DELIVERING SOCIAL SERVICES TO THE POOR

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Poverty reduction currently enjoys centre stage on the international development landscape. The development industry, from the International Monetary Fund to the International Labour Organisation, to bilateral agencies, Northern NGOs and social movements are preoccupied with the problematic of persistent structural poverty. In 1997, the UNDP Human Development Report highlighted the persistent growth of poverty globally between 1960 and 1990, largely restricted to Developing Countries outside of South-East Asia. In the same year the World Bank released a watershed report on the role of the state in development against a backdrop of dramatic decline in social development indicators in the preceding fifteen years. The World Bank will also devote its millennial development report in the year 2000 to poverty eradication.

This trend has been echoed in SA in 1998 as the policy question of effective poverty reduction came under the spotlight through a national campaign — ‘War on Poverty’ — of the South Africa NGO Coalition (Sangoco) with COSATU, the Human Rights Commission and SACC - which highlighted the ‘voices’ of the poor themselves on how their conditions have often deteriorated since 1994. In June 1998 the government released its commissioned study on poverty and inequality (PIR), accompanied by its own critique of the study. Despite unprecedented attention fundamental disagreements remain on its ability to reduce poverty. As with many other issues on the SA landscape, the debate on government performance in delivering social services to the poor is muddled. This chapter explores the track record of government in this area and unpacks the different interpretations of its performance, concluding with a few critical issues to recast the question and understand likely future trends.

The argument is structured round three levels of observation. The first pertains to the more obvious indicators: quantitative performance assessed against policy goals established in 1994-5. Most publicised, this is also the level on which most non-governmental actors fixate. While clearly important, this focus obscures the more interesting questions of achieving poverty reduction in and across different services in the face of complex manifestations of various types of poverty. It is in this second layer of analysis that we can begin to assess the government’s long-term capacity to arrest and reverse poverty. The litmus test will be whether policy and delivery strategies are adaptive and reflexive enough to engage with the many dimensions of poverty, particularly in a rapidly changing context (the strengthening of various dimensions of globalisation). This question is addressed on the basis of an assessment of the prevalence and quality of (performance) indicator frameworks in policy and delivery strategies.

A third dimension is the relationship between social service policies and broader development frameworks aimed at dealing with the structural underpinnings of poverty.

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1 There is a choice in what to include as social services to the poor. To organise information and ensure brevity, I have chosen social welfare, targeted primary health care and nutrition programmes, water and sanitation, electricity and housing.
A crude dimension of this yet-to-mature-debate is the RDP versus GEAR dichotomy, which divides the government from its NGO, trade union and CBO critics. This question goes to the heart of the delivery question since it delimits the probability of achieving a society-wide consensus on the importance and possibility of eradicating poverty in a generation or two. But several critical trends in and beyond our national framework — globalisation, increasing and regionalised urbanisation, growing differentiation among the poor, expanding informalisation, (partially unfunded) decentralisation — make this an extremely difficult challenge.

Considering the phenomenal backlog the government inherited, it could be argued that it has achieved remarkable milestones in creating a national system to deliver key social services to the poor. This is even more impressive if one considers that, in the first two years of democracy, a coalition ruled. Also, most politicians and senior public sector managers have never done this before. Yet it is this very impressive track record that could also be the government’s undoing, judging from the potential for over-confidence in various pronouncements by government ministers.

REALITY CHECK
To fully appreciate the gravity of the debate, it is appropriate to summarise some main features of structural poverty in SA. This assists in understanding the scale of the legacy and the problems social delivery strategies must address. According to the PIR, income poverty is pervasive, racialised, gendered and spatially concentrated: 53% of the population are among the poorest 40% of households who spend less than R352 per adult equivalent; 60.7% of Africans are poor, 38.2% of Coloured people and only 1% of Whites; 71.6% of the poor live predominantly in rural areas, although urban poverty is increasing significantly (May et al. 1998). In addition, more women than men experience poverty, e.g. 48.3% of women live in poverty as opposed to 43.5% men (Posel 1997). The poor face incredible inconvenience: hardly any access to running water and sanitation (12m without), poor environmental health, overcrowding, fear and unsafe living environments and households, and chronic unemployment (500,000 jobs were lost between 1994-97 and only 8% of new entrants into the labour market find work).

These indicators of poverty provide some sense of the scale of the problem. They do not clarify how these different dimensions inter-relate to create a complex web of impoverishment and vulnerability, which shifts over time and manifests in different ways depending on location. More importantly, indicators also fail to provide any obvious guidelines about how policies should be designed to make a comprehensive impact on the different dimensions of poverty. These statistics and trends fuel the charge often led by NGOs, that the government is failing to deliver and is increasingly being emasculated through a misguided macro-economic reform programme.

The dominant NGO critique of the government is that it is not meeting the needs of the poor through service delivery because it has placed fiscal austerity and conservative macro-economic policies above all. At times, NGO critics concede that the government generally has put the right development policies in place, but add that they are undermined by the politics of GEAR. The deficit reduction target (a drastic decline from
10.3% in 1993/4 to 3% by 2000/1) and honouring the national debt are prime sources of grievance. Underpinning the NGO critique is the assumption that the government’s main problem is a lack of resources to deliver services on scale to wipe out backlogs in the shortest possible time. But fixation on budget allocations is somewhat misplaced if we look at the consistent roll-overs in social spending in the last four years. This will become clearer as we explore the government’s achievement record and some policy issues that underlie it.

‘FORMAL’ TRACK RECORD

Shortly after the democratically elected government came to power, business and white opinion in general reacted with great scepticism to its brazen pronouncements, such as that 1m houses would be delivered by 1999. Three years after political democratisation it seemed the doubts were confirmed as various line ministries battled to get a handle on their jobs and failed dismally in getting the systems and processes in place to deliver at significant scale. But since 1997 the picture has changed significantly. Recent evaluations point to these important examples of a change in tide:

- The Department of Water Affairs has provided 2m people with a basic water supply within 200 meters of their dwelling. The target is to provide water to 90% of the 18m people without access by 2004.
- The Minister of Housing says 700 000 subsidies were allocated and 600 000 dwellings built or are under construction by September 1998 (Business Day, 23 October 1998).
- The child social security system has been radically overhauled and since January 1998 a new grant to reach 3m children, as opposed to 200 000 in 1995, in five years has been phased in. The pension system is being modernised and extended to all potential beneficiaries. Welfare and social security subsidies account for 26% of the income of the poor.
- Primary care continues to receive more of the health budget and free care is provided to pregnant mothers and children under 6. A nutrition programme targets more than 12 000 primary schools.
- Impressive delivery records have been achieved in new electricity connections in rural areas and new telephone connections. Eskom and Telkom have consistently met their targets over the last few years.

A superficial glance at these trends substantiates government insistence that significant progress has been made in reorienting priorities and improving the scale of service delivery to the poor. The delivery figures over time also show that most line ministries used the first few years to formulate new policy frameworks to reorient their organisations. This was accompanied by large-scale reorganisation to create an appropriate institutional framework to deliver on the new policy mandates. It is thus not surprising that almost all trends are well below target initially and increase exponentially by the third year as new frameworks and systems begin to bear fruit. But some departments have been less successful than Water Affairs and Health and continue to battle to turn the ship.
DELIVERY CONUNDRUMS AND CHALLENGES

An important part of assessing government’s track record on providing social services to the poor is a discussion of the many (expected and unanticipated) difficulties most line departments have experienced in seeking to implement their programmes. These issues begin to place in context the numerical scorecard often cited as proof that government is making substantive progress.

First, it has been extremely complex to re-orient large bureaucracies from narrow, legalistic, service delivery to an approach which integrates development goals with performance and a commitment to redistribute resources to the disadvantaged. Second, an important, crippling, stumbling block is the culture of corruption and nepotism in the public sector, particularly in administrations inherited from former homelands. The crisis in pension pay-outs due to overspending in the Eastern Cape in 1997 is a classic example, as is theft of school textbooks and corruption surrounding the Nutrition Programme. Pensions, child maintenance grants and housing have been chief targets of corrupt practice. Recent high level processes in government, in the wake of the Presidential Review Commission Report, to directly address corruption in 1999 indicate the political will to deal with this issue.

In spite of this rigorous approach, recent research by Idasa reveals that it is not necessarily the poorest who benefit from these improvements in service delivery. For example, its research shows that the ‘ultra poor’ (income below R178 a month) are 29% of the population but receive only 20% of the education budget (Adelzadeh, et al. 1998; Idasa 1998). This leads Idasa to argue for ‘finer expenditure targeting’ to ensure that budget priorities truly prioritise the poor in direct ways. This is certainly a start, but linking reprioritisation to direct benefitation of the poor through improved performance also requires addressing other difficulties that have emerged in reorienting delivery to the poor. Some of these issues will be explored below.

A third problem, especially in provincial and local government, has been poor infrastructure and systems to achieve effective and transparent financial management and control. In local government, service delivery continues to be hamstrung by low payment for rates and services. Rigid division in most government institutions between policy-making and financial planning and expenditure have often increased financial management problems. It means that even if a national department or municipality gets its financial system in good shape, the latter often undermines the (developmental) policy goals because it does not understand the need for reallocations and different ways of service delivery (Folsher 1997).

Fourth, a related and rather more complex problem is overwhelming evidence of inappropriate and inadequate capacity in provincial governments. This is a deep problem for achieving optimal effectiveness in extending social services to the poor, because key services such as health, education, social security, municipal infrastructure subsidies are all channelled through this sphere of government — 60% of the national budget (Lever and Krafchik 1998). A government review of the administration of every department in the provinces between October 1996 and May 1997 found that most have no mechanisms to know how effective they are; they do not know how well they are doing their job. The
review also established that the rigidities of public sector regulations actively militate against excellence in service delivery. The report provides a host of other important insights into the precise debilitating at provincial level, and manages to capture the dilemma that almost all line departments have new strategic objectives and development visions, but the operational and institutional frameworks and practices are in stark contradiction to them. This structural knot will require drastic reform, re-training, institutional re-engineering and time to unravel. No equivalent audit exists of local government capacity, but a narrow review of municipal financial viability has already confirmed similar constraints at that level, and severe financial and skills deficiencies.

The fifth set of issues pertains to the lack of integration and co-ordination between the delivery strategies of line departments aimed at reducing poverty. A recent review commissioned by the Department of Constitutional Development on an ‘indigence policy’ for government argues that ‘it is possible to alleviate poverty through targeted, appropriate and sustainable action in specified geographical areas; effective anti-poverty action must be built on a disaggregated understanding of the causes of poverty; the most appropriate scale for anti-poverty action is the local authority’ (Parnell, et al. 1998: 5). But a precondition for effectiveness is that different programmes need to be co-ordinated and must use the same approaches to understanding and targeting poverty. Otherwise, efforts will be counterproductive; municipalities are often undermined by contradictory planning frameworks, procedures and assessment criteria. A glance at the differing definitions of ‘the poor’ and targeting instruments between line ministries is enough to underscore that much work is needed here. Once line department programmes set off on different tracks, it is very difficult to undermine the logic they have set in motion.

An interesting, more recent, development is the constraining of line department expenditure as they achieve high output. The Department of Housing had to cut its provincial allocations and approval of subsidies when it became apparent that some provinces would over-spend. The Department of Water Affairs recently indicated that it is R300m short to meet its obligations for 1998/99 and finish projects that have been started (Business Day, 31 August 1998). This ceiling is determined by the Department of Finance, which is seeking to regulate government spending within the limits of GEAR’s deficit targets. A relatively new trend — overspending — indicates a phase in which government departments have largely overcome their institutional blockages which hampered delivering at full capacity, resulting in the depletion of their full allocations. It therefore signals a period where the claims of NGOs and social movements about government’s lack of fiscal commitment to increase social service budgets begin to bite.

Last, a more obscure issue, which arguably impacts on the ability of political leaders to promote sound development policies. In particular, the ANC's political decision-making structures outside of elected government have played a very powerful role in making key policy choices. These have tended to be based on political fault-lines in the party, not necessarily the soundest policy choice. It is difficult to assess the exact significance of this for the poor, but it points to a critical dimension in political decision-making which affects prospects for sound policy-making and implementation.
RECASTING THE DEBATE

The picture that emerges from this discussion is indeed mixed; on the one hand, government has made some impressive gains in formulating fairly sophisticated policies and delivery frameworks in a relatively short time. As a consequence, we have witnessed particularly impressive results in primary health extension, water services and rolling out electricity and telephone connections. On the other, delivery is still hamstrung by weak capacity in provinces and local government, poor service ethos and culture in the public sector, stubborn vestiges of corruption and nepotism which undermine delivery programmes. Given this complex canvass, how do we think about the future and anticipate likely developments?

The debate will turn on three key axes: the success of partnership frameworks for delivery; institutionalising sophisticated information systems based on indicator frameworks that can simultaneously improve performance through monitoring, enhance accountability through disclosure of achievements and failures and enhance inter-governmental efforts; and the framing of inter-sectoral and inter-departmental policy frameworks.

The dominant theme in the discussion on effective service delivery will be partnerships, private-public-community collaboration and co-ordination. Given the budget constraints established by GEAR, the stagnating economy and concomitant expanding pressure on the fiscus to alleviate poverty, the government will increase its policy commitment to a partnership framework to improve efficiency and achieve targets. But the withdrawal of civil society from this debate, often on the basis of an ideological discomfort with partnership approaches, is a serious problem, because the approach will only be sustainable if poor communities and non-profit and volunteer associations become part of the partnership ambit. International evidence is beginning to show that direct and substantive community participation in ‘inter-sectoral collaboration’ (between the state, private sector, and community) and ‘inter-institutional learning’ are critical factors to enhance innovation and achieve sustainable strategies (Waddell 1998; Chambers 1998; Douglas 1998).

The introduction and sophistication of information systems in and between government departments and spheres will be critical. It will reveal success in embedding a nuanced understanding of poverty in government and the degree of co-ordination as reflected in inter-sectoral strategies and common targeting. The other advantage of good information systems - indicator, monitoring and review frameworks - is that they induce institutional learning by (potentially) strengthening accountability to service users and creating a review and performance improvement loop (Parnell, et al. 1998). The establishment of the Co-ordination and Implementation Unit in the Deputy President’s Office and its commitment to an interdepartmental forum on poverty alleviation is a sign that this is being addressed with some urgency. Again, the worrying factor is that civil society organisations have been slow to engage with this process and insert a perspective based on the experiences and needs of the poor themselves.

Last, the extent to which these trends will lead to improved service delivery to the poor depends on the emergence of a substantive inter-sectoral policy framework that becomes
a government-wide approach. By definition, such an approach would continuously evolve and draw directly on the voices and survival practices of the poor. International trends and initial local research suggest that current social services can alleviate poverty, but are a long way from creating dynamic interventions and incentives to empower the poor to step out of it (May et al. 1998). The enduring test is whether the poor themselves are in a position to assert their constitutionally embedded rights to a humane and democratic life-space.

CONCLUSION

The government has made significant progress in reorienting social services to the poor by laying the policy foundation for targeting support through physical and social infrastructure, subsidies, grants, and participative governance approaches. In a narrow sense we are likely to see increased institutional proficiency in ensuring that these opportunities and resources reach the poor. But given the depth and scale of poverty and inequality, much more fundamental innovations are required to ensure that the multiple strategies are indeed co-ordinated and mutually enhancing through a coherent anti-poverty policy framework. There is a real possibility that this will not materialise due to the narrow monetarism and managerialism of GEAR; the continued absence of civil society involvement in piloting, critique and joint delivery; and the perpetuation of departmentalism which militates against an integrated approach. In the meantime the poor will continue to fend for themselves and exploit opportunities that may arise through improved delivery of social services, through the prism of their priorities, interests and pleasures.

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