The 1944 Pension Laws Amendment Bill: old-age security policy in South Africa in historical perspective, ca. 1920-1960

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Abstract

This paper summarizes the first results of ongoing research into the origins and social and economic consequences of the 1944 Pension Laws Amendment Bill, which broadened the South African state pension system to include the African population for the first time. Preliminary analysis suggests that the emergence of modern social provision for the white elderly (1928) and the African elderly (1944) is due to somewhat different causes, albeit in both cases the introduction being associated with capitalist industrialization. The Social Pension Legislation in the 1930s and 1940s took up the poor relief notion of deservingness. Similarly, benefit levels mirrored, among other things, the anxiety of political actors about the danger of driving out family help by introducing public schemes. Although the state pensions for Africans were totally inadequate, they quite early on became decisive for the economic survival of many households. It appears that they were mainly spent on food and clothing. Surprisingly, de facto old-age pensions for Africans increased significantly in the 1950s. In contrast to the state’s view of welfare, older Africans felt entitled to a social pension. Finally, it is argued that the linking of the old-age pension to chronological age did not lead to the emergence of an old age as a chronologically defined stage of life because pre-industrial life-course models organized around the notion of “building the umzi” (homestead) were still very much alive, at least in many rural areas during the 1940s and 1950s. Considering the empirical, theoretical and policy relevance of the South African pension scheme and the paucity of knowledge about its timing and inner workings, further (historical) research is called for.

References

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Raising the pension age has been politically difficult in many countries as it is a parameter that is easily understood; most citizens are not happy to be told that they will have to work longer, often for the same benefit, even though the time spent in retirement is still growing due to continuously increasing life expectancy. Setting a legal norm, of course, does not mean that all people actually work up to these higher ages. After having put pension systems on a more sustainable financial track, policy makers now have to turn their attention to also ensuring that pension systems provide adequate retirement incomes to all workers. First-tier pensions exist in all countries, but their structure and value vary considerably. The Social Security Act of 1935 Pub.L. 74–271, 49 Stat. 620, now codified as 42 U.S.C. ch. 7, created Social Security in the United States, and is relevant for US labor law. It created a basic right to a pension in old age, and insurance against unemployment. In the Second New Deal, the Social Security Act was signed into law by President Franklin D. Roosevelt on August 14, 1935. The act laid the groundwork for the modern welfare system in the United States, with its primary focus to provide aid for