

Transforming the Present - Protecting the Future



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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

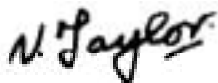
Report of the Committee of Inquiry into a Comprehensive System of Social Security for South Africa

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 Vivienne Taylor
Chairperson



Signed: March 2002

Committee Members

The Cabinet appointed the following as Committee Members.

- Professor Vivienne 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
- National Institute of Economic Policy (NIEP), especially Dr Asghar Adelzedah
- Dr Claudia Haarmann and Dr Dirk Haarmann from the Institute for Social Development at the University of the Western Cape for sharing their research with us
- Professor Nicoli Nattrass of the University of Cape Town and Marlese von Broembsen for contributing extremely useful research papers and analysis
- 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 Kuppen, 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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Faith Innerarity: Chairperson of the Commission for Social Development and Director, Social Security, Ministry of Labour, Social Security and Sport, Kingston, Jamaica.

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:

Sir Anthony B Atkinson: Warden, Nuffield College, Oxford University. He served as member of Royal Commission on the Distribution of Income and Wealth, Pension Law Review Committee, and Social Justice Commission

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

Martin Evans: Research Fellow at the Centre for the Analysis of Social Exclusion at the London School of Economics

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

Jane Lewis: Barnett Professor of Social Policy in the Department of Social Policy and Social Work I (Oxford)

Ruth Lister, CBE: Professor of Social Policy and Acting Head of Department of Loughborough University

Jane Millar, OBE: Professor of Social Policy Department of Social and Policy Sciences Director of the Centre for the Analysis of Social Policy, University of Bath

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

Mr Wouter van Ginneken: Co-ordinator, Extension of Social Protection: Research and Policy Development, ILO, Geneva. Switzerland.

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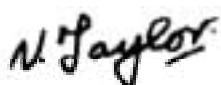
- Ministers, Deputy Ministers, MECs, Directors General, senior officials and many others from all levels of Government who assisted with, or participated in the process in one way or another. Special thanks are due to the Department of Social Development for institutional support provided for the work of the Committee.
- Consultations held with the Directors General of Social Development, Finance, Health, Labour, Public Service and Administration, Transport as well as feedback during presentations made to the Social Sector Cluster of Directors General was useful in identifying current Government measures under way and the issues related to policy monitoring.
- Members of the Social Transformation Committee of the ANC also made useful comments on the work in progress of the Committee.
- International agencies, including the Frederick Ebert Stiftung, the UN Expert Group on Social Protection, The Rhodes Trust and The UK Department for International Development (DfID) for support to the process.
- We also want to acknowledge all those individuals and organisations who participated in the public hearings, those who made written submissions, and those international agencies, NGOs, private sector, unions, universities and research institutions which participated in a number of very useful workshops. A full list of these together with the consultation process is made available separately.

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.

The staff in the Ministry of Social development, particularly Ms Theresa Small and Lana Peterson, provided invaluable support to the Chair. Ms Lydia Ntenga provided invaluable assistance both as a researcher and with administrative co-ordination. Ms Sandra Campbell who consistently supported the work of the Committee and other administrative and secretarial staff from the Social Security Directorate must be acknowledged with grateful thanks.

In the process of cross checking and verifying research findings and data and sourcing the most up to date research I was pleased to have the able and committed assistance of many individuals but Mr Oliver Babson, from Princeton University, was extremely helpful and invaluable in this regard, as a research assistant to the Chair.

There were many individuals and organisations who contributed and whose support in the process was important such as Kate Skinner and Allan Taylor.



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 Vivienne Taylor

Chairperson

Contents

1	Introduction	9
1.1	Purpose of the Committee of Inquiry (the Committee)	9
1.1.1	Government commitments	9
1.1.2	Findings of the inter-departmental task team reporting in 1999	9
1.2	Terms of reference	10
1.2.1	Broad terms of reference	10
1.2.2	Interpretation of terms of reference	11
1.3	Process followed by the Committee	12
2	The Socio-economic Context and the Need for Comprehensive Social Protection	15
2.1	Introduction	15
2.2	Definition of socio-economic concepts	15
2.2.1	Poverty	15
2.2.2	Inequality	16
2.2.3	Unemployment	17
2.2.4	Social exclusion	17
2.2.5	Vulnerability	18
2.3	South Africa's demographic challenge	18
2.4	The structure of the labour force and the employment challenge	19
2.4.1	The extent of the problem	19
2.5	The apartheid labour-welfare nexus	21
2.5.1	Income distribution	21
2.5.2	Inequality at the end of the apartheid era	22
2.5.3	The importance of public transfers	24
2.5.4	Access to wage income	25
2.5.5	Wage inequality	26
2.6	Changes in inequality in the 1990s	26
2.6.1	Intra-racial inequalities	27
2.6.2	The growth/inequality debate	28
2.7	Poverty in South Africa	28
2.7.1	Recent evidence on poverty in South Africa	28
2.7.2	What is the level of poverty in South Africa?	28
2.8	Addressing the challenges of social security reform in a democratic South Africa	29
2.8.1	Inequalities in the distribution of wealth	29
2.8.2	Shortcomings in the South African social security system	30
2.9	The challenges	32

3	Approach to a Comprehensive Social Security Provisioning	35
3.1	Introduction	35
3.2	International trends in social security provisioning	36
3.2.1	Western Europe	36
3.2.2	The United States	37
3.2.3	South East Asia	37
3.2.4	Developing countries	37
3.3	Implications for South African context	37
3.3.1	Focus primary social security interventions on formally unemployed?	38
3.3.2	Workfare?	39
3.4	Defining an appropriate concept of comprehensive social security for South Africa	40
3.4.1	A comprehensive social protection “package”	41
3.4.2	Determining the “minimum” requirements for the CSP package	43
3.5	Economic, institutional and social mobilisation implications of comprehensive social protection	44
3.5.1	Social protection and the economy	44
3.5.2	Social protection and institutional arrangements	45
3.5.3	Incorporating social mobilisation into social protection	45
3.6	Social protection and private social insurance	46
3.6.1	Mandatory cover	46
3.6.2	Lower earnings limits for mandatory social insurance	46
3.6.3	Articulation and means tests	47
4	Constitutional Framework for Social Security in South Africa	49
4.1	Introduction	49
4.2	Status and impact of the Constitution	49
4.3	General principles	49
4.4	A human rights approach	49
4.5	The meaning of social security from a constitutional perspective	50
4.6	Limiting, interpreting and enforcing social security rights	51
4.7	Concluding remarks	52
5	Poverty, Social Assistance Grants and the Basic Income Grant	55
5.1	Introduction	55
5.2	Government programmes addressing poverty: findings	55
5.2.1	Poverty programmes to address capability and asset poverty	55
5.2.2	Poverty measures: requirement to target social policy	56
5.2.3	Government service delivery programmes	56
5.3	South Africa’s social assistance system	57
5.3.1	An overview of the social assistance system	58

5.4	The feasibility of a Basic Income Grant for South Africa	60
5.4.1	What is a Basic Income Grant?	61
5.4.2	Will the Basic Income Grant create dependency?	61
5.4.3	Will the Basic Income Grant target the poorest?	61
5.4.4	Can the Basic Income Grant be administered efficiently	61
5.5	The impact of a Basic Income Grant	62
5.6	Recommendations	62
5.6.1	Poverty measures and indicators	62
5.6.2	Basic Income Grant	62
5.6.3	A comprehensive and integrated medium- to long-term framework for income support	63
5.7	Conclusions	65
6	Employment and Unemployment	69
6.1	Introduction	69
6.1.1	Key issues	69
6.1.2	Implications for poverty	70
6.2	Recommendations	71
6.2.1	The appropriate form of social security	71
6.2.2	Social insurance: The UIF	71
6.2.3	Active labour market and job creation policies	73
6.2.4	Public work programmes	73
6.2.5	Informal social security	74
6.2.6	Institutional arrangements	74
6.2.7	Policy evaluation	75
7	Protecting the Children	77
7.1	Introduction	77
7.2	The Constitution	77
7.2.1	Constitutional obligations	77
7.2.2	International instruments	78
7.3	Evaluation of current policies towards children	78
7.3.1	Social assistance	78
7.4	Policy recommendations to address problems, gaps and inconsistencies of the current social security paradigm for children	81
7.4.1	Dealing with the special needs of children	81
7.5	Conclusion	83
8	Health	85
8.1	Introduction	85
8.2	Findings	85
8.2.1	Problems identified with the existing strategic framework	85
8.2.2	Role and scope of Government involvement	86
8.3	Recommendations	86
8.3.1	Reform strategy	86

8.4 Strategic financial framework	90
8.5 Coverage	90
8.6 Concluding remarks	91
9 Retirement and Insurance	93
9.1 Introduction	93
9.1.1 Coverage	93
9.1.2 Proposed strategic framework	93
9.2 Findings and recommendations	93
9.2.1 Compulsion and preservation	94
9.2.2 Administration	95
9.2.3 Retirement fund investment	95
9.2.4 Taxation of retirement funds	96
9.2.5 Defined benefit vs defined contribution	96
9.2.6 Consumer protection issues	97
9.2.7 Missing beneficiaries	98
9.2.8 State Old Age Pension	98
10 Disability	101
10.1 Introduction	101
10.2 The demographics of disability	101
10.2.1 The imperative to act	102
10.3 Findings	102
10.3.1 Conceptualisation and definition of disability and implications for national policy.....	102
10.3.2 Consequences of disability	102
10.3.3 Progress and gaps in the current framework	103
10.4. Integrating disability measures into social security	103
10.4.1 Fundamental principles and legislative framework.....	103
10.4.2 Concept of social security for disabled people	104
10.4.3 Definition of disability	104
10.4.4 Purposes and eligibility criteria	104
10.4.5 Assessment procedures	104
10.4.6 Targeting	104
10.4.7 Benefits	105
10.5 Short-term measures	105
10.6 Recommendations	105
11 Road Accident Fund (RAF)	109
11.1 Background	109
11.2 Conclusions	109
12 Coverage Against Employment Injuries and Diseases ...	113
12.1 Background	113
12.2 Fragmented statutory framework	113

12.3 Employee protection and interests	114
12.4 International standards	114
12.5 Prevention	114
12.6 Reintegration	114
12.7 Benefits	114
12.8 Exclusion	114
12.9 Commuting injuries	115
12.10 Defining accidents and diseases	115
12.11 Administration	115
12.12 Civil suits against employers	115
12.13 Financial issues	116
12.14 Conclusion	116
13 Institutional Framework	119
13.1 Introduction	119
13.2 Challenges	120
13.2.1 Overview	120
13.2.2 Public sector	120
13.2.3 Social insurance	121
13.2.4 Regulated private markets	121
13.2.5 Policy co – ordination	121
13.3 Recommendations	122
13.3.1 Integrated institutional and organisational framework	122
13.3.2 Social security board and agency	123
13.3.3 Governance structures for social insurance and related organisations	123
13.3.4 Social Protection Commission	123
13.3.5 Private sector regulation	123
13.3.6 Social security adjudication mechanism	123
14 Financial Framework for Comprehensive Social Protection	127
14.1 Introduction	127
14.2 Constitutional provisions affecting social security financing	127
14.3 An overview of South African social security financing	128
14.3.1 Determination of the allocation to the social sector functions	128
14.3.2 Budget prioritisation	128
14.3.3 Mixed financing principles	129
14.3.4 Allocation of the horizontal division	129
14.3.5 Medium-term Expenditure Framework	129
14.3.6 Conditional grants and special projects	129
14.3.7 Allocation of the vertical division	129
14.4 Key issues in social security financing	130
14.5 The existing framework for financing social security in South Africa	130

14.6 Overall allocations to social security	131
14.6.1 The budget framework and inter-governmental system	132
14.6.2 Sources of financing.....	133
14.6.3 Net burden of financing an income grant.....	134
14.7 The tax system and social security benefits	134
14.8 Review of the current tax dispensation	134
14.9 Review of principles underlying the classification and use of mixed financing options	134
14.9.1 General taxation	135
14.9.2 User charges	136
14.9.3 Consumer tariffs	138
14.9.4 Nominal levies and sundry revenue	139
14.9.5 Earmarked taxes.....	139
14.10 Generic financial framework for social security	141
14.10.1 Principles underpinning social security financial management	141
14.10.2 Recommendations	142
14.11 Social budget	143
14.11.1 Fiscal capacity and the prioritisation of social security expenditure	143
14.12 Reform proposals and their financial implications.....	146
14.12.1 Assumptions	146
14.12.2 Results.....	147
15 Social Security Within a Regional Context	151
15.1 Background	151
15.2 Regional implications for South Africa	151
15.3 Findings	152
16 Conclusion.....	154
References	155
End Notes	158

Tables

Table 1: Declining incomes and growing inequality (1991–1996).....	17
Table 2: Unemployment in South Africa, (1996-2001)	20
Table 3: Employment (1 000s) in South Africa, (1996-2001)	20
Table 4: Racial income and population shares (1970–1996)	22
Table 5: The redistributive effects of public transfers (1993)	24
Table 6: Matrix of means and ends ¹²	41
Table 7: Comprehensive social protection package and components	42
Table 8: Social impact of the Basic Income Grant	63
Table 9: Summary of coverage by broad income category	91
Table 10: Summary statistics on the retirement industry	96
Table 11: Summary of key issues affecting the operational and policy effectiveness of different	

organisational options within the social security system	120
Table 12: Financial estimate of the total expenditure within the South African social security system system	144
Table 13: Consolidated provincial and national expenditure from 2000/01 to 2003/04 (nominal prices) R' million	145
Table 14: Social security expenditure in 2015 if all the maximum scenarios evaluated by the Committee are implemented	147
Table 15: Social security systems in Southern Africa, a comparative assessment	152

Figures

Figure 1: Framework for evaluating the social security system	12
Figure 2: Estimate of the South African population by age and gender (millions of people)	19
Figure 3: Income deciles by race, 1993	23
Figure 4: Composition of household income, by income decile and source (%)	23
Figure 5: Participation rates and broad unemployment rates by income decile (1993).....	24
Figure 6: Employment per household by income decile	25
Figure 7: Shares of income by race (1970-1996)	27
Figure 8: Growth of household income by race (1991-1996)	27
Figure 9: Percentage of population in poverty	29
Figure 10: South Africa's distribution of income (assuming full take-up of existing social security programmes)	60
Figure 11: Distribution of income with a Basic Income Grant	63
Figure 12: Suggested phasing in of an income support grant system	65
Figure 13: Reform strategy and approximate timeline	87
Figure 14: Institutional framework for a universal contributory system	89
Figure 15: Strategic financial framework for the South African health system	90
Figure 16: Proposed strategic framework for retirement provision in South Africa	94
Figure 17: Recommended integrated organisational framework.	122
Figure 18: Proposed structure of a social security board and agency	123
Figure 19: Generic financial framework of a social security system	142
Figure 20: Social security expenditure in South Africa (estimates for 2001)	143
Figure 21: Consolidated provincial and national expenditure from 2001/02 to 2004/05	145
Figure 22: Fiscal capacity over and above the existing MTEF with no negative macro-economic implications	146
Figure 23: Social security policy evaluation for the period 2001 to 2015 expenditure in constant 2001 prices	148
Figure 24: Social security policy evaluation for the period 2001 to 2015: expenditure expressed as a percentage of GDP	148