes.

A brief description follows of the sampling and research methods employed in the three surveys referred to in the text.

1) Survey among domestic and service workers

51 cases, 19 men and 32 women. In-depth focussed interviews were conducted in the Johannesburg (50% of the sample) and the Durban areas during the period 1982 - 1983. The fieldwork was carried out by 1 person in Johannesburg and 4 other interviewers in Durban. The interviews covered a wide range of issues concerning retirement and ageing. In the course of the interview the respondents were invited to recount the experiences of a retired migrant worker well known to them. For further details, see Møller (1984a).

2) Survey among working migrants

350 cases. Simple random samples of 50 male residents each were drawn in 6 hostels in the Durban metropolitan area: Glebelands, Kranskloof, S.J. Smith, KwaMashu, Dalton Road, and Umlazi-T-Section hostels. A further subsample consisted of 50 lodgers residing in three randomly selected areas in Umlazi township. Personal interviews were carried out with the 350 men during the period November 1983 to February 1984 by a team of 13 interviewers. The interviewers were well-briefed and were in constant contact with the project leader. The questionnaire schedule consisted of open-and closed-ended questions relating to retirement issues. At the end of the interview session a projective test was applied to elicit the retirement ideals of working migrants. For further details, see Møller (1984b).

### 3) Survey among retired migrant workers

253 cases. Personal interviews were conducted with men who had retired from wage employment and were permanently based in the rural areas of KwaZulu during the survey period January - July 1984. An interview schedule was employed which contained open-and closed-ended questions designed to explore the living circumstances and the personal well-being of the retired workers.

A crude attempt was made to match the urban sample of working migrants (described above) by selecting the rural areas which supplied the highest proportions of the working migrants interviewed earlier. In all, 5 areas were selected on the basis of this as well as other criteria such as distance from Durban, location to the north or south of Durban, and a number of agricultural and land tenure factors. The distribution of the sample by area is Mtunzini (N = 16), Umbumbulu (N = 30), Highflats (N = 62), Mapumulo (N = 66), and Eshowe (N = 79). It was impossible to apply conventional sampling techniques to select the respondents within each rural area. Therefore a cross-section of the retired migrants living in each of the surveyed areas was included in the sample. The interviews were conducted by a team of fieldworkers consisting of a field supervisor and two assistants. The field team reported to the project leader at regular intervals and kept a field diary for reference purposes.

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