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**Vulnerability of old age pensioners to micro-lending schemes: The case of Mlungisi
location in Lukhanji Municipality in Queenstown**

By

Zukisa Hola



**A dissertation submitted in fulfillment of the requirements for a Master's Degree
in Social Work**

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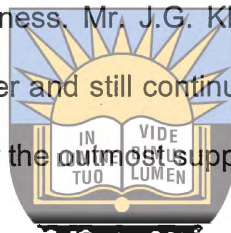
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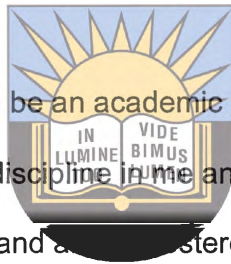
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“If GOD is with us who can be against us”

ABSTRACT

The study investigated the vulnerability of old age pensioners from micro lending schemes, a case study of Mlungisi location in Queenstown. A qualitative approach was employed in this study, which was carried out among 20 participants, 10 old age pensioners, which comprises of both male and female from Mlungisi Location, 5 Micro lenders from the same area and 5 government service practitioners from Queenstown. Non-probability sampling methods and purposive sampling techniques were employed to select the sample. The data was collected by means of one-to-one in-depth interviews and a once-off focus group discussion.

The findings of the study revealed that most of the 100% old age pensioners are customers of micro-lending schemes: only 30 percent made use of cash loans when they were employed and after retirement they make use of extra financial support from their employed children, unemployment fund and old age pension grant. The study found out that some of the old age participants go to micro lenders voluntarily and it is their lifestyle to make use of micro lenders.

The logo of the University of Fort Hare, featuring a shield with a sunburst at the top, a book in the center, and the motto 'LUMINE TUO VADIT BIMUS LUMEN' on a banner below the book.

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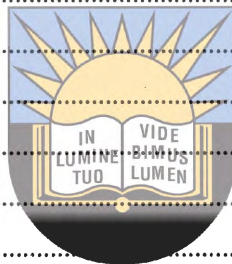
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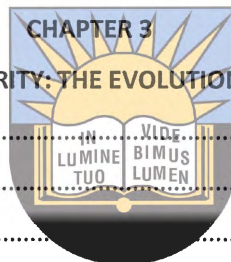
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Acronyms used in the research

CDW : Community Development Worker

Cllr : Councillor of the ward

SASSA : South African Social Service Agency

SAPS : South African Police Services

DSD : Department of Social development

NSFAS : National Student Financial Aid Scheme

FGD : Focus Group Discussion

RDP : Restructuring Development Programme



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CHAPTER 1

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 Introduction and background

An old age grant is a monthly income provided by the South African Social Security Agency to older people age 60 years or older to see them through their old age. The old age pension grant is received by someone who is at an old age and it is rendered by means test. Meyer and Green (2007) state that Older persons constitute a fastest growing population in many nations around the world. Old age as the fastest growing population also contribute to a mainstream income for the poorer families. This research seeks to expose the issues that relate to consequences to vulnerability of old age pensioners to micro lending schemes, also to explore the lifestyle and social disengagement of geriatrics from society as an influential factor to financial abuse for primary socialisation.



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Quigley (2003) argues that social programmes and social policies are provisioned to enhance the socio-economic strength of the old age pensioners, however, the source of social security has now become a contributory asset to the poorer families and a an emphatic social relief. The South African government is providing old age grant through means test as opposed to Namibia and Botswana where it is universal. Theresa, Radwan and Morgan (2010) have noted that bankruptcy particularly on the elderly and near-elderly (age 55) have a rise in annual insolvency filings. The South African Constitution section 152 has provision for its people both the young and the old by providing social services such as grants. These are provided in order for citizens to benefit economically, that means it alleviates poverty, socially it promotes

independency and health-wise it allows those legible to access free public health system. There are also other kinds of social services which are in a form of programmes such as victim empowerment, probation services (Marais: 2011). According to the South African Government Committee of Inquiry 2002 into Comprehensive Social Security, the pension is the main source of income for older people who would otherwise be living in poverty. It is estimated to reduce the poverty gap (scale of poverty) for older people by 94 per cent. The South African old age grant was introduced for the first time in 1928; back then was used to be called the old age pension and was only granted to whites and coloureds subject to age criteria and these were means tested to ensure that only the needy were targeted. Race was a determining factor assessing eligibility in terms of the Old Age Pension Act No. 22 of 1928. The increase of unemployment and inequality in South Africa was a determining factor to the vulnerability of geriatrics to old micro lending schemes because the extent of the problem in the family determines the extent of victimization of the old person and as well as food prices that have a direct impact on the well-being of the poor (Gurthie, 2002).

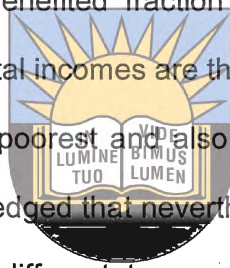


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The white paper of South Africa outlines that there are social welfare programs that can bring social relief from poverty when they are addressed as per social policies, enabling developmental services, social protection that would ensure that people have adequate economic and social protection during times of unemployment, ill-health, child rearing, disability and the vulnerable older persons. It furthermore affirms that when these policies are met they will release people from poverty trap; however there are programs which show commitment of the state but do not address the problems faced by the older persons because of lack of education and financial literacy by old persons and their illiterate families living in poor conditions. Committee of Inquiry, (2002) into Comprehensive Social Security herein stets

that, there are findings that the old age grant is the primary source of income for older persons who would otherwise be living in absolute poverty and is estimated to reduce the poverty gap for older people by 94 percent. Other researchers gave evidence that the old age pension is an effective tool of redistribution and reaching poor households and observed the benefiting of children from the grant as older people are supporting them economically and neglecting the purpose and provision of this old age grant.

Herein evidence note that the most benefited fraction of children are those living with a pensioner in households where per capital incomes are the lowest. Therefore, the children who benefit most from the pension are the poorest and also families who visit micro-lenders are from the poor background. It is acknowledged that nevertheless, the author finds evidence that expenditure patterns are different for different types of households. Female beneficiaries spend their grant on food, clothing, educational and healthcare needs of the children in their care and the lifestyle as the determinant of exposure to financial abuse.



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Sagner (2000), argue that the old age pension was shaped by three factors, namely, capital industrialization mediated by the character of existing public social provision and with regards to the Africans segregationist policies, cultural and ideological movements and class politics. The author points out that in the early 20th century structural transformations in the political economy lead to white elderly people becoming financially dependent on their families. (Committee of Inquiry, 2002)

Patel 1992, state that South Africa under apartheid era, social service values came to be increasingly at odds with the political system, as people in order to survive, organizations and individuals compromise and accommodated to the prevailing laws and policies, resulting to

some completely assisted others to a greater or lesser extent. Furthermore social service values were trodden underfoot in favour of policies founded on racial domination and the preservation of privilege. The apartheid policies of social welfare continue to present challenges and impact on social welfare policies and practice even in the current South African democracy context. Old age pension contributes significantly to supporting poverty-stricken household and in particular rural households. Without the contribution of social grant, poor people particularly in rural areas will not survive (Nyanguru, 2003).



Elders become victims of abuse in the name of old age grant in so many ways, such as financial abuse, cashing an elder person's cheques without authorization, forging their signature, misusing or stealing their money and improper use of power of attorney, physical abuse whereby an elder is being beaten, pushed and or kicked because refuses with the money and emotional abuse where pain or distress is inflicted on the elder through verbal or non-verbal acts. They can also be some kind of danger to themselves too, regarding self-neglect, threaten their own health and safety by failing to provide themselves with adequate food, water, clothing, shelter, personal hygiene and medication.

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This research provides evidence to vulnerability of Old age pensioners to micro lending schemes and how it emanated from various countries around the world and specifically in South Africa to the country's communities, risk factors that make older persons to be vulnerable to financial mistreatment, indications of financial abuse on older persons, crimes committed against elderly people that are motivated by their finances and assets, impact of elder financial abuse, barriers that make it difficult to detect elder financial abuse, proposed solution to elder financial abuse, South Africa's legislation that promote the well-being, interests and rights of older persons, role of the Department of Social Development in

addressing the well-being, interests and rights of older persons, international and regional agreements regarding older persons. According to Phakathi (2011) elderly abuse is relatively a new phenomenon that has remained a hidden and taboo subject throughout history, not only in South Africa, but globally, and is emerging as a social problem that requires the attention of the policy makers. Elder abuse is a very complex issue that has been very slow to capture the public eye and policy as per this research's result governmental programs must pay attention to vulnerability of geriatrics to micro lending schemes especially during the process of distribution of social grants.



However, abuse more especially financial abuse has gained attention from policy makers and researchers around the world in the last decade caused by indebtedness (Kemp & Mosqueda, 2005). Significantly geriatrics dis-engages themselves from society and look after the family and that incorporates not only affection and love for the family, also in return acceptance and sense of belonging into the family. The sacrifice comes with a price of being vulnerable to the primary society the elderly belongs in; then to society because there will be a need to fulfil stability and order and utilise the old age grant for family rather than self satisfaction to find gratification of sense of belonging to the family.

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Experience in a number of countries indicates that, when older people bring resources into the household, they are viewed as valuable family members, rather than as a burden. Older people in Nepal and India, especially women, have commented that having a pension has given them a sense of self-worth and increased their status and social recognition within the family. For older people in good health, access to a dedicated cash transfer can strengthen their capacity to contribute to household welfare, strengthen their position of household heads and enable them to hold families together in the face of crises associated with AIDS and

extreme poverty. In the case of very old and frail individuals, access to a dedicated cash transfer may at least guarantee a basic level of care and status within households and reduce the risk of abuse (Gorman: 2004). Marais (2011) believes old age grant is the primary welfare system of the country to tackle poverty and an effective alleviation tool. Vulnerability to micro lending schemes effectively is determined by the responsibility and obligation to provide for the entire family. Thus detailed results to the gaps left by other researchers are provided as empirical evidence for influencing South African governmental policies.

1.2 literature review

The following section is presenting various literature review discourses that are relevant to the study.



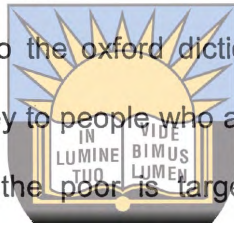
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1.2.1 Old age pensioner's vulnerability

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Micro lending schemes have taken advantage of the social service provided for old age recipients and caused them to become dependent on their robust economic abuse. Theresa, and Radwan and Morgan (2010) have noted that bankruptcy particularly on the elderly and near-elderly (age 55) have a rise in annual insolvency filings. South African Constitution has provision for its citizens both young and old by providing social services such as a variety of social grants (Marais, 2011). These are provided in order for its citizens to benefit economically, socially and health-wise. Economically, its aim is to alleviate poverty. Socially, it promotes independency and health- wise it allows those legible to access free public health system. The government makes provision for the delivery of services for the elderly person and the proviso is made in a language that is not provisional to the mother tongue (Xhosas) of the Black majority.

Illiteracy is a challenge to older black people because the information that should liberate their understanding is communicated in a language foreign to them and then services offered do not serve the purpose as per the White Paper and Constitution of South Africa (white paper, 1997). Therefore intended services do not serve the intended purpose. As per the census statistics of South Africa conducted in 2005 shows that there are 2.2 million elderly persons from the age 65 to 85+ and from those statistics 68.9% is black population as compared to other races standing at 21.6% White elderly persons, 7.2% that are coloureds and 2.3% Indian population (Census, 2001). According to the oxford dictionary micro finance is a system of providing services such as lending money to people who are too poor to use banks. From the statement, the researcher draws that the poor is targeted by these schemes and most particular the elderly persons who cannot utilise banks because of illiteracy (Hornby, 2010).



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This can all be attributed to the apartheid regime where provision of social pensions were granted to whites and coloureds subject to age criteria by 1928 and these were awarded through means-test to ensure that only the needy were targeted. Race was a determining factor in assessing eligibility in terms of the Old Age Pension Act No. 22 of 1928. The segregation gap then opened vulnerability that lead to these micro-lending schemes to act as remedy but at the end of the day, they are taking more than they are giving. The researcher intends to establish the vulnerability of old age pensioners to micro-lending schemes which poses a negative effect in the welfare of older people post-apartheid era in a particular area of Mlungisi Location in Lukhanji Municipality.

The researcher intends to close the gaps which are left out by other researcher, such as vulnerability of elderly persons to micro lending schemes. Marais (2011) indicates the importance of the value of knowledge by the older persons about old age grant on welfare

system of the country as a poverty alleviation tool. It is crucial that black old age pensioners are provided with knowledge in a language understood by them as well as acquiring crucial information why these pensioners then opt to micro-lending schemes for additional money. Until these have been clearly understood, then protection and prevention would be provided to achieve the purpose of old age pension, its provision and its aim thereof. Engelbrecht 2009 further supports that household debt has significantly grown over the past twenty years in South Africa causing disposable income, financial assets and net prosperity to deteriorate. Van Tonder (2008) views the impact from the lack of education and social support which underpins the social development philosophy. The ideal is to promote social welfare and enhancing the capacity of households by Social Workers as development paradigm to households has the inability or lack of opportunity to improve itself over time or to sustain itself through difficult times.



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1.2.2 Social instruments on social welfare

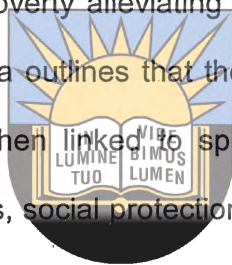
According to Nicholas (2010), social policies are instruments that show the welfare system of that particular area that needs to address rigid social problems, and promote the social well-being of its population. Furthermore, the culture and norms of the area may also influence the direction of social policies. However South Africa has its policies that some were amended in the post-apartheid era and they include policies that address the issue of the growing HIV/AIDS epidemic and the issue of poverty. In these issues child support grants, old age grants, disability grants play a significant role and may influence positive lifestyle.

Social Security Administrators attest through research that without social security benefits poverty level would increase from 9.8% to 47.9% for all older persons and also for those at the age of 80 years it would escalate from 11.4% to 59%. Micro-lending schemes then act as

secondary lending reformatories and provide aid to those who live on poor conditions and have family with lowest income (Radwan and Morgan, 2010). Furthermore, research findings indicate that the vulnerability of the elderly to micro-lending schemes may be a proof that social security falls short to be the sole source of retirement. Nevertheless, old age pension is provided to the old from the age 60. Financial advisors also indicate that a person in order to live a comfortable life needs 70% of pre-retirement plan (Holzman and Hinz, 2005).

South Africa currently has among its poverty alleviating tools social security benefits Marais (2011). The White Paper of South Africa outlines that there are social welfare programs that may bring social relief from poverty when linked to specific social policies. The programs provide enabling developmental services, social protection that would ensure that people have adequate economic and social protection during times of unemployment, ill-health, child rearing, disability and the vulnerable older persons (White Paper, 1997). It furthermore affirms that when these policies are applied they may release people from poverty trap. Although some of these programs show commitment of the state, they may not necessarily address the problems of economic abuse by micro-lending schemes faced by the older persons.

Holzman and Hinz (2005) provide detailed information on the policy created by the World Bank to support old age in terms of lending additional support that is then charged at 30% from countries. Furthermore, on their provision they have noted that even within this broad range of reform structures, the World Bank has focused primarily on lending more money to the country. This is to seize the implementation of micro lending schemes who pirate on old age pensioner's grants.

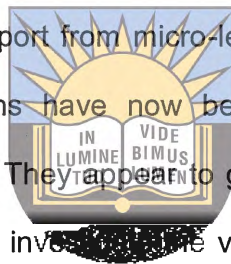


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Many older person cannot recover from increased debts in this era where employment is prohibited with age even to the most literate elder to find an additional job, lack of income and inability to increase future income then render the safety net not feasible or desirable to sustain comfortable life for adequate living, paving opportunity to the micro-lending schemes to close that gap of additional income (Radwan and Morgan, 2010).

1.3 Problem statement

Old age pensioners acquire money support from micro-lending schemes as means of social security supplement. Many old persons have now become vulnerable victims of these schemes (Radwan and Morgan 2010). They appear to generate profit for the micro lending schemes. Therefore, this study seeks to investigate the vulnerability of old age pensioners to micro-lending schemes and how the vulnerability of old age pensioners to social security contributes to their vulnerability in Mlungisi Location.



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1.4 Aims of the study

The main aim of the study is to examine the Vulnerability of the old age pensioner(s) to micro-lending schemes.

Moreover the objectives are:

- To establish whether old Age pensioners are vulnerable or they choose to acquire services from micro-lenders.
- To find out the catalyst factors that leads the elderly persons to acquire additional funds from micro-lending schemes.

- To establish from micro-lending schemes the kind of services they provide to old age pensioners.
- To establish how the micro lending schemes affect the elderly in receipt of the old age pension grant.
- To find out how social service practitioners could assist the old age pensioners to curb micro lending practice schemes.

1.5 Research questions



- Are Old Age pensioners vulnerable to micro lending schemes?
- What are the reasons for old age pensioners to acquire assistance from micro-lending schemes?
- What services do micro-lending schemes provide to old age pensioners?
- How do micro lending schemes impinge on the elderly in receipt of the old age pension grant?
- How do Social service practitioners feature in curbing victimisation inflicted by micro-lending schemes to these old age pensioners?

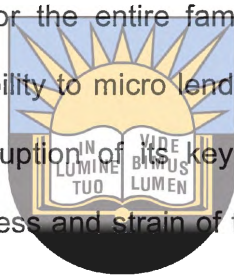
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1.6 Theoretical framework

This study builds on two theories, the disengagement theory and lifestyle and exposure model.

1.6.1 Disengagement theory

This theory was formulated in the early 1960's by social scientists Elaine Cumming and William Henry (1961). This theory states that in every society, the elderly undergo a process of adjustment in which they leave important public roles and narrow their social world to family and friends. They may have to fend for the entire family due to poverty and poor living conditions and this may lead to vulnerability to micro lending schemes. This process benefits societies by avoiding the potential disruption of its key members dying suddenly. It also enables individuals to die without the stress and strain of fuller participation in social life. This theory become applicable to the research as an emphasis that old age pensioners are selflessly engaged into providing for close family to maintain family bonds and play the parental root even to grandchildren. Thus, the older persons acquire secondary assistance from micro-lending schemes.



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However, the **lifestyle and exposure model** of Hindelang et al (1978) states that in order for a person to become a victim there must be exposure to risk and opportunity for victimisation and his or her lifestyle is closely related to demographic characteristics such as, age, gender, marital status and to a lesser extent to race or income. This model will be applicable in the research as it provides that old age pensioners become victims because they have a great relationship with micro lending schemes and they find themselves being victimised because they often go for secondary assistance. The model further outlines that what people do, the manner they behave or their lifestyle is the one that determines the extent to which they will be victimised (Davids and Snyman; 2007).

1.7 Significance of the study

- The study will benefit the Department of Social Development and SASSA on how older people use the old age grant.
- The study will alarm the South African government to make provision for prevention and protection of victimization by micro-lending schemes to older persons
- The study will also help the society to gain knowledge on how to use the old age grant in an effective way, rather than putting older persons to insolvency by going to micro-lending schemes.
- The study will alert the government about the micro lending schemes problems that are faced by older people.
- The study will be published for researchers to utilise as terms of reference and as literature reviewal.



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1.8 Research methodology

Research methodology refers to a structured process of conducting research. Methodology usually includes various terms considered to include research design, data gathering and data analysis (De Vos, 2005). Rosseau (2002) states that it is a method used for gathering, recording and analysing of facts about problems relating to household.

1.8.1 Research model

The methods that researcher will use in the study is qualitative research model. De Vos (2005) refers to qualitative research as the research that prompts participant explanations of meaning, experiences or perceptions. This form of methodology gives the researcher to acquire more

information and probe deeper on issues that might appear as experiences of the participant during the interview.

1.8.2 Research domain

The target population of this study will be the Community of Mlungisi Location in the Lukhanji Municipality. The researcher decided to conduct this study in this community because this community is the hometown and will be of easier access to the researcher and save the costs and time to research and as well as a process of reinvesting knowledge back to the community.



1.8.2 Data collection

An in-depth interview will be used for old age grant recipients who are recipients of the old age grant. In-depth interviews will be the tool utilised to collect data because they will give the researcher an opportunity to ask for follow up questions as the interviews will be in a form of open-ended questions. In-depth interviews are advantageous to the respondents when they reply. They also get time respond freely to answers and develop supporting statements to his or her point of view without any disruption by other respondents during the focus group discussions. (Babbie, 2011).

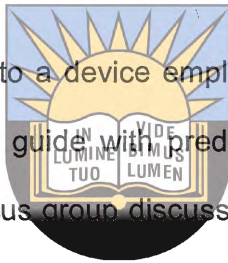
1.8.3 Data collection instruments

- **Individual interviews:** individual interviews will be conducted with 10 old age grant recipients of Mlungisi location in Lukhanji municipality in the area of Queenstown. To get each participant's experience about micro lending schemes. Furthermore, the researcher will also look at the perspective of 5 micro-lending schemes that provide these lending services to Old Age pensioners.

- **Focus group:** The research questions stated above call for empirical data that is obtainable by using qualitative method. The qualitative techniques to be utilised are important informative in-depth interviews with 5 local service providers as focus group discussions (FGDs) who are South African Police Services (SAPS), Department of Social development DSD, South African Social Service Agency (SASSA), Community Development Worker (CDW) and Municipal councillor (M Cllr)

1.8.3.1 Instruments for collecting data

An instrument for collecting data refers to a device employed to collect data (Babbie, 2010). The researcher developed an interview guide with predetermined open-ended questions to guide the one-to-one interviews. The focus group discussion was guided by means of a list of topics or issues to be pursued by the focus group (Terre'Blanche et al., 2011).



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1.8.3.2 Sample of analysis

The study will make use of 20 sample size participants who are from Mlungisi location in the Lukhanji Municipality in Queenstown.

1.8.3.3 Sampling procedure

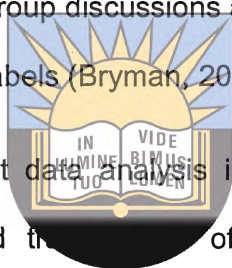
A purposive sample, also commonly called a judgmental sample, is one that is selected based on the knowledge of a population and the purpose of the study (Klenke, 2005). The focus group discussions and the in-depth interviews will be administered by the researcher. Old age pensioners will also be interview individually on purpose of data trustworthiness that will be ensured through accurate translation of conversations from mother tongue into English (De Vos, 2011). Snowball sampling will be used to allocate micro lending schemes. It is used to identify some members of the community who will then direct the researcher to other relevant

samples of the population as they are known to the old age pensioners (Marlow and Boone; 2011).

1.8.3.4 Method for data analysis

Qualitative data from interviews and focus group discussions will be analyzed thematically by grouping data into themes and sometimes quoting what will be said during interviews. Data will be arranged in themes according to the research questions for thematic interpretations. Data coding will be utilised to analyse focus group discussions and it allows data to be broken down into their component part and be given labels (Bryman, 2012)

Alpaskan and Mabutho (2005) state that data analysis include familiarization with the data through review, reading, listening and transcription of recorded material, which include anonymising sensitive data, coding, indexing of data for easy retrieval and identification and exploration of relationships between categories and refinement of themes.



1.9 Envisaged ethical consideration

Denscombe (2002) defines ethics as the system of moral principles by which individuals can judge their actions as right or wrong, good or bad. In any research design, the study should assess the potential for risk such as physical, psychological, social, economic or legal harm to participants. The study followed the ethical consideration and the participants were made to sign the informed consent agreement form to show that they participated on their own free will (see Appendix E).

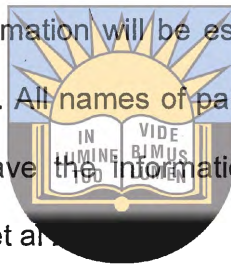
1.9.1 Vulnerability

The researcher did not mislead the old age pensioners and induced them to participate in the research. Furthermore, the researcher understands subject participate at own free will and the

researcher did not promise the old age pensioners anything in return for taking part in the research.

1.9.2 Confidentiality

Researcher will inform the participants that the information shared during the research is confidential and will remain within the participants and the researcher. However, confidentiality in research is relative because the information will be escalated to the supervisor therefore, making confidentiality not to be absolute. All names of participant's will be confidential so that no one will be able to identify who gave the information. The researcher intends to use pseudo-names or respondents (De Vos et al



1.9.3 Protection from harm

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The researcher will promise the participants that during the process of research, neither will harm them either physically nor psychologically and emotional in the process of investigation (De Vos, 2011). The researcher as the professional registered social worker will provide immediate counselling on negative feelings that may be aroused from participants.

1.9.4 Anonymity

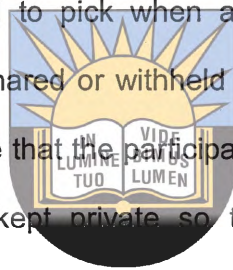
The participants will be assured by separating their identity from the information they give by using an alias name or pseudo-name of respondents. A participant is considered anonymous when the researchers or other persons cannot identify particular information with the researcher unable to associate a name with the data, then the identity of the participant is secured even though sensitive information may be revealed (De Vos et al 2005).

1.9.5 Informed Consent

The participants have a full right of refusing to participate in a research that is why it is necessary to fully inform them about the topic of study before the researchers start, so that they can participate in their own free will and know that they can stop at any time. The researcher will provide the respondents with a contract that is clear and legible.

1.9.6 Privacy

Right to privacy freedom of individual to pick when and how information beliefs, views, behaviour, attitudes and opinions are shared or withheld from others (De Vos at al 2005). In the study the researchers will make sure that the participants right to privacy will be respected by all means, their opinions will be kept private so that only the researchers and the participants knows whose ideas were used by providing pseudo-names.



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1.10 Conclusion

This chapter provided an introduction and the background to the study. The problem statement was also presented and the significance of the study was explained. The limitation of the study will be discussed in Chapter Four, which covers the methodology employed. The following chapter will extensively review the literature dealing with social security, the vulnerability of old age pensioners from micro lending schemes and what social instruments are employed for social security.

CHAPTER 2

SOUTH AFRICAN SOCIAL SECURITY ASPECT AND MEANS TEST

2.1 Introduction

An old age grant is a monthly income provided by the South African Social Security Agency to older people age 60 years or older to see them through their old age. The old age pension grant is received by someone who is at an old age and it is rendered by means test. Meyer and Green (2007) state that Older person constitute a fastest growing population in many nations around the world. Old age as the counted growing population also contribute to a mainstream income for the poorer families. Research seeked to expose the issues that relate to consequences to vulnerability of old age pensioners to micro lending schemes, also explored the lifestyle and social disengagement of geriatrics from society as an influential factor to financial abuse for primary socialisation.



2.2 means test of old age pension grant

Quigley (2003) argues that social programs and social policies are provisioned to enhance the socio-economic strength of the old age pensioners; however, the source of social security has now become a contributory asset to the poorer families and an emphatic social relief. The South African government is providing old age grant through means test as opposed to Namibia and Botswana where it is universal. Theresa, Radwan and Morgan (2010) have noted that bankruptcy particularly on the elderly and near-elderly (age 55) have a rise in annual insolvency filings. The South African Constitution section 152 has provision for its people both the young and the old by providing social services such as grants. These are provided in order

for citizens to benefit economically, that means it alleviates poverty, socially it promotes independency and health-wise it allows those legible to access free public health system. There are also other kinds of social services which are in a form of programmes such as victim empowerment, probation services (Marais: 2011). According to the South African Government Committee of Inquiry 2002 into Comprehensive Social Security, the pension is the main source of income for older people who would otherwise be living in poverty. It is estimated to reduce the poverty gap (scale of poverty) for older people by 94 per cent. The South African old age grant was introduced for the first time in 1928; back then was used to be called the old age pension and was only granted to whites and coloureds subject to age criteria and these were means tested to ensure that only the needy were targeted. Race was a determining factor assessing eligibility in terms of the Old Age Pension Act No. 22 of 1928. The increase of unemployment and inequality in South Africa is the determining factor to the vulnerability of geriatrics to old micro lending schemes because the extent of the problem in the family determines the extent of victimization of the old person and as well as food prices that have a direct impact on the well-being of the poor (Gurthie, 2002).

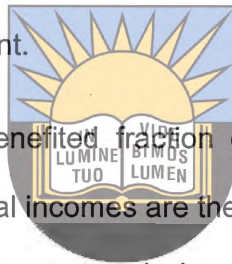


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2.3 National discourses on social welfare policy

The white paper for Social Welfare (1997) outlines that there are social welfare programs that can bring social relief from poverty when they are addressed as per social policies, enabling developmental services, social protection that would ensure that people have adequate economic and social protection during times of unemployment, ill-health, child rearing, disability and the vulnerable older persons. It furthermore affirms that when these policies are met they will release people from poverty trap; however there are programs which show commitment of the state but do not address the problems faced by the older persons because

of lack of education and financial literacy by old persons and their illiterate families living in poor conditions. Committee of Inquiry, (2002) into Comprehensive Social Security herein states that, there are findings that the old age grant is the primary source of income for older persons who would otherwise be living in absolute poverty and is estimated to reduce the poverty gap for older people by 94%. Other researchers gave evidence that the old age pension is an effective tool of redistribution and reaching poor households and observed the benefiting of children from the grant as older people are supporting them economically and neglecting the purpose and provision of this old age grant.



Herein evidence note that the most benefited fraction of children are those living with a pensioner in households where per capital incomes are the lowest. Therefore, the children who benefit most from the pension are the poorest and also families who visit micro-lenders are from the poor background. It is acknowledged that nevertheless, the author found evidence that expenditure patterns are different for different types of households. Female beneficiaries spend their grant on food, clothing, educational and healthcare needs of the children in their care and the lifestyle as the determinant of exposure to financial abuse.

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Sagner (2000), argue that the old age pension was shaped by three factors, namely, capital industrialization mediated by the character of existing public social provision and with regards to the Africans segregationist policies, cultural and ideological movements and class politics. The author points out that in the early 20th century structural transformations in the political economy lead to white elderly people becoming financially dependent on their families. (Committee of Inquiry, 2002)

Patel 1992, state that South Africa under apartheid era, social service values came to be increasingly at odds with the political system, as people in order to survive, organizations and individuals compromise and accommodated to the prevailing laws and policies, resulting to some completely assisted others to a greater or lesser extent. Furthermore social service values were trodden underfoot in favour of policies founded on racial domination and the preservation of privilege. The apartheid policies of social welfare continue to present challenges and impact on social welfare policies and practice even in the current South African democracy context. Old age pension contributes significantly to supporting poverty-stricken household and in particular rural households. Without the contribution of social grant, poor people particularly in rural areas will not survive (Nyanguru, 2003).



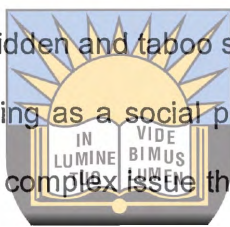
Elders become victims of abuse in the name of old age grant in so many ways, such as financial abuse, cashing an elder person's cheques without authorization, forging their signature, misusing or stealing their money and improper use of power of attorney, physical abuse whereby an elder is being beaten, pushed and or kicked because refuses with the money and emotional abuse where pain or distress is inflicted on the elder through verbal or non-verbal acts. They can also be some kind of danger to themselves too, regarding self-neglect, threaten their own health and safety by failing to provide themselves with adequate food, water, clothing, shelter, personal hygiene and medication (Kemp and Mosqueda, 2005).

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2.4 Risk factors that make old age pensioners vulnerable

This research provides evidence to vulnerability of Old age pensioner(s) to micro lending schemes and how it emanated from various countries around the world and specifically in South Africa to the country's communities, risk factors that make older persons to be


vulnerable to financial mistreatment, indications of financial abuse on older persons, crimes committed against elderly people that are motivated by their finances and assets, impact of elder financial abuse, barriers that make it difficult to detect elder financial abuse, proposed solution to elder financial abuse, South Africa's legislation that promote the well-being, interests and rights of older persons, role of the Department of Social Development in addressing the well-being, interests and rights of older persons, international and regional agreements regarding older persons. According to Phakathi (2011) elderly abuse is relatively a new phenomenon that has remained a hidden and taboo subject throughout history, not only in South Africa, but globally, and is emerging as a social problem that requires the attention of the policy makers. Elder abuse is a very complex issue that has been very slow to capture the public eye and policy as per this research's findings governmental programs must pay attention to vulnerability of geriatrics to micro-lending schemes especially during the process of distribution of social grants.

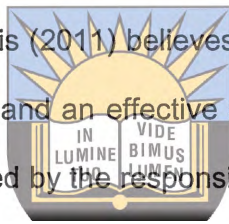


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However, abuse more especially financial abuse has gained attention from policy makers and researchers around the world in the last decade caused by indebtedness (Kemp & Mosqueda, 2005). Significantly geriatrics dis-engages themselves from society and look after the family and that incorporates not only affection and love for the family, also in return acceptance and sense of belonging into the family. The sacrifice comes with a price of being vulnerable to the primary society the elderly belongs in; then to society because there will be a need to fulfil stability and order and utilise the old age grant for family rather than self-satisfaction to find gratification of sense of belonging to the family.

Experience in a number of countries indicates that, when older people bring resources into the household, they are viewed as valuable family members, rather than as a burden. Older

people in Nepal and India, especially women, have commented that having a pension has given them a sense of self-worth and increased their status and social recognition within the family. For older people in good health, access to a dedicated cash transfer can strengthen their capacity to contribute to household welfare, strengthen their position of household heads and enable them to hold families together in the face of crises associated with AIDS and extreme poverty. In the case of very old and frail individuals, access to a dedicated cash transfer may at least guarantee a basic level of care and status within households and reduce the risk of abuse (Gorman: 2004). Marais (2011) believes old age grant is the primary welfare system of the country to tackle poverty and an effective alleviation tool. Vulnerability to micro lending schemes effectively is determined by the responsibility and obligation to provide for the entire family. Thus detailed results to the  by other researchers are provided as empirical evidence for influencing South African governmental policies.



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CHAPTER 3

OLD AGE PENSION AS SOCIAL SECURITY: THE EVOLUTION OF OLD AGE PENSION GRANT

3.1 Introduction

According to Nicholas (2010), social policies are instruments to show the welfare system of that particular area as an attempt to address rigid social problems, and promote the social well-being of its population. Furthermore, he states that the culture and norms of the area also influence the direction of social policies. South Africa has its policies which some were amended in the post-apartheid era. This all dates back to apartheid regime where provision of social pensions were granted to whites and coloureds subject to age criteria by 1928 and these were awarded through means-test to ensure that only the needy were targeted. Race was a determining factor in assessing eligibility in terms of the Old Age Pension Act No. 22 of 1928. Its policies are trying to address the issue of the growing HIV epidemic and the issue of poverty. South Africa currently has no better poverty alleviating tool than its social security benefits states Marais (2011).

SA caters for social security in a form of child support grants, old age grants; disability grants play a large role and influence the social functioning of the society to promote adequate social functioning. Lekezwa (2011) in his dissertation in the University of Western Cape states that the social assistance is a large and fiscally costly component of anti-poverty policy in South Africa and then arrives to a question that, are the grants effective tools for reducing poverty in South Africa and moreover, how significant is their impact on poverty? As a measure of

reducing poverty and improving the non-social indicators of the poor, the government has expanded to social grants since the advent of the new democracy.

Vulnerability of elderly could be explained as a picture that manifests the level of fear and provides one with a crystal understanding of the experiences the old age pensioner goes through and what impacts are brought by victimisation (Doerner and Lab; 2012). Snyman and Davids (2007) on the other hand says that an opportunity has to be there in order for one to be victimised and the entire lifestyle of the old age pensioner contributes to the process of vulnerability. It then supports that these old age pensioners are more prone to micro lending schemes because they constantly visit micro lenders and their routine and lifestyle makes them vulnerable to the financial abuse.



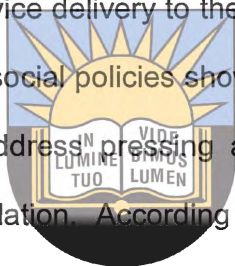
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3.2 Social welfare system

Quigley (2003) detailed the evolution of social welfare system as starting from the pre-colonial era when the Dutch arrived at the Cape of Good Hope, and points out that today's welfare system is shaped by those laws that started back from that time. They further indicate that in the years following World War 2, a great number of welfare entitlements were made available to elderly people and since the birth of the welfare; and have consistently been by far a largest group of consumer benefits. He then argues that the old age pension was a provision made by White ruling party for their elderly persons who became financially dependent on their families and introduced it to Whites and Coloureds in 1928 then broadened it to all South Africans in 1944 furthermore, the social security benefit is aimed at helping people who do not have enough money to live on. People who may get this benefit include people aged 60 and over. In line with the policies set by the government, the approach which the first

democratically elected government chose, is based on the concept of developmental social welfare as it has emerged from the world summit for social development in 1995 and the basic principle of welfare entails that welfare is not only concerned with needy individuals, but has a broader perspective. It looks at wider social processes and structures and aims at changes in the society as a whole.

The literature then provides evidence that the seclusion of different colour played influence to the limping process in distribution of service delivery to the people it is intended to touch so as to address its mission, and as much as social policies show the welfare system of south Africa on how it evolves in an attempt to address pressing and infringing social problems and promote the social well-being of its population. According to Nicholas (2010), he further states



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that the culture and norms of the area also influence the direction of social policies, thus this research gives emphasised answers to vulnerability of old age pensioners to micro lending schemes. South Africa has its policies which some were amended in the post-apartheid era. To understand how old age pension grant can be fully maximised in poverty alleviation; we first need to understand the households in the South African context. South Africa must come with a comprehensive social security system that will address the levels of poverty that has been left unattended to, because the neglect that the government give to uneducated, children in need, and unemployed; collectively will have a negative impact on the Old Age Grant that is designed to be responsible for the elderly's needs. Hassim (2008) argues in complementary to the welfare of South Africa that since 2003 at least one in fourth receives some or other form of grant, therefore making the state as one of the developing world's largest state.

3.3 Social programs

The white paper of Social Welfare outlines that there are social welfare programs that can bring social relief from poverty when they are addressed as per social policies, enabling developmental services, social protection that would ensure that people have adequate economic and social protection during times of unemployment, ill-health, child rearing, disability and the vulnerable older persons. It furthermore affirms that when these policies are met they will release people from poverty trap; however there are programs which show commitment of the state but do not address the problems faced by the older persons. Then the issue is dependent on the administration and distribution of these resources that were intended.



Therefore, this study also depicts the knowledge gap of the old age pension grant on the older persons. The focus is also on the distribution of knowledge to the community because the above information is not transcribed in the language (Xhosa) known by the person the development program is intended for, so making social policies inadequate to address problems faced by older person(s). The main aim of this study is critically examining the vulnerability of the geriatrics in receipt of old age grant as social security in the domain of Mlungisi location in Lukhanji Municipality in Queenstown and in the process examine the socio-economic challenges that the Old Age Grant has on the recipients. Lekezwa (2011) in her dissertation study states that South African development in welfare has been shaped by the apartheid route. When the old age grant began for instance, it was only targeted for the small amount of white poor people but now it has expanded reach a larger number. As the researchers stated that the grant was provided for coloureds and whites, the exclusion of Africans was based on argument that rural kinship provides security in the old age.

McKendrick (1987) in his findings also shares the same view stating that the developmental welfare system used by South Africa now has highly been influenced by apartheid government. Poverty in South Africa is severe for that matter. On the other hand Quigley (2003) also further says that apartheid policies have created a country that still today has one of the highest income inequalities in the world therefore, influencing the majority of people who received oppression with less knowledge and making them vulnerable to various sorts of abuses. Either by close family, friends, the community, society and the system used for the distribution of the geriatrics means of income that is the old age pension grant.

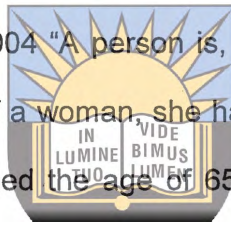


Samson (2002) stands to differ with all the historical debates and base his argument on the existential part of it and says that meanwhile South Africa is facing the challenge of obtaining poverty alleviation; poverty is severely persisting in spite of the social security programme and also there is a gap of knowledge when it comes to providing social security and social grants are distributed and more people are vulnerable to victimization by adjacent and or societal system. Gurthie (2002) on the other hand acclaims that it is the state's responsibility to look after the basic needs of her people, as per that legislative framework, constitution and an international legal commitment. However, legislation is not enough rather social welfare should employ committed and keen assistance that seeks to work interactively with the legislative framework and ensuring service delivery speaks unto the means and it is operating at supply and demand operation.

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Literature provides evidence that historically the provision for the elderly was introduced in 1928 through the Old Age Pensions Act No 22 of 1928. Old Age Pensions and disability grants were extended to Indians and Africans in 1944 and 1947 respectively. The provision for Old Age grant is currently governed by Social assistance Act of 1992, this provides for the

rendering of social assistance to people in need, national councils and welfare organisations. The Act stipulates detailed procedures to be followed in application for old Age pension grant and also including administrative issues regarding signing of forms and detailed personal information. Matters that proved to be a delay in the processing of the application were amended such that the official date of application of grant is no longer the approval date, but the actual date of application and also due to legislative revalidation the waiting period is no longer a year rather 3 months with remuneration from the date of application (Gurthie, 2002). According to Government Gazette of 2004 "A person is, subject to Section 5, eligible for an older person's grant if- (a) in the case of a woman, she has attained the age of 60 years; and (b) in the case of a man, he has attained the age of 65 years." Clearly this rule should be amended to equal age as per the gender forum speaks on gender equality and as well as affirmative action. It poses oppression and towards gender equality and as per the definition of old age it is any person who has reached age 60 which is a minimum requirement.



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Furthermore research gives information that the first comprehensive plan of social insurance began in Germany in the 1880's. In 1883 Germany adopted a program of compulsory insurance against illness, accident insurance followed in 1884; and compulsory disability and old-age insurance was begun in 1889. The German social insurance programs laid the groundwork for social insurance programs of many other countries. The establishment of such broad social insurance programs in Germany accelerated the movement toward income security programs in other countries. On the other hand Denmark studied the problems of replacing income lost or not available by reason of old age and rejected the approach of social insurance and in 1891 it established a program of "pension" to the needy who were over sixty years of age, and national law required local authorities to make payments which although the

amounts were not specified were to be sufficient to maintain the aged person and his family. Old age pension grant is exploited on the entire world as evidence is provided about the founders and other mother countries that studied and adopted the similar provision and provided for its citizens (Gurthie, 2002).

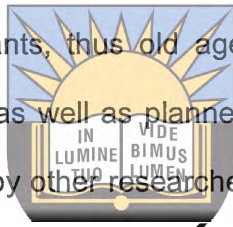
The White Paper for Social Welfare (1997) reflected the ideological views of the Reconstruction and Development Programmes (RDP) and proposed policies and programs for effective and appropriate developmental social welfare services. Among the policies and programs it articulated were those related to families, older persons and children. In the context Social Welfare policies and programs which provide for cash transfers (social assistance grants), social relief and enabling and developmental services to ensure that people have adequate economic and social protection during times of ill-health, child-rearing, widowhood, old age and so on. Social Welfare programmes of this nature contribute to human resource development by enabling impoverished households to provide adequate care for their members especially the old age, children and those who are unable to work to get income and afford basic needs requirements. The apartheid policies of social welfare continue to present challenges and impact on social welfare policies and practice in the current context of democracy in South Africa because there are no current amendments since the amendment policy of 1992 that is being used in this 21st century.



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According to Marais (2011) he stated that, in the past social pensions were granted to whites and coloureds in 1928 subject to age criteria and these were means-tested to ensure that only the needy were targeted. Clearly the adoption for social security was ultimately a provision because of the needs the citizens of the country have rather than their own needs which then provides hindrance to the purpose of the old age pension grant. Race was a determining

factor assessing eligibility in terms of the Old Age Pension of 1928, there were differences in the delivery of welfare services such as Coloureds, Indians and Whites received their grants on monthly basis but blacks were given their allowance every after second month; Indians, Coloureds and Whites were paid by cheque through the Post Offices and blacks were paid in cash at various mobile sites, such as schools, under trees, or in stores. Pension for the minority was payable from the date of application though blacks were paid on the date of approval. Oppression then made blacks to be vulnerable and be delayed to develop and as well as transforming from needs to wants, thus old age persons have become victims of various sorts of crime and abuses and as well as planned and unplanned exploitation. Then drastically change has been articulated by other researchers from the past to the current state of old age grant, now the question arises of the effective use of the grant by the beneficiaries and also the vulnerability of geriatrics on the old age pension grant from primary to tertiary socialisation.



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According to the Committee of Inquiry, (2002) into Comprehensive-Social Security, there are findings that the old age grant is the primary source of income for older persons who would otherwise be living in absolute poverty and is estimated to reduce the poverty gap for older people by 94%. Researcher gave evidence that the old age pension is an effective tool of redistribution and reaching poor households. They also observe that children are benefiting from the grant as older people are supporting them economically. In their findings they note that the most benefited fraction of children is those living with a pensioner in households where per capital incomes are the lowest. Therefore, the children who benefit most from the pension are the poorest. It is acknowledged that nevertheless, the author finds evidence that expenditure patterns are different for different types of households. Female beneficiaries

spend their grant on food, clothing, educational and healthcare needs of the children in their care. However, the amount of the grant is regarded as being inadequate for family needs. At least 52, 9% households with at least one member in the entire Eastern Cape have an elderly who receives Old age pension grant in comparison to the entire South African provinces in 2009. With an average of 89, 5 % of the dependents who attend an educational institution to nearest public schools and depended on the pension grant (Statistics SA, 2008/9).

The study finds that the beneficiaries who are more satisfied are those that come from smaller households. Yet, while grandmothers derive pleasure and self-esteem in pension sharing, they are also frustrated that their own needs are neglected in the interest of family welfare. (Moller and Sotshongaye, 2002). In this concept that is noted above appoint of argument arises, of is

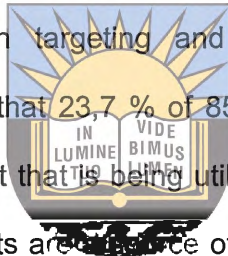


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the old age grant making geriatrics vulnerable to society or it enhances or impede the live of old age grant beneficiaries. The study further argues that unless family needs are met, the older person would feel, understand and be knowledgeable that they were entitled to use the pension money for their personal needs. (Moller & Sotshongaye, 2002). The research acknowledges that the largest part of the grant is spent on school fees and food contributing to the household economy and also that too is not enough then the more means of income supplement is obtained from loan sharks.. On the other hand there is a growing trend of violence and abuse against older persons, mainly by members of their own family. Further the results show that many old people are overburdened with the role as child-minders, and they lack support from other members of the family (Quigley, 2003).

3.4 Societal disengagement by geriatrics influenced by humanistic adaptation

Development and policies are entirely influenced by socialization and they are meant for societal change and control. The South African apartheid era shaped poverty and now it is heavily concentrated to Blacks who according to Statistics South Africa are at 61% as compared to other poor races (Indian, White and White). Academics conducted empirical evidence and found out that Old age pension fund has an important redistributive effect in South African population. On the other hand the Committee of Inquiry has discovered that it is the most effective social program in targeting and reaching economically vulnerable communities. Snager, (2000) Sustains that 23,7 % of 85,5 old age pensioner are from rural areas who are in rightful receipt of grant that is being utilised as means of family support. He then further conclude that pension grants are a source of income and act as a basis of credit facility for local markets and other forms of food security and secondary supplementary funders (micro lenders) who provide cash to remote areas where no other institutions do (Quigley, 2003).



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As the country began its transition from apartheid, the government made the commitment to equalize the pension across races. Benefits for blacks were increased throughout the 1980's while those for whites fell quickly. In 1992 the means test was equalized for people of all races. In 1993 the maximum monthly benefit of R370 was more than twice the average per capital income of black South Africans at that time (Duflo, 2003). Eligibility for payments is determined by age and means test. Women ages 60 and older are eligible for the pension. Initially, men were not eligible until age 65. In 2008 a law was passed to equalize the age of eligibility immediately dropped to 63 (Statistics South Africa, 2008/9). Means test considers only the income of the pension eligible individual and his or her spouse and therefore should not

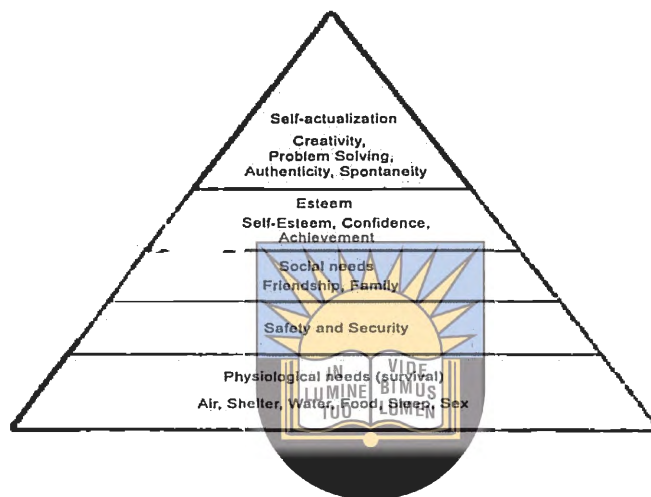
incentivize potential recipients to alter their household structure in order to become eligible. The test is such that the vast majority of the black population easily qualifies (even if labour income is taken into account) but the majority of whites or anyone with a separate pension do not (Lam, Leibbrandt & Ranchhod, 2006).

The poor are provided for by the state in a form of social assistance to reduce the level of poverty also and such poverty defined relatively by the people affected by the impoverished system however, South Africa currently has no better poverty alleviating tool than its social security benefits states (Hornby, 2010). Marais (2011) further argues that the social security benefit is aimed at helping people who do not have enough money to live on. People who may get this benefit include people aged 60 females and 65 males. The gap in this knowledge is that the study is conducted on people who understand the policies for evaluation or establishment of the type of welfare system; on the other hand the intended distribution of service delivery becomes delayed because policies are not described in the suitable language and making them non-remedial. South African policies are trying to address the issue of the growing HIV epidemic and the issue of poverty, with the understanding that poverty is absolute and in some cases relative. In these issues child support grants, old age grants, disability grants, etc. are included by the public servants. South Africa has more rural areas as a result; it has become an unusually big social spender for a middle-income country. This has resulted in an increase of beneficiaries significantly after 2000 and rose steeply after 2003 as eligibility was broadened (Marais, 2011).



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Figure 1: Maslow hierarchy of needs



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<http://communicationtheory.org/maslow-the-hierarchy-of-needs/>

Significantly geriatrics dis-engages themselves from society and look after the family and that incorporates not only affection and love for the family, also in return acceptance and sense of belonging into the family. The sacrifice comes with a price of being vulnerable to the primary society the elderly belongs in; then to society because there will be a need to fulfil stability and order and utilise the old age grant for family rather than self and find a sense of belonging to the family. Maslow clearly defines that a need from the hierarchy should be met to a self-actualise extent before attempting the other. He further argues that for safety geriatrics would need family (children, husband or wife, siblings and relatives) to be around with and vice versa the geriatric will be needed by family (Schultz and Schultz, 2013). Researchers define household as an intermediary between aggregate policies, local programmes and individual welfare. The household may end up having many dynamics such as power and decision

makings: essentially it is the identity of the recipient that seems to matter (Duflo, 2003). The alleviation of poverty has been done by the government by: expanding grants to the people since the advent of democracy. The government has provided different kinds of grants in order to reach its goal of poverty alleviation. There are child support grants for the children with parents who are not government employees and this grant caters for the children's needs up until the age of 18 years. There is also Disability grant for disabled people with certificate that the disability will continue and that person is unable work to maintain his or her living (Marais 2011). Therefore the source of income for poor families in area of Mlungisi Queenstown would be the old age grant that is not enough to maintain the entire family with its needs at hand.



3.5 Old Age Grant in this 21st century

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Extremely poor individuals are likely to not qualify for a grant and a complicated means test and or application process. The failure to address structural distribution or coming with contemporary welfare system of low take-up is likely to yield substantial social benefits. When the Old Age Pension grant is provided as an entitlement without means test, such would quickly reach the poorest population and close the gap suffered by those who did not qualify, yet again hindering the personal usage stipulated as the purpose for the allocation of old age pension grant. Its collective nature addresses the problem of low take-up and covers the dragged dispensing of other social security grants due to the means test then lowers the costs waiting for approval for accessing the grant to both government and beneficiaries. This then stipulates that the government is mainly concentrating on cost rather than accessibility that is why most of the poorest area cannot get service delivery at the required period (Salmon, 2002). Meth (2003) theoretically displays the policy in place to redistribution of social security and says that South Africa prefers to tickle down the benefits to the poor than reducing

poverty directly through redistributing income. This statement however, does not address immediate alleviation but give a plan that was convened in post-apartheid as per the international legal commitment for South Africa to take care of her own people. As a consequence, economic growth is the only way to reduce poverty and old age pension grant will address what it turns to. Grants for elderly persons comprise a large proportion of overall social assistance.

On the Other hand the White paper of 1997 for Social welfare strongly state that the good coverage of 80% has made Old Age Pension grant to be stabilised, not forgetting particular pockets that still need attention, such as; many eligible people do not get a grant in the poorer societies. The impact of old Age pension grant income on household income for people in poverty is dramatic. The majority of people in poverty who are not white live in three-generation households and the grant is typically turned over for general family use. In 1993, there were 7.7 million people in households which received a state grant. For black South Africans, each pensioner's income helped five other people in the household with accessing education and its utensils, clothing for the young until the government introduced child support grant and also various family members' social needs. Nicholas 2010 argues that human beings have been centred by poverty to a perspective of being held back from a full human healthy life. He further argues that poverty limits the individual to a choice of meeting human needs, access to education, and security of political and social freedom. On the other hand it is argued that geriatrics have chosen a lifestyle that has created a routine of vulnerability to micro lending schemes. "...an individual's choice of behaviour (i.e. lifestyle) influences the chances of being a victim" (Doerner and Lab, 2010). In data analysis then evidence should provide description on the influential fundamentals that lead to geriatrics pension vulnerability.



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3.6 International Social Security system

The research provides evidence of elderly financial abuse and from various countries around the world and specifically in South Africa, risk factors that make older persons to be vulnerable to financial mistreatment, indications of financial abuse on older persons, crimes committed against elderly people that are motivated by their finances and assets, impact of elder financial abuse, barriers that make it difficult to detect elder financial abuse, proposed solution to elder financial abuse, South Africa's legislation that promote the well-being, interests and rights of older persons, role of the Department of Social Development in addressing the well-being, interests and rights of older persons, international and regional agreements regarding older persons.



3.6.1 Evidence from other countries on financial abuse

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According to Phakathi (2011) elderly abuse is a relatively a new phenomenon that has remained a hidden and taboo subject throughout history, not only in South Africa, but globally, and is emerging as a social problem that requires the attention of the policy makers. Elder abuse is a very complex issue that has been very slow to capture the public eye and policy as a result governmental programs pay attention to elderly abuse especially during the process of distribution of social grants. However, abuse more especially financial abuse has gained attention from policy makers and researchers around the world in the last decade caused by indebttness (Kemp & Mosqueda, 2005).

Moreover elders have a social burden of abuse that leads to old age pension abuse from various forms of elderly abuse, such as: neglect, physical abuse, emotional and psychological abuse and herein financial abuse. Elderly financial abuse is a global phenomenon. In

Australian the issue of elder financial abuse is considered to be a serious problem and studies have indicated that elder abuse affects 0.5 to 5 per cent of people aged 65 and older, and up to half of this is financial abuse. In Western Australia a mail survey was conducted with organisations that worked with senior citizens who were vulnerable to abuse found that financial abuse made up the half of the types of older people victimization. The survey also estimated that the prevalence of financial abuse within the general population was 0.3 per cent. Western Australia through the Office of the Public Advocate reported that in 2005 and in 2006, an estimation of 67 per cent of reported accusations were those of elderly financial abuse (Wainer *et al*, 2010).



According to Biggs *et al* (2009:7) the United Kingdom National Prevalence Study of Elder Mistreatment revealed that elder financial abuse was 0.7 per cent, neglect was at 1.1 per cent, psychological and physical abuse was at 0.4 per cent, and sexual abuse was at 0.2 per cent.

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The respondents who participated on the above mentioned study disclosed that they were subjected to theft of money, possessions, or property; the use of fraud to take money, possessions, or property; being made to give someone money, possessions, or property against their will; and attempted theft and attempted use of fraud.

Financial abuse is one of the more common forms of abuse that is experienced by senior citizens. A study that was conducted in California at the United States of America presented that elder financial abuse accounted for about 20 per cent. The research also highlighted that for every known case of elder financial abuse, four to five go unreported. Financial abuse of older people is anticipated to escalate in the future. The expected increase is due to the fact that the older population is increasing at a rapid rate, and that older persons own a large share of the wealth in the United States of America (Kemp & Mosqueda, 2005).

A study that was conducted by Shembe *et al* (2012) in KwaZulu Natal at Inanda, Ntuzuma and KwaMashu revealed that the prevalence of elder financial abuse was at 14 per cent. The researchers are of the opinion that in different provinces around South Africa, financial elderly abuse is characterised correspondingly. Keikelame & Ferreira (2000) discovered that in South Africa elder financial abuse is characterised by extortion, control of pension money, assets, exploitation, and theft of property. Similarly, Mosaval & Ferreira (2000) as cited comment, that the above mentioned characteristics of elder financial abuse are evident in the study conducted in Western Cape that focused on Muslim communities who are victims of this form of abuse. The study divulged that financial elderly abuse mainly emerges through extortion of money by children, verbal abuse and perceived disrespect.



Recent studies of financial abuse have pointed to factors that suggest vulnerability to financial mistreatment (Wendt *et al*, 2013). A number of conditions or factors have been identified as increasing the likelihood that an older person will be the victim of financial abuse in a domestic setting. One set of reasons addresses the financial assets and acumen of the elderly. For example, one widely cited factor is that elder persons possess a large proportion of the nation's wealth (Central California Legal Services, 2001). The National Committee for the Prevention of Elder Abuse (2001) articulates, that other explanations have been that older people may be more trusting than their younger counterparts thus, informing disengagement to society and finding an obligation to fend for the family, and that may be relatively unsophisticated about financial matters particularly when they are unfamiliar with advances in technology that have made managing finances more complicated. Moreover, they may not realize the value of their assets mainly homes that have appreciated greatly in value.

Alternatively older persons may be easily identifiable and are presumed vulnerable. Literature furthermore suggested that the difficulties of living on a fixed income may enhance their willingness to engage with micro lending schemes to increase means of providing for the family and in the process micro lenders may try a get rich quick scheme. Elder persons may also have a diminished capacity to rationally evaluate anticipated courses of action. In addition, the elderly may be isolated due to their lack of mobility or because they live alone with uneducated siblings, which shields perpetrators from scrutiny and insulates victims from those who can help (Dessin, 2000).



A lack of familiarity with awarenesses and policies relating to financial matters in general has also been identified to enhance the likelihood of financial abuse. The risk of financial abuse is also increased when the older person is uncomfortable speaking about financial issues. Furthermore, elders who own a house, a substantial and visible asset, are more likely to be exploited by siblings or perpetrators who have observed the old person's routine. Older persons may be more likely to have conditions or disabilities that make them easy targets for financial abuse, including forgetfulness or other cognitive impairments (Choi & Mayer, 2000). The National Committee for the Prevention of Elder Abuse (2001) has identified other factors as increasing the likelihood of financial abuse focus on the social status of the elder person. These factors include an elder person's social isolation, loneliness, and recent loss of loved ones, having family members who are unemployed or who have substance abuse problems. Research has showed that elder persons may be more likely to have disabilities that make them dependent on others for help. These helpers may have ready access to elder persons' assets, documents, or financial information or be able to exercise significant influence over the elder person (Quinn, 2000). According to the World Report on Violence and Health (2002),

concern over the mistreatment of older people has been heightened by the realisation that in the coming decades in both developed and developing countries there will be dramatic increase in the population in old age segment. South Africa as a developing country, the incidence of elderly financial abuse is increasing (Ferreira & Lindgren, 2008).

3.7 Elderly lifestyle as an exposure to vulnerability of micro lending schemes and family

Central California Legal Services (2001) suggests that perpetrators globally assume that

financial abuse of the elderly is unlikely to result in apprehension or repercussions.

Perpetrators may believe that elder persons are less likely to report abuse or take action against perpetrators, particularly if they have been victimized by family members or other

trusted individuals and micro lending schemes. Perpetrators may also recognize that older

people in very poor health may not be able to afford to go through on lengthy legal interventions or that they will not make convincing witnesses. These are indications that an

older person may be a victim of financial abuse to an extent, National Committee for the

Prevention of Elder Abuse (2013) highlights the following as symptoms of older persons who

are victims of financial abuse: lack of care when the older adult has sufficient funds available,

changes in banking or spending habits, excessive use of the ATM (Automated Teller Machine)

or credit cards, especially for non-care-related items, abrupt changes in a will, power of

attorney, documents signed under coercion (forcing an individual to sign a document against

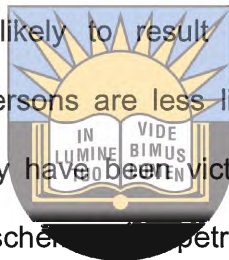
their will), unpaid bills and utilities, lack of knowledge of financial status, and unexplained

disappearance of valuables or money. The social security income of geriatrics becomes the

source of nourishment for families' personal abuse that makes old age pensioners vulnerable

to micro lending schemes. According to the study conducted by The MetLife (2011) states that,

crimes of occasion, or opportunity, are incidents of financial abuse or exploitation that occur



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because the victim is merely in the way of what the perpetrator wants. The elder has money, assets, and the like, and an occasion presents itself for the perpetrator to avail him or herself of the resource. Equally, crimes of desperation are typically those in which family members or friends become so desperate for money that they will do whatever it takes to get it. Many of these family members are dependent on the elder parent for housing and money. What intensifies their desire for more money is often a heightened need for drugs, alcohol, their gender (for example, men are frequently perpetrators of this in comparison to women), or some combination of the three. The exploiting family member or friend comes to believe that, in return for care (actual or perceived and however little that care may be), he or she is due compensation (money and possessions), and often on a continuing basis.

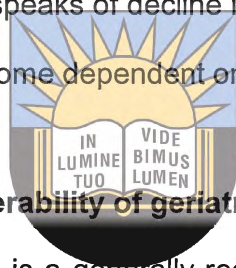


The adverse impact of elderly abuse on elderly victims refers to different aspects of physical, psychological, and social functioning. Compared with non-abusive persons, victims of elderly abuse have been found to have higher levels of depression, to show symptoms of learned helplessness, and guilt about the behaviour of their children or partner. These feelings are closely related to denial, which is a way for victims to cope with the trauma of abuse. A comprehensive review of literature on elderly abuse has shown a large number of physical, psychological, behavioural and social effects of elder abuse. Victims of elder abuse experience serious impairments of their physical and mental health and their social functioning (Krane, 2011).

According to Fallon (2006), older people who have experienced abuse tend to be frail, vulnerable and dependent. Victims of elder abuse and/or neglect can be characterised as often being in good health but suffering from psychological problems. They may live with the perpetrator, who is likely to be financially dependent. In reference to what has been revealed

by other researchers, Rabiner *et al* (2006) asserted that financial abuse may leave older people depressed, socially isolated and more vulnerable to further exploitation. Moreover, due to a lack of earning potential, older people may be also unable to replace lost savings (Walsh & Bennett, 2000).

As maintained by Lafferty (2010), all the traumatic experience leads to instabilities in the lives of the elderly. He further claims that several writers came up with diverse effects to those traumatic experiences and they include speaks of decline in quality of life, loss of confidence in their own financial abilities, and may become dependent on family members or social welfare.



3.8 System's intervention on the vulnerability of geriatrics

On the other hand, financial exploitation is a generally recognized social problem and occurs through numerous methods which, including: the misuse of powers of attorney and guardianship; illegal transfers of property; and outright fraud and theft. Financial crimes against older persons are difficult to address because they often go unreported (Rabinar et al, 2006). Nevertheless, Shugarman et al. (2003) revealed that, financial exploitation can deprive individuals of the ability to live independently and to pay for their long-term care needs. As argued by Shugarman et al. (2003) financial clinicians suggest that other effects of elderly financial abuse include feelings of helplessness; alienation; guilt; shame; fear; anxiety; denial; and post-traumatic stress syndrome. He further points out that the incidence and prevalence of these conditions have not been investigated effectively there are challenges or barriers that have been identified which avert the detection of vulnerability of geriatrics to micro lending schemes and other forms of financial abuse. These challenges include: relationship with the perpetrator that is the lifestyle of the elder; reluctance in reporting the abuse for some reason

or the other the victimiser is related; and impediments to prosecution and civil litigations because of the lack of evidence or mostly remorse from the victimised geriatric. Studies have illustrated that family members are the leading perpetrators in cases involving elder financial abuse and consequently that increases the difficulties of detecting, stopping, and proving the abuse. Furthermore it sustains that families are the main source of mis-utilisation of the grant and influencers to geriatrics for acquiring financial assistance from micro lending schemes. Also, investigations on perpetrators have established that a sense of entitlement to the victim's resources is a common characteristic and a motivational factor as informed by disengagement theory by geriatrics to normal social activities. Furthermore, negative attitudes towards geriatrics may prompt the perpetrator to feel a sense of "entitlement" to the older person's resources (Dessin, 2003).



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Another major barrier to stopping elder financial abuse is the failure of the victim to report it to relevant authorities. Victims have many reasons for not reporting elder financial abuse and the reasons include: "some may perceive the abuse as "normal" and not know it is a crime; while others may simply lack information about who can help; and victims may fear that involving the legal system will lead to the termination of their stay in places of safety" (Dessin, 2003).

The diversity of financial abuse against elders makes it difficult to provide a single, comprehensive solution to the problem. However, the National Committee for the Prevention of Elder Abuse and the Centre for Gerontology (2009) identified the following as prevention strategies: firstly, important documents such as insurance and banking information, deeds, investment information, wills, and power of attorney papers should be kept in a secure location. Another person who is trusted by the elder and family members should know of this place and also have access to it however, not neglecting the fact that the designated might be

the abuser. Secondly, older persons who are illiterate should constantly keep on checking their monthly credit cards, banking and other financial statements and should at all times protect their passwords even though old age disease may prevent them from conducting their own services and may have to provide details to an entrusted person, an opportunity may arise and lead to financial mishandling. Thirdly, older persons should be advised on financial matters more especially on matters that include signing of insurance papers. Fourthly, caregivers are encouraged to maintain an open dialogue with older persons and family members with the purpose of picking any concerns and issues that might require intervention.



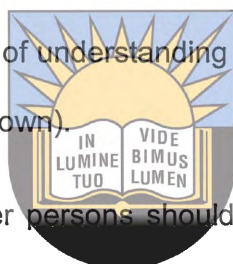
The interests of elderly people in South Africa are safeguarded by the Older Persons Act that was signed into law in 2006 and is administered by the Department of Social Development.

The purpose of the Older Persons Act is “to deal effectively with the plight of older persons by establishing a framework aimed at the empowerment and the protection of older persons and at the promotion and maintenance of their status, rights, well-being, safety and security; and to provide for matters connected therewith” (Older Persons Act, 2006). The Act further emphasises the importance of cooperation on preventing abuse of older persons by centres caring for older persons, South African Police Services, hospitals, clinics, courts, faith –based organisations and traditional leaders.

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Ferreira & Kalula (2006) comment that, under apartheid South Africa had the worst violation of human rights to be recorded. Older persons lived throughout the years of apartheid regime and their rights were infringed. The newly democratically elected government under the leadership of the African National Congress recognised the rights of older persons. According to the South African Constitution that was adopted in 1996, the rights of older persons are to: “participate in community life in any position appropriate to his or her interests and capabilities;

participate in inter-generational programmes; establish and participate in structures and associations for older persons; participate in activities that enhance his or her income-generating capacity; live in an environment catering for his or her changing capacities; and access to opportunities that promote his or her optimal level of social, physical, mental and emotional well-being". This provision brought an opportunity to geriatrics to operate at own will, it might have fallen on deaf ears because the majority in South Africa is uneducated with their own indigenous mother tongue. Thus, effectiveness of the statement becomes nullified by illiteracy and encompassed by a lack of understanding of policies addressed in English and not Xhosa (Mlungisi Location in Queenstown).



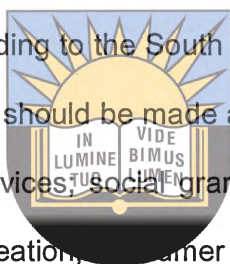
Furthermore, fundamental rights of older persons should be upheld by government, political parties, youth organisations, trade unions, traditional leaders and churches. Moreover, the Older Persons Act states that older persons have a right to be treated equally before the law; the right to privacy and have their homes and possessions safeguarded; right to freedom of expression and association; right to freedom of movement and residence. The charter highlights that older persons living in places of care should receive proper care from trained and compassionate caregivers; to be informed about the financial state of the facility and changes in management (South Africa Older Persons Charter, 2011).

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3.9 Observation and intervention from Social welfare

The Department of Social Development is responsible for the well-being of older persons; this is achieved through the protection and promotion of their dignity, participation and safety by integrating with social welfare systems for the care of the elderly. The Department of Social Development in partnership with the South African Social Security Agency have pledged to

continue providing social assistance in the form of old age grants. The above mentioned stakeholders emphasise that eligibility of old age grants will be regulated through a means test (White Paper for Social Welfare, 1997:19). The Department of Social Development developed a policy that specifically addresses the care of frail older persons in South Africa. Older persons in South Africa are susceptible due to the process of ageing, and it is against this background that the government decided to develop a policy that clearly outlines how older persons should be take care off in our respective communities (South African Human Rights Commission, 2005:1). In addition, according to the South African Policy for Older Persons 11th Draft (2003), these are the services that should be made available to older persons: integrated community-based care and support services; social grants; access to knowledge, education and training; access to information; recreation, consumer protection; and health care services.



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Important social services have been noted and provision has been made, but the adequacy of such services is impeded by micro lending schemes and as well as primary socialisation. Therefore this study has paid attention to the vulnerability of old age pensioners and provides answers that have been left out by other researchers.

South Africa is dedicated in adopting and implementing international agreements that promote the well-being and the rights of older persons. According to Mathiso (2011), in April 2002, the Madrid International Plan on Ageing was signed and adopted and South Africa was one of the countries that devoted itself in the implementation of the plan. In the foreword of the Madrid International Plan of Action on Ageing, the former Secretary-General of the United Nations, Kofi Annan (2002) comments that, the Madrid Plan of Action on Ageing proposes an innovative approach in managing the subject of old-ageing in the 21st century. Moreover, Annan (2002) highlighted that, the Madrid International Plan of Action on Ageing pays specific attention to the

following priority areas: “older persons and development; advancing health and well-being into old age; and ensuring enabling and supportive environments”. Yet globally attention is not given to the distribution of old age grant once it reaches society and monitor does social security contribute as per accommodation of policies. However, that gap has been filled by the interpretations from the analysis of data collected. Furthermore, the World Health Organisation (WHO) as an organization formulated a “Policy Framework & Plan of Action on Aging” in 2002 that will serve as a guide in upholding the interests and the rights of older persons. Kalache et al. (2005) argues that, the WHO is therefore committed to work in cooperation with other international agencies at the United Nations to encourage the full implementation of active ageing policies at global, regional and national levels. However, it will be up to nations and local communities to develop culturally sensitive gender specific, realistic goals and targets, and to implement policies and programs aimed at older persons. (WHO, 2002).



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South Africa has actively participated in the activities of the African Union and has been in the forefront in initiating a number of agreements. As postulated by the Department of International Relations & Cooperation’s official website (2013), one of the aims constituted in the African Union is to “promote and protect human rights in accordance with the African Charter on human and people’s rights and other relevant human rights instruments”. The Africa’s Common Position on Human Rights of Older Persons in Africa (2012) states that, every country that is a member of the African Union has a responsibility to: “include the needs of older persons in all national development strategies, policies and programmes; to ensure security of older persons in terms of access to quality healthcare, social services and income security, providing opportunities for older persons and putting in place and or strengthening

national social protection schemes for older persons; and develop a new rights-based culture of ageing”.

Vulnerability of old age pensioners to micro lending schemes has not been noted by governmental spheres as they pay attention to social program, social well being, financial abuse, the recent developments of the HIV/AIDS in older persons and moreover, they have developed policies from the Committee of Inquiry to World Health Organisation and World Bank for secondary supplement of countries to assist countries for adequate social functioning

however, such provision from the World bank will fall prey to social matters aforementioned at micro and macro systems level. Old age pensioners are vulnerable to micro lending schemes due to intimate socialization and interpretations provide empirical evidence. Quigley

substantiate notes that problems exist in the implementation and the level of Child Support Grant that does not come close to meet the basic costs that go with the needs of the child and the rationale of terminating it at school going age makes it not to be effectively operational.

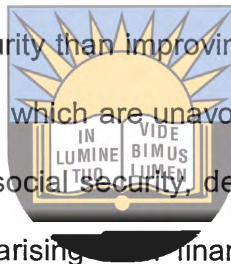
Financial abuse is delayed by the court process that is lengthy and causing old age pensioners to be lazy to undergo the entire process. He further argues that many researchers have been confirmed as an adequate provision and are used as developmental purpose, to also deliver cash into remote areas and to make substantial differences to the levels of living in household in poverty and one can draw that the lifestyle of old age pensioners is the rationale behind vulnerability and a consequence of lack of adequate social security (Quigley, 2003). In South Africa, social old age pension makes elderly persons more economically independent and they become vital support for family.

On the other hand Engelbrecht (2009) depicts that old age pensioners have found themselves in debts because the economic growth and social development projects that are of the ideal of



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creating jobs by combining developmental strategies with welfare assistance to enhance people's capacity are inappropriate with the poorest of the poor with their lack of knowledge. This ideal is of the notion that poverty will be alleviated and neglecting that statistics SA found Black as the majority without education and below the poverty line. On the other hand researcher manifest old age pension as the source of the first mainstream income of the black (Xhosa) families, herein the Mlungisi Location. He further argues that the revenue, increased interest rates and weakening of the rand makes the society to be poorer because the concentration is on providing social security than improving infrastructure and production skill. Indebtness is mostly influenced by debts which are unavoidable rising from the lack of income or inadequacy to meet family needs of social security, debts caused by lack of knowledge or financial illiteracy and emotional debt arising from financial disposition and peer pressure making geriatrics prone to vulnerability to micro lending schemes.



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The review of literature concentrated largely on vulnerability of geriatrics to micro lender and of course noting the consequences that are influential for the geriatrics abuse. Melis et al (2000) comments that there are factors connecting the old age pensioners to vulnerability to micro lenders. The extensive literature review has identified that the older persons do not recognize financial maltreatment as they view financial abuse as a normal factor. They also do not report the mistreatment because they feel guilty and have low self- esteem. David and Snyman (2007) highlighted their lifestyle as a contributory factor to vulnerability therefore; social workers and other relevant stakeholders should take an active role in identification and management of elder financial abuse. The literature review also highlighted that family violence directly affects quality of life of geriatrics because the victim is faced with the

challenge of re-living the traumatic episodes of the abuse since the perpetrator is living in the same house with the victim.

According to Zastrow (2010) parent abuse refers to abuse of older parents by their children. It occurs most often when the parents live with the children or are dependent on them. The extent of violence of this nature is largely unknown, as much of it is unreported. Elder abuse is increasingly receiving attention. This term refers to the physical or psychological mistreatment of older adults. The perpetrator may be the son or daughter of the older adult, a caregiver, or some other person. He further noted many older people live in constant fear of being victimized, although reported victimization rates for older adults are actually lower than those for younger people. The true victimization rates for older adults may be considerably higher than official crime statistics indicate because many older individuals feel uneasy about becoming involved with the legal and criminal justice systems. Therefore, they may fail to report some of these crimes and also some older people are afraid of retaliation from the offenders if they report the crimes.



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3.10 Conclusion

This chapter has reviewed the consequent literature and sought to give a clear overall account of global social security and social welfare. The instruments displayed show that pensions are a global phenomenon aimed at improving people's livelihoods for adequate social functioning, this chapter demonstrates clearly that poverty is a global social issue which needs to be combated because it is a contributory factor to the misuse of social grants in order to ensure a better standard of living for all. The following chapter will discuss the manifestations of poverty and possible empowerment programs for adolescents.

CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

4.1 Introduction

This chapter focuses on the research methodology employed in this study. Methodology refers to the body of methods used in a particular activity or research process. Research methodology constitutes variables such as the population size, description of the sample and the research instruments used. It is the blueprint for the collection, measurement, and analysis of data in order to achieve the objectives of a research. Research methodology is important in a research due to the reasons that it outlines the details of the study; the design of the research, the decisions regarding the population and sampling procedures followed, methods employed to collect data and the procedures used to analyse the data.



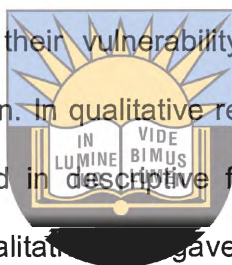
According to Hair et al. (2008), the quality of collected data is only as good as the methodology employed to collect it. Any loopholes in the methodological procedures can cause the data collected to be questionable, that is, it will fail to measure what it was supposed to measure or would measure something else. The reliability and validity of the study will also be compromised.

This chapter attempts to explain the study at hand in terms of the object, the study area, the study units, population and the sampling method used. It focuses on the presentation of the research method followed by the study. The primary focus of this study is to come up with empirically tested results and conclusion on the vulnerability of old age pensioners to micro lending schemes in Mlungisi Location. Such empirical data can be obtained through following a

properly designed research methodology and data collection instruments. This is because a properly planned and conducted research will produce reliable results which are important in making informed decisions about future courses of action.

4.2 Qualitative Methods

This study made use of the qualitative methods. Qualitative methodology allows the researcher to interact closely with the respondents when gathering data. Qualitative method allows older people to express themselves about their vulnerability to micro lenders and also give opportunity to probe for more information. In qualitative research furthermore, the information obtained from participants is expressed in descriptive form. This study also gathered the perspective of micro lenders and qualitative interviews gave them an opportunity to express descriptively whether old age pensioners are vulnerable to them or not.



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With this in mind, individual discussions were conducted in Mlungisi as a means of gathering data and focus group discussions with state officials which are SASSA, DSD, SAPS and CDW and Ward Cllr. All respondents were selected with the assumption that they could provide valid answers concerning the vulnerability of old age pensioner to micro lenders, which is an input to this study and that they would be interested to talk about the vulnerability of old age pensioners. Focus group discussions were conducted in order for the researcher to get more explicit information from the respondents individually so as to know how they feel about the research questions.

4.3 Population of the Study

A research population refers to all those cases upon which the study intends to make a scientific conclusion with respect to a certain attribute or social phenomenon (Sumbulu, 2005).

A research population is a phrase that sets boundaries on the study units and it refers to individuals who possess specific characteristics under study. Specifically for this study, the research population constituted both male and female older people from Mlungisi Location in Queenstown. The study used 10 older people as the sample due to limited time and resources, 5 micro lenders and 5 service practitioners employed by the government.

The study accordingly used a sample (a relatively small section) from within the population due to limited time and resources. The study made sure that the sample has the true characteristics of the whole population. It is out of this wide population that the study selected the direct participants in the investigation to form the research sample, based on the sampling methodology outlined below.



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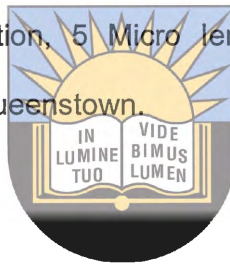
4.5 Sample and sampling procedure

In most cases, researchers use a sample, which is a small part of the population with the same attributes as those in the entire population. According to Welman, Kruger and Mitchell (2006), a representative sample is a diminutive image of the population. Selection of a sample was done carefully to allow generalization of the results as it was a representative of the whole population and possess the exact properties of the population. The primary idea of sampling is that by selecting some elements of a population, the researcher can draw conclusions about the entire and defined group of elements (target population). It is expected that the information gathered from the small group would enable accurate judgement about the larger group (Hair,

et al. 2008). The following subsections provide details on the sample size, sampling procedure and sample technique used in this study.

4.6 Sample size

The study selected 20 participants, a small but qualitative sample size with the intention of focusing more on that small group and dig deeper into the exploration of all the required information. The sample size used in this study was 10 older people, which comprises of both male and female from Mlungisi Location, 5 Micro lenders from the same area and 5 government service practitioners from Queenstown.



4.7 Sampling procedure

The next thing after a suitable sample size has been determined is to identify the appropriate sampling technique to use. According to Bryman (2004), sampling procedure refers to the method which is used to draw the sample as well as the way in which the sampling units are selected. The sampling procedures constitute probability and non – probability sampling.

In this study, the investigation was driven by the desire to investigate the vulnerability of old age pensioners to micro lending schemes, than the mere generalisation of the outcome. This study used purposive sampling to select the sample through the use of judgement. Purposive sampling is a non-probability sampling method, because the sample was selected because of its unique elements which involve studying a subset of a population with knowledge of the issues under investigation and portray specific characteristics (Engel and Schutt, 2009). Furthermore the study utilised snowball sampling to gather evidence from micro lenders, this technique is when the researcher is able to locate a certain number of participants who will

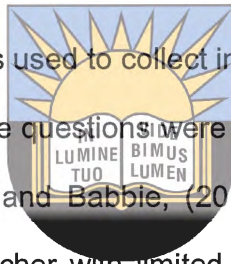
then refer the researcher to other members of the population they happen to know the information under study and in this case micro lenders (Rubin and Babbie, 2011).

4.8 Data collection Instruments

The instruments that were used for data collection in this study were in-depth interviews and focus group discussions.

4.8.1 In-depth interviews

The data collection instrument which was used to collect information from the respondents was standardised open-ended interviews. The questions were asked to 10 old age pensioners and 5 micro lenders. As defined by Rubin and Babbie, (2011), the open ended questions are needed when resources live the researcher with limited time to pursue in a comprehensive manner. Probes of standardised open-ended schedules consist of questions that are set in advance; they are to be limited to where they are indicated on the interview schedule but in more flexibility. Interview schedules involve a direct and a face to face meeting between the researcher and the respondent (Cooper & Schindler, 2003).

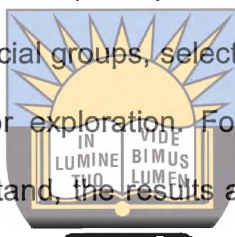


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In conducting this research, insight was gained into certain issues using in-depth interviewing that is described as a meaning-making partnership between interviewers and their respondents which indicates that in-depth interviews are a special kind of knowledge producing conversation. The in-depth aspect of the method is important as it reinforces the purpose of gaining a detailed insight into the research issues from the perspective of the study participants themselves as noted by (Hennink et al, 2011).

4.8.2 Focus group discussion

A focus group discussion (FGD) is a form of qualitative research in which a group of people are asked about their perceptions, opinions, beliefs and attitudes towards a product, service, concept, advertisement, idea, or packaging (Naomi, 2009). Questions are asked in an interactive group setting where participants are free to talk with other group members. In the social sciences, focus groups allow interviewers to study people in a more natural setting than a one-to-one interview. In combination with participant observation, they can be used for gaining access to various cultural and social groups, selecting sites to study, sampling of such sites, and raising unexpected issues for exploration. Focus groups have a high apparent validity, since the idea is easy to understand, the results are believable. Also, they are low in cost, one can get results relatively quickly, and they can increase the sample size of a report by talking with several people at once. Furthermore Bryman (2004) states that the session is successful when recorded because more issues surface from participants when the matter concerns them and this is noted to a most important strata since the people under study are the important point of departure.

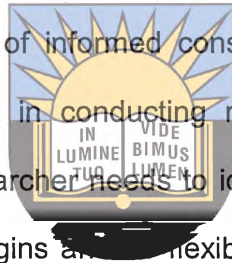


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The reason why the study utilised focus group discussion during data collection was that the data that was to be gathered concerns individuals in society, therefore FGD was a great brain storming platform for various ideas to come from the participants, which means gathering more and detailed data out of the exercise. Tshakkori (2006) also defines FGDs as a form of qualitative research in which a small group of people are asked about their attitude towards a subject, idea or concept. This is done in a more social and interactive group setting where participants are free to talk with other group members.

4.9 Ethical Considerations

Denscombe (2002) defines ethics as the system of moral principles by which individuals can judge their actions as right or wrong, good or bad. In any research design, the study should assess the potential for risk such as physical, psychological, social, economic or legal harm to participants. According to Nicholas et al (2010) social workers have ethics that they consider when executing their duties and they protect the integrity of the profession by upholding human rights. Bymnan (2004) argues that the issue of ethical consideration revolves under the elements of harm to participants, lack of informed consent to the invasion of privacy and whether deception was involve or not in conducting research. Engel and Schutt (2009) supports that most importantly the researcher needs to identify the most troublesome factors and resolve them before the project begins and be flexible to act on new ethical issues that may develop during research.



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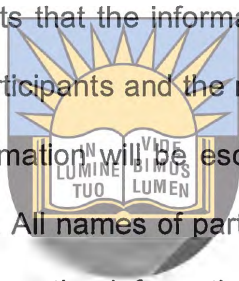
The study followed the University of Fort Hare ethical consideration and the participants were made to sign the informed consent agreement form to show that they participated on their own free will. Confidentiality, privacy and anonymity were also applied in this study. Hence permission to carry out the study was sought first from the Old ager pensioners, Mlungisi micro lenders under study and as well as Queenstown governmental service practitioners. This means there was honest and open declaration of the study project to the relevant authorities and participants. Furthermore participation by respondents was done voluntarily and confidentiality was also maintained. Names of the participants remained confidential. The data collected as part of this study was kept under lock.

4.9.1 Vulnerability

The researcher did not mislead the old age pensioners and induced them to participate in the research. Furthermore, the researcher understands that subjects participated at own free will and the researcher did not promise the old age pensioners anything in return for taking part in the research.

4.9.2 Confidentiality

The researcher will inform the participants that the information shared during the research is confidential and will remain within the participants and the researcher. However, confidentiality in research is relative because the information will be escalated to the supervisor therefore, making confidentiality not to be absolute. All names of participant's will be confidential so that no one will be able to identify who gave the information. The researcher intends to use pseudo-names or respondents (De Vos et al 2005).



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4.9.3 Protection from harm

The researcher will promise the participants that during the process of research, neither will harm them either physically nor psychologically and emotional in the process of investigation (De Vos, 2011). The researcher as the professional registered social worker was willing to provide immediate counselling on negative feelings that may have aroused from participants during the interviews.

4.9.4 Anonymity

The participants will be assured by separating their identity from the information they give by using an alias name or pseudo-name of respondents. A participant is considered anonymous when the researchers or other persons cannot identify particular information with the

researcher unable to associate a name with the data, then the identity of the participant is secured even though sensitive information may be revealed (De Vos et al 2005).

4.9.5 Informed Consent

The participants have a full right of refusing to participate in a research that is why it is necessary to fully inform them about the topic of study before the researchers start, so that they can participate in their own free will and know that they can stop at any time. The researcher will provide the respondents with a contract that is clear and legible.

4.9.6 Privacy

Right to privacy freedom of individual to pick when and how information beliefs, views, behaviour, attitudes and opinions are shared and held from others (De Vos at al 2005). In the study the researchers will make sure that the participants right to privacy will be respected by all means, their opinions will be kept private so that only the researchers and the participants knows whose ideas were used by providing pseudo-names.



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4.10 Conclusion

A research design that is carefully chosen helps alleviate confusion and helps the researcher to focus on the appropriate body of methods to be used in conducting the overall research. Qualitative information obtained from the research methodology allowed the investigator to obtain rich and more personal view. The chapter has examined research methodology touching on the research instrument; the sampling method and the sampling technique which was used. The chapter which follows will focus on presentation and analysis of data gathered.

CHAPTER 5

PRESENTATION AND ANALYSIS OF DATA

5.1 Introduction

Data analysis is all about data reduction, presentation and interpretation. This chapter seeks to analyse the findings from the focus group discussion that was conducted with different government officials. Researchers will also analyse the response from the one on one interview that was conducted with the old age pensioners of Mlungisi location in Queenstown and as well as Micro lenders. Data analysis is the act of transforming data with the aim of extracting information and facilitating conclusions. Depending on the type of data and question, this might include application of statistical methods, curve-fitting, selecting or discarding certain subsets on specific criteria, or the techniques (Lewis-Beck, 1995).

Furthermore De Vos (2011), agrees with other writers and says data analysis is a phase in the research process that should be constructed before doing the actual data collection and analysis. Data analysis is done after the researchers have performed a literature review, have decided on a theoretical framework to use, designed research questions and collected data. He further argues that the purpose of analysis is thus to reduce data to an understandable and interpretable form so that the associations of research problems can be tested and studied to be able to draw conclusions from them. This study focused on establishing the vulnerability of old age pensioners to micro-lending schemes in Mlungisi Location at the Lukhanji Municipality in Queenstown. The data of this study was collected among 20 participants. 10 old age pensioners, 7 of them were female and 3 were male old age pensioners for individual

interviews. 5 micro lenders who amongst them were 3 males and 2 females and 5 government practitioners who constituted (male Police Officer, female Cllr, male CDW, female SASSA and female Social Worker) the focus group discussions. Interview schedule was used to guide the one to one interview (Annexure **A**) and topic guide was used to guide the focus group discussion (Annexure **B**). Analyzing the information gathered required a certain criteria that include application of logical techniques to describe and illustrate, reduce and summarize the data.

5.2 Presentation and analysis of the data

5.2.1 Response Rate



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Out of the 20 interviews which were conducted to the participants from different walks of life, all were altruistically completed which is a response rate of 100%. Out of one focus group discussions held with the government practitioners; all were successful, which is a response rate of 100%. The overall response rate for all discussions that were administered on the respondents is 100%, which according to Wimmer & Dominick (2000) is well above the minimum cut off response rate of about 39% that is necessary to validate the findings of a research study. The above noted high response rate was achieved as result of the researcher who personally contacted and created very good rapport with the respondents prior to them responding to formulated questions that lasted for approximately 30 minutes. In addition the respondents were further motivated into actively participating in the research study after they became aware of the fact that they were contributing towards a masters level study.

5.2.2 Characteristics of the Respondents

Data from the interviews was divided into three main categories focusing on the sessions of the participants according to exposure to the vulnerability of old age pensioners to micro lending schemes. Data was analysed per group and this was done because the researcher wanted to see if there are any differences or similarities on the old age pensioners response on the vulnerability of old age pensioners to micro lending schemes as opposed to Micro Lending schemes and Governmental practitioners.



5.3 Biographical information

Table 1: *Biographical information of Old Age pensioners*

Participant No.	Pseudonym	Gender	Age	Marital status	Occupation/ Employment status
1	Mabongwe	Female	65	Married	Old Age Pensioner
2	Nozukile	Female	66	Single	Old Age pensioner
3	Zwelibangile	Male	70	Married	Old age pensioner
4	Nolalase	Female	64	Married	Old age pensioner
5	Nocawe	Female	73	Widow	Old Age pensioner
6	Nongabom	Female	78	Widow	Old age pensioner
7	Mawawa	Male	82	Married	Old age pensioner
8	Nowiwi	Female	85	Single	Disabled Old age pensioner
9	Mapeyi	Male	63	Cohabiting	Old age pensioner

10	Mama Lali	Female	79	Single	Old age pensioner
11	Vuyolwethu	Male	29	Single	Social Worker
12	Daniel	Male	65	Single	SAPS Mlungisi Station Commander
13	Thabo	Male	38	Married	Community Development Worker
14	Vovo	Female	37	Single	(SASSA) South African Social Service Agency
15	Mama Mbasane	Female	61	Single	Councillor ward 24 Mlungisi location
16	Ace	Male	31	Single	Micro Lender A
17	Leshy	Male	34	Single	Micro lender B
18	Macloed	Male	36	Single	Micro Lender C
19	Ester	Female	59	Widow	Micro Lender D
20	Smamama	Female	57	Single	Micro Lender E

Table1: indicates the biographical details of the participants following is the illustration of the table presented.

➤ **Age**

Participants were asked to give a brief description about them, of the 10 old age pensioner 40% were between the ages of 60 and 69, about 40% of the participants were between the ages of 70 to 79 and the other 20% were between ages of 80 to 89. From the 5 practitioners who participated in this research 30% were between ages 30 to 40 and the 20% is between 60 to 70 years of age. As well as the 5 micro lenders who had no problem to take part in the research 30% were between ages 30 to 40 and the 20% are between 50 to 60 years of age.

➤ **Ethnicity**

All 100% of the practitioners from Old Age pensioners, to micro lenders and Government practitioners stated that they are Xhosas and age pensioners are from Mlungisi Location as well as Micro lenders however, the Police-officer, Social worker and SASSA employees stay in town but service the area and then the councillor and CDW are from the same Ward 24 where Mlungisi is categorised in and all of them are Xhosas.

➤ **Family size**

Nolalase and zwelibangile are married couples who are both old age pensioners with 3 young adolescents that are still attending school so they make up a family of 5 when together and their children are under a Social development programme and are kept at a school to grow and study. The other 5 of the old age pensioner had three children and out of the 3; 1 or 2 has passed on making a family size of 5 and out of the Children all of them have their own RDP houses and work for their own living but have left the old age pensioner with 2 to 3 grand children who are receiving child support grant that is assisting with basic needs added to the old age pension grant.

This was their common answer in their home language; old age pensioners: *“Ndinabantwana abathathu ababini basweleka benabantwana babo ngoku ndishiyeke nababa zukulwana bathathu kodwa omnye waba abazali bakhe bahlala kwezi RDP sazinikwa ngu Rhulumente, bayazisebenzela nababantwana ke ndibondla ngale mali yegrant yabo nangale yam yobudala.”* 3 had a different story and come from the former educator who says that they have 4 children of their own who are tertiary educated and some still pursuing studies whilst the others are working.

Retired old age pensioners: *“ndinabantwana abane ababini bafunda University then ababini baya phangela, kubo ababini banabantwana babo abandihlala nabo aphe ndlini, kubo ababini bafunda primary omnye use high school bonke batundiswa ngabazali babo.”* They also have their own children who reside with them now that they are retired however, these grand children attend Primary school and expenses are paid by their biological parents who are working and for those that are still studying are catered for from the monthly retirement allowance.

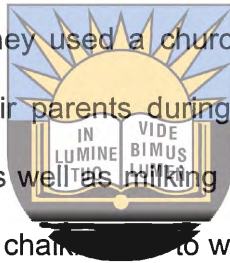


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Ester who is a micro lender stays with Nowiwi who is one of the disabled old age pension participants who stay together and with other siblings and make up a family of 10 including grand children who attend primary education and rely on the old age grant, generated profit from cash lending, child support grant of 6 grandchildren. 30% of the micro lenders stay at their family homes with other siblings and they still work for the living then 20% own a shebeen and have a family of 5 including 1 grandchild each. From the practitioners all manifested to have a small family at about 4 in a household. According to the Committee of Inquiry, (2002) states that poor households utilise the old age pension grant for primary support and they always have large family size.

Education level

Out of the 10 participants of the old age pensioners 70% only have primary education and say they worked at a farm for a living because. When asked in their own language the reasons to end at a very low stage of primary; they had a similar answer of: *“thina kulamaxesha akudala besihlala ezifarmer sifundela ecaweni kungekho kwazincwadi, sisebenzisa izilate and ukuba ucimile awupinde benayo lanto buyibhalile funeka uyigcine ntloko, xakulinywa asiye skolweni naxaku vunwa okanyexakusengwa.”* They stated that they grew up in a farm as farm workers with their parents as employees and they used a church as a school and sometimes they would have to go and plough with their parents during the season of ploughing and also harvest when the time has come and as well as milking cows, so time for studying would be disturbed for weeks and they used small chalk to write and learn and if you have erased the chalk on your small board you can only rely on your memory of what you have learnt. The other 30% are former government employees who are retired teachers. All practitioners have their tertiary level of study and micro lenders who disclose that 20% are tertiary learned participants, 20% only managed to reach grade 12 of study and 10% was not so privileged to finish high school and went to work for the living.



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➤ Health

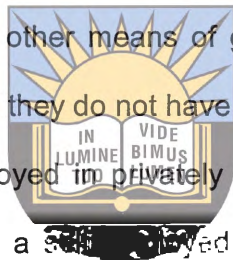
Old Age pensioner: “Hayke sigula njalo, sinazo nepilisi esizinikwa klinik lesiyihamba mhla nezolo kuhlelelwe umane kusithwa sineswekile kodwa andiziva ndigula. Ngapandle kwaleyo andinanto ndinayo.” The response means that they are constantly collecting medication from the clinic which says they are diabetic even though them as old age pensioners do not feel the sugar levels rising or dropping and other than that they are healthy as their young ones. Practitioners had no complaints of their health rather said that it is just seasonal sicknesses

that are treated when they manifest. Young 30% micro lenders did not have any health problems and the other 20% old Micro lenders are taking medication for high blood pressure every month at the clinic.

➤ **Form of government assistance**

Old age pensioners receive old age support grant from the South African government and retired practitioners from the old age pensioners also receive money from their GEPF fund.

Micro lender Ace and Smamama have other means of generating funds and that is selling alcohol in the community of Mlungisi and they do not have any governmental assistance. Micro Lenders, Leshy and Macloed are employed in privately owned companies and also do not have governmental assistance. Ester is a self-employed and qualified tailor daily who does



clothes for the community. Practitioners are employed by the government and receive salaries. The alleviation of poverty is been done by the government by: expanding grants to the people since the advent of democracy. The government has provided different kinds of grants in order to reach its goal of poverty alleviation (Marais 2011).

5.3.2 An extent of vulnerability of old age pensioners to micro lending schemes

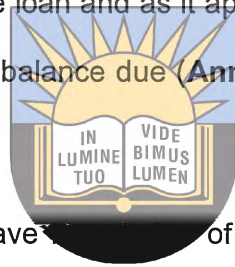
➤ **Own will**

Out of the 10 old age pensioners the 30% retired practitioners reported that they never made use of micro lenders, rather made use of banks and accredited loan shops which took a different form of documentation which takes a different form of paying back the loan. At this moment they also claim not to make use of micro lenders because they get pension funds and their children are working therefore, making the economical status of the house at affordability

level. About 60% of old age pensioners reported that they do make use of the micro lenders and they go at their own free will because they say that the pension grant is not enough to meet the needs of the entire family and after two weeks they have to go and lend money to get food and feed the children. Only 1 or 10% of disabled pensioner who indicated that she does not handle her money and never goes to bed hungry and always gets what she needs.

Micro lenders reported that some of the practitioners do also come to them to acquire loan and old age pensioners also come to acquire loan and as it appears from the findings that majority of the old age pensioners have a credit balance due (Annexure E) to micro lenders and they are now regular customers.

100% of the focus group attested to have 100% of old age pensioners lending money from micro lenders and support the notion that they do so at their own free will.



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The following are some of the response from old age pensioners:

“Zange ndikhe ndibasebenzise omashonisa ntonje bendisiya kwii loan shops, nakhona kufakwa payslip ne bank details then batsale every month through stop order and ke nangoku andikayoboleka mali kuba ndine mali ye retirement nabantwana bam bayapangela bathumele mali”.

“le mali ye peyi ayoneli for ukondla abazukulwana nefamily iyonke for nyanga yonke, uxolele uyoboleka kuba emva kweeveki ezimbini kutya kuyapela”.

These findings are in line with the findings of the Committee of Inquiry, (2002) which also finds that the old age grant is the primary source of income for older persons who would otherwise

be living in absolute poverty and is estimated to reduce the poverty gap for older people by 94%.

➤ **Abuse**

Of the 10 old age pensioners 60% revealed that when payment is not made due to the micro lender as per their agreement, micro lenders slaps the money out of them or confiscate material from the house as well as SASSA or ATM cards with its pin numbers to withdraw the outstanding balance self.



Out of the 5 micro lenders 100% said that these old pensioners and as well as other customers come at own free will because they never encountered someone coming in crying or beaten and or threatened to acquire loan from them. However, information from the focus group reveal that old age pensioners are not getting abused but find some difficulties to get back their belongings such as identity documents from micro lenders and SASSA cards. Otherwise they do not have any other experience of pensioners going to lend money but, when they have to collect their belongings are beaten or pushed to the ground. The focus group further revealed that almost all old age pensioners are being forced by socio economic status to lend money from micro lenders.

Moreover, some members of the FGD are residents with these pensioners and micro lenders so they know that people go to micro lenders because they have extra mural activities and stay there for hours rather than for putting food on the table.

Direct quotes from the old age pensioners are presented below.

“Xa uyoboleka mali kunongxowa niye nivumelane nesuku ozoyibuyisa ngalo, wakungayi uyakuqwaba kuba ufuna mali yakhe, axuthe naloma card epay kunye nala number yokupa mali ebhankeni.”

“omnye usuke akuthathele ne tv le niyibukelayo okanye iimbiza ezi zopheka kwenzele ubuyise mali yakhe and ke xa uzama kumcenga, abe enomsindo sengacengeki akuqwabe ubhatale loonto unayo.”

According to Statistics SA (2008/9), the children who benefit most from the pension are the poorest and acknowledged from evidence that expenditure patterns are different for different types of households.



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5.3.2.1 The experience involved in the process of money lending.

➤ Identity document and interest rates

Almost all 100% of old age pensioner detailed that they just take their Identity documents as well as their pension cards plus valid pin numbers so that the micro lender during pay day just goes and get his share and live the rest for them. All old age pensioners reported that there is an interest rate of 50% of which is charged immediately when given the money even if you can return it back after an hour; it has to come back with the interest.

100% of the micro lenders reported that they need identity document and pension cards as requirement to get money. Information from the focus group indicated that micro lending schemes confiscate any material from the lenders as part of the lending agreement. This has been witnessed by some of the FGD members by pointing out that some old age pensioners come to them asking help about their IDs and pension cards being held by micro lenders.

Some of the old age pensioners uttered that:

“xandiyoboleka mali umashonisa uye athathe ID ne card lam lopeya kwenzele ngemini yenkam nkam ayozitsalela mali eyeyakhe ashiye eyam.”

“imali yomashonisa ibanayo inzala kaloku ka 50%, ukuba boleke R200 uyibuyisa iyi R300.”

These findings are congruent with findings of Mashigo (2007) who also found that township micro lenders confiscate bank cards and have access to bank secret pin of the vulnerable poor households who borrow money from the township micro lending schemes



➤ **Atmosphere when landing money**

Pensioners were asked about the atmosphere during money lending. All 100% reported that it is always welcoming unless you come with a bad attitude, debts and pieces and exceed your limit which is equivalent to the old age grant you are then chased out like a demon.

Moreover, the pensioners also indicated that they have not encountered any violent debt collections because the cards and Identity documents are with the micro lender and he/she just goes and withdraw money that is due to him/her then give you what is left of it; if any and sometime the situation forces you to lend money again to buy groceries and other stuff that is needed because your debt took the entire pension grant.

In the opinion of the focus group the atmosphere during money lending welcomes everyone as most people go there at their own free will. Subsequently micro lenders confirmed a calm and a welcoming customer service when old age pensioners lend money from them.

Below are some of the pensioner's responses:

“mna xandiboleka mali kweza loan shops ndiyamnkeleka ngomoya omhle ndinikwe ne good customer service, akugcinwa macard, ID, qha baya wa photo coper then ke bakucuyisele zinto zakho kungeko ngxabano. ”

“kubamnandi xa uyoboleka kuba uzisa business, qha into ibambi xa umane uyofuna mali ezincinci intwengapeliyo ide idlule lemali uyipeyayo; uyagxotwa ke okomshologu”.

Snyman and Davids (2007) agrees to the findings that in order for one to be a victim there must be an opportunity and it is the victim's lifestyle that makes him/her vulnerable to victimisation.



➤ **Traumatic**

Out of the 10 old age pensioner 60% uttered that micro lenders are not violent when they go and lend money from them however the situation become dramatic when the amount due is not paid or there is no explanation to why the old age pensioners did not pay as per agreement.

Micro lenders agree when old age pensioners say that they are not violent when they collect their money and also not violent when they lend money to old age pensioners and as well as confiscating the ID document and bank withdrawal cards because they do not have any other means of certainty that the money will be brought back even if it's a regular customer and disagree with the old age pensioners when they say that they are chased away like demons because they have exceeded the limit.

The entire focus group had no experience of the lending process because there are always reports only when there is disagreement during payment time.

Below are the direct utterances of old age pensioners.

“omashonisa abekho ndlongondlongoi xa siyoboleka kodwa meko bambi xaku ungabhatelanga.”

Akekho umnto caphukayo xa usiza kuye uyi customer qhake ulwa kakubi xa ungabhatelanga phinde ungabinasizathu sokungabhatali, hayke zibizela unomnganga.”

Snager, (2000) Sustains that 23,7 % of 85,5 old age pensioner are from rural areas who are in rightful receipt of grant that is being utilised as means of family support.

➤ **Repossession**

All 10 old age pensioners said that household material is confiscated when payment that is due is not paid on the date required and there was no proper explanation or arrangement with the micro lender. IDs and bank cards are repossessed as a form of insurance to the micro lender that he or she will be paid at due time. Micro lenders said that they only confiscate material of the house when the old age pensioner does not pay in due course and bank cards are kept at the lending time because that acts as proof that his or her money will be paid back. 40% of the focus group has got a different experience when it comes to repossession because they sometime encounter that the owner of the bank cards and ID does not have knowledge that siblings have used their belongings to lend money on their behalf. 20% of the focus group has not encountered cases of repossession and the 20% said that they live with micro lenders and as well as old age pensioners so when these repossessions happen, they witness them and know that old age pensioners had sent their siblings to lend on their behalf. Furthermore, focus group has administrator who receive new applications for lost cards that are needed and people who always come are people who carry temporary ID however, they leave unattended because a temporary ID cannot be scanned by the system. When they ask the original



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document it is always said that they have lost it or their shack caught fire and they had to get new documents and pay cards whereas they are trying to dodge payment by making new documents.

Below are direct quotes from old age pensioners.

“impahla yendlu umashonisa uyeza azoyithatha xa ungabhatalanga mali yakhe ngokwezigqibo zenu, so akubambele zinto zakho kwenzele bhatale.”

“abanye ke omashonisa abazisokolisi ngobe bekuthathela mpaqhla, bathatha ID nama card bayozikhuphela mali kuba ibonisa nto yokuba uzobhataleka.”

Research findings by Snyman and Davids (2007) show that the lifestyle has an exposure to victimisation



5.3.2.2 From and nature of agreement between micro lenders and old age pensioners

➤ Legal Contract **University of Fort Hare** *Together in Excellence*

Almost all old age pensioners 100% of the participants said that there are no documents you sign but, just a book where the micro lender keeps record of the date and the money borrowed. The ID and bank card is also another form of agreement or assurance that you owe and will pay. As for retired old age pensioners they claim to know of the accredited system of agreement where the lender signs and live copies of the details and bank statements where the old age pensioner banks however, they do not go anymore to loan shops or banks. Micro lenders say that they keep record of the debt and details of the person as well as bank card of the person and that becomes the agreement to borrowing and intention to pay back what is due to them. 4 out of 5 of the focus group attest to the statements that there is a 72 pages book that is used to record debts and have been referred to a note book when they attend cases of micro lender versus old age pensioner.

The responses of the pensioners are presented below:

“Akukho nto ityikitywayo phantsi qha mashonisa ubhala kwincwadi yakhe amatyala ethu, alicime xa ubhatele.”

“mna bendisithi xandiyoboleka mali pha kwezavenkile zemali bathathe kncukacha zam, benze copies zazo ndisigne phantsi isivumelwano semali ezotsalwa phela kwenyanga kumvuzo wam.”

(Moller and Sotshongaye, 2002) noted in their findings that there must be some form of documentation or contract between the two parties involved (see annexure E).



5.3.3 Catalyst factors that leads the elderly persons to acquire additional funds from micro-lending schemes.

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➤ **Food**

60% of the old-age pensioners reported that they spending the money on groceries and complained that it is not enough to feed the entire family including grandchildren. The 30% retired old age pensioners plus the 10% disabled old age pensioner do not have a problem with the food, clothes, house tariffs, children and school fees because they have extra income in their households from their fortunate and working children who also take care of the material things and pay for some of the issue counted thus, making them relative to poverty.

100% of the micro lenders say that they are all approached to assist because there is a need to buy extra food for the house or there is no food for the grandchildren.

40% of the focus group reject that the lending is because of food and say that alcohol abuse and other social activities are an influence to lending money. 60% said that they have no evidence to old age pensioner's lifestyle.

"siyakuthenga kutya ngalemali nempahla esizinxibayo nezaba zukulwana kodwa asoneli kukutya kuba sibandinzi yona incinci; kwakuyo funeka sizivise kamnandi then ke khawuleza phele."

"Asinangxaki thina nakuitya kuba abantwana bethu bayaphangela nathi sinayo mali esiyifumana kwi pension fund nalena ke ye old age mali nayo dlala ndima futhi nabazukulwana bayayithunyelelwa mali ngabzali babo."



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According to the Committee of Inquiry (2002) in their findings noted that the most benefited fraction of children is those living with a pensioner in households where per capital incomes are the lowest.

➤ School fees

70% of the old age pensioners have assistance from the government when it comes to school fees because their grand children enrolled in subsidies public schools that are regarded as school fees free schools. On other activities such as, alcohol, in-debtness and social factors; old age pensioners defended the alcohol factor as not being an issue and say that they seat and buy home brewed beer which they believe is also food and say that they opt for that because they have nothing to do after cleaning their houses and seat and share with each other what they have and it is sold at a very low rate of R5 per can. **Annexure D** 30% of the old age pensioners said that their working children cater for the grandchildren to pay for the

school fees because they are their children. Male old age pensioners are also providing the same service in their homes; of buying food, paying house tariffs that 60% of these old age pensioners are saying it is taken care of by the municipality, giving their children money to buy clothes for themselves and grandchildren.

Micro lenders said that school fees has never been part of the excuses used to lend money from them and as community members residing with these old age pensioners know that their grandchildren study in government public schools at no fee.

100% of the focus group supported that public schools are at no fee and most of the old age pensioners have their grandchildren in those schools. Private schools charge at a rate that is almost half of the old age pension grant if not above so, old age pensioners cannot afford such school fees with the amount they get.



Below are direct quotes of the old age pensioners.
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"Abantwan bethu bafunda kwezizkolo zika Rhulumente."

"abam abazukulwana bafunde town nemali yeskolo ibhatalwa ngabazali babo kuba bayaphangela."

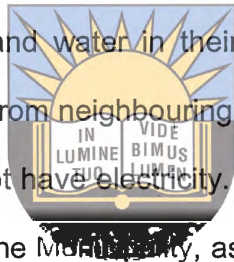
"asiseli tywala thina ntonje sinebhokile yeskali esiyithenga mihla le yenziwe ngomqombothi nesonka, iyafana nokutya and ke sihla ngayo xasigqibo klina zindlu zethu sizincokolele; enyinto yi R5 bhokile."

Quigley (2003) acknowledged that the largest part of the grant is spent on school fees and food contributing to the household economy.

➤ **Social activities**

60% of the old age pensioners said that they use their money to pay for life insurance as well as burial societies for the family and small house assets and appliances. Church offerings are

only done at own free will and are not forced from anyone who attends church. 40% said that they do not have any social activities other than seating with friends when grandchildren are at school or watch DSTV. Focus group was asked on their experience about matters that might be triggering old age pensioners to lending money and increasing the vulnerability of old age pensioners to micro lenders. The response was that they have noted that the complainants are always people who are alcohol abusers and as well as people who manifest high levels of poverty and staying in inadequate houses that are not conducive to be occupied for living and are shack dwellers with no electricity and water in their yards, rather utilise paraffin food, lighting and cooking and water is asked from neighbouring houses in Mlungisi. Even those with brick and motto in their yards they do not have electricity. They further said that those with no electricity are not paying their tariffs so the Municipality, as control measure or as a method of enforcing payment they cut off electricity.



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Micro lenders divulged that old age pensioners' social life is their catalyst factor that leads them to come and lend money, even though they always complain about lack of food. At times these old age pensioners who come and lend money are always in need of their next fix or have interest to quench their thirst.

Some of the quotes from old age pensioners are presented below:

"Ndiyambhatala masingwabane, tikiti lenkonzo nangona ndinganyanzelwayo ngenye mali ndithenge eziketile nezi 2burner uzibonayo apha endlini."

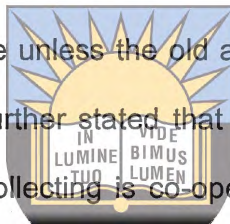
"mna ndiyazihlalela aphe ndlini yam okanye ndihambe ndiye kuba hlobo bam ngelixesha abantwana besesikolweni okanye ndizibukelele DSTV".

Further the results show that many old people are overburdened with the role as child-minders, and they lack support from other members of the family (Quigley, 2003).

5.3.3 Micro lending scheme affects the elderly in receipt of the old age pension grant

➤ Violence

60% of the old age pensioners confirmed that the micro lenders return the documents and SASSA cards when it is pay day at the venue where they withdraw their old age pension grant without any violence. Whereas the other 40% of the old age pensioners have no experience of violence or any engagement with micro lenders. Micro lenders accompany old age pensioner during pension collection, they wait outside the venue to collect what is due to them and go their separate ways without any violence unless the old age pensioners does not co-operate. 100% of the micro lenders also have further stated that the treatment is calm and collected when the process of exchanging and collecting is co-operative between parties, otherwise if the old age pensioners are not co-operative then the micro lender has no choice but to force matters or demand pin number and with draw the money him/herself then after clearing of the debt the micro lender will no longer provide services because of the situation that had occur. 100% of the micro lenders agree in toto of the statement displayed by old age pensioner.



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20% of the focus group confirmed to have encountered such confrontations because they always make visible patrol in pay points and mediate by bringing peace amongst counterparts so as to make the situation smooth and prevent human rights infringement between them, however they have witnessed that during these confrontations the old age pensioner is angered by the amount of debt he/she owes the micro lender and try to fight for his/her money not to be deducted as per their agreement.

Utterances from old age pensioners will be displayed below.

“xana uyopeya umashonisa uye aze nama card akho ne ID kulendawo kupeywa kuyo, akunike uhambe yopeya buye uzobhatala athathe ke amacard awagcine kuye ude ugqibe bhatala tyala lakho.”

“Andinayo experience yokuxambulisa nomashonisa mna kuba andibasebenzisi and ke zange ndabasebenzisa.”

Marais (2011) argued that social grants are means of poverty alleviation for poor families.

➤ **Secret pin**



Old age pensioners said that they hand over their cards with pin numbers to micro lenders so that they can withdraw what is due to them and hand over the change left from their debt. Some old age pensioners said that they had no experience of handing over their pin number to loan banks or shops because their debt was deducted through debit order monthly until the entire loan is settled. Micro lenders on the other hand claim that old age pensioners are calm and collected when they need money but fight when they have to pay back their debts and react in a manner that draws attention so as the micro lender they are forced to make matters worse or divulge other means that are not going to cause any seen. They draw funds using the old age pensioners card and secret pin during midnight and take what is due to them and give the change back with the old age pensioners' belongings and then blacklist that old age pensioner from his/her books. Micro lender even say they take some times the entire pension grant due to the huge debt that the old age pensioner has and be left with no money for the month. 80% of the focus group attested to have read from the newspaper of people caught and arrested for having SASSA cards of individual withdrawing money at an ATM. However, 20% of the focus group made such arrests.

Old age pensioner's utterances below are:

"Ipin number uyishiya ngalamini uyoboleka ngayo imali kwenzele ngemini yepeyi ahambe umashonisa ayozi tsalela mali eyeyakhe akunike tshintshi yemali eshekileyo necard lakho ukuba tyala uligqibile."

"Zangeke mna yandifikela into yokuba ndinikise nge pin number kuba bendisebenzisa iloan shops zona zitsala rhoqo phela kwenyanga emvuzweni lide liphele ityala."

According to Snyman and Davids (2007) it is the way people live that makes them vulnerable to victimization from the other.



➤ **Voting period**

80% of the old age pensioners do get their IDs when they need to go and vote and 20% of the old age pensioners said they had to use law enforcement to get their IDs from micro lenders.

80% of the micro lenders then said that old age pensioners do get their IDs whenever they need it for voting. 20% of the micro lenders said some old age pensioners use that opportunity of voting to go and open new SASSA cards and dodge payment of the debt because they run and draw money before the micro lender when drawing money has an invalid card and it is confiscated by the ATM. The 40% of the focus group says they were once called to mediate during the voting process for the micro lender to hand over the ID so that the old age pensioner can cast his/her vote but it is always a rare case because voting happens once in a while. 40% also from the focus group said they have experience of old age pensioners crying for help and when the micro lender is called then the situation shows that it is the old age pensioner who is not co-operative of the process of debt payment and living an unpaid debt.

Below are direct quotes from old age pensioners.

“ndiyayifumana ID yam xandifuna yovota andisokoli.”

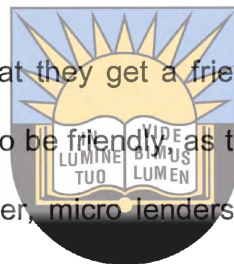
“Ngenyimini kwanyanzeleka mnta nam ndibize amapolisa ayondinceda ndifumane okwe passi lam ndikwazi uvota, kuba uthi akandithembi ndingavula elinye card ndingambhatali.”

Marais (2011) states that South Africa has no better poverty alleviation tool thus, old age pensioners are left vulnerable and their documents end up being confiscated.

5.3.4 The treatment involved when old age pensioners are paying back their debt to micro lenders.

60% of the old age pensioners said that they get a friendly service from the micro lenders because they do not have a choice but to be friendly as they are regular customers whom the micro lender makes profit from. However, micro lenders can be cruel, rude and sometimes physical or threaten the old age pensioners who are bad payers and sometimes confiscate material or equipment belonging to the pensioner's home. 40% of the old age pensioners do not have experience of micro lenders as they used to make use of loan shops who deducted a stipulated percentage monthly from their bank accounts at the end of the month or date agreed upon.

All 100% micro lenders said that they are relieved when they are paid what is due to them and good customers are treated with the respect they deserve but in business there are always bad debtors who have to go through a fight in order for the debt to be cleared. The type of mechanism the micro lenders use to collect their debts is either by confiscating their cards ID and or material in their houses. They further argued that this happens once in a while when a client is in many debts because of multiple money lending.



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100% of the focus group said that they have a here say version of the story when it comes to this topic because they are never available when there are collections and payments of debts. Old age pensioners always come at their office when they are beaten or they want their IDs and television sets or sound systems to be taken back from micro lenders.

“hay kaloku kubamnandi xa uyoboleka kuba uzisa business and uboleka kuye oko qha, into balapha xa ungalibhatali lonke tyala.”

“Abamashonisa bakhe babendlongo ndlongo xa ungalibhatalanga bade bakuthathele nezinto zendlu yakho uzifumane wakuligqiba ityala.”

(Moller and Sotshongaye, 2002) pointed in his findings that relations to good business are welcoming to improve business and attract customers.



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5.3.5 knowledge on why government made provision for old age grant

➤ Awareness

100% of the old age pensioners believe that the government is offering them money for arriving at old age and they are unable to work anymore or they can never be employed anymore because of their age. Micro lenders entirely believe that it is an allocation made for a person who reaches old age regardless of being fit or unfit to work.

40% of the focus group said that they do have awareness campaigns to make the community to be educated about the policies of social security and people listen to the budget allocation made by the Minister of finance and know the amount and provision made for old age pensioners.

Old age pensioners said during the interviews:

“Iemali yenzelwe mna kuba ndimdala ngoku ndingazusoze ndiqashwe nangubani ngenxa yobudala.”

“old age grant yimali endiyinikwa ngu rhulumente kuba ndifikelele ebudaleni ndingazopinde ndikwazi ukuphinda ndiyopangela.”

Meth (2003) theoretically displays the policy in place to redistribution of social security and says that South Africa prefers to tickle down the benefits to the poor than reducing poverty directly through redistributing income.



➤ **Policy**

40% of the old age pensioners said that they are aware that the government does have policies in place for the provision and distribution of the old age grant, on the contrary 60% of the old age pensioners do not have any clue of the policies and needed translation to their Xhosa language to understand what the researcher is talking about.

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Micro lenders said that the money is provided for old age pensioners to feed their siblings and also to have money as they are not working but, they have never seen policies that govern the distribution of the old age pension grant. The entire focus group as government practitioners believe that the grant is made for all old age people to buy medication when they are sick and to buy food for their homes, and it is a form of a poverty alleviation tool.

Detailed below are old age pensioner's direct speeches.

“ndiyayiqonda ukuba Rhulumente unazo policies azenzileyo for le old age pension grant qha andizange ndazibona so andizazi zithini.”

“Yintoni policy mntanam kengoku le uthetha ngayo kuba mna andiyazi, qha ntwendiyaziyo rhulumente ndipha mali yobudala.”

Salmon (2002) agrees that there are poverty alleviation policies in place that are not derived in an understood language for the people it aimed to develop and that yields development.

5.3.6 Intervention strategies of social service practitioners to old age pensioners to curb micro lending practice schemes.

➤ Arrests and sentencing

All old age pensioners said that it is their own free will to go to the micro lender and no one could have any means to prevent micro lending schemes utilisations. The 80% of old age pensioners said that there can never be arrests of micro lenders because the person who goes to the micro lender is the old age pensioner and goes at own free will and also agree to terms and conditions freely. However, they all said that the money should be provided twice a month then they will not make use micro lending schemes as the money is not enough for their needs and socialization.

Micro lenders on the other hand said that they do not force money on anyone but prices for food increase and social demands are also greater than the supply. One member of the focus group said that an arrest had been made for someone from the children stole an old age pensioner’s SASSA cards and went to withdraw money for personal use and the old age pensioner wanted the money and the card. The 80% of the focus group has no evidence when it comes to arrest and sentencing of culprits who misuse old age pension grant.



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Old age pensioners had this to say:

“Akukho nto anoyenza Rhulumente ukunqanda okanye phungula ukuya kwethu koomashonisa kuba siyaziyele phayana kuba sifuna mali.”

“umthetho ubamba isela and ke omashonisa ababnga mali yamntu siyaziyele uyoboleka mali uphele uvuma miqathamgo yakhe kuba yayifuna mali.”

“into enonceda amaxhegokazi yinto yokuba Rhulumente ayongeze lemali incedisane nokukutya kwethu sishotangako aphe nlini.”



Research rejects that the amount is not enough to sustain the person it intends to maintain, however researcher understand that financial abuse is the component that encompasses micro lending especially to the old age pension grant that is the main source of income in the household (Kemp & Mosqueda, 2005).

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- **Skills development**

60% of the old age pensioners said that they are too old now to be trained in skills that would enrich their economic status. 40% of the old age pensioners referred to their experience of being retired practitioners that more doors open to skilled people and they are able to save for their old age retirement and in the process they are able to skill their children by sending them to good schools so that they can have better opportunities.

Micro lenders in their totality said even if old age pensioners are skilled or they grow up working, they will always come and lend money because they will always need extra financial support because of the lifestyle these old age pensioners have. Social service practitioner who is the focus group said that the money allocate for grant could meet its purpose when the

government invest in skill development rather to the youth of the old age pensioners as they are major influence to the lifestyle of the old age pensioners. Councillor from the focus group further argued that old age pensioner are assisted by the municipality and have been called in several community meeting and made aware of tariffs provisions including free electricity. They only utilised the office to clear their debts and never come back to pay the standard money agreed upon so electricity is then cut-off.

Old age pensioner's direct quotes below.

"sendimdala mna for fundiswa ngoku nakhona ndizoqashwapi nokuba ndingafunda ezoskill"

"lyanceda into yobane skill kuba yaykwazi fumana umsebenzi usebenzele retirement yakho then in the process ube thumela nabantwana kwi skolo esigood esizomenza akwazi ukuzipangelela or futher studies zakhe."



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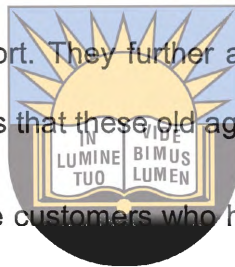
Dessin (2000) suggested that the difficulties of living on a fixed income may enhance their willingness to engage with micro lending schemes to increase means of providing for the family. Elder persons may also have a diminished capacity to rationally evaluate anticipated courses of action and their lack of education shields them to knowing who is helping and who is not, or what is important or what could be detrimental to the old age pensioner.

5.3.6.1 Social welfare's strategies employed as prevention, monitoring and controlling.

- **Free services to old age headed homes**

60% of the old age pensioners are greatly interested in pension fund increase and believe that two times monthly supply of pension fund would be a better way to prevent old age from approaching micro lenders. Micro lenders on the other hand believe that there is nothing that

welfare can do to prevent free will. 60% of the old age pensioner when asked about free education, NSFAS and food parcels said that they have no idea of what the researcher is talking about and those food parcels only reach a person once and never to be provided. 1 member of the focus group then said that food parcels are social relief that is allocated to a family that is being assisted with applying for Social security, skills development and being assisted to make their own means of survival. Furthermore the focus group was adamant that social intervention is providing assistance but it is individuals who wrongly utilise the resources or do not bother to acquire social support. They further acclaim that their lifestyle of alcohol consumption supersedes the basic needs that these old age pensioners claim to suffer from.



All micro lenders said that they do chase customers who have reached their monthly limit and not give them the money they have come to loan, but they do not stop from you only, they go to another one and make another debt because of a state of home brewed beer or other alcohol consumptions.

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Below are direct quotes from old age pensioners.

“ukuba Rhulumente anganyusa lemali yendodla okanye ayikupe kabini enyangeni singayeka uyoboleka koomashonisa mali yengxowa.”

“Nathi singomashonisa sike sibagxothe kuba umntu mali ayibolekayo ngenyanga sube yanele, angaphelili apho umntu aye nakomnye mashonisa ayoboleka kuba funa mali ye skali.”

The white paper of South Africa (1997) outlines that there are social welfare programs that can bring social relief from poverty when they are addressed as per social policies and people approach them as per their intended use.

- **NSFAS and bursaries**

50% of the old age pensioners said that they only have knowledge of the no school fees public primary and high school and have no experience of NSFAS or Bursaries. 50% said that they do understand NSFAS and bursary issues that are made available to tertiary students to further their studies at no burden to their poor families and also claimed to know the logistics of acquiring such. Social worker from the focus group said that even those who claim that the money is used for school fees have grandchildren at no school fees public schools.

100% of the micro lenders only have knowledge of the no school fees to public schools too and have no clue about NSFAS rather know about bursaries and their use; still have not had any personal experience to it.



Response from focus group is that there are also children who are from tertiary institutions who come to SASSA and request proof of pension grant for submitting to NSFAS. People used to collect money at community halls, government then came with a thumb print method because it was believed that people continue to collect pension for the dead too. Now there are ATMs involved, SASSA cards and grocery vouchers to try and make the process meet its requirement or provision.

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The old age pensioner's responses are presented below:

"mna intwe ndiyaziyo yile yokungabhatli kwethu kwezizkolo zika Rhulumente zizi primary ne high schools."

"Andinabantwana mna abase University, bonke bavunda kwezizkolo zembonelelo kutwa zii public schools"

“mna ndinaye mntana osebenzisa NSFAS ose university ngoku sithethayo.”

Gorman (2004) notes that significantly geriatrics dis-engages themselves from society and look after the family and that incorporates standing surety, guardianship and fending for the children.

5.3.7 Action taken on reported matters to Social welfare practitioners

- **Attended**

All old age pensioners said that SAPS does intervene when there are complaints brought to them. 50% of the old age pensioners have approached SASSA to re-issue them with SASSA cards which they claim have been lost or stolen by kids and they wish to block them to and most of the time they are carrying temporary ones because the originals are with micro lenders. they even said that their councillor and CDW no longer intervene because when they are approached to assist they end up taking the micro-lender's side. 50% pensioners have used the police to get their home equipment that have been confiscated by micro lenders.

70% of the micro lenders have been approached by SAPS and DSD to handover documents and SASSA and ATM cards of the old age pensioners but when they provide evidence of the debt owed by the person, it all becomes in vain and the police then refer people to open cases with the department so that it can seat in court; old age pensioners become reluctant because they are afraid their pension might be scratched off. Micro lenders said that they never report old age pensioners who give them trouble rather they take matters into their own hands by confiscating house material or confiscate IDs and ATM cards.

The police from the focus group said they deal with criminal behaviour and someone who has agreed to terms and conditions then nullifies the criminal behaviour and that becomes a

business transaction. SASSA practitioners who were part of the focus group said that when old age pensioners come to request new cards they are requested to go to the police station and make a detailed affidavit, a certified copy of the ID and proof of residence from the councillor.

Utterances from old age pensioners are below:

“Amapolisa ayasancedisa xana sifuna uncedo kuwo.”

“ndiyaya kwa SASSA ukufuna benze amacard amatsha qhake bathi abakwazi kunceda kuba kusuke kufunwe ID kwa SASSA qhake ibe ikumashonisa.”

“Councillor akasancedi ngoku kuba uvele abengaku mashonisa so andisayi kuye xandifuna uncedo.”



Gurthie (2002) said that it is the state's responsibility to look after the basic needs of her people, as per that legislative framework, constitution and an international legal commitment so as to maintain stability and conducive living.

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5.4 Conclusion

This chapter has presented an analysis of the data in terms of the themes and sub-themes which emerged as it was broken down into manageable categories. The following chapter will focus on summarizing the findings, provide conclusions to the study and make recommendations on the basis of the conclusions drawn from the study.

Chapter 6

Summary of findings, conclusion and recommendations

6.1 Introduction

Following an analysis of data, it is essential to draw conclusions and make recommendations on the findings of the research study. Conclusions provide an overview of the outcome of the research study, citing what was identified from the study. More precisely, conclusions represent inferences drawn from findings (Goddard, & Melville, 2001). This chapter will present the conclusions which have been drawn as a result of analyzing and interpreting the findings of the study, and it will also make recommendations for the implementing of programs needed to empower old age pensioners to make them sufficiently and self-reliant to overcome social ills that provoke them to misuse the social grants and also acquire additional funding that at the end of the day becomes an exploitation. The limitations of the study will also be considered and recommendations for further research will be made.



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6.2 findings from the discussions drawn from individuals and focus group discussions

Table 2: individual, Micro lenders and focus group discussion guide

Theme 1	
1. Biographic details	<ul style="list-style-type: none"> ➤ Age ➤ Ethnicity ➤ Gender ➤ Marital status ➤ Family size ➤ Employment status ➤ Education level ➤ Form of government assistance



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6.2.1 Theme 1: Biographical information

The study made use of the pseudonyms of all the participants who altruistically and voluntarily agreed to participate in the study. The study made use of different old age persons with 40% between ages 60 and 69, another 40% between the ages 70 and 79 the 20% at 80 and 89 and constituted 70% females and 30% males. Micro lenders were also different ages at 80% 30 and 39 males and 20% 50 and 59 females. Government practitioners 80% 29 and 39 30 % female and 50% male and 10% male between 60 and 69 of age and as well as the 10% male between 60 and 69 years of age. All respondents are Xhosa speaking South Africans residing

in Queenstown with old age pensioner who are at a maximum of 5 family members per household and practitioners with a maximum of 3 per household and micro lenders with the minimum of 3 to the maximum of 10 people in a household. Their education level is 70% old age pensioners who have reached up to primary level and the 30% are retired practitioners with tertiary level as opposed to micro lenders who all have reached 70% who managed to reach metric level and the other 30 % ended at primary level. All practitioners have tertiary level as the highest qualification.

Committee of Inquiry, (2002) into Comprehensive Social Security herein stated that, there are findings that the old age grant is the primary source of income for older persons who would otherwise be living in absolute poverty and is estimated to reduce the poverty gap for older people by 94%. It becomes evident that the 70% of old age pensioners who are low level educated reside in impoverished poverty circle, thus, old age grant acts as their social relief.



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6.2.2 Conclusions drawn from the findings

- Conclusion drawn from the findings show that families with high number of children are the households of the low level educated old age pensioners.
- There is a few numbers of siblings in the household of the tertiary level educated participants.
- Study further unfolds that health issues are a chronic illnesses to the families with a poor background and no manifested illnesses from practitioners and retired practitioner, rather seasonal sicknesses that do not pose threat to their well-being.
- Study also revealed that there are only social welfare grants as means of income to the 70% old age pensioners who have primary education level and an extra supply to the

30% old age pensioners who are retired practitioners from Government Employment Pension Fund as well as from their working children.

6.2.3 Recommendation made on the basis of the conclusions

- The provisions that government has made in providing free education in public schools should be intensified and more awareness campaigns made to improve educational level of the poor background families so as to minimize the burden posed on old age pension grant.
- Old age pensioners should be made aware through campaigns that they can improve their level of education at the provision made for them through ABET by the Department of Education.



Table 3: vulnerability of old age pensioners

Theme 2	
2. To establish whether old Age pensioners are vulnerable or they choose to acquire services from micro-lenders.	<ul style="list-style-type: none"> ➤ Own will ➤ Family pressure ➤ Abuse ➤ Fear ➤ Peer pressure ➤ Identity document ➤ ATM Cards ➤ Interest rates ➤ Repossession ➤ Traumatic/ welcoming

	<ul style="list-style-type: none"> ➤ Legal Contract ➤ Debt Collection ➤ Violence ➤ SAPS ➤ SASSA ➤ DSD
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6.2.4 Theme 2: Old Age pensioners have a choice or they are forced to lend money from micro lenders.

➤ **Own will**



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The study has revealed that 40% of the old age pensioners have no experience of utilizing micro lenders rather loan shops who deduct it monthly directly from their salaries. On the other hand 70% of the pensioners do make use of micro lending schemes at their own free will as they complain about the capacity of the provisioned amount by the government as social security. Micro lenders also support that old age pensioner come at their own free will to lend money and they (micro lenders) then confiscate the documents as the form of surety that their money will be paid back. The process is different from loan shops as the loan is not issued if the applicant is not working and there is not track record of any credit transaction. Gurthie (2002) also concludes that the extent of poverty and the greater demand of basic needs lead old age pensioners to lend money from micro lenders to support their family needs.

6.2.5 Conclusions drawn from the findings

- It is concluded that old age pensioners go at free will to lend money from micro lenders
- Old age pensioners also agree to the terms and conditions of the micro lenders before the money is supplied to them and agree to hand over the belongings as per conditions
- Micro lenders confiscate documents, IDs, ATM cards and SASSA cards as a way of a guarantee that they will be paid back.

6.2.6 Recommendation made on the basis of the conclusions

- South African police should be given a mandate to arrest those people who lay charges but voluntarily went to get money from micro lenders and agreed to the terms and conditions.
- Micro lenders should be charged and forced to register their businesses so as to charge the interest at the Countries stipulated interest rate.
- Road shows should be made to all micro lenders and regulation be adopted so as to have a standard limit rate, interest rate, and get assistance when it comes to debt collecting rather than exerting force or illegal confiscation of equipment.

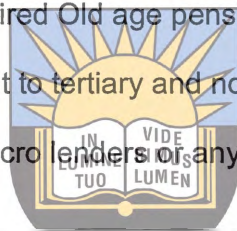
➤ Abuse

The research analyses that loan shops are far safer than micro lender as the confrontation process is less and the deducted amount does leave the applicant with cash at hand and the interest is not charged at 50% as per micro lenders.

Findings expose that older people in good health, access to a dedicated cash transfer can strengthen their capacity to contribute to household welfare, strengthen their position of household heads and enable them to hold families together in the face of crises associated with AIDS and extreme poverty (Gorman: 2004). It is a sense of belonging and responsibility that motivate these old age pensioners to acquire money as an additional support at no abuse.

6.2.7 Conclusions drawn from the findings

- The study also reveals that the retired Old age pensioners have additional income from their children whom they have sent to tertiary and now are working thus, preventing them from acquiring loans from micro lenders or any loan shop.
- Micro lenders have a monthly limit which they provide money to old age pensioners and do chase their customers who use the money and exceed their monthly limit.



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6.2.6 Recommendation made on the basis of the conclusions

- More support should be given to the youth of the families that are poverty stricken so that they become change agents of these families.
- Social service practitioners should provide financial management to these families that are only dependent on old age pension grant and other social securities

➤ Identity document

Whilst loan shops make photo copies when retired old age pensioners, micro lenders confiscate Identity Documents, SASSA cards and ATM cards so that they gain surety that the money lend to old age pensioners will be paid back with its interest. Nyanguru, 2003 derives that apartheid social welfare policies continue to pose a threat to the 20th century's livelihoods and old age pensioners decide to sacrifice for the survival of the family.

6.2.7 Conclusions drawn from the findings

- Old age pensioners sacrifice their belongings to fend for the family.
- Micro lenders as the illegal loan shop uses the most precious documents for certainty that they will get their money back.

6.2.8 Recommendation made on the basis of the conclusions

- Micro lenders should also make use of the electronic deduction system so that old age pensioners can have their belongings with them all the time.
- Family members who have capability of working or furthering their studies should be assisted by practitioners to access where they fit in.

➤ Repossession



Again findings show that the lifestyle has an exposure to victimisation, Snyman and Davids (2007). However belongings of the old age pensioners cannot be reposed as to their demands because they agree to the terms and conditions of the micro lenders. Social service practitioners such as SASSA, DSD and SAPS intervene in vain to the business transaction of both parties involved during the transaction. Councillor and CDW are no longer approached because they are community members with both parties such that old age pensioners do not bother them anymore.

6.2.9 Conclusions drawn from the findings

- The findings conclude that people do transaction at their own free will.
- Practitioners are misled and used in vain just for bullying purposes.

6.2.10 Recommendation made on the basis of the conclusions

- A detailed contract should be drawn between micro lenders and old age pensioners or any client for evidence of agreement.

- An action should be taken and prosecution made to those who waste government resources.

➤ **Traumatic**

Data collected shown that micro lenders are welcoming to their customers and have no violence when it comes to lending money to the old age pensioners. SASSA, DSD and SAP have intervened to the process money lending and found out that there is a non-violence approach. It is also detailed by old age pensioners that even when paying the debt matters are come and non-traumatic unless the payment and interest agreed upon is outstanding and there is no clear indication of payment; then the micro lender confiscates belongings till payment is made.



Retired old age practitioners have a different experience that is not traumatic, not violent, friendly customer service and has unlimited loan application because the debt is deducted from the bank monthly at a calculated rate unlike micro lenders but it's a long process that continues for months until debt is settled and the interest rate is at the inflation rate. There are no confiscations of documents rather certified copies from the nearest police station and proof of residence obtained from the councillor's office and bank statements.

The entire focus group had no experience of the lending process because there are always reports only when there is disagreement during payment time.

These findings negate findings by Phakathi (2011) who find that elders become victims of abuse in the name of old age grant in so many ways, such as financial abuse, cashing an elder person's cheques without authorization, forging their signature, misusing or stealing their

money and improper use of power of attorney, physical abuse whereby an elder is being beaten, pushed and or kicked because refuses with the money and emotional abuse where pain or distress is inflicted on the elder through verbal or non-verbal acts. It did not become evident during data collection that the participants (old age pensioners) are abused either way.

6.2.11 Conclusions drawn from the findings

- old age pensioners are welcomed by micro lenders in a welcoming and conducive environment
- Micro lenders are paid by the old age pensioners as per their agreement and still understand when the entire payment cannot be produced when there is a reasonable explanation.
- Social service practitioners noted that micro lenders are visited by old age pensioners at their comfort zone and receive clients warmly and friendly.



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6.2.12 Recommendation made on the basis of the conclusions

- The relationship should be maintained and remain calm without infringing on anyone's human rights.
- Micro lenders should not require the entire payment to be made and cleared in 1 month because the pension grant is also made for other old age pensioner's needs.
- Social Service Practitioners should develop a forum with micro lenders so as to draft terms and conditions, rules and regulation that will govern the lending and payment process.

➤ Legal Contract

Old age pensioners go into a contract of leaving documents that belong to them with the intention of maintaining good client services for future lending and their names are written on a book with their bets owed to the micro lender. Social service practitioners from the focus group do have evidence or have witnessed the book with names and balances owed and some paid. Marais (2011) believes old age grant is the primary welfare system of the country to tackle poverty and an effective alleviation tool thus, old age pensioners utilise it as their only assurance of compensating for their debts made.



6.2.13 Conclusions drawn from the findings

- Old age pensioners rely on documents that only can be viewed or modified by micro lenders
- Micro lenders evidence on hand-written books where they capture the money owed to them by old age pensioners.

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6.2.14 Recommendation made on the basis of the conclusions

- Micro lenders should provide with copies of debts owed and as well as statements so that old age pensioners can have a track record of what is due.
- Micro lenders should have data captured electronically and captured under the logo or letterhead of their registered micro money lending company.

Table 4: catalyst factors to lending money

Theme 3	
<p>3. To find out the catalyst factors that leads the elderly persons to acquire additional funds from micro-lending schemes.</p>	<ul style="list-style-type: none"> ➤ Food ➤ Clothes ➤ House tariffs ➤ Religious fees ➤ Children ➤ School fees ➤ Social activities ➤ Indebtness ➤ Violent siblings ➤ Other factors



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6.2.15 Theme 3: catalyst matter that lead to lending funds from micro lenders.

➤ **Food**

70% of the old age pensioners claim that the money they get from the government is not enough to buy food as they have more demands from basic needs, life covers, children who have more demands from socialization. Retired practitioners showed no sign of complaints rather comfort because they have savings clubs and the additional income from their children is utilized to pay for life insurance and food consumption and their grandchildren are well taken care of by their parents and are sent to multi-racial schools. The entire focus group blame the entire process of acquiring extra money from the old age pensioners' lifestyle, their poverty level and lack of access to proper shelter, electricity and as well as daily alcohol consumption.

Nyanguru (2003) attest that old age pension contributes significantly to supporting poverty-stricken household and in particular rural households. Without the contribution of social grant, poor people particularly in rural areas will not survive (Poverty is the concrete factor as opposed to additional items that lead people to acquire additional funds.

6.2.16 Conclusions drawn from the findings

- The study on the contrary to the statement made by the 70% old age pensioners that the money is not enough, found that the 70% old age pensioners abuse alcohol and it is their lifestyle as they spend their time daily at the home brewed beer shops.
- The study also found that educated and retired old age pensioners have planned for their retirement and that the grant provided by the government comes as an assistance or secondary support to their retirement fund.
- The study also derived that absolute poverty is the catalyst factor that causes old age pensioners to acquire additional funding as their lifestyle is influenced by alcohol abuse, lack of access to basic needs and as well as the number of children at the maximum of 5 grandchildren of the 70% of old age pensioner that they have to take care of; as opposed to the 30% who have maximum 2 grandchildren to care for.



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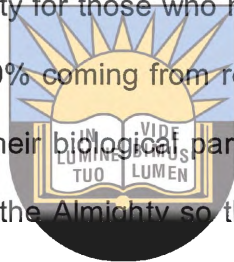
6.2.17 Recommendation made on the basis of the conclusions

- Old age pensioners should be aware on the purpose of the provision of the old age grant because they are displacing the responsibility and blaming the allocated amount.
- More road shows should be made to those old age pensioners that are going to retire to make use of the retirement plans and also those that depend on old age grant to make use of societal banks

- The SASSA should work together with the municipality to cater for the tariffs that are not paid by old age pensioners to deduct R20 as means of monthly payments then increase yearly at the inflation rate stipulated by government.

➤ **School fees**

70 % of the old age pensioners according to findings do not pay for school fees because their children and grandchildren utilise government schools that are at no school fees cost. House tariff are taken care of by the municipality for those who have applied and shown evidence to be bread winners of the households. 30% coming from retired old age pensioners have their grandchildren's fees taken care of by their biological parents who are working. Church does not force members to pay for giving to the Almighty so that has been evident that it is not a catalyst to lending money. Committee of Inquiry, (2002) asserts that the most benefited fraction of children is those living with a pensioner in households where per capital incomes are the lowest. Therefore, the children who benefit most from the pension are the poorest and also families who visit micro-lenders are from the poor background.



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6.2.18 Conclusions drawn from the findings

- School fees, house tariffs, church offerings are not the catalyst factors that lead old age pensioners to lend money from micro lending schemes.
- Retired old age pensioners do not have any reasons to go and lend money and furthermore have additional support from their children who are employed.

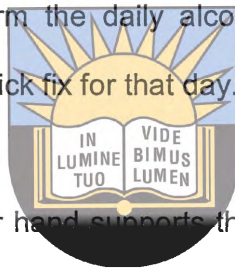
6.2.19 Recommendation made on the basis of the conclusions

- Old age pensioners who live in impoverished households should make use of public schools for their grandchildren's schooling as there are school fees free schools.

- People should invest in the future and prepare for retirement and as well as educating children so that additional support can come from them vulnerability to micro lenders

➤ **Social activities**

In 100% of the old age pensioners it is evident that they utilise alcohol and the 70% manifested daily usage of the home brewed alcohol and 60% proven to consume it occasionally in their club banks during the closing functions or in clubs' monthly distributions. Micro lender encountered problems from the daily alcohol consumers who are constantly coming to lend few rands just to get a quick fix for that day.



Snyman and Davids (2007) on the other hand supports that an opportunity has to be there in order for one to be victimised, at this moment 605 of the old age pensioners have a life that provides opportunity and the entire life style of the old age pensioner contributes to the process of vulnerability.

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6.2.20 Conclusions drawn from the findings

- 60% of the old age pensioners who utilise micro lending schemes are alcohol abusers.
- 40% of the old age pensioners are non-alcohol abusers who have a budget for their money.
- The money that is lended from micro lenders is not most of the time for basic needs but for daily consumption of alcohol for the 60% old age pensioners who are living in inadequate houses.

6.2.21 Recommendation made on the basis of the conclusions

- Micro lending schemes should always prevent money loaned for alcohol consumption and continue to chase away drunk clients.
- Old age golden games should be made available to all old age pensioners so that they are distracted and have something to do to prevent too much alcohol consumption.
- More infrastructure should be developed by the government and people be linked with good adequate living conditions.

Table 5: relationship between micro lenders and old age pensioners



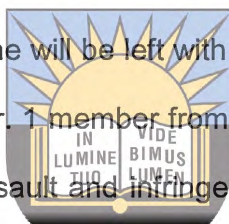
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Theme 4	
<p>4. To establish how the micro lending schemes affect the elderly in receipt of the old age pension grant.</p>	<ul style="list-style-type: none"> ➤ Violence ➤ Human rights ➤ Accompanied when collecting ➤ Secret pin ➤ Private documents ➤ Psychological health ➤ perpetuating the debt ➤ Voting period ➤ Knowledge ➤ Awareness ➤ Self basic needs ➤ Policies ➤ Existence of service practitioners ➤ Report to SASSA, SAPS, DSD,

6.2.22 Theme 4: to establish how old age pensioners are affected when collecting their money

➤ Violence

The research findings show no sign of violence during the collection of payment but, micro lenders say it is rear case where an old age has a big debt and does not want the entire debt to be cleared at once knowing that he/she will be left with nothing then course an unnecessary scene without talking to the micro lender. 1 member from the focus group witnessed such and had mediated to prevent violence or assault and infringement of human rights to both parties because they are always available at the venue and attest that perpetrators are old age pensioners.



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Kemp and Masqueda (2005) agrees that apartheid policies have created a country that still today has one of the highest income inequalities in the world therefore, influencing the majority of people who received oppression with less knowledge and making them vulnerable to various sorts of abuses.

6.2.23 Conclusions drawn from the findings

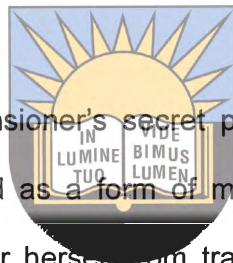
- Violence is perpetuated by old age pensioners because of the overwhelming debt they make.
- South African Police Services are always present at the venue where social grants are collected.
- Micro lenders always accompany old age pensioners during debt collection

6.2.24 Recommendation made on the basis of the conclusions

- 20% of the old age pensioners should make arrangements in a calm and respectful manner to prevent violence.
- Police should remain visible and enforce peace in our world
- Micro lenders should have a debt collecting mechanism that will operate electronically and not be at the venue where money is collected.

➤ Secret pin

The study draws that the old age pensioner's secret pin is requested from him or her to prevent further exchange of words and as a form of mediating mechanism thought by the micro lender in order to prevent him or herself from transgressing the law and assault the debtor. The money is drawn during midnight and the old age pensioner then come to the micro lender's home to collect what is left of his or her money and due to huge debts they just get their documents and go their separate ways with no money for that month.



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6.2.25 Conclusions drawn from the findings

- 20% from the 60% of old age pensioners share their documents and secret pin numbers with micro lenders making their financial security compromised.
- Micro lenders give huge debts to micro lenders and their interest make the debt more living the old age pensioner with no money for basic needs.

6.2.26 Recommendation made on the basis of the conclusions

- All old age pensioners should be work shopped on how to keep their belongings safe from being accessed.

- Micro lenders should not give debts more than the micro lenders basic pension grant.

➤ **Voting period**

There are rear encounters where people are deprived an opportunity to go and vote. Old age pensioners who utilise micro lenders do get the opportunity to go and vote then bring back the ID to the micro lender to keep until pension day. SAPS were once called in Mlungisi location to go and get the ID because the old age pensioner wants to vote and the ID is handed over. Micro lenders complain though that old age pensioners take that opportunity to open new ATM/SASSA cards and living them with blocked useless cards.



6.2.27 Conclusions drawn from the findings

- The relationship between the micro lender and the 60% old age pensioner is mainly calm and friendly and most of the time damaged by the old age pensioner's behaviour.
- IDs are confiscated for security reasons of the micro lender who have bad experience with their clients

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6.2.28 Recommendation made on the basis of the conclusions

- Micro lenders should learn the stop order process and utilise it so that IDs are not confiscated as they are a necessity to old age pensioners and are always utilised everywhere for identity and proof of transaction.

➤ **Awareness**

Awarenesses are made to the community and social security is known by community members. Old age pensioners are aware of the awarenesses in place and the purpose for the usage of the allocation. On the other hand there is lack of knowledge on what could be the

reason for the provision of old age pension or social security in its totality and practitioners also have no detailed information on the purpose of the social security.

6.2.29 Conclusions drawn from the findings

- 100% of the old age pensioners know the purpose of the old age pension allocation.

6.2.30 Recommendation made on the basis of the conclusions

- Old age pensioners should stick to the intended use of the old age grant so that meets its requirements.

➤ Policies

60% Old age pensioners believe the money is a gift for reaching old age from the government and 40% of the old age pensioners know that the grant is used for catering for their needs as old age pensioners since they have retired and cannot be employable because of the age.

Micro lenders know the money provided for old age pensioners is there to feed them and is also used for their siblings and also to have money as they are not working. Government practitioners believe that the grant is made for all old age people to meet basic needs, buy medication when they are sick and to buy food for their homes, and it is a form of a poverty alleviation tool. Literature provides that there are policies in place to liberate old age pensioners, micro lenders, and social service practitioner in particular to educate the community on why and how the social grants emerged.

Samons (2002) noted that South Africa is facing a challenge of poverty alleviation and the poverty is persisting because of the knowledge gap despite the social security programmes in place. Sagner (2000), further argued that the old age pension was shaped by three factors, namely, capital industrialization mediated by the character of existing public social provision



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and with regards to the Africans segregationist policies, cultural and ideological movements and class politics.

6.2.31 Conclusions drawn from the findings

- Policies are in place but the intervention does not meet the policy
- Micro lenders are aware of the policies and the social life of their clients thus, providing assistance at an interest rate.
- Councillor and CDW do not play a role in community liberation because they claim that they know the lifestyle of old age pensioners.

6.2.32 Recommendation made on the basis of the conclusions

- Policies should be made available in the language familiar to the intended users.
- Micro lenders should then make use of the knowledge and act according to policies.
- The department need s to conduct an integrated workshop to liberate practitioners and as well as outlining the expected performance from them.
- Policies governing the social security should be made available to communities and CDWs be given the opportunity to liberate the community through meetings of the community.



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Table 6: Assistance of Social Service Practitioners

Theme 5	
<p>5. To find out how social service practitioners could assist the old age pensioners to curb micro lending practice schemes.</p> <div data-bbox="638 747 869 1013" data-label="Image"> </div> <div data-bbox="495 1026 1010 1123" data-label="Text"> <p>University of Fort Hare <i>Together in Excellence</i></p> </div>	<ul style="list-style-type: none"> ➤ Arrests and sentencing ➤ Food parcels ➤ Free education ➤ Clinics ➤ Medication ➤ Skills Development ➤ Children's homes ➤ Youth employment ➤ Free services to old age headed homes ➤ Attended ➤ Ignored ➤ NSFAS and bursaries ➤ Judged because of appearance ➤ Fear of old age grant termination ➤ Fear perpetuated victimization by family

Theme 5: how Social service practitioner curb, monitor and control the grant.

➤ Arrests and sentencing

Marais (2011) believes old age grant is the primary welfare system of the country to tackle poverty and an effective alleviation tool. Vulnerability to micro lending schemes effectively is determined by the responsibility and obligation to provide for the entire family and family matters vary from house to house thus, consequences are determined by choices made. Old age pensioners go at free will to acquire services and the Police department does not categorise business transactions as criminal behaviour thus, no arrest is made. Old age pensioners agreed to the free will and believe an increment or dual supply would be a reliever.



6.2.33 Conclusions drawn from the findings

- The study concludes that 60% old age pensioners have a lifestyle that makes them to have insufficient funds to maintain themselves as opposed to the 40%.
- The alleviation tool is effective but does not meet its standard because of the social behaviours.

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6.2.34 Recommendation made on the basis of the conclusions

- 70 % of the old age pensioners should reduce their ways of living and stop alcohol abuse.
- Policies made for poverty alleviation tool should be made known to the community.

➤ Skills Development

Old age pensioners go to micro lenders at their own free will, and there are claims of the old age grant to be insufficient for the school fees, basic needs and socialization. The 60% that is

vulnerable to micro lenders believe that an increase would be a good consideration and a fruitful assistance that would reduce micro lending.

Marais (2011) further argues that the social security benefit is aimed at helping people who do not have enough money to live on. Micro lenders on the other hand reject any form of abuse to old age pensioner when there is clearing of a debt and blame alcohol abuse. Social service practitioners say that skills development to the youngsters of the old age pensioners would assist in curbing the vulnerability and reduce money lending.

6.2.35 Conclusions drawn from the findings

- Policies are intending to alleviate poverty but people's ways of living are the problem to policies.
- 40% of the old age pensioners draw to the conclusion that skills development becomes part of poverty alleviation because children grow and get opportunities to work and assist their families.



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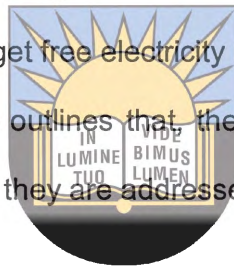
6.2.36 Recommendation made on the basis of the conclusions

- Social service practitioners should enforce policy adherence.
 - More old age pensioners should educate their young so when they retire they should be able to support financially.
- **Free services to old age headed homes**

Findings show that all old age pensioners do have knowledge of the provisions made by the municipality in offering free tariffs. All of them have made use of the municipal debt reduction and free electricity.

The focus group also support the notion that micro lenders do not exert physical contact rather enforce payment by confiscating relevant material and that is under the two parties' mutual agreement. It further acclaims that government has made all necessary interventions when it comes to monitoring, means test when allocating and evaluating the social security however, people conduct themselves in a manner that make them vulnerable to micro lenders. 20% of the focus group also shown that old age pensioners have a special allocation with the municipality when it comes to tariffs but people do not come to municipality offices and those who come do not pay still and they also get free electricity monthly.

The white paper of South Africa (1997) outlines that there are social welfare programs that can bring social relief from poverty when they are addressed as per social policies.



6.2.37 Conclusions drawn from the findings

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- Councillors and CDWs notice and work closely with these old age pensioners and display that old age pensioners have a lifestyle that makes them victims to micro lenders however, they do get assistance to cover their tariffs of the municipality.

6.2.38 Recommendation made on the basis of the conclusions

- The 60% old age pensioners should act according to policy and put their lifestyle after the municipal requirements and social security policies just like the 40% old age pensioners.

➤ NSFAS and bursaries

30% of the focus group concurred with all micro lenders that the old age pensioners are vulnerable to their lifestyle. 60% of the old age pensioners who are living in impoverished areas are discovered to have their children in public schools and have no school fees to pay

for. Even tertiary affiliated student do go to SASSA and ask for proof of old age pension to submit for NSFAS funding. The entire focus group aligns itself to the statement that government derived plans in place so that old age pensioners do not take their pension fund and pay for school fees.

Gorman (2004) notes that significantly geriatrics dis-engages themselves from society and look after the family and that incorporates not only affection and love for the family, also in return acceptance and sense of belonging into the family.

6.2.41 Conclusions drawn from the findings

- The study further finds that government has made provision to all the social ills that old age pensioners complain about such as school fees, NSFAS, food parcels and tariffs.

6.2.42 Recommendation made on the basis of the conclusions

- Services should be translated into a language familiar to the majority of the residents and in this case Xhosa for the Mlungisi community.

➤ Attended

Old age pensioners who come to DSD, SAPS and SASSA are assisted with dignity and in fact they are approached at first hand when they arrive for assistance and it is found that 50% have recovered their documents and most of the time in vain because it was a business transaction. 40% of the old age pensioners do not live psychological fear of having their old age pension grant terminated because they do not make use of micro lending, so the other 60% do not open cases of illegal confiscation because of their lifestyle and fear of old age termination. Gurthie (2002) on the other hand acclaims that it is the state's responsibility to look after the

basic needs of her people, as per that legislative framework, constitution and an international legal commitment.

6.2.39 Conclusions drawn from the findings

- The study then concluded that old age pensioners are attended to when coming to seek assistance from the government offices.
- The study also found no signs of family abuse, no signs of neglect but proper and committed service from service providers.
- The 60% who live their life lending money from micro lenders end up being in fear of old age termination and financial abuse and not report law transgressions.



6.2.40 Recommendation made on the basis of the conclusions.

- Practitioners should always maintain customer service.
- Government should award good service to practitioners.
- The vulnerable old age pensioners should report any form of criminal behaviour.

6.3 Conclusions concerning the methodology used to conduct the study

The methodology which was used to conduct the study was particularly well suited to the nature of the research topic, as it enabled the researcher to conduct the research and to gather qualitative data through the use of face-to-face interviews with old age pensioners and a focus group of government employed practitioners. It was indeed a privilege for the researcher to engage in deep discussions with these members of the community, and it offered the researcher an ample opportunity to gather facts, views and opinions concerning the

lifestyles of the old age pensioners and how they are subsequently vulnerable to micro lenders.

All the intended participants attended willingly to the research and were patient to the research questions; the information gathered allows the results to present an accurate portrayal of the realities of the lives of the old age pensioners. As has been noted, the ethical norms which were maintained ensured that their identities remained hidden, even from the researcher himself, when the data gathered was broken down for analysis and even on presentation.



6.4 Suggestions for future research

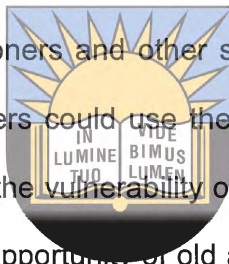
- Investigate the type of relationship between old age pensioners and micro lending schemes.
- To analyse the services provided by Social Service practitioners to old age pensioner, does it meet the required standard or it is below social security requirements.
- Is social security the opportunity to generate income through micro lending?

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6.4 Conclusion

In conclusion, this research topic is a grounded research and had no literature however; the researcher used related material to come up with empirical evidence. The lack of knowledge that old age pensioners have makes it easy for people to draw assumptions and make their opinionated conclusions, the policies and governmental mandate does not meet its intended use because people are not made aware of such developments thus, living them uninformed and vulnerable to opportunists who manipulate the system. Micro lenders in this research are generating income from old age pensioners and other social security grants, Social workers and community development practitioners could use the findings of this study to reformulate methods of service delivery to address the vulnerability of old age pensioners to micro lending schemes and as well as decrease the opportunity of old age pensioners to make use of micro lending schemes. This research has generated new data for future researchers wishing to conduct investigations beyond the reach of the topic of this research.



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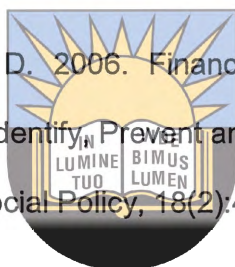
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ANNEXURE A: Interview schedule with old age pensioners, micro lenders and government practitioners.


Semi-Structured individual interview schedule for old age pensioners.

Objectives

Themes	Sub-theme	Prom's
1. Biographic details	<p>Since we were meeting for the first time tell me about yourself?</p>  <p>University of Fort Hare <i>Together in Excellence</i></p>	<ul style="list-style-type: none"> ➤ Age ➤ Ethnicity ➤ Gender ➤ Marital status ➤ Family size ➤ Employment status ➤ Education level ➤ Health ➤ Form of government assistance
2. To establish whether old Age pensioners are vulnerable or they choose to acquire services from micro-lenders.	<p>Can you please tell me do you go and lend money from micro lenders?</p> <p>In your own experience what was the process</p>	<ul style="list-style-type: none"> ➤ Own will ➤ Family pressure ➤ Abuse ➤ Fear ➤ Peer pressure

	<p>involved when it comes to money lending?</p> <p>Is there any form of agreement that you sign with micro lenders?</p>  <p>University of Fort H <i>Together in Excellence</i></p>	<ul style="list-style-type: none"> ➤ Identity document ➤ ATM Cards ➤ Interest rates ➤ Repossession ➤ Traumatic/ welcoming ➤ Legal Contract ➤ Debt Collection ➤ Violence ➤ SAPS ➤ SASSA ➤ DSD
<p>3. To find out the catalyst factors that leads the elderly persons to acquire additional funds from micro-lending schemes.</p>	<p>Could you please tell me what are the main matters that lead you to lend money from micro lending schemes?</p>	<ul style="list-style-type: none"> ➤ Food ➤ Clothes ➤ House tariffs ➤ Religious fees ➤ Children ➤ School fees ➤ Indebtness ➤ Violent siblings ➤ Alcohol ➤ Social activities

		➤ Other factors
4. To establish how the micro lending schemes affect the elderly in receipt of the old age pension grant.	<p>I would like to know, how are you treated by micro lenders when you have to pay back your debt?</p>  <p>Please tell me do you know why government made provision for old age grant?</p>	<p>7 Human rights</p> <p>8 Violence</p> <p>9 Accompanied when collecting</p> <p>10 Secret pin</p> <p>11 Private documents</p> <p>12 Voting period</p> <p>13 Psychological health</p> <p>14 perpetuating the debt</p> <p>15 Knowledge</p> <p>16 Awareness</p> <p>17 Policies</p> <p>18 Self basic needs</p> <p>19 Existence of service practitioners</p> <p>20 Report to SASSA, SAPS, DSD, CDW and Cllr</p>

<p>5. To find out how social service practitioners could assist the old age pensioners to curb micro lending practice schemes.</p>	<p>What do you believe could Social welfare do to prevent, monitor and control the old age grant against micro lending schemes?</p>  <p>University of Port Hare <i>Together in Education</i></p> <p>When you report these matters is there any action taken?</p>	<ul style="list-style-type: none"> • Awareness • Food parcels • Free education • Arrests and sentencing • Clinics • Medication • Skills development • Children's homes • Youth employment • Free services to old age headed homes • NSFAS and bursaries • Attended • Ignored • Judged because of appearance • Fear of old age grant termination • Fear perpetuated victimization by family
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General question	Is there anything that you believe we left out or you wish to discuss?	
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Semi-Structured individual interview schedule for micro lenders.


Objectives

Themes	Sub-theme	Prom's
1. Biographic details	<p>Since were meeting for the first time tell me about yourself?</p>  <p>University of Fort Hare <i>Together in Excellence</i></p>	<ul style="list-style-type: none"> ➤ Age ➤ Ethnicity ➤ Gender ➤ Marital status ➤ Family size ➤ Employment status ➤ Education level ➤ Health ➤ Form of government assistance
2. To establish whether old Age pensioners are vulnerable or they choose to acquire services from micro-lenders.	<p>Can you please tell me do old age pensioners come and lend money from you?</p> <p>When they come and lend money what process do</p>	<ul style="list-style-type: none"> ➤ Own will ➤ Family pressure ➤ Abuse ➤ Fear ➤ Peer pressure

	<p>they follow in order to get the money from you?</p> <p>Is there any form of agreement that you sign with old age pensioners?</p>  <p>University of Fort Hare <i>Together in Excellence</i></p>	<ul style="list-style-type: none"> ➤ Identity document ➤ ATM Cards ➤ Interest rates ➤ Repossession ➤ Traumatic/ welcoming ➤ Legal Contract ➤ Debt Collection ➤ Violence ➤ SAPS ➤ SASSA ➤ DSD
<p>3. To find out the catalyst factors that leads the elderly persons to acquire additional funds from micro-lending schemes.</p>	<p>Could you please tell me what are the main matters that lead old age pensioners to lend money from you?</p>	<ul style="list-style-type: none"> ➤ Food ➤ Clothes ➤ House tariffs ➤ Religious fees ➤ Children ➤ School fees ➤ Indebtness ➤ Violent siblings ➤ Alcohol ➤ Social activities


		➤ Other factors
4. To establish how the micro lending schemes affect the elderly in receipt of the old age pension grant.	<p>How do you treat them when collecting your debt from old age pensioners?</p>  <p>Please tell me do you know why government made provision for old age grant?</p>	<p>21 Human rights</p> <p>22 Violence</p> <p>23 Accompanied when collecting</p> <p>24 Secret pin</p> <p>25 Private documents</p> <p>26 Voting period</p> <p>27 Psychological health</p> <p>28 perpetuating the debt</p> <p>29 Knowledge</p> <p>30 Awareness</p> <p>31 Policies</p> <p>32 Self basic needs</p> <p>33 Existence of service practitioners</p> <p>34 Report to SASSA, SAPS, DSD, CDW and Cllr</p>


<p>5. To find out how social service practitioners could assist the old age pensioners to curb micro lending practice schemes.</p>	<p>Have you ever been visited by social welfare services?</p> <p>When they report these matters is there any action taken?</p>  <p>University of Hare <i>Together in Excellence</i></p> <p>What do you think would help to prevent old age pensioners to lend money from you?</p>	<ul style="list-style-type: none"> • Arrests and sentencing • Warned • Not reported • Fear of victimisation • Skills development • Attended • Ignored • Judged because of appearance • Fear of old age grant termination • Fear of perpetuated victimization by family • Awareness • Food parcels • Free education • Arrests and sentencing • Clinics • Medication • Children's homes • Youth employment
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		<ul style="list-style-type: none"> • Free services to old age headed homes • NSFAS and bursaries
<p>General question</p>	<p>Is there anything that you believe we left out or do you wish to discuss?</p>  <p>University of Fort Hare <i>Together in Excellence</i></p>	


Semi-Structured focus group interview schedule for service practitioners.

Objectives

Themes	Sub-theme	Prom's
1. Biographic details	<p>Since we're meeting for the first time, let's introduce ourselves.</p> 	<ul style="list-style-type: none"> ➤ Age ➤ Ethnicity ➤ Gender ➤ Marital status ➤ Employment status ➤ Education level ➤ Department's address
2. To establish whether old age pensioners are vulnerable or they choose to acquire services from micro-lenders.	<p>Do you have experience of old age pensioners who lend money from micro lenders?</p> <p>In your own experience what was the process involved when it comes to money lending?</p> <p>Is there any form of agreement that geriatrics</p>	<ul style="list-style-type: none"> ➤ Own will ➤ Family pressure ➤ Abuse ➤ Fear ➤ Peer pressure ➤ Identity document ➤ ATM Cards ➤ Interest rates ➤ Repossession ➤ Traumatic/ welcoming

	sign with micro lenders?	<ul style="list-style-type: none"> ➤ Legal Contract ➤ Debt Collection ➤ Violence
3. To find out the catalyst factors that leads the elderly persons to acquire additional funds from micro-lending schemes.	<p>Could you please tell me in your own experience what could be the main matters that lead old age pensioners to borrow money from micro lending schemes?</p>  <p style="text-align: center;">University of Fort Hare <i>Together in Excellence</i></p>	<ul style="list-style-type: none"> ➤ Food ➤ Clothes ➤ House tariffs ➤ Religious fees ➤ Children ➤ School fees ➤ Indebtness ➤ Violent siblings ➤ Alcohol
4. To establish how the micro lending schemes affect the elderly in receipt of the old age pension grant.	How are they treated by micro lenders when they have to pay back their debts?	<ul style="list-style-type: none"> 35 Human rights 36 Violence 37 Accompanied when collecting 38 Secret pin 39 Private documents 40 Voting period 41 Psychological health

	<p>Please tell me do you know why government made provision for old age grant and do you make educational campaigns to provide knowledge?</p>  <p>University of Fort Hare <i>Together in Excellence</i></p>	<p>42 perpetuating the debt</p> <p>43 Knowledge</p> <p>44 Awareness</p> <p>45 Policies</p> <p>46 Self basic needs</p> <p>47 Existence of service practitioners</p> <p>48 Report to SASSA, SAPS, DSD, CDW and Cllr</p>
<p>5. To find out how social service practitioners could assist the old age pensioners to curb micro lending practice schemes.</p>	<p>What could you do to prevent, monitor and control the old age grant against micro lending schemes?</p>	<ul style="list-style-type: none"> • Awareness • Food parcels • Free education • Arrests and sentencing • Clinics • Medication • Skills development • Children's homes • Youth employment • Free services to old age headed homes

	<p>When old age pensioners report these matters do you take any action?</p>  <p>Do you have any reports from your offices of vulnerability of old age pensioners from micro lending schemes?</p>	<ul style="list-style-type: none"> • NSFAS and bursaries • Attended • Ignored • Judged because of appearance • Fear of old age grant termination • Fear perpetuated victimization by family • Amnesty • Assigned practitioner • Visits to community • Duration of attendance • Noted perpetuated abuse •
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General question	Is there anything that you believe we left out or you wish to discuss?	
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Thank you very much for your participation in this study. You will be informed in due course about the outcomes of the study.

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ANNEXURE B: Ethical clearance



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ETHICAL CLEARANCE CERTIFICATE
REC-270710-028-RA Level 01

Certificate Reference Number: MES071SHOL01
Project title: The vulnerability of old age pensioners to micro lending scheme: A case study of Mlungisi Location in Lukhanji Municipality Qu
Nature of Project: Masters
Principal Researcher: Zukisa Hloa
Supervisor: Dr NJ Mesatywa
Co-supervisor: N/A

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On behalf of the University of Fort Hare's Research Ethics Committee (UREC) I hereby give ethical approval in respect of the undertakings contained in the above-mentioned project and research instrument(s). Should any other Instruments be used, these require separate authorization. The Researcher may therefore commence with the research as from the date of this certificate, using the reference number indicated above.

Please note that the UREC must be informed immediately of

- Any material change in the conditions or undertakings mentioned in the document
- Any material breaches of ethical undertakings or events that impact upon the ethical conduct of the research

ANNEXURE C: Daily sun tabloid of people in a line to collect their change from micro lenders of their old age grant and other social grants

MASHONISA EATS GRANTS!

People hand over their SASSA cards to get loans

By NOMZAMO YUKU Tuesday, December 9, 2014 07:00



People line up outside the mashonisa's office in Mount Frere. Photo by Nomzamo Yuku

At the beginning of every month, gogos and young women line up in a dodgy alley in Mount Frere.

Some even sleep there, waiting to hand over their Sassa cards to a mashonisa to get a loan.

The SunTeam visited the area last week after being tipped off. But many waiting at the Ludidi Building didn't want to speak about the mashonisa.

A woman who asked not to be named said the mashonisa targeted pensioners and people receiving grants for three or more kids. It's said the mashonisa threatens people with legal action or even hurts them if they don't pay him back.

"When you get inside, you are asked for your social grant card and ID by a huge man behind the counter. After he confirms your details on a computer, he approves and you leave your documents with him.

"You get a unique code you can use if you go back to borrow more money. The interest is R30 a month for every R100 borrowed," she said.

"Those who pay off their debt can collect their Sassa cards but are usually advised to borrow more money."



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A woman who had just finished paying off her loan, said: "I lost my children's grants for nothing. I am glad I escaped that money monster."

Sassa spokesman Luzuko Qina said: "It is important for beneficiaries to keep their Sassa payment cards safe."

The concerned resident who tipped off the SunTeam said he had gone to the cops and they said victims should open cases. Lieutenant Khaya Tonjeni confirmed taking documents is illegal and also told victims to open cases.

ANNEXURE D: Old age pensioners gathered to buy the home brewed alcohol.



ANNEXURE E: Micro lender's debt book



ANNEXURE F: Informed consent form

INFORMED CONSENT BY PARTICIPANT

I hereby agree to participate in research regarding the vulnerability of old age pensioners to micro lending schemes. I understand that I am participating freely and without being forced in any way to do so. I also understand that I can stop this interview at any point should I not want to continue and that this decision will not in any way affect me negatively.

I understand that this is a research project whose purpose is not necessarily to benefit me personally. I have received the telephone number of a person to contact should I need to speak about any issues which may arise in this interview.



I understand that this consent form will not be linked to the questionnaire, and that my answers will remain confidential. I understand that an appropriate feedback will be given to my community on the results of the completed research.

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.....
Signature of participant **Date**

I hereby agree to the tape recording of my participation in the study
.....
Signature of participant **Date:**