



STUDIES IN POVERTY AND
INEQUALITY-INSTITUTE

**BUILDING UP KNOWLEDGE TO BREAK DOWN POVERTY
ANNUAL REPORT 2009**

Acknowledgements

We would like to thank the following partners for their ongoing support:

- Action for Southern Africa (ACTSA)
- Atlantic Philanthropies
- Bread for the World
- Christian Aid
- Development Bank of Southern Africa
- Ford Foundation
- Friedrich Ebert Stiftung
- Inyathelo Institute for Advancement
- National Development Agency
- Open Society Foundation, South Africa
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About SPII



The Studies in Poverty and Inequality Institute (SPII) was established in 2006, as an independent not-for-profit trust based in Johannesburg, South Africa. What sets SPII apart from other research and policy institutes is the emphasis on both content (knowledge) and process (inclusive participation). In addition, our approach relies on identifying and exploring not only areas between policy actors, but also areas of dissent. Unspoken assumptions and ideological values will ultimately impact on the development of appropriate policies; our methodology acknowledges this and as a result, we provide space for policy actors to challenge their own positions and those of their peers, and to distinguish between occasions that require intellectual engagement and those that are determined through ideological engagement.

Underlying all of our research work is the commitment to a strengthening of public participation in the policy and political arena as an essential condition precedent for South Africa's constitutionally guaranteed participative democracy. Supporting people's active involvement in the decision-making processes also emphasises the agency of individuals and communities, rather than seeing people as passive recipients of the benevolence of state or charity.

SPII's board and staff represent an impressive collection of skills, knowledge and most importantly, experience drawn from a variety of progressive structures and organisations both pre -and post -transition. This social capital provides SPII with access to an extensive network of people both locally, regionally and internationally, from which we are able to draw upon and that qualitatively add to our work.

Vision Statement

SPII focuses on generating new knowledge, information and analysis in the field of poverty and inequality studies. Through facilitating collaborative partnerships with and between government, institutions of democracy, academia and civil society organizations, we will be able to develop innovative and empirically based social and economic policies capable of combating poverty, reducing inequality and promoting sustainable development. We will work to support the development of a tradition of effective public participation in policy-making and implementation.

Mission Statement

SPII realises its vision by:

- ▶ Bringing together policy makers, analysts and implementers from government, academia and civil society formations, as well as international role players, academics, researchers and activists;
- ▶ Sharing information about poverty and inequality research and policy processes in order to stimulate new areas of collaboration among stakeholders;
- ▶ Constantly identifying further areas of research and/or gaps in current knowledge and to commission such research which will contribute to public knowledge and innovation;
- ▶ Disseminating information and research produced by the institute to assist in policy development processes and campaigns;

Participating in building regional collaboration and disseminating innovative practices focused on fighting poverty and inequality in the Southern African region.



Letter from the Chair



It gives the Studies in Poverty and Inequality Institute (SPII) Board great joy to see how the young institution is growing on so many fronts, and in such a sustainable manner.

As a founding Trustee, I can share the many exploratory conversations that were held as we considered the need to establish an organisation such as SPII. One of the critical issues that were frequently returned to, was whether a new institution was required in the South African civil society landscape, or whether a tighter partnership, network or another form of organising capacity and resources would be a better fit.



As we reflect on SPII in its third year, it becomes very clear that we made the correct decision, ambitious as it was at the time. The institutional space provides opportunities for ongoing lessons, as well as the development of a palimpsest of practical knowledge that would not, I believe, have been possible had we operated in any other formation.

As the report demonstrates, South Africa continues to face very serious challenges as we strive to become the change that we fought for, for so long, and in so many ways. Recognising the totality of past personal

contributions to liberation has to challenge current prevailing trends towards a refashioning of historical consciousness and truths. The danger of creating iconic myths from the lives and actions on undeniably courageous people, is that we erase the contributions of the smaller people, the unnoticed people that Apartheid was so committed to vanquishing.

For the SPII Board, this continues to pose critical challenges to the national project. As class formations solidify around wealth, and income is so tightly determined by employment, how are the stories, lives, knowledge and the aspirations of ordinary South Africans woven into the national consciousness and discourse? Through the work of SPII, we strive to provide avenues for the recognition of these stories in the national discourse to happen. We however also remain deeply aware of the need for this to happen on a broader societal level.

The growth of SPII is directly linked to the availability of resources – ranging from social and human resources, to

financial and institutional resources. As a new comer to the terrain, SPII's ability to access financial resources and build a sustainability or reserve fund that will enable us to continue to undertake innovative research, brings its own challenges. We are thus very grateful for the ongoing support from our key partners, and applaud them for giving us the kind of support that goes beyond our financial needs. The year under review brought certain financial challenges, but through the determined effort of the board, as well as the institution and our partners, we have been able to build stronger foundations and income streams.

As SPII strives to engage with the challenges of shaping 'the day after tomorrow', we will require distinct skills and support, and this applies both to the set of skills that are available to the institution and to its governance structure - the board. As chair of the board, I would like to thank the members of staff for their commitment to the work of SPII. I would also like to thank the board for their time, goodwill and continued commitment to SPII and to its vision and mission.

I believe that this annual report provides a satisfactory insight into SPII's work. I also believe that the lessons and reflections shared here are as valid for broader society as they are for the institution itself.

Sharon Ekambaram



Introduction: From the Director's Desk



As we reflect upon 2009 in this report, it appears that the South African landscape continues to be one characterised by a state of flux in respect of social, economic and political contestations. Yesterday's certainties can be quickly forgotten as new relations or centres of interest are forged and new priorities emerge. What is however certain, are the challenges that exist for the country to build the foundational values required to complete the transformation of liberation.



This report is intended to set out the multi-faceted manner in which SPII seeks to make a contribution to this charge. SPII was established to provide a multi-disciplinary approach to change, linking empirical evidence to policy discussions, and at the same time, contributing to building the capacity of civil society to use the spaces available to drive progressive and inclusive change.

Central to our work is the primary community-based research that we undertake through the Basic Needs Programme. SPII recognised early on that engagement at a policy level, as

a contribution to seeking an end to destitution and absolute poverty as well as a reduction in relative poverty and inequality, must be rooted in the truths of people's existence. The experiences, challenges, frustrations and the consciousness and knowledge of people living in poverty is too often absent from deliberations about themselves and their conditions and potential strategies to emerge from poverty and vulnerability to a more secure state. Through our household surveys and focus group sessions, we strive to capture this knowledge as central to the policy alternatives that we develop and disseminate. We thank the many willing participants in this programme for their generosity in sharing this with us, and we trust that we have done justice to them in the use of this knowledge in our policy advocacy.

Over the last three years, we have sought to systematically build a research bank in respect of our analysis of policies aimed at reducing poverty and promoting greater well-being. This began with our work on understanding the various approaches to conceptualising, defining and

measuring poverty in a variety of ways. This knowledge continues to drive our contributions to the work of the Community Constituency at The National Economic Development and Labour Council (NEDLAC) on the adoption of appropriate national measures for poverty and inequality. That work, in turn, informed the conceptualisation of the unpacking of the concept and the value of the 'social wage' concept that defined much of the then anti-poverty policy terrain. This work led us to ask: How pro-poor is the South African government's budget allocation and spending? We sought to answer this through both a review of policies and a budget incident analysis of state spending. As the report reflects, the budget allocations are substantially pro-poor in their targeting.

This finding however raises deeper questions: Why do we still see structural levels of poverty and inequality and marginalisation in South Africa, and what should we be doing differently if we seek to correct this state of affairs?

As SPII, we have been struck by the need to revisit the way in which social policy is viewed in South Africa. Rather than being seen as a stepsister, adopted to mop up the shortcomings of the reach of macro-economic policies and existing economic, industrial, trade and labour market policies, social policy should be developed with explicit aims and objectives. Such an

Introduction: From the Director's Desk

approach will enable us to see where the gaps continue to exist and what medium to longer-term challenges will emerge along our developmental trajectory.

With this in mind, SPII has begun to explore the concept of Progressive Realisation as provided for in the Constitution, with specific reference to socio-economic rights. As part of a multi-year project, we seek to identify whether there are explicit road maps that exist for the universal enjoyment of these rights, or whether in fact, expansion of eligibility is more reactive to popular demand, court challenges etc.

Through our work we have identified an opening up of policy space and an ability to engage around alternative

approaches to addressing the critical challenges for the country. This is a space that must be jealously guarded, but also respected and used. All thinking is informed by ideologies and the (often implicit) assumptions that we hold. We trust that SPII contributes to debate and discussion that allows for a testing of these by all parties as we build a country to achieve the Constitutional principles of Life, Dignity and Equality.

In closing, I wish to thank those whose support has been so necessary for this work. I wish to thank the SPII staff for their commitment beyond a job in achieving our objectives. I also wish to acknowledge the dedication of our trustees and their willingness to share their wisdoms, challenge our goals and

provide the direction and strategic critiques that keep our work and the interpretation of our vision renewed and appropriate.

As this report reflects, the reach of our work requires good partnerships with organisations and institutions throughout the country, as well as the sub-region and the continent. We thank all our partners with whom we have been able to work, and we look forward to building this group and sphere of influence together. I also thank ongoing and new funding partners who make our work possible and our operational partners who make the impact of the whole so much greater than the sum of the parts

Isobel Frye



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2009/2010 Overview: Uncertainty in a Season of Consequence



2009/2010 Overview: Uncertainty in a Season of Consequence

“Poverty is pernicious; it is also unfair, unjust and unnecessary. Poverty implies not only a lack of resources, but carries with it the silencing of the poor to an invisible and generally inaudible majority far from the boardrooms and corridors of power. In a democracy, voters nominally have votes of equal weight to enable voters to place in power those who best represent their interests and concerns. If the ‘season of consequence’ is upon us, as the world economy recedes and the hopes of our young democracy remain unfulfilled, bold and enlightened leadership must be demanded from all who seek public office. Competition of ideas, contestation of policy, articulation of alternatives and a strong public-spirited sense of purpose is required from all elected and presumptive leaders. The question that we ask is this: In a country where the poor are overwhelmingly the majority, who represents the interests of the poor and provides a real choice for poor people to change their conditions?”

(SPII TALK, ELECTION 2009 Special Edition)

The period under review has been characterised by a number of events which have rapidly crowded each other out. A new government has been constituted under the leadership of the ANC President, JG Zuma. A new administration was constituted, new departments and ministries created; the National Planning Commission was announced and is beginning its work; the National Anti-Poverty Strategy was unveiled and commitments made to setup an inclusive Anti-Poverty Council; the review of local government was launched and the matter of South Africa hosting Africa’s inaugural World Cup finals have variously occupied public attention during this time.

In this crowded landscape, SPII has continued to seek innovation in anti-poverty policy and practice. We have done so focused both on the above-mentioned government policies and various other, often glaring, gaps that exist. We have sought to share this information with other partners in civil society, labour and government, so as to deepen common understanding of empirical evidence and the various

policy options and their consequences.

The work SPII has undertaken over this period has been varied and challenging. As part of a multi-year project, we have attempted to come to a deeper analytical understanding of Progressive Realisation as articulated in the Constitution, and its relationship to effective policy-making and implementation of socio-economic

rights. In this work, we have explored the existing policy framework and its link to the Constitution, which is vital to “progressive realisation”. In addition we began to explore how Progressive Realisation was being expressed in the actual budgeting practice of selected national and provincial government departments.

We have also continued to seek better understanding of the dynamics of poverty through a localised study of people’s basic needs and survival strategies. This study focused on a section of the community of Vosloorus and uncovered shocking levels of poverty and deprivation – all of which, particularly food insecurity, raise a number of serious challenges to policy as a coherent set of state interventions at community level. In addition, the



renewed need for greater public-public partnerships (state/non-profit) interventions remains underdeveloped in the design and implementation of many anti-poverty initiatives of the state.

During this period, our work has also taken in a wider scope and ambit than it has done in previous years. We have undertaken work with the draft Anti-Poverty Strategy, where we were tasked with monitoring progress in respect of the Millennium Development Goals; social security and protection policies; poverty measurement; a review of inequality in South Africa; assessment of community development and various dialogue spaces bridging the gap between social and economic policy. Our work in the Southern African region as well as the African Continent has opened up new and vibrant ways of learning, thinking and doing.

In this period, we hope to have avoided the apparent curse of our time: much is done and yet so little is achieved. We measure our achievements by the quality and

impact of the research we produce and the quality and robust nature of contribution to the policy-making discourse. In this sense, the past year has seen us maintain and improve on the quality and impact of our research, but it has also been a period in which we have been adversely affected by shifts or reductions in donor funds and the related challenge of retaining appropriate skills sets within the organisation. In many respects, 2009/10 has been a period of transition in our governance, staff profile and areas of work.

We believe that the impact of our work continues to be impressive. We have come to learn that it is far easier to make an impact in a context in which change is occurring. Post – Polokwane, the sense of change was palpable. However, through our work we have seen evidence that this palpable sense of moving forward decisively, has slowly dissipated. There is growing alarm that little has changed in the corridors of power other than those who occupy these corridors..

Despite the public sentiment and

sense of change and shifts at this early stage, SPII's analysis of the 2009 election manifestos of the ruling party and other selected opposition parties, gave reasons to be more cautious than many at the time were willing to acknowledge. The policy fussiness, schizophrenia and occasional incoherence contained in the Polokwane ANC Conference resolutions continued to be expressed in the ANC's election platform. Ideals were weakened by a lack of definite commitments, policy interventions, programmes or instruments which could seriously roll back the frontiers of poverty, high levels of unemployment, low skills sets and poor educational outcomes, and deep and growing income divides etc.

In fact, what is required to advance South Africa is hard work, - whether it be at a national level as we grapple with appropriate medium to long-term national development plans,- or job creation challenges, improving service delivery and painfully eliminating corruption and graft at its root causes. As a nation, we seem more comfortable settling disputes with

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eleventh hour 'political solutions', than applying ourselves to longer-lasting inclusive solutions based on empirical evidence and analysis of existing challenges and innovative alternatives.

Since calling for a comprehensive Anti-Poverty Strategy (APS) and contributing to state-led initiatives at consultation between government and civil society, SPII was pleased when the Deputy President and several ministers conferred with delegates from across the country on the proposed APS in December 2009. The frank exchange of views was capped by the Deputy President undertaking to put forward to Cabinet the need for a National Council on Poverty – a leadership forum of all stakeholders to mobilise society and drive the agreed elements of the APS.

More than six months have passed since the APS Colloquium in December 2009. In the interim, the APS – one would imagine, a vital piece of the puzzle for a government facing such huge levels of poverty and inequality – has been referred to a sub-committee

of NEDLAC. SPII has worked closely with the various versions and editions of the draft APS, and, despite the many hours of research and comparative analysis committed to this process, we believe that the current version of the APS is not capable of achieving the scope or scale required to really defeat the structural causes of poverty and in this respect, we have voiced a call for the current policy to be set aside and a re-engagement begun with the necessary resources, expertise and policy space to identify the constraints to eradicating poverty, from a macro-economic to a micro policy level, and how these could be systematically addressed.

This process has also illustrated some of the many challenges inherent in working with institutions of democracy. The problem lies not with the institutions supporting democracy per se, such as NEDLAC or the South African Human Rights Commission, but in the way in which these institutions are allowed to undertake their statutory and Constitutional mandates. In a related context we have observed:

“The lack of effective communication is troubling. It may well be based on the assumption that each partner in NEDLAC would disseminate information to their own constituencies, but this is not common practice. Also, there are many affected people who do not belong to associations linked to the business, labour or community constituencies.” SPII

A bigger challenge lies in the absence of Political Will- an elusive commodity, perhaps only really observed in action. Consider the rapid and important changes that have occurred in the South African HIV/Aids policy

“We believe that the current version of the APS is not capable of achieving the scope or scale required to really defeat the structural causes of poverty and In this respect, we have voiced a call for the current policy to be set aside and a re-engagement begun with the necessary resources, expertise and policy space to identify the constraints to eradicating poverty, from a macro-economic to a micro policy level, and how these could be systematically addressed.” SPII

framework and implementation once “political will” was found to tackle the problem. The political will to confront poverty and inequality simply does not exist at this time.

We must acknowledge that if the state has lacked political will, civil society, despite the tremendous work and effort of many, remains weak and fragmented. That is to say, civil society has failed to arrive at strategies, interventions and modes of operation that enable it to advance a comprehensive agenda. Limited resources, changes in key skills sets, growing specialisation, the absence of strong advocacy and the campaigning capacity in most NGOs all contribute to an increasingly “survivalist” mode of operation and understanding among NGOs, instead of allowing NGOs to address proactively and in an inclusive manner broader challenges facing society in respect of development and transformation. The blame for this is often, incorrectly, placed on the donors. Whilst it is undeniable that many donor agencies impose rigidities and unnecessary burdens of “accountability” on organisations, we believe that civil society is beginning to accept some responsibility for its failure of self-organisation and representation. As SPII we have expressed our views on these challenges as follows:

“A democratic society, beyond recognising and applying of the formal requirements of democracy,

is also one which seeks to value and enhance the dignity of all members of society. As such the non-profit sector is both the expression and recipient of democracy, dignity and human rights; a product and a precondition of democracy.”

Regardless of limitations and failings, as SPII, we are of the firm view that a vibrant and diverse civil society is fundamental to democracy. The absence of a national body, or indeed, sectoral coalitions and networks with the capacity and resources to give voice and structural representation on issues confronted by the NGO community, remains a glaring problem. Again, there are no easy solutions. Self-preservation, self-protection and a psyche of disempowerment pervade non-profit organisations: powerless in respect of the state, powerless in respect of donors. Until this mindset changes, until “NGO leadership” and “civil society voice” flows from a community of common interests, this power imbalance and its consequences will be a reality. Quality research and policy alternatives are a modest contribution we will continue to make available to the broader civil society. Through a series of workshops and seminars planned for the later part of 2010, SPII hopes to generate a broader interest in the substantive questions confronting both state and civil society actors.

However, knowledge alone is not enough. Progressive policy shifts

have in the past been driven by a vibrant civil society. This has often included mass mobilisation, as seen at the height of the Treatment Action Campaign. In the absence of an engaged society, driving the body politic policy has increasingly tended to be set by a small band of technocrats. The erosion of public participation in policy-making is alarming and is a trend which civil servants, politicians and civil society organisations need to seriously redress, especially given the result of this, namely the continued erosion of public confidence in the state and the institutions of our Constitutional democracy.

SPII sees it as important for us to continue to seek partnerships, especially with those organisations working at a grass-roots level in the far-flung corners of South Africa. Building a bridge between those experiences and the “official”, institutionalised policy-making processes will prove vital if our efforts to refocus policy on poverty are to succeed. But new work needs to be done, and not necessarily by SPII, which advances the greater cause of public accountability in state affairs – particularly as they affect the poor and vulnerable.

However, unlike in the recent past, spaces for engagement do remain open – and engaging effectively in this space is imperative for those seeking both palliative remedies for the

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scourge of poverty and those seeking fundamental change to our social relations so as to uproot poverty and its causes. As we reflect on our work and our activities in the last year, we recognise the continued potential to affect policy in favour of the poor. We celebrate with our partners, the small, seemingly imperceptible improvements that come with seeking long-term, sustained change. The challenges of the coming year are also opportunities to put what we have learned into practice. We remain chastened by the insightful advice of former President Nelson Mandela when he said:

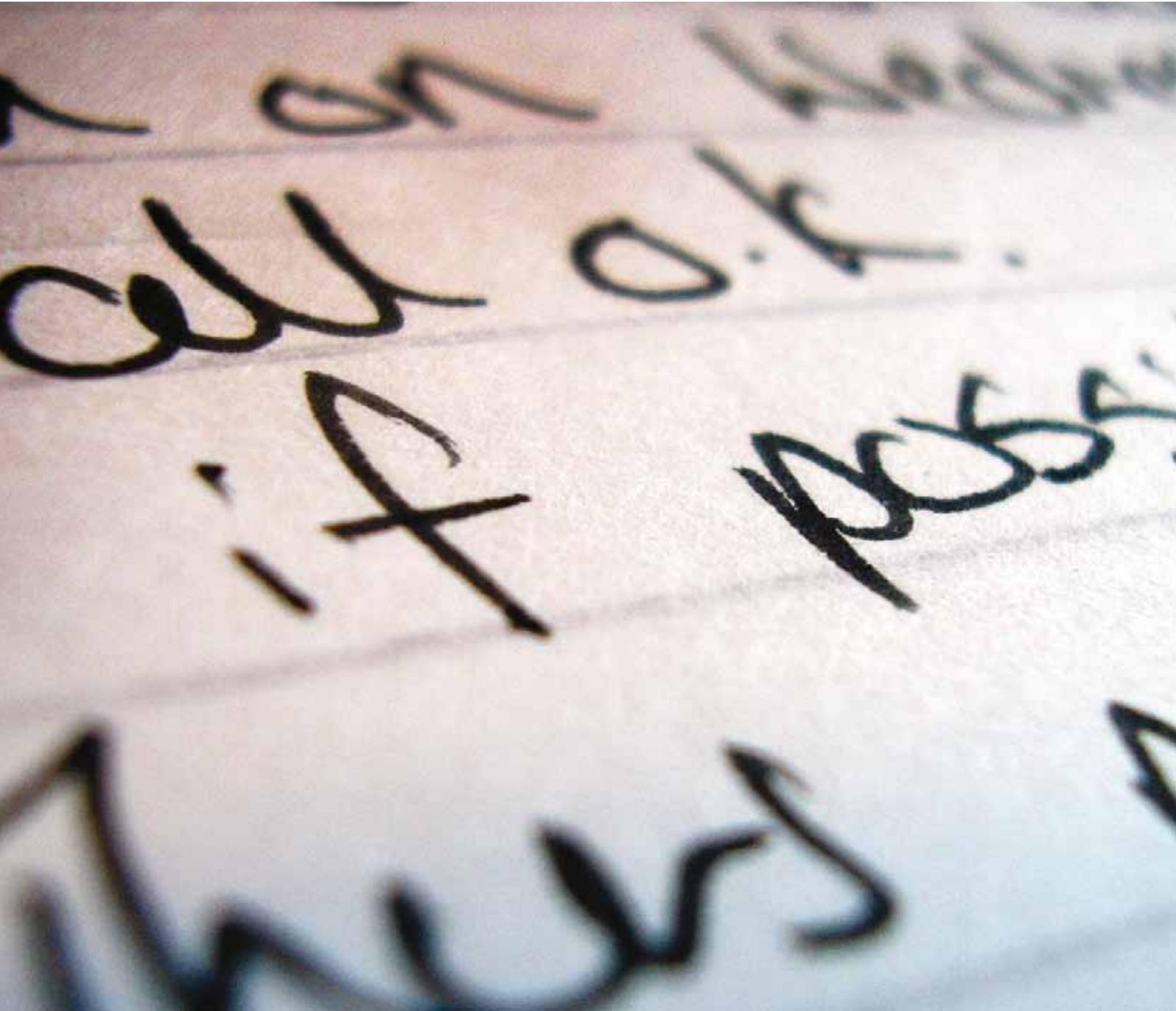
“We must also make the point, very firmly, that the political settlement, and democracy itself, cannot survive unless the material needs of the people, the bread-and-butter issues, are addressed as part of the process of change and as a matter of urgency. It should never be that the anger of the

poor should be the finger of accusation pointed at all of us because we have failed to respond to the cries of the people for food, shelter, for the dignity of the individual.”
(Nelson Mandela, Address to the Joint Session of the Houses of Congress, United States of America, 1990)





Research



5.1 Basic Needs Programme

The goal to substantially eradicate poverty and inequality in South Africa requires far better knowledge about the form, impact, dynamics and the nature of poverty than just mere statistics at the disposal of decision makers. While figures are an undoubtedly crucial component of the arsenal in the fight against poverty, recent South African studies suggesting the multi-faceted nature of poverty are indicative of the need for an understanding of poverty that goes beyond simple issues of income insecurity. As identified by the Chair and the Director’s letters, major criticism of current policy literature on poverty is the conspicuous absence of the voice of the poor within its colossal tome. Though purporting to advocate for the interests of the poor, much of the policy literature is devoid of tangible personal stories of the daily survival and its human cost, both at personal and community levels.

SPII developed its Basic Needs Programme specifically to address this lack of voice, based on the Basic Needs Basket (BNB) research methodology.

The Jesuit Centre for Theological Reflection (JCTR), in Lusaka, Zambia, has applied the BNB research tool in order to alleviate the plight of the poor by making sure their voices are heard - as a prerequisite to tackling challenges in a more concrete way. The JCTR survey monitored the prices of food and non-food items in Lusaka on a monthly basis and assessed the amount of money needed to feed a family of four. In this instance, the JCTR used the BNB tool for advocacy purposes aimed to ensure that the Zambian government, in particular, and the nation as a whole, constantly take matters of poverty and its effects on society into account. In South Africa, the BNB tool was adopted and adapted by SPII and used in Vosloorus to explore food consumption and

income expenditure within the 40 sampled households. From the data collected, a picture can be painted on the consumption and expenditure patterns of the selected household.

Our initial findings were published in November 2009 in SPII’s Fifth Working Paper, *“Being Poor. A study of the basic needs and social aspects of poverty and deprivation in Vosloorus”*.

The report primarily explores income expenditure patterns and localised perceptions of poverty and how basic needs are met in Extension 28, Vosloorus Township. Vosloorus is both a formal and informal township located 35 kilometres east of Johannesburg and falls under the Ekurhuleni Metropolitan government in Gauteng Province, South Africa. In this instance, the income expenditure in the targeted households was conducted using the BNB research methodology. This methodology has been popularised by

the World Bank and the International Labour Organisation (ILO) and been commended for being a practical tool, as opposed to being only theoretical. It represents a radical departure from development approaches, which emphasise the method rather than the satisfaction of the concrete needs experienced by the poor characteristic of many development initiatives.

In a nutshell, current policy literature and analysis is often marked by social distance and is consequently devoid of empathy. This research seeks to reverse current policy research trends on poverty by putting the poor, their voice and experience at the centre of the research process through the Basic Needs Basket Methodology. Using Vosloorus Township, the research report sets out the initial findings arising from the focus group studies, the localised survey and the observational studies that took place over a nine-month period. From the research findings, the report then goes on to distil recommendations on approaches and strategies that the state and other actors can adopt in an attempt to support people’s initiatives in the fight against poverty. The report also identified barriers or obstacles that appear to be too large for people to manipulate and would require some structural change, and thus unlock potential in where grassroots initiatives are concerned.



Selected Findings

Food Prices

While all indications point to a decrease in food prices and food inflation in other countries, in South Africa, this is not the case - food prices are increasing. This could be the result of the agency of the price fixing phenomenon, however weak or non-existent regulations framework of basic food prices is to a large extent a factor. The latter is particularly crucial, considering widespread food insecurity and the fact that the majority of South Africans spend the bulk of their income on food but are still unable to afford a staple diet.

Coping mechanisms

This report also highlights the income expenditure patterns of households and the strategies they use to cope with vulnerability, and their attempt to move out of the poverty trap. Social cohesion, in the form of strong social networks, appeared to be the primary coping mechanism adopted in the

community to deal with issues of food insecurity, lack of clothing, school uniforms and fees. As social networks play such a central role in people's coping mechanisms, the research had to interrogate the nature and form of these networks by asking: Do they enable the households to move out of poverty, or are they merely a coping strategy for the moment? From our findings, social networks are measures of temporary relief rather than permanent security.

Other coping strategies employed by households were found to be destructive. These include household members having multiple sexual partners in order to financially sustain their families. Through research, a participant indicated that in order to have her basic needs met, she needed multiple partners to provide for these various needs, for example, one partner provides mealie meal, another meat, another clothing, and yet another cellular phone airtime. It further emerged through discussions, how in some cases people were often

forced to compromise safe sexual practices by giving in to unprotected sex under the coercive pull of money. This further illustrates the precarious coping strategies that are sometimes adopted to meet basic needs.

The need for information

Findings from the research illustrate that access to information can be used to begin to cope with poverty. Section 32(1) of the constitution states that (a) "everyone has the right to access to information held by the state; (b) any information that is held by another person and that is required for the exercise or protection of any rights." Various government communication and information has been described as inadequate and lacking coherence in so far it seeks to target the most vulnerable sections of society. Current government communication and information distribution channels are primarily pamphlets (and other printed media), Public Service Announcements (especially

radio broadcasts), Izimbizo, which combine public consultation as well as communication, and Thusong Centres, previously called Multi-Purpose Community Centres. There is however ongoing debate on the efficacy of the various media in the distribution of information at grassroots level, where it is needed mostly.

The ambivalent role of education

What also formed part of the pre-fieldwork hypothesis was the importance of education in mitigating poverty and creating ways out of poverty in the long-term. This hypothesis was confirmed by the research findings in that education appeared to be highly rated as a tool with which people could use to dig themselves out of the poverty rut. Despite the many obstacles to education that are associated with poverty, the high school drop out rate amongst youth in Vosloorus was very low. Survey participants had the perception or belief that staying in school will help improve their chances of finding work but also noted that there will be challenges all the way, including finding work after graduation. These findings coincide with Altman; 2007)¹ who has argued that large portions of school leavers

¹ Altman, M. Dr, *Jobs and the budget: easing poverty and unemployment*, HSRC, 2007

will struggle to find work as there is already high unemployment in the country. Throughout her research, she argues that education can increase labour market competition levels among black African unemployed youth.

Active Agency

The case studies presented here reveal people's lived experiences and perceptions of poverty. They further throw light on their daily expenditure patterns and attempts at meeting some of their most basic needs. Perhaps the most perceptive aspects of the case studies is that they demonstrate how the poor and officially marginalised are often active participants and not mere victims of circumstantial poverty, they are engaged in an ongoing struggle to use available resources to break the cycle of poverty. The principal elements of the daily fight against poverty are manifest through the building of strong social networks and taking part in small informal trading initiatives, albeit peripheral.

Causes of poverty and drivers of further Pauperisation

The research paints a very bleak picture in terms of the high unemployment rate in the community. This was by and large expected given the high national unemployment rate and its bearing on poverty. As is elucidated throughout the report, in the absence of paid work,

many households rely on social security grants which are in turn used for various micro-enterprises as well as for the provision of basic needs, providing a terribly small amount of regular dependable income for hundreds of thousands of households.

Feminisation of poverty

Perhaps the most striking observation is that the majority of the households under review in Vosloorus were female headed, with the absence of male figureheads within the household structures indicative of the feminisation of poverty.

HIV/AIDS pandemic

The role of the HIV/AIDS pandemic has to be taken into account in respect of the changing structures it brings to the households. The death or ill health of a breadwinner is sufficient to push vulnerable households into poverty and destitution, or keep them in poverty traps. For some of the households in Vosloorus, this has been the case.

Impact of poverty on youth

Poverty in general, and the impact of the HIV/AIDS pandemic on households in particular, has an enormous impact on the education and the overall aspirations of young people to break out of the poverty cycle. The roots of intergenerational poverty are manifested by the fact that in instances

where the burden of ill health or unemployment gets increasingly heavy, younger family members are forced to take up the roles of caregivers or breadwinners.

5.2 The Pro-Poor Policy Audit and Budget Incidence Analysis

Poverty, inequality and high unemployment remain the greatest challenges facing South Africa. Most analysts using the \$1 a day poverty measure, place the figure of South Africans living in poverty at approximately 40% of the country's population¹. Aside from the challenges of the majority of the population living in poverty, a contributing factor to this is that South Africa is also one of the most unequal societies in the world, with a Gini coefficient of 0.73. Drivers of poverty and inequality are rooted in the country's apartheid past which was defined by unequal access to productive assets including land, basic infrastructure, capital and education and skills development. Apartheid policies and their attendant inequalities further determined poor access to goods and services, fuelling the poor quality of food people ate, as well as creating spatial distances between home, school, work and health facilities.

Since the advent of democracy in 1994, successive African National

Congress (ANC) -led governments have consistently put poverty reduction at the centre stage of their transformation agendas. The impact of their responses through the allocation of fiscal resources to the mounting and persistent poverty related challenges, however, remains an area of much debate and contestation. It is with the hope of making some contribution to this largely unexplored area of public discourse, that the Poverty Audit Project seeks to answer the question: Can government policies be said to be pro-poor?

Audit objectives

The four objectives of the research audit are:

- ▶ To analyse state policies from a rights-based perspective
- ▶ To explore the budget process and take note of where rights fit in
- ▶ To explore the feasibility of developing a monitoring and evaluation tool
- ▶ To serve as a stand-alone research output

Audit approach and methodology

The Poverty Audit Project was essentially desktop research. This was investigation and analysis that involved looking at progressive realisation of socio-economic rights and clarifying the 'reasonable' extent of the state's obligations in terms of the Constitution. The research

investigation not only reviewed the budget, but departmental policies and legislation as well, in order to ascertain how the state is addressing poverty on a progressive basis. To make a comprehensive analysis, the Poverty Audit Project went beyond just interrogating government anti-poverty programmes but looked at the extent of their funding as well. What needs to be emphasised from the onset is that the audit research project was conducted before the 2009 administration came into power, and therefore reflects the pre-2009 departmental structure and names.

Scope of the audit

The research constituted an audit of legislative and policy measures that the state has taken in its bid to progressively realise rights in the Bill of Rights. A critical aspect of the methodological approach to the audit was the identification and recognition of overlapping rights, or those rights that encompass within them the provision of others. The right to a safe and healthy environment, for example, is implied in the right to access to adequate housing.

It was in view of these overlapping or related rights that the audit scaled its research scope down to five key departments that have, as their core service delivery, responsibilities for the realisation of socio-economic rights in terms of the Constitution.

¹Mandela, *US Congress 1990*

The departments under audit are education, health, housing, social development and transport. While transport is not specifically provided for in the Constitution, the Constitution places an obligation on the state for ensuring infrastructure and human development, in their broadest sense. It is argued that the realisation of these basic rights or optimum social goods in general, hinges on well-developed physical infrastructure to the same extent that it depends on finances, human, and other resources.

Policy and legislation analysis

The operational definition of “pro-poor” was applied to policy papers and legislation. This involved determining if the language within the documents reflected recognition of the relevant right to each department as well as the need to eradicate poverty. Also to be determined from the rhetoric, was whether there existed references for officials to act in aligning policies with the budget, institutions, rights and expenditure. Most policies, those of the department of transport being the exception, made references to the rights related to the services each department is responsible for delivering. The policies and legislation also state that the imbalances caused by past policies are to be redressed through equitable redistribution of resources.



The project considers the obligations placed by the Constitution, maps the policy commitments and legislative principles of main acts, considers institutional alignment, concludes as to whether these are pro-poor, and shows the reasons for such findings. Conclusions of this project show that the policies of the five departments are overall pro-poor in rhetoric, but that implementation is lacking in most. The project makes recommendations to remedy the implementation problem by filling the gaps identified within the policies through financial and human resources provision and the capacitating of state officials at all spheres.

Budget Incidence analysis

The Poverty Audit Project research differs from other work in that it uses a rights-based framework to analyse state policies and spending across the public service spectrum. At the core of

the investigation was whether the rights in the Bill of Rights are given effect through the budget, taking into account the budgeting process and allocations. The study, therefore, set out to ascertain whether budgeting processes consciously took into account of, or were informed by a rights-based budgeting framework.

5.3 Progressive Realisation and Socio-economic rights

The Constitution places an imperative on the state to actively realise socio-economic rights and strive for the dignity and equality of all people. Section 7 of the Constitution specifically expresses that the state must promote, protect, fulfil and respect the rights in the Bill of Rights. The Constitution also states that any law or action that is in conflict with its provisions is invalid. In other words, should the state fail to realise

5.4 Highlights from other Research and Submissions

Section 7 rights as enshrined in the Constitution, such dereliction of responsibility would be deemed unlawful and inconsistent with the Constitution. However, specific provisions for certain rights and Section 36 of the Constitution, place a limitation on socio-economic rights. These passages provide a proviso for the state to take reasonable legislative and other measures to realise the rights on a progressive basis and within available resource constraints.

It has been widely argued that the constitutional provisions which curb the state's obligations dilute people's socio-economic rights. These sections do not require the state to divulge specifics, such as resource availability and other constraints, or to justify its failure to fulfil its constitutionally sanctioned socio-economic obligations. Nonetheless, the 2000 Constitutional Court decision involving Mrs. Grootboom and others, shed light on the meaning of "reasonableness". The Constitutional Court judgment stated that "reasonable" implementation programmes should include clear allocations of responsibilities to each of the three spheres of government so that appropriate financial and human resources are made available[#].

For more recent workshop and research reports please visit: www.spii.org.za

[#]Altman, HSRC, 2007

A Review of Community Development Projects – Commissioned Paper, Development Bank of Southern Africa

"The creation of decent jobs sufficient to meet this demand is not something that either the state or business will be able to address overnight. The challenge that then emerges is: How can people excluded from decent jobs be drawn into the broad economy in a sustainable manner?"

One of the ways that is currently receiving consideration is the possibility of building participation in a community level, bottom-up approach. There are many existing examples of community development projects that exist in South Africa. In order to enable development actors to be able to design interventions to assist the sustainability of these projects or even to support their move to greater incorporation into the formal economy, it is critical to know what currently exists, why viable projects succeed and why others fail, and to learn from lessons already learned about appropriate types of external interventions."

South Africa: Writing the Wrongs An analysis of past and current inequalities – Commissioned by Open Society Initiative of Southern Africa

"From the impact of smallpox brought by Dutch colonisers to the removal of the right of South African citizenship for millions of black South Africans by the descendants of colonisers years later, the actions of a small minority have had disastrous consequences for the well-being of the majority."

This paper considered a number of state policies that have been adopted since 1994, including social grants, public works and Black Economic Empowerment. Critiques of all of these concluded that they fall very short from addressing the structural nature of unemployment and inequality in South Africa, and to some, all of these also appear to be attempts by the elite to prevent the necessary real change...

In this paper, we made the following suggestions for what we believe to be fundamental to the rebuilding and reorientation of the nation, namely:

- *Rebuild civil society*
- *Introduce a Basic Income Grant (BIG) to increase demand and rebuild the economy from the bottom*

- ▶ Redesign social insurance to cover self-employed and informal workers
- ▶ Marry a livelihoods with a human rights approach
- ▶ Rebuild rural towns as productive hubs
- ▶ Deepen “Value Add Chains”

Devils in the architecture, Angels in the details?

Towards a synopsis of Civil Society Perspectives on the proposed Anti-Poverty Strategy for South Africa

“Addressing the poverty challenge has been at the heart of the South African government policy and initiatives since 1994, with varying degrees of sustained success and impact. The two key documents recently drafted by government, under the auspice of the Presidency of the Republic, indicate a renewed mandate and commitment by government to achieve improved livelihoods for all South Africans.

... While it has been broadly welcomed, progressive civil society has been more cautious than enthused by the content and process associated with the development of a national anti-poverty strategy for the country...The trust quotient between the state and civil society is low and in need of serious repair.

The unanimous calls from civil society in respect of “process” and “space” confirms the need for new, more open, durable and accountable forms of engagement between government and social partners, particularly non-governmental organisations and community formations and the state. But it also articulates a larger concern: anti-poverty initiatives are workable and effective when social mobilisation is at the centre of planning and implementation; when forms of non-state representation are respected; where partnerships are premised on independence, mutual respect and acceptance of difference; where multi-stakeholder involvement at all levels is not merely “tolerated” or seen as “necessary” but grasped as a key principle of democratic voice which shifts existing power paradigms....Analytically, much of progressive civil society’s response to the Anti-Poverty Framework document has been critical. These include insights such as:

- 1) *The situational analysis is weak if not absent;*
- 2) *The focus on multi-dimensionality dilutes rather than strengthens the focus of the strategy;*
- 3) *The structural, systemic and causal analysis of the causes of poverty is not well understood or articulated;*
- 4) *The “end-point” or desired outcomes remain vague;*
- 5) *The road map or strategy to achieve these desired outcomes remains unarticulated – the prescription seems to be “more of the same” but simply delivered “better”;*
- 6) *The inter-governmental co-ordination and interaction both in terms of policy and implementation remains unresolved”*

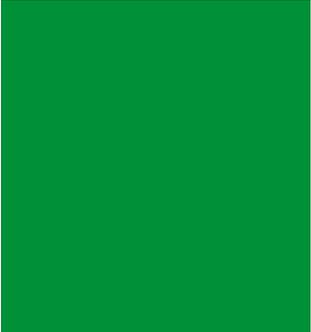
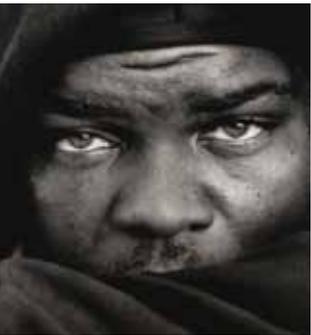
Submission to The Portfolio Committee on Social Development (National Assembly) on the Social Assistance Amendment Bill [B5 - 2010]

“The Amendment Act seeks inter alia to tighten the definition of ‘disability’ in a way that will largely exclude people living with chronic illnesses. This submission has explored a number of related issues. We have seen that current DGs are used for basic needs – food and basic services. We have also seen that the education level of many DG beneficiaries is not high. We have seen that social protection for people is important to enable them to provide for their basic needs, but it is also critical for the advanced development of any country and indeed for the alleviation of poverty. We have seen the correlation between chronic illness and poverty and the trap that springs up as a result. Finally we have considered the impact of HIV as a wide spread chronic illness.

... (W)e have also explored the constitutional imperatives on the state, and in so doing, we have argued that to render ineligible any person currently eligible for a disability grant without FIRST having adopted and implemented an appropriate form of social assistance for such people, the state will be acting in an unconstitutional manner, and we believe that Parliament cannot consciously adopt such an amendment act.”

6

Promoting Participative Democracy



Promoting Participative Democracy



As part of our vision statement, SPII is committed to promoting participative democracy. This work includes our participation in conferences and events as well as networks and other forms of engagement aimed at ensuring that durable participation is realised in all spheres of government. These include participation in:

- ▶ Civil Society Task Team – National Anti-Poverty Strategy
- ▶ National Economic Development and Labour Council
- ▶ Civil Society Platform for Comprehensive Social Protection
- ▶ Statistic South Africa’s Millennium Development Goal Review process

As part of these efforts, SPII has also participated in national and continental structures and platforms such as:

- ▶ The South African Council of Churches
- ▶ The National Welfare Forum
- ▶ Centre for the Study of Democracy
- ▶ The Southern African People’s Solidarity Network (SASPN)
- ▶ The South African National NGO Coalition (SANGOCO)
- ▶ Goedgedacht Forum
- ▶ Global Call to Action Against Poverty-SA)
- ▶ The African Civil Society Social Protection Platform

In pursuit of our objectives, we have also made contributions to joint civil society submissions to institutions such as Parliament, NEDLAC, the South African Human Rights Commission and the National Development Agency. Through regular publication of SPII Talk and seminar series we have attempted to engage stakeholders from government, labour, faith organisations and business on both the substance and institutions of decision-making, consultation and participation.

7

Sustainability



Non-profit formations in South Africa enjoy many formal, legal and institutional rights. However, the sector is highly dependent on foreign and donor support for its continued existence, and thus, is vulnerable to shifts or changes in donor priorities. In recognition of this, SPII is committed to ensuring enhanced self-sufficiency and sustainability. As part of this, SPII seeks to contribute to society's appreciation of role of the non-profit sector, using its unique strengths to promote the SPII's standing and non-profit formations within the public domain and society at large.

The Atlantic Philanthropies Sustainability for Human Rights Organisations Programme (AHRP) aims to promote sustainability of civil society organisations working in the area of human rights among the rural poor. The AHRP is managed by Inyathelo – The South African Institute for Advancement on behalf of The Atlantic Philanthropies (Atlantic), and currently focuses on building the advancement capacity of six participating organisations (POs), with SPII as one of these organisations

In essence, a process of organisational milestones, reflections and peer learning is utilised to assist us to set goals which will enable us to enhance our ability to become sustainable.

We are pleased to report that during 2009, the following milestones were deemed by external assessment to have been met:

1. The establishment of an advancement team to raise the profile of SPII and to expand our friends and contacts to further resource raising, made up of existing SPII staff members.
2. The launch of a revised website by the end of 2009.
3. Production of a professionally designed and printed Annual Report.
4. The reworking and refinement of SPII's advancement and fundraising plans.
5. The identification of 30 new prospective donors and success in making one-on-one contact with ten of them.

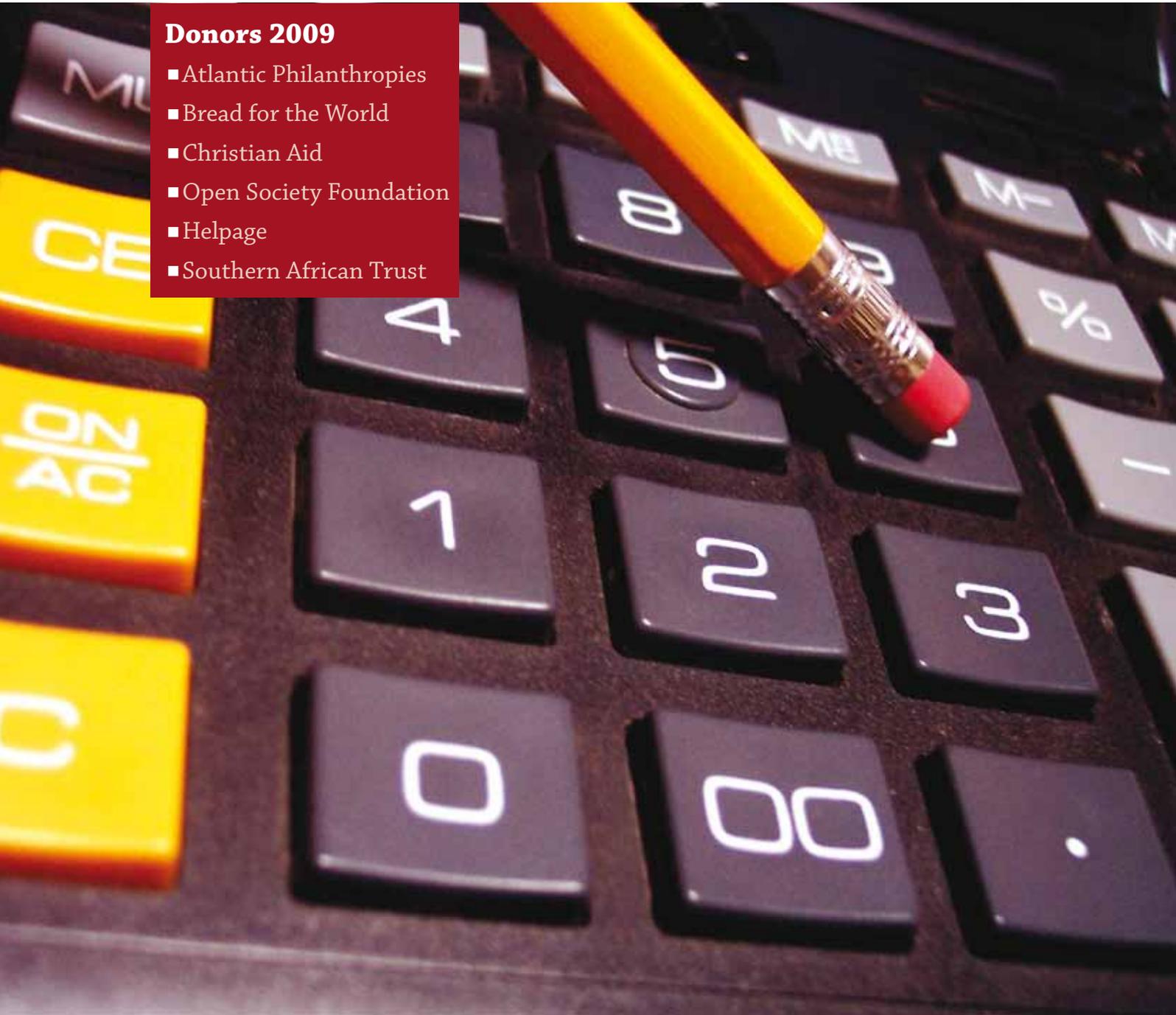
Consequently, we are currently continuing with the AHRP for 2010. Going forward, we have set new milestones in respect of the following areas:

1. Stewardship/Strategic Capacity Building & Support
2. Patrons/Sponsors and Champions
3. Media/Branding and Profiling
4. Donor Database & Information Management Systems
5. Establishment of a Reserve Fund
6. Fundraising Targets: Individual; Corporate; Donor; State & Other

We remain mindful that our achievements thus far, while impressive, fall short of the of realising significant levels of self-sufficiency and sustainability. The technical input from Inyathelo and the on-going evaluation and site visits have assisted us in our efforts and made a difficult process exciting and well worth the effort.

Donors 2009

- Atlantic Philanthropies
- Bread for the World
- Christian Aid
- Open Society Foundation
- Helpage
- Southern African Trust



Studies in Poverty and Inequality Institute

(Registration number IT 3080/2006)

Financial Statements for the year ended 31 December 2009

Statement of Financial Position

Figures in Rand	Note(s)	2009	2008
Assets			
Non-Current Assets			
Property, plant and equipment	2	112,840	164,576
Current Assets			
Trade and other receivables	3		
Cash and cash equivalents	4	117,045	173,717
		117,045	237,717
Total Assets		229,885	402,293
Equity and Liabilities			
Equity			
Trust capital	5	100	100
Accumulated deficit		372,960)	(212,347)
		(372,860)	(212,247)
Liabilities			
Current Liabilities			
Trade and other payables	6	602,745	614,540
Total Equity and Liabilities		229,885	402,293

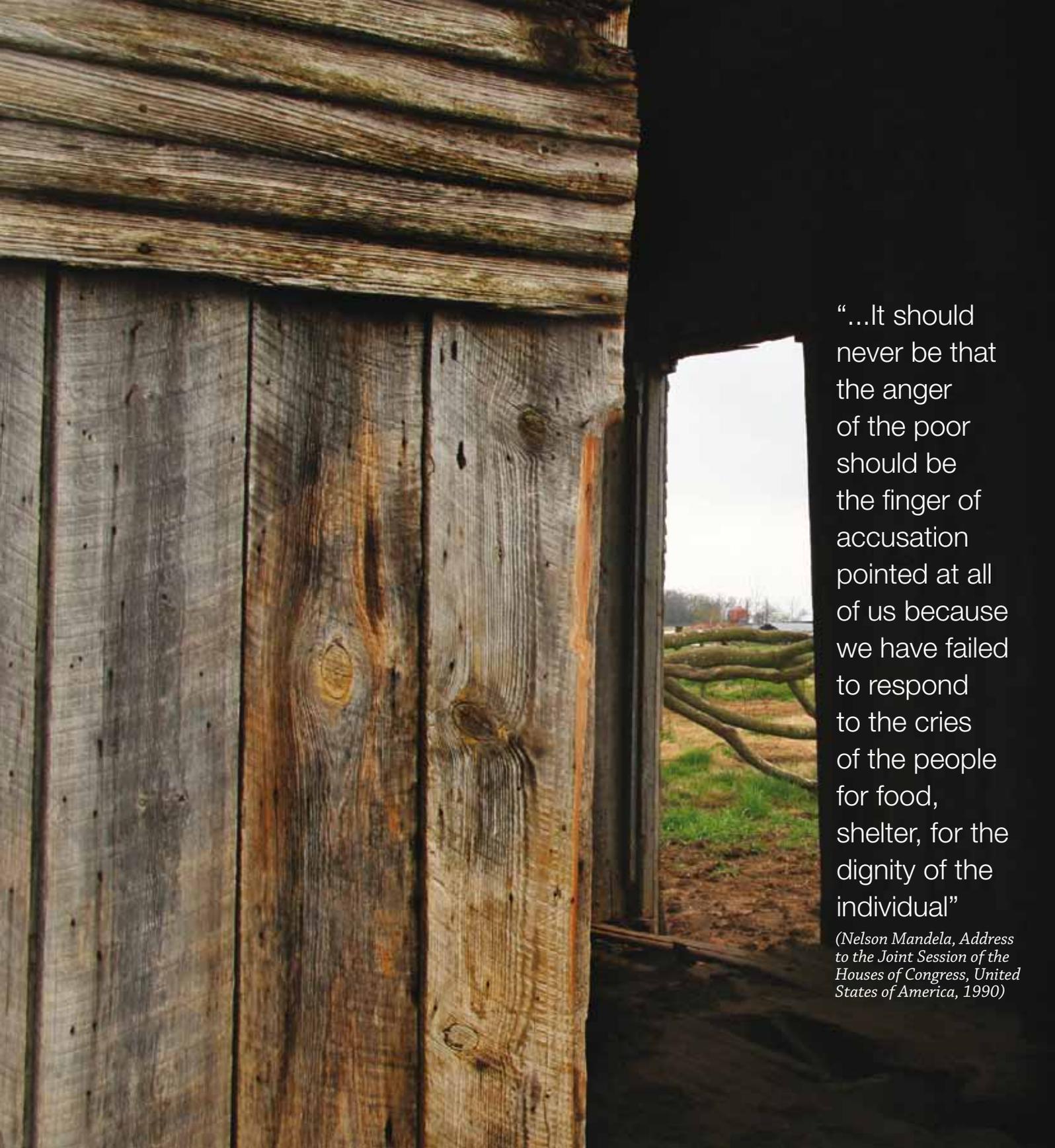
Studies in Poverty and Inequality Institute

(Registration number IT 3080/2006)

Financial Statements for the year ended 31 December 2009

Statement of Comprehensive Income

Figures in Rand	Note(s)	2009	2008
Revenue		2,235,520	1,897,883
Other income		255,662	33,800
Operating expenses		(2,663,561)	(2,512,334)
Operating deficit	7	(172,379)	(580,651)
Investment revenue	8	11,766	45,721
Deficit for the year		(160,613)	(534,930)
Other comprehensive income			
Total comprehensive deficit for the year		(160,613)	(534,930)



“...It should never be that the anger of the poor should be the finger of accusation pointed at all of us because we have failed to respond to the cries of the people for food, shelter, for the dignity of the individual”

(Nelson Mandela, Address to the Joint Session of the Houses of Congress, United States of America, 1990)



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