



**STUDIES IN POVERTY AND  
INEQUALITY INSTITUTE**

CRADLE OF HUMANITY



THE POPULATED HEALTHY PLANET

*Building up knowledge to break down Poverty*

**ANNUAL REPORT 2010**

# Acknowledgements

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*The pictures on these following pages 6, 8, 11, 12, 15 and 18 in this report come from the NPO Studio Bernard Viljoen Foundations' "I was shot in Joburg" which is a project that trains former street children in photographing and producing their environment and portraits of people on the streets of Johannesburg, enabling them to generate an income this way. The NPO can be contacted via their website [www.iwasshotinjoburg.co.za](http://www.iwasshotinjoburg.co.za) <<http://www.iwasshotinjoburg.co.za>> and portraits and pictures can be bought online.*

*Proofreading & editing by Anita Makgetla.*

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# 1

## 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

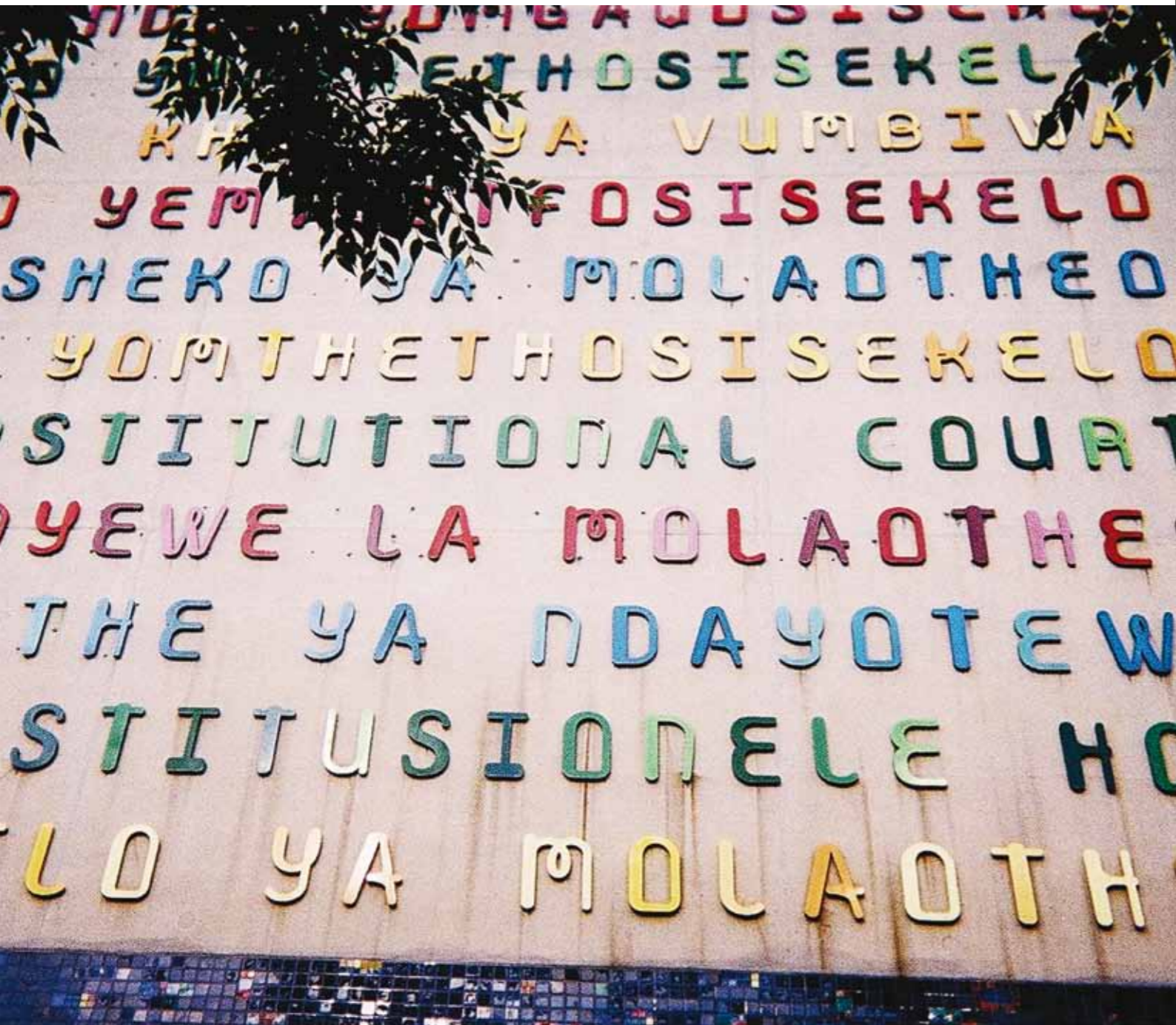
**SPII realises its vision by:**

- 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.



## 2 Letter from the Chair



As Chair of the Board of SPII for 2010, I think that the contents of this Annual Report well showcases the vibrancy, breadth and depth of the work that SPII is undertaking. As a Board, we are pleased to see how the financial position of the Institute has significantly improved, and we are very pleased to have welcomed new donors on Board, who have recognised the value in supporting the work of SPII, including the marriage of research and advocacy.



As a nation, we have witnessed the incredibly exciting FIFA World Cup, which drew from the best of our nation. We have also however seen an increase in people's frustrations at the slow pace of change to their material conditions that manifest in 'service delivery protests'. We believe that these should not be narrowly typed as such, but should rather be seen as reflecting more on the high levels of poverty and clear inequality against very obvious conspicuous consumption of the elites.

### How do we effect more rapid and sustained transformation?

It is clear that we need to consider the current patterns of ownership and access to the skills and resources required for a path of economic and social mobility. The obstacles to economic opportunities also need to be better understood and challenged.

The role of the Competition Commission in uncovering collusion amongst large producers and retailers is to be commended, and we trust that this will continue. A high concentration of monopolies acts to effectively break new entrants into the economy, limiting the potential both for economic growth, but in addition, limiting the potential for growing more jobs, which is a critical issue for South Africa.

The issue of the increasing distance between the youth and the labour market is a primary matter of great concern. The inability to find decent work effectively impedes social graduation from youth to adulthood, and the point of recognition as an independent adult, with both opportunities and responsibilities, is deferred. The Roundtable that SPII hosted this year on ways to increase youth employment raised some interesting debate, and was fortunate enough to have the participation of youth political structures, as well as policy makers and academics.

In conclusion, together with the rest of the Board, I commend the work of SPII this year, and I do encourage potential partners to consider further supporting and advancing the potential of SPII to realise its objectives and contribute to the transformation of South Africa in line with the inspirational vision set out in the principles of the Constitution of South Africa.

*"We, the people of South Africa, recognise the injustices of our past; honour those who suffered for justice and freedom in our land; respect those who have worked to build and develop our country; and believe that South Africa belongs to all who live in it, united in our diversity". "We, the people of South Africa, recognise the injustices of our past; honour those who suffered for justice and freedom in our land; respect those who have worked to build and develop our country; and believe that South Africa belongs to all who live in it, united in our diversity".*

Nhlanhla Ndlovu



### 3 From the Director's Desk



**Poverty is destructive and divisive. It destroys dreams, undermines self-worth and restricts the growth potential of any economy. Poverty is also political as it relates to the distribution of a set of resources in any community or country, and the choices represented by such distribution.**

**South Africa faces a profound challenge in respect of reducing high levels of poverty. Poverty in South Africa is linked inextricably to the high levels of unemployment experienced especially amongst low- and semi-skilled workers, but it is also a consequence of the extreme levels of income inequality that exist in South Africa.**

2010 has been a very interesting year in many ways for South Africa. Of course, the headlines were dominated by the FIFA World Cup, and this saw millions of South Africans (and of course, people from all over the world), jostled together in often freezing Fan Parks, united in a passion that appeared to mediate some of the growing divides that resonate in our country. These are divides that haunt us from Apartheid days, as well as new ones that reflect the harsh inequalities which continue to reproduce the racial, spatial and gendered divisions of the past.

As a nation, we have certainly made strides towards transforming from our past. In certain areas we have excelled, to the point that 'born frees' have little idea of the levels of oppression and inhumanity that sought to destroy, belittle and control our country through the abuse of the state machinery. Ranging from petty regulations, to brutal state suppression

and violence, the manifestations of Apartheid were everywhere. The extent to which this has been turned around is quite phenomenal.

And yet we have also erred and made mistakes. Sometimes we made choices and compromises that had more serious consequences than we might have realised at the time.

We have seen a growing complacency about mediocrity that allows us to accept poor service delivery until something in us snaps and people take to the street in protest. We have seen a declining return on time spent in education. We have seen levels of

rentiership and patronage deepen, with the result that those excluded from circles of influence really are profoundly excluded from being able to access resources. And yet, more disturbing than these is that we have allowed complacency to settle within and between ourselves, around the very issues of poverty and inequality, to a point in which it is very hard to try to see the connection with the proud 'rainbow nation' of 1994. How do we actually reconcile ourselves with the fact that we are one of the most unequal countries in the world? How do we manage to become so blinkered and lacking in empathy that we do not come out in solidarity

**“ As a nation, we have certainly made strides towards transforming from our past. In certain areas we have excelled, to the point that 'born frees' have little idea of the levels of oppression and inhumanity that sought to destroy, belittle and control our country through the abuse of the state machinery ”**



“ Although we are an upper middle income country, and in many ways perceive ourselves as on par with much of the developed world, that does not mean that we can all live the life of plenty that those in the top income decile live. The levels of income of the top income decile have, incredibly, grown since 1994, at the cost of those in the lower seven deciles thus increasing the severity of societal inequality. We have seen unconscionable redistribution from the poor and lower middle classes to the elite ”

with our own neighbours and say: “Something must change. Urgently.”

One of the reasons could be that we do not appear to have a clear vision about the kind of society that we ultimately wish to be or an understanding of the steps that we need to take from the pragmatic here and now to get there. The Constitution, informed by the Freedom Charter, gave us a framework of rights and principles that shape the vision for our ideal society while the Reconstruction and Development Programme (RDP) gave us a variety of programmes for development that might make that society possible. One might say that a fundamental shift from ‘growth through redistribution’ of the RDP to ‘redistribution through growth’ led us away from the other pillar of the RDP, namely reconstruction (and with that, reconciliation).

Although we are an upper middle income country, and in many ways perceive ourselves as on par with much of the developed world, that does not mean that we can all live

the life of plenty that those in the top income decile live. The levels of income of the top income decile have, incredibly, grown since 1994, at the cost of those in the lower seven deciles thus increasing the severity of societal inequality. We have seen unconscionable redistribution from the poor and lower middle classes to the elite.

This is why we believe that the work that we do at SPII is so important. We need to be challenging these structural realities through empirical research and policy analysis, and by tackling parts of the national discourse that seek to dissuade new and bold thinking. We do not seek to preach, but to challenge. To the person who can so dismissively say that ‘Social grants cause dependency’, we need to be able to ask ‘Why? Why does our economy not provide sufficient and decent opportunities for people to work?’ Furthermore we need to be able to put forward evidence-backed alternatives to policies that our research has found to be insufficient or misguided.

We hope that at the end of 2011 we will be able to reflect on these points and identify what has changed positively from previous years. We hope that the New Growth Path that is being shaped will in fact be able to implement changes to the structure of the economy and begin to break down the monopolistic stranglehold that prevents so many millions of people from being included. Furthermore, we hope that by the end of 2011 we will be able to claim that at last we have a National Anti-Poverty Policy that is able to guide us out of this trend in which poverty and wealth continue to grow divergently, pulling our society apart. But ultimately, we hope that we will be able to say that we know what kind of society we want to live in, and what each of us is willing to give up in order to get there.

This year we bade a sad farewell to Glenn Farred, who had been Programmes Manager at SPII since the inception of the organisation, and we thank him for the seminal work and contribution that he has made to the Institute. We also welcomed two new researchers to our staff, Stephanie

Brockhoff and Thabileng Mothabi. At a governance level we are very pleased to have welcomed Venitia Govender to the Board of Trustees.

In closing, as Director of SPII, I would like to thank the Board and the staff

for their unstinting commitment to the work of the Institute. I would also like to thank our donors, as well as our partners who have helped us to achieve our objectives, and all our stakeholders and supporters across

all sectors. I enjoy seeing how SPII is really growing into an institution and the recognition that that brings to our work.

*Isobel Frye*





# 4

## SPII's Research and Advocacy Programmes



SPII works in an interdisciplinary manner. The aim of our research is to contribute to the achievement of the transformation of our society as set out in the principles and rights of the Constitution of South Africa. Through our research we aim to develop new knowledge and deepen current understandings of the extent and impact of poverty and inequality on our society, economy and polity. Moreover, we seek to develop concrete recommendations and potential solutions, combining the knowledge from our qualitative, community based research as well as our local and international policy analyses and comparative studies.

Our aim is thus to advocate for changes based on empirical evidence. Our advocacy is undertaken through using statutory institutions such as the National Economic Development and Labour Council (NEDLAC), as well as through strategic partnerships, such as our work with the South African Human Rights Commission (the SAHRC). In addition to this, we develop tools and disseminate information to strengthen the work of other CSOs (civil society organisations) by using the media and hosting workshops, seminars and conferences. Furthermore, we develop submissions on specific issues, such as our submission to the Portfolio Committee on Social Development regarding the question of removing chronic illness as a ground of eligibility for a Disability Grant, ahead of the introduction of any alternative assistance.

Our work is divided into three main programmes, namely the Socio-Economic Rights Programme, the Basic Needs Basket Programme and

the Social Dialogue Programme. Each of these programmes is made up of a number of different projects and activities, some of a short term nature, and others being more established. This year, we have embarked on a number of new projects, and these are set out in quite some detail below. In addition, SPII has continued to benefit from our participation in Inyathelo – The South African Institute for Advancement.

Many of the supporting papers and outcomes can be found on our website, [www.spil.org.za](http://www.spil.org.za). Please also do not hesitate to contact our offices should you wish to receive more information on any of the activities or research that might be of interest to you.

### Programme One: Socio-Economic Rights Programme

Socio-economic are guaranteed both in the South African constitution, but also in the international, regional and

sub-regional human rights treaties and covenants. Socio-economic rights recognise that political and civil rights, including the rights to life, dignity and equality cannot be realised in the absence of some basic floor of access to economic and social freedoms.

During 2010, SPII completed a project on problematising what "Progressive Realisation" of socio-economic rights might mean from the perspective of advocacy strategies and choices. In early 2010, we produced an Advocacy Handbook for Socio-Economic Rights, which can be found on [www.spil.org.za](http://www.spil.org.za), and which was launched at a well-attended workshop for CSOs whose work, we trust, will be strengthened by this resource.

Together with the Regional Hunger and Vulnerability Programme and the SADC Parliamentary Forum, SPII co-authored a further Handbook, specifically drafted for Members of Parliament in the SADC sub-region, on Social Protection in the SADC region – 'A Transfer out of Poverty. Poverty, equality and growth: the Role of Social Transfers. A Handbook for Parliamentarians'.



Together with these partners, SPII co-hosted a conference in September on the same theme that is described more fully in the Social Dialogue Programme section Below.

In June 2010, we launched a project to develop, over the next thirty six months, a measuring tool to monitor the progressive realisation of socio-economic rights. The complex and daunting nature of this challenge is described below. Additionally, we have recently begun work on our second project under this programme, namely Access to Socio-Economic Rights by Non-Nationals in the SADC sub-region, which we are undertaking in partnership with a network of locally based research organisations in each of the countries.

Finally, SPII continues to disseminate innovative and informative research papers that we receive from our growing database of CSOs and other academics working in the field.

### Project One: Developing a measuring tool to monitor the progressive realisation of socio-economic rights

Rising levels of inequality and high levels of poverty continue to haunt South Africa. Whilst the promise

contained in the Constitution of 1996 that society would be transformed through the realisation of socio-economic rights for all still holds, progress has been slower than hoped for. Subsequently, dissatisfaction with service delivery is spreading, despite the state continuously increasing the amount of resources allocated to realising socio-economic rights.

The Constitution requires the state to progressively realise the rights to housing, social security, health care, water and sanitation, food and land. However, the state is only required to do so with the resources at its disposal. Whilst the inclusion of socio-economic rights in the bill of rights means that the South African Constitution was heralded world-wide as one of the most innovative constitutions, it also begs the question about what concrete obligations can be expected or demanded of the state, and within what time frame they are to be realised.

It is clear that to progressively realise socio-economic rights within available resources means that the rights will be realised over time. However, what is unclear is how quickly the state must realise these rights and what it even means to realise socio-economic rights in South Africa. The right to basic education is an exception from the rule as it is an unqualified right and hence

not subject to progressive realisation. Monitoring the realisation of socio-economic rights is key to ensuring that the state makes progress towards full rights enjoyment and does not view the shortcomings in resources as an excuse for delaying full realisation beyond the 'poorest of the poor'. The jurisprudence handed down by the Constitutional Court in a number of documents, beginning with the Grootboom judgement (Grootboom and Others v Government of the Republic of South Africa and Others - Constitutional Court Order (CCT38/00) [2000] ZACC 14 (21 September 2000)), is clear in this regard.

The question informing SPII's research on this project is: how can we evaluate progress made in the realisation of socio-economic rights without a tool that stipulates criteria for what progressive realisation means? Is it possible to criticise or commend reforms without a measure against which to evaluate government policy? To give a concrete example: how do we evaluate whether the recent roll-out in grants to 15 million South African's constitutes a move towards universal social security, as opposed to further entrenching the current system that targets certain groups in society to the detriment of others, if we do not know what 'progressive realisation' of social security in toto means? For as long as no clear criteria exists by which



to monitor and evaluate this progress, measuring the state's obligation to realise socio-economic rights is a subjective exercise purely dependent on one's point of view.

### Policy Review

SPII began with a policy review to scope the extent to which policy making on housing and social security since 1994 has been driven by the constitutional prerogative to progressively realise these rights. In this case, we also sought to investigate whether policy makers had a vision for what it means to fully realise these

rights. This was contrasted to the realisation of the right to education, which is an unqualified right, namely a right that is to be realised immediately without making reference to limited resources.

SPII produced the following four papers which are available at [www.spil.org.za](http://www.spil.org.za).

- Monitoring progressive realisation of socio-economic rights: Lessons from the United Nations Committee on Economic, Social and Cultural Rights and the South African Constitutional Court

- Monitoring Progressive Realisation of Socio-Economic Rights: A Review of the Development of Social Security Policy in South Africa
- A Review of Housing Policy and Development in South Africa since 1994
- The Resourcing of Public Schools: An Analysis of Compliance with, and Measurement of the State's Constitutional Obligations

These four papers illustrated respectively that:



A detailed analysis of international and national jurisprudence around progressive realisation sets out quite clearly what a government is obliged to do. However, the question of what "within available resources" means in the South African context is still largely open and needs to be addressed by anyone who wishes to monitor the progressive realisation of the rights.

Social security policy has developed in a largely ad hoc fashion and in reaction to either Constitutional Court rulings or the Report of the Committee of Inquiry into a Comprehensive System of Social Security for South Africa (The Taylor Committee), Transforming the Present – Protecting the Future', published in March 2002. A vision for a comprehensive social security system continues to be absent and the old system, developed during apartheid and premised on the assumption of full-white employment, is merely being expanded. This means that structurally unemployed men and women continue to receive no social security in South Africa.

The review of policy making around

“ The development of education policy continues to face challenges and education outcomes are poor. Despite the fact that education is an unqualified socio-economic right, legislation makes reference to progressive realisation of the right. This thus shows a clear misunderstanding of the constitutional obligation to realise this right ”

housing highlighted the necessity to develop a meaningful understanding of adequate housing that by definition will always depend on the specific context of the individuals. In addition, whilst a large number of houses have been built, government rarely makes reference to progressive realisation of the right to housing for all and typically shrouds its language in terms of reducing backlogs and speeding up delivery. The question of where houses are being built and whether this is adequate and meets peoples' needs continues to be contested.

The development of education policy continues to face challenges and education outcomes are poor. Despite the fact that education is an unqualified socio-economic right, legislation makes reference to progressive realisation of the right. This thus shows a clear misunderstanding of the constitutional obligation to realise this right.

**Development of the Matrix**

It is the aim of this project to provide explicit criteria by which to measure

whether rights are progressively realised. Firstly, it will be necessary to develop certain quantifiable and replicable indicators for each of the socio-economic rights contained in the South African Constitution. These can then be analysed over time in order to measure whether progress is being made. At this point we will encounter a trade-off. By necessity the indicators will have to be aligned with data readily available. In addition, a trade-off needs to be reached between choosing a large number of indicators in order to capture the complex nature of socio-economic rights, versus keeping the matrix simple enough in order to make it accessible and comprehensible for policy makers, NGO's and economists alike.

**Qualitative indicators**

In addition to these quantitative measures, we would like to provide some qualitative indicators of socio-economic rights. As they are hard to replicate and virtually impossible to quantify they should be viewed as complementing the picture of progressive realisation as painted by

the matrix. Nonetheless, they are of crucial importance for providing a more complex picture of the realisation of socio-economic rights - a picture which goes beyond what quantitative data can capture.

The matrix is intended to provide both politicians and civil society with a way of evaluating whether the current systems put in place, as well as future policies, actually comply with the constitutional obligations as outlined in the South African Constitution. Only once clear criteria on what 'progress' means have been developed, will it be possible to engage in a meaningful debate about whether South Africa is moving towards meeting its constitutional obligations. This by definition necessitates a definition of 'progressive realisation' that moves away from the strictly legal to one that also bares the social and political implications of progressive realisation in mind.

**Four dimensions to "Progressive realisation"**

Arising from our conceptual work and consultation this year, SPII has decided to measure progressive realisation of the socio-economic rights along four dimensions that capture the unique country -specific context in South Africa

These four dimensions measure rights

enjoyment that will lead to fulfilment of a right (see illustration below). This will allow us to define 'progressive realisation' in such a way that the iterative transformative characteristic of socio-economic rights is highlighted and concretised. The four dimensions along which we seek to track and measure the progressive realisation and the enjoyment of a right are:

- Access
- Adequacy
- Quality
- Geography

Government currently measures progressive realisation exclusively through Access to the right. In some instances this means that the existence of infrastructure such as a pipe will be counted as the realisation of the right to water irrespective of whether people actually have access to running water. Hence, access needs to be defined more comprehensively as meaning affordable 'access to the right, continually over time', with government establishing the necessary conditions allowing for such access. Similarly, enrolment figures at the beginning of a student's education only tells half the story, given high drop-out rates as students move through the education system.

**Adequacy** of the access to the right might for example shed light on

whether the amount of water an individual accesses is adequate for meeting basic needs, or whether the monetary value of the Child Support Grant (social assistance cash transfer) is adequate for meeting the basic needs of children etc. The question of adequacy is of crucial importance as it tells us how much the quality of life of an individual has changed by gaining access to the right. If adequacy is not given, then access can be a mere perfunctory achievement.

The **Quality** of the right enjoyed is also critical. In some instances adequacy and quality might be synonyms, but in the case of water, for example, adequacy would talk about the amount of water available, whilst quality would speak to the safety of the water available. Or quality might refer to the structure of an RDP house (state provided housing in line with RDP policies), whilst adequacy would refer to whether the design of the house is adequate for housing a family of six, to give an example.

Finally, we must take into account the **Spatial or Geographical Location** of potential beneficiaries of socio-economic policy. This factor is of crucial importance as it measures whether progress is made at reducing the spatial inequalities that exist throughout the country – one of Apartheid's most devastating legacies.





Progressive realisation of socio-economic rights must occur not only on an aggregated national level, but also in the most disadvantaged or remote areas. In other words, transformation through the enjoyment of rights needs to be felt on the ground in every corner of the country. If transformation is to be achieved it hence has to be achieved in every historically disadvantaged community in the country and only if we look at, and measure, enjoyment on a spatial level can we be sure that this is actually happening.

We believe that all of these factors need to be considered when evaluating the extent to which rights are being enjoyed. If socio-economic rights are the mechanism through which South African society is to be transformed from its Apartheid past, and progressive realisation talks to the pace at which this will occur, then the four dimensions of enjoyment can measure how much progress has been made to date. Indicators should hence be developed that track progress over time along these four dimensions.

**Continuous transformation**

Enjoyment of a right will over time lead to fulfilment of the right, that is to say the realisation of the socio-economic right. However, complete fulfilment will never be achieved, as fulfilment is a shifting, relative parameter and the richer a country gets, and the more its living standard improves, the more the levels or standards that define enjoyment will shift. Perhaps progressive realisation of socio-economic rights is best thought of as occurring on a continuum. Once

a certain standard of right enjoyment has been achieved, the process starts anew, with higher, more ambitious goals set for access, adequacy, quality and geography of the enjoyment of the right. Every circle of our diagram thus constitutes one step on the road map to complete realisation of socio-economic rights. Every time the process starts anew, transformation towards rights realisation has occurred and society continues to transform to one where socio-economic rights are realised at a higher level.

In short, transformation of a country through the realisation of socio-economic rights is an on-going, iterative, process that moves in tandem with the development of the country as a whole.

**Stakeholder engagement and future development of the project**

SPII has been engaging widely with stakeholders, policy makers and experts alike and has hosted several workshops during which the theoretical thinking around the matrix and the research outcomes of the individual papers was presented and discussed.

**Future project activities will include:**

- Continue to meet with stakeholders, including parliamentarians, to discuss the

project,

- Continue our cooperation with the South African Human Rights Commission on this project by conducting an analysis of the 2011 National Budget,
- Refine the theoretical framework, and
- Meet with Statistics South Africa to discuss the availability of data.

**Project Two: Study on Access to Socio-Economic Rights for Non-Nationals in the SADC sub region**

SPII has recently started work on a research project addressing access to socio-economic rights for non-nationals in the SADC region. This project is a product of the relationship the Institute has with the Open Society Initiative of Southern Africa (OSISA). The project seeks to establish the extent to which non-nationals in the SADC countries excluding South Africa have access to socio-economic rights, which include the right to education, health and food among others. The project will see research activities being carried out in 11 SADC countries (excluding South Africa and the island states). To date various organisations have been identified and tasked to carry out consultancy work in line

with obtaining the required research outputs for the project. The project recently kicked off with the hosting of a reference team meeting. The first half of the year 2011 will be a busy period for SPII: co-ordination of fieldwork activities in the different countries will be done as well as the holding of research team and reference team meetings to monitor progress on the research. We expect to obtain final submissions in May 2011 paving way for preparation of the final report by the 30th of June 2011. The outputs of the study will entail production of a report reflecting the extent to which migrants in each of the mainland SADC member states (excluding South Africa) are able to access the rights to social security, health care and education. It is hoped that this output will support OSISA's strategic assessment of their future interventions in the sub region. In addition, it is anticipated that this project will establish a network of CSOs – both the participating organisations and their respective partners – that will be able to act in concert on future initiatives where possible.



## Programme Two: The Basic Needs Basket (BNB) and Food Monitoring Programme

In 2008, SPII embarked on its first BNB project in Vosloorus Township, the outcome of which can be found on [www.spii.org.za](http://www.spii.org.za). That work and its main findings were reported on in our 2009 Annual Report. SPII embarked in September 2010 on the 2nd wave of the Basic Needs Basket Programme.

The 2nd wave is further exploring some of the trends that came up in the first wave of the project and is being conducted in the township of Evaton, in the Vaal region of Gauteng. The area is located within the Sedibeng District Municipality that comprises of three municipalities, namely: Emfuleni Local Municipality which Evaton falls under; Lesedi Local Municipality; and Midvaal Local Municipality. While Vosloorus lies in an area that suffered from large scale job losses as the light manufacturing in the area deteriorated, so Evaton has also been affected by the reduction in the mining activity in that area.

The BNB methodology that SPII has adopted and adapted has largely been drawn from the Jesuit Centre for

Theological Reflection in Zambia that has been using this methodology since 1991. JCTR effectively uses their price data to advocate for decent wages through the collaborations they have with trade union movements, and widely disseminating their basket to the media in order to effect change in government policies and highlight the plight of poorer communities. The broad aims of this programme within SPII include:

- Identifying what people living in poverty afford in terms of food, essential items and basic services
- Identifying income sources for 1st and 2nd income quintile households
- Identifying what basic food items and essential items poor households cannot afford
- Identifying coping mechanisms adopted by households amidst the increasing cost of basic food items and essential items
- Tracking gender implications of poverty
- Developing a basic basket in comparison to basic salaries of teachers, nurses and police officers as well as grant recipients
- Monitoring basic transport costs, increases in prices of essential items and inflationary increases and explore their impact on

households in consultation with experts in the field

### Project One: The Basic Needs Basket

The Basic Needs Basket Project is made up of three key pillars: household surveys and qualitative focus groups; construction of a basket of goods required to provide a minimum floor for households; and monthly food price monitoring of selected goods in the basket.

The first pillar involves conducting a household income and expenditure survey. This is achieved by providing an administered questionnaire to a select number of households in addition to conducting qualitative focus groups to interrogate and test subjective poverty questions and emerging trends from the household survey. Trends that will be addressed include household dynamics, unemployment, economic opportunities in the area and so on. The second pillar involves the selection of appropriate contents for a standard basket of goods, with the relevant quantity and quality thresholds that are required by households to live a decent and healthy lifestyle. The third pillar involves not only a monthly monitoring of prices, but also a comparative study between the main supermarkets, supermarket outlets in townships and spaza shops.

“ SPII will use the findings to advocate for improved provision of basic services; push for greater provision of social security; and support the development of appropriate local economic policies. More generally, we will seek to use the data to strengthen our recommendations for the design and adoption of appropriate, people-inclusive policies based on lived realities of the participants ”

Furthermore, a regular comparison of these costs with the salaries of selected professions, such as police officers, nurses, teachers and grant recipients, will be carried out. This will provide us with real data about the impact of the increasing cost of living on the purchasing power of the selected professions, and grant recipients. This ongoing project will be used in periodic publications to provide alternative sources of information to the inflation data disseminated by Statistics South Africa and the South African Reserve Bank which tends to be weighted more towards the spending patterns of better off people than the poor.

Understanding the coping mechanisms employed by poor people where deficits occur between their incomes and their needs is critical for understanding what types of interventions would create the most impact in reducing their vulnerabilities. Asking the poor what they want and need is, undoubtedly, the most effective data that is required for

effective policy choices.

SPII will use the findings to advocate for improved provision of basic services; push for greater provision of social security; and support the development of appropriate local economic policies. More generally, we will seek to use the data to strengthen our recommendations for the design and adoption of appropriate, people-inclusive policies based on lived realities of the participants.

The project plans in 2011 to identify ways in which we could monitor and evaluate the IDP (Integrated Development Plan) process after the planned local government elections. Further work with community based organizations will seek to design an accessible monitoring programme to monitor the implementation of the new IDP.

#### Stakeholder Consultation and Participation

In preparing the ground work for the roll-out of the Basic Needs Basket,

SPII consulted with a number of stakeholders in understanding what their needed and expected from this project.

#### Emfuleni Local Municipality

In August 2010, we met with the Emfuleni Local Municipality councillors to inform them about the usefulness of the project, what it aims to do with the data that would come out of the household survey and how the findings could be used by the Municipality in developing its IDP for the next 5 years. Inputs were also received from the councillors that would be incorporated into the household survey questionnaire or in focus group discussions with community members.

#### Statistics South Africa

The second stakeholder whom SPII consulted was the Household Budget Statistics (HBS) based at Statistics South Africa. The HBS had just concluded conducting the Living Conditions Survey (LCS) 2008/2009, and they are still conducting the Income and Expenditure Survey (IES) 2009/2011.



The reason we met with StatsSA was initially to present our methodology and to ask them to critique it in terms of its robustness. In the new year we will explore the extent to which we might be able to collaborate both in terms of data collection but also comparison of our findings with those of their surveys.

**Bokamoso Skills and Economic Development Centre**

The third major stakeholder which SPII consulted with was the Evaton based Bokamoso Skills and Economic Development Centre. The centre provides computer training; gives career advice to youth in the community; sews school uniforms for the Department of Social Development to give to orphans; and provides food for local orphans. The partnership between SPII and Bokamoso is to build links with community based structures, rather than merely coming in from time to time and leaving without establishing long-term ties.

“ Social dialogue and the exchange of views and knowledge is critical for the development of common commitments to change. Social dialogue does not mean that people should end up all having the same idea or positions, but instead, positions held should be stronger and better developed for having been subjected to the interrogation and exchange process ”

**Future hopes and plan for the BNB Project**

The BNB Household Survey will continue in 2011 and 2012. A total number of 120 households and more than 200 individuals will be surveyed during this 12 month period. With the success rate thus far above expectations the BNB will be expanded to rural communities around the country and hopefully in the near future a SADC BNB network will be created to share data and methodologies adopted by different civil society organizations across the Southern African region.

**Project Two: Food Monitoring Survey**

SPII selected a food basket drawn out of the BNB piloting questionnaire. The Food Monitoring Survey is aimed at tracking price trends of the basket between formal retailers (Shoprite, Pick n' Pay and Checkers) and spaza shops in and around Johannesburg. Basket prices are collected on the 4th of every month and petrol, diesel and paraffin

prices are also collected on the first Wednesday of every month (which is when increases or decreases in the prices are effected).

The Basket is made up of the following items:

- Bread (700g)
- Cabbage (1 head)
- Maize Meal (5kg)
- Sunflower cooking oil (750 ml)
- Long Life Milk (1 litre)
- Chicken Mixed Portions (2kg)

Analysis of price trends can be found on [www.spii.org.za](http://www.spii.org.za) and is also published quarterly in the SPII Talk.

**Programme Three: Social Dialogue**

Social dialogue and the exchange of views and knowledge is critical for the development of common commitments to change. Social dialogue does not mean that people should end up all having the same

idea or positions, but instead, positions held should be stronger and better developed for having been subjected to the interrogation and exchange process.

Our work within social dialogue includes both hosting discussion sessions, such as Roundtables; using the media to contribute to or initiate discussions and debates; publishing SPII Talk, our electronic newsletter (which was subjected to a radical design make over this year); assisting the Community Constituency at NEDLAC in terms of research and drafting support; and co-hosting conferences and seminars and stakeholder management.

Specifically, our social dialogue interventions in 2010 included:

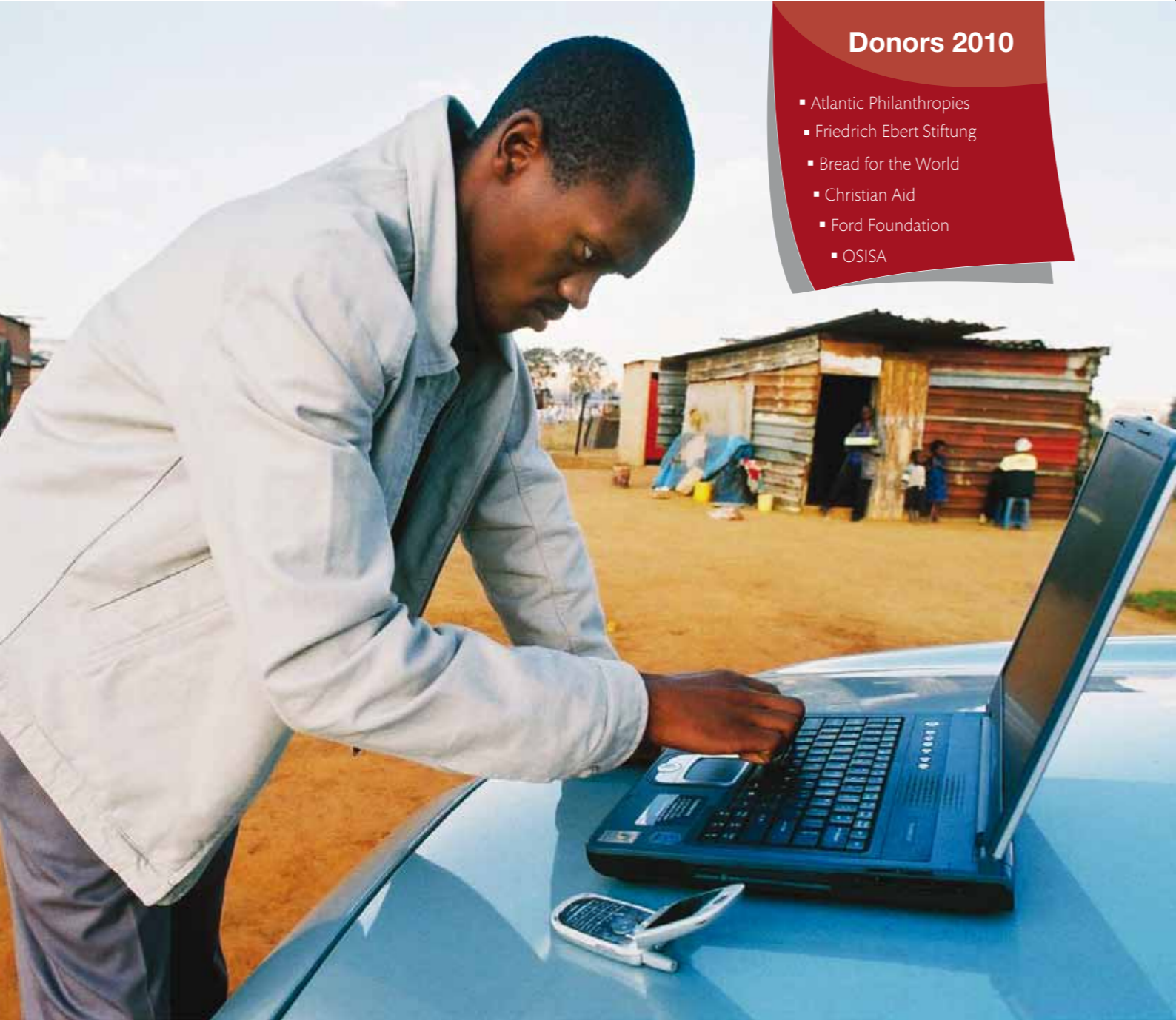
- Hosting a Meeting of Experts on Socio-Economic rights on 18 March 2010 to refine thinking around Progressive Realisation
- Hosting a Roundtable on Merging Social and Economic Policy on 26 May 2010.

“ Understanding the coping mechanisms employed by poor people where deficits occur between their incomes and their needs is critical for understanding what types of interventions would create the most impact in reducing their vulnerabilities ”

- Organising a workshop with CSO's on advocacy initiatives to advance social security rights in South Africa on 28 July 2010.
- Co-hosting a two day Conference on 16 and 17 September 2010 for SADC Parliamentarians on Social Protection with the Regional Hunger and Vulnerability Programme and the SADC Parliamentary Forum.
- Co-hosting a conference, 'Overcoming Structural Poverty and Inequality in South Africa: towards inclusive growth and development' with PLAAS (UWC), the Isandla Institute and the EU funded Programme to Support Pro-Poor Policy Development located in the Presidency, which was attended by about 100 researchers, academics, policy makers and civil society organisations in Johannesburg, on the 20 to 22 September 2010.
- Being one of the two drafters for Community Constituency for the Decent Work Country Programme that was adopted by NEDLAC in September 2010.

- Hosting a Roundtable on the Youth Wage Subsidy on 12 October 2010, attended by policy makers, researchers and youth political organisations to debate the merits and alternatives to such a proposed policy.
- Hosting a Brown Bag seminar on 12 November 2010 to present the policy analysis on social security policy undertaken for the Socio-Economic Rights Monitoring Matrix project.
- Holding a Workshop on Advancing CSO Advocacy on Socio-Economic Rights, 23 November 2010 which was attended by about seventeen CSO members.

In addition, the Director of SPII held the position of Southern African Regional Representative for the African Civil Society Platform on Social Protection until November 2010. She was also appointed as the Chamber Convenor for Community Constituency in the Public Finance and Monetary Policy Chamber at NEDLAC this year.



**Donors 2010**

- Atlantic Philanthropies
- Friedrich Ebert Stiftung
- Bread for the World
- Christian Aid
- Ford Foundation
- OSISA

Studies in Poverty and Inequality Institute

(Registration number IT 3080/2006)

Financial Statements for the year ended 31 December 2010

**Statement of Financial Position**

| Figures in Rand                     | Note(s) | 2010             | 2009             |
|-------------------------------------|---------|------------------|------------------|
| <b>Assets</b>                       |         |                  |                  |
| Non-Current Assets                  |         |                  |                  |
| Property, plant and equipment       | 2       | 68,033           | 112,840          |
| Current Assets                      |         |                  |                  |
| Trade and other receivables         | 3       | 33,947           | -                |
| Cash and cash equivalents           | 4       | 1,735,677        | 117,045          |
| <b>Total Assets</b>                 |         | <b>1,769,624</b> | <b>117,045</b>   |
|                                     |         | <b>1,837,657</b> | <b>229,885</b>   |
| <b>Equity and Liabilities</b>       |         |                  |                  |
| Equity                              |         |                  |                  |
| Trust capital                       | 5       | 100              | 100              |
| Accumulated deficit                 |         | 1,102,294        | (372,960)        |
|                                     |         | <b>1,102,394</b> | <b>(372,860)</b> |
| <b>Liabilities</b>                  |         |                  |                  |
| Current Liabilities                 |         |                  |                  |
| Trade and other payables            | 6       | 735,263          | 602,745          |
| <b>Total Equity and Liabilities</b> |         | <b>1,837,657</b> | <b>229,885</b>   |



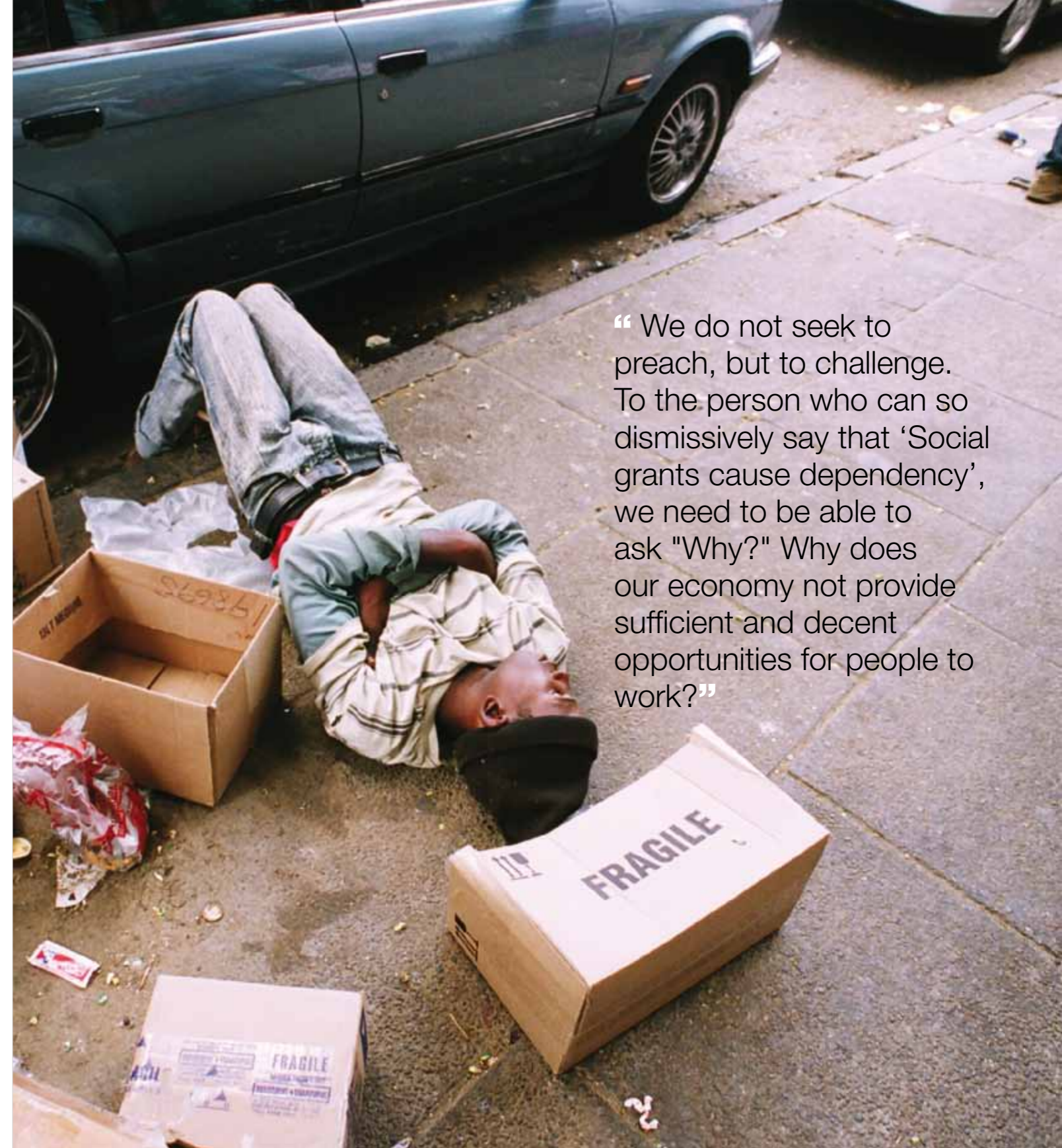
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Statement of Comprehensive Income

| Figures in Rand                                 | Note(s)  | 2010             | 2009             |
|---|----------|------------------|------------------|
| Revenue   |          | 4,110,258        | 2,235,520        |
| Other income                                    |          | 147,163          | 255,662          |
| Operating expenses                              |          | (2,856,394)      | (2,663,561)      |
| <b>Operating deficit</b>                        | <b>7</b> | <b>1,401,027</b> | <b>(172,379)</b> |
| Investment revenue                              | 8        | 74,227           | 11,766           |
| Deficit for the year                            |          | 1,475,254        | (160,613)        |
| <b>Other comprehensive income</b>               |          | <b>-</b>         | <b>-</b>         |
| <b>Total comprehensive deficit for the year</b> |          | <b>1,475,254</b> | <b>(160,613)</b> |



“ We do not seek to preach, but to challenge. To the person who can so dismissively say that ‘Social grants cause dependency’, we need to be able to ask “Why?” Why does our economy not provide sufficient and decent opportunities for people to work?”





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