



Acknowledgements

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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, SPII's 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. SPII's methodology acknowledges this and as a result, SPII provides 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 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 peoples' 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 at local, regional and international levels, from which it can draw and which adds qualitative value to the work.

Vision

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, SPII is able to develop innovative and empirically based social and economic policies capable of combating poverty, reducing inequality and promoting sustainable development. SPII supports the development of a tradition of effective public participation in policy-making and implementation.



Mission

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 commissioning 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 that focus on fighting poverty and inequality in the Southern African region.



Chairperson's Message

The year 2012 marked the sixth year of the existence of the Institute (SPII). On its own this marks a very significant milestone in any organisation and demonstrates resilience and relevance. The year also marked the end of tenure as a trustee of one of the founding trustees and the inaugural Chairperson of the SPII Board Ms Sharon Ekambaram. We bid farewell to Sharon and we wish her all the best in life and we take this opportunity to thank her for her steady leadership in the founding years of the organisation and we also thank her for the ideas she has contributed in shaping the research and advocacy agenda of the organisation. We know Sharon is not lost to the sector and we shall continue to pick her brain and to leverage her skills and knowledge. To Sharon we say thank you for great service to SPII.

2012 has also been significant from the point of view of the research and advocacy agenda of SPII - the year saw the renewed focus on the issues of poverty, inequality and unemployment. These issues have never been off the agenda in South Africa. They have always been the binding challenges to successive administrations in the post-apartheid South Africa. Many policies, strategies and programmes have been developed and tried out but these challenges persist and data suggests that they are worsening. In 2011-12 there were few significant moments that show that these issues are gaining renewed significance.

In the first instance the ANCYL resolved to wage a fight under the theme of economic freedom in our lifetime. The ANCYL campaign touched on a raw nerve when it raised the matters of land ownership and the ownership of mines and the other key

industries in the economy. The campaign renewed the discussion about the role of the mineral-energy complex and the impact of financialisation in the economy of South Africa. The calls for the nationalisation of mines and the land expropriation without compensation gained traction and forced themselves firmly into the national discourse. The economic freedom campaign of the ANCYL really forced a national conversation in the country and the jury is still out on how these matters will be resolved. One thing is certain there is more consciousness about the issues and it became clear that there will be no stability as long as these issues are not addressed. It is also important to note that the issues raised have significant implications for race and class politics in South Africa.

It the same period of 2011-12 the country witnessed one of the most radical and divisive moment in the history of post-apartheid collective bargaining. The moment was that of Lonmin mineworkers strike. The strike ended in a massacre of 34 people by the security forces of the country and became widely known as the Marikana Massacre. The massacre gave the event an international focus and it drew the attention of the country and the world to how unchanged the mining sector is and how the developmental consensus contained in laws like the BEE Act, policies and charters such as the mining charter, is not implemented. What with the lack of development in Marikana, what with the lack of basic infrastructure, what with the abhorrent living conditions on top of paltry wages whilst the bosses continue to annually declare multimillion dividends and the executive pay is obscene and outrageous.

SPII continues to research all these matters of poverty, inequality and unemployment. We also intend to improve on our advocacy work within civil society and with public policy makers. I would have loved to say more on the National Development Plan, however, time and space does not allow. The SPII board has taken a view that the NDP and its implementation and lack thereof, will be researched continuously and monitored. As a research institute we welcome the adoption of the NDP by government and we do not have the luxury of either accepting it as a panacea or rejecting it out of hand. We shall as we do with all laws, policies, programmes and plans, subject the NDP to incisive and rigorous investigation and make our findings known.

We looking forward to another enterprising year in 2013 and we shall also follow with serious interest the 100 years of the Land Act and all the matters that we have developed a track record in researching and advocating on.

Nfilanfilu Ndlovu



Director's Report

- Justice for Transformation

Part of the historic rationale for the establishment of SPIO in 2006 was the desire to contribute knowledge and research around poverty and inequality for the civil society sector in South Africa and the sub-region. Having come from civil society and the trade union sector, the founding trustees were concerned about the apparent absence of new data and knowledge that was being generated for use by campaigns and submissions that were being generated by the sector. The theory of change, as it is increasingly referred to, that drove the view of the founding trustees was that through undertaking a combination of primary qualitative research and secondary policy analysis, we could assist in driving forward anti-poverty policies that were appropriate in their design, their objectives and their scale.

2012 proved to be a year of reflection on matters of social justice. The most compelling point that drove this home was probably the Marikana massacre of August 2012, in which about 34 people were shot and killed by members of the South African Police Services in the Platinum mining district of Marikana. The miners were striking in protest at the levels of working poverty in which they had worked, generating profits for the Lonmin mine and Lonmin's shareholders.

Given the high levels of unemployment that stubbornly persist in South Africa, striking workers frequently are met with sentiments generally expressed by the chattering middle classes that claim that surely a job, at any

pay, is better than no pay at all. This sentiment is abhorrent for a number of reasons, but principally it affirms that lower skilled and paid workers have no right to expect what the middle classes do – that their toil and work should enable them to provide for the needs and desires of themselves and their families. It further suggests that poor people have no ability to calculate what constitutes these needs.

When the former President of the ANC Youth League, Julius Malema, raised the banner of economic transformation, South Africans were told that the international markets recoiled with horror at the possible concrete implications of this call, most notably, nationalisation of the natural resources of South Africa. The fall out and sustained reactions to this call provided a stark lens through which to view attitudes towards transformation. The popularity of the king of bling amongst the poor and economically marginalised was clear enough. Young people, facing increasing concerns about the reality of the chances for them to expect any radically different life from that lived by their parents, at last felt that someone, and someone who could command media attention and audiences with the most powerful people in the land, was listening to them. To which the same chattering classes responded with accusations of gross populism and opportunism.

At SPIO this year we have managed to conclude our Evaton based household income and expenditure survey. The outcomes of this survey reflect the microdynamics of households with limited incomes and the choices that have to be made. From our focus group work, especially with the youth, it is clear that peoples' ability to envision themselves having a better future are waning, especially in regard to the hope of securing a decent job. These findings shaped our case study work with informal entrepreneurs in broader Evaton, tracing their livelihood strategies and understanding what linkages could be developed to enable

them better to benefit from the many state agencies that have been established at all levels of government to assist people struggling to support entrepreneurship and micro-enterprises. In our Socio-Economic Rights programme, we have made great strides in developing indicators in partnership with the South African Human Rights Commission to monitor the progressive realisation of socio-economic rights, fundamental tools towards transformation. We have also managed to successfully incubate the SADC – BIG campaign, which should grow in its visibility and presence in coming months.

Our work however is not just about facts and figures, but about people. In this regard, we thank our resigning trustees, Sharon Ekambaram and Wiseman Magasela for their critical support for SPIO over the years, and wish them well. We also thank the interns who worked with us this year, and finally we have to bid a sad farewell to Stephanie Brockerhoff who has been our senior researcher and has championed the Socio Economic Rights programme, as well as managing our research team so well. And of course, a heartfelt vote of thanks to our donors, our board of trustees and the staff, without whom, none of these achievements could have been made.

As we move ahead towards the next general elections in 2014, as SPIO we hope to be able to generate and contribute to debates not about office, but about how we as a nation manage to meet the lofty ideals that drove the movement of liberation and transformation, starting perhaps with a conversation of what we think should reflect an adequate living level for all in South Africa.

Isobel Frye



Research and Advocacy Programmes

SPII's work falls into three main programmes, namely Socio-Economic Rights, the Basic Needs Basket and Food Price Monitoring, and Social Dialogue Programmes.

Programme One: Socio-Economic Rights (SER) Programme

SPII is part of a civil society coalition that is calling on the South African government to ratify the International Covenant on Economic, Social and Cultural Rights that was adopted by the United Nations General Assembly on 16 December 1966. South Africa signed the Covenant in 1994, but has yet to ratify it. We urge government to sign it and the Optional Protocol, and in so doing, resume its place as one of the global leaders on socio-economic rights.

The socio-economic rights contained in the Constitution of South Africa (Act 108 of 1996) are central to the realisation of a transformed country and a healed nation. While the early years of post-Apartheid transition prioritised the achievement of civil and political rights to all South Africans, the universal enjoyment of access to socio-economic rights for all in South Africa remains a critical site of struggle.

To what extent have the socio-economic rights been used to structurally affect change in the realities of access to dignity and life for the majority of South Africans? Have we as a nation collectively ensured universal awareness of rights, nurtured their development, and honed their application?

At SPII, we have three projects that currently fall under the SER Programme. These are:

- ▶ Monitoring the Progressive Realisation of Socio-Economic Rights
- ▶ Campaign for a SADC – Basic Income Grant
- ▶ Stimulating Local Economic Development amongst Social Grant Recipients.



Project One:

Monitoring the Progressive Realisation of Socio-Economic Rights in South Africa

This project has been running since 2010 and is currently in the second year of its second phase. The aim of this project is to develop a tool that will monitor the progressive realisation of socio-economic rights in South Africa.

The indicators for each of the rights, enshrined in the Constitution, will look at both access and enjoyment of each right in order to provide a more holistic picture of the status of socio-economic rights realisation in the country.

Socio-economic rights are fundamental to the transformative objectives of the Constitution of South Africa. In recognition of the need to break not just from the formal political and civil injustices of apartheid, the negotiators and drafters of the Constitution included the socio-economic rights contained in the Bill of Rights in the body of the Constitution. Furthermore, it was ensured that these rights were justiciable before the courts, despite the potential implications on the budgetary prerogative of the executive. And yet like many of the transformative programmes of the post-Apartheid period, the rate and pace of change driven by these rights needs to be interrogated. This, indeed, lies at the cornerstone of this project.

How do ordinary people understand the dictates of socio-economic rights, or progressive realisation, and what tools exist for them to be able to judge whether these are being adequately pursued or not?

This tool will track progress made on the individual rights over time on the basis of clearly defined criteria, which will enable both government and non-governmental actors to assess whether the transformative character of socio-economic rights is being realised.

During the first phase of the project it was decided that the individual rights would be captured by four dimensions which would be used as a baseline to measure the extent to which socio-economic rights have been fulfilled over time (see annual reports from previous years). Enjoyment and access to socio-economic rights would thus be assessed by looking at access (physical and economic), adequacy, quality, and geography or spatial location. In 2012, however, after the preliminary scoping of existing data was completed and in consultation with experts and our stakeholders, it was decided that the spatial dimension would not be included as a separate dimension, but would instead be incorporated in the three remaining dimensions by means of disaggregating the data (where possible) by province. This latest development enriches the analysis in that it allows us to tie in the spatial dimension in every aspect of the analysis of the three dimensions.

During 2012, we developed indicators for health care and social security along the three agreed dimensions which we have submitted to our partner, the South African Human Rights Commission, for consideration by Commissioners. This was a very robust and exciting process as it required us to scope and interrogate the available data, and draw inferences for the next stage of the work, which will be to populate these indicators with data. The availability of relevant or adequate data poses a challenge. Where data is not available, we have developed a "wish list" which contains variables we thought would be essential to measure, but currently are unable to do so as a result of data limitations. It is hoped that in the future, in collaboration with the relevant stakeholders such as Statistics South Africa, the data that were found to be "missing" could be included in future household surveys.

In the context of the overall project, SPII has also conducted a Review of National and Provincial Government Budgets between 2007/-08 and 2011/2012 which is available on www.sprii.org.za. This work is a useful stand-alone analysis, and it also provides a baseline study for tracking government expenditure patterns in the future as we track the availability of resources that the state is

making available to realising the socio-economic rights as per its Constitutional obligations.

The paper looks beyond a budget analysis (i.e. how the realisation of socio-economic rights is financed) to investigate whether service delivery problems are prima facie due to under-resourcing or under-expenditure. The analysis identified factors such as delays in payment of suppliers, maladministration, and delays in recruitment procedures especially at senior management level, as some of the reasons for the rampant under-expenditure in government departments.

These factors pose a challenge to the full attainment of socio-economic rights in the country despite Constitutional imperatives on the State, which affirms the importance of a socio-economic rights monitoring tool.

SPII continues to build and strengthen strong networks with international experts working on monitoring socio-economic rights. These relationships are very useful as they enable us to learn from best practice and provide us with the opportunity to showcase our monitoring tool to a global group of experts in the field. We are looking to complete this phase of the project by July 2013 where it is envisaged that the indicators for health and social security will have been refined and finalised.





Project Two:

Campaign for a SADC - Basic Income Grant, funded through extractive industries

Together with a network of partners across SADC, SPII is spearheading the development of an innovative and coherent case for the introduction of a Southern African Development Community (SADC)-wide universal cash transfer (Basic Income Grant), funded by a tax on extractive activities which would operate as a regional equivalent of a sovereign wealth fund. This first phase of the project entailed conducting a scoping exercise of current research that considers the value of the extractive activities, current levels of tax and other concessions paid as well as possible funding and distribution mechanisms.

The themes covered in the research study included:

- **Human Development in Southern Africa:** This area of research focused on poverty and inequality statistics from SADC region drawing largely official statistics from the United Nations Development Programme due to lack of statistical data from SADC member states. The focus of the research examined challenges including high levels of poverty, lack of formal employment, food insecurity exacerbated by global warming and global increase in food prices, and the increasing inequality gap between the ruling elite and citizenry across the region. Furthermore, migratory patterns within the sub-region were also examined and whether non-nationals from the region were provided with access to socio-economic rights, drawing largely from the findings of a regional study conducted with regional partners by SPII from 10 SADC member states.
- **Social Protection policies in SADC:** This area of research aimed to examine social protection policies of SADC member states focusing on target groups, access to social protection, the number of social welfare programs available and to what extent social protection programmes in SADC member states are funded by national governments, donors, or other third parties.

- **Extractive activities in Southern Africa:** Our research examined which natural resources are currently being exploited and exported as raw materials by multinational corporations operating in the extractive sector in SADC. The research examined the amount of revenue generated by SADC member states from the extractive sector compared to the amount of revenue generated by multinationals operating in this sector. Furthermore, the research also focused on royalties revenue generated from the extractive sector and also contribution by corporate social responsibility, if any, by the extractive sector in communities in which they operate.

- **International Case Studies of Sovereign Wealth Funds:** The focus of this area of research was to provide international case studies of sovereign wealth funds, how they were established, how they operated, who are the intended beneficiaries and what was the net worth of the sovereign wealth funds. The scope further focused on the examining good practices established by governments in countering corruption and ensuring the sustainability of the SWFs.

- **Case Study of Namibian Basic Income Grant Pilot Project:** The research drew lessons from the Namibian Basic Income Grant pilot project examining the benefits of the BIG in Otjivero; how it has benefited the community, how beneficiaries were selected, and making a case for an establishment of a regional universal basic income grant.

The next phase of the research study will be to bring together a team of regional experts on issues of tax justice, extractive activities, social protection and human development in SADC. The team will provide assistance in developing a methodology



for conducting an econometric modelling exercise around profits and tax revenue generated from extractive activities. Furthermore, the second phase of the research study will also comprise of a team of stakeholder organisations from the 12 SADC member states who will share research around extractive activities in their respective countries and collectively develop a campaign for the institutionalisation of a regional Basic Income Grant, and further explore questions of administration, alternative sources of financing and advocacy.

Findings from the scoping exercise will be made available on the SPII Website with a detailed research report.



Project Three:

Stimulating Local Economic Development

In their 2010 book, "Just give money to the poor: the development revolution from the Global South", (Hanlon et al, 2010), the authors state that since the 1948 Declaration of Human Rights, an adequate standard of living became a human right for all, and both rich and poor countries accepted responsibility towards the poor. Since then, in the Global North, cash transfers have been considered an effective and normal means of addressing poverty. Just as in the North in the previous century, the 21st Century has ushered a radical shift around how poverty is perceived in the Global South. This shift was heavily influenced by a better understanding of actual impacts of neo-liberalism, social protection and international aid. The last twenty years has seen a number of countries in the Global South experiment with different variations of cash transfers in an effort to address the rise in poverty and income inequality. Much of this work falls under the recent body of "Poverty Graduation Pilot Programmes", such as those undertaken under the C-GAP/ Ford Foundation auspices that seek to explore the dynamics between assets, savings, consumption and supporting people to move out of destitution and extreme poverty into more secure and stable livelihoods.

In the last eighteen months, SPII undertook primary and secondary research for the "Linking cash transfers to local economic development (LED): Developing a pilot" project. The research sought to examine the dynamics between social assistance and LED. In the absence of formal employment, the poor and marginalised in South Africa are reliant on the informal sector and social grants for survival.

Research on cash transfers programs across the Global South indicates that cash transfers provide more than relief for hunger and suffering. In most instances, cash transfers are seen as a springboard for economic growth for poor communities.

In order to better understand the backward and forward linkages that exist within the informal economy, 13 local enterprises across seven sectors in the informal economy in Evaton formed part of our case study analysis .

"Aswi olovi ku lunghisa movha mavhiki mambirhi kambe n'winyi wa movha anga hakeli kumbe a hakela hi swiphemu"

(It is difficult when you work on a vehicle for 1- 2 weeks and the customer doesn't pay or he pays half of the money due)

Evaton Motor Mechanics.

"Ke latlhehetswe ka musebetsi ka labuhlano, ka musupuluho ke thomile ho bereka ko venkele yaka, ke nna le bana ke tshwantse keba hlomeke, nne kase emele go fumana musebetsi"

(I lost my job on a Friday and on a Monday I was operating this shop. I have kids to feed I could not wait for a job to come my way).

Geoffrey Mofokeng, Street Trader for 27 years, Evaton. Evaton Motor Mechanics.

"Ke charger R68 000 ho aga nntlo ena, empa ke gotletse ko R38 000"

(I initially charged R68 000 to build this house but I ended up settling for R38 000 because I need the money)

Duma Tsotetsi, an informal Construction worker for own business, Evaton.

In December 2012, SPII hosted a high level research analysis meeting with local and international experts in Graduation programs. The meeting enabled SPII to present the findings from the case studies on local enterprises in Evaton and to profile a proposed 24 month Graduation Pilot Project to be undertaken in Evaton, which will be one of the first of its kind to be undertaken in South Africa.

For the purpose of this project, "Graduation" means that vulnerable households that are currently receiving a Child Support Grant (CSG) and operate a small, micro and survivalist enterprise, are able, through sequenced interventions, to move beyond vulnerability so that households are less reliant on the grant as a primary source of income. Due to the means tested targeting of the State's CSG, this grant is selected as a proxy indicator of the household's vulnerability.

In 2013, with the assistance of local and international experts in Graduation programs and monitoring and evaluation, SPII will refine and finalise the design of the Graduation Pilot Project which will begin in November 2013.



Programme Two: Primary Research into Basic Needs

While national statistics are useful for providing data on general trends of poverty and inequality, SPII identified a critical gap in advancing understanding of how real people live, their hopes and aspirations, their dreams and their frustrations, in having to cope with poverty and destitution on a daily basis. This is important to enable us to understand how deeply we have managed as a nation to see the evidence of transformation in the fabric of our society.

With the assistance of Statistics South Africa, SPII undertook a year-long survey of 144 households in a township called Evaton, South of Gauteng. This survey included a formal questionnaire about people's families and activities, their educational experiences and employment histories, and sources of income and expenditure. In addition, one person in each participating household kept a food diary in which their actual consumption was recorded on a regular basis. Focus groups were also held in the areas. From this information, the stories and life choices emerged, and enabled us to provide very immediate stories to policy makers and decision makers.

In addition, we soon realised that the purchasing power of poor people differs substantially relative to people in the middle classes and the elite, given the varying impact of inflation on the goods and services predominantly bought by poor people. As a result, we embarked on a monthly price monitoring survey in which we went out to a variety of sellers of food and basic goods to track how the prices of items bought regularly were in fact affected by factors including rising fuel prices.



Evaton Household Expenditure Survey: Preliminary Findings

The Make Up of South Africa

Household Demographics: The national Income and Expenditure Survey 2010/2011 results released by Statistics South Africa indicated that the majority of South African households are headed by men, with six out of every 10 households being male-headed. Household composition and findings from the SPII household expenditure survey demonstrates that 61.27% of the surveyed household were male-headed. In 66 out of 142 households, the head of the household lives with a partner.

Household Size: The average household size in Evaton was 3.5 members per household. This finding was in line with the Income and Expenditure Survey results of 2010/2011¹ findings, which indicated an average household size in South Africa was 3.85.

Household Income and Income Sources: Findings from the Evaton Township household expenditure survey demonstrate that 47% of households indicated that their main income source was salaries and wages, and 36% of households indicated that they relied on social grants as their main income source. Only 10% of the households responded that they relied on profit from their small business as their main source of income. In terms of the breakdown of the most accessed grants, 28.87% of the households that received grants received a child support grant, 13.38% accessed an old age grant, 8.45% of the households received a disability grant and only 1.41% received a foster care grant.

¹ Statistics South Africa. 2011. Income and Expenditure Survey 2010/2011. Available Online at: <http://www.statssa.gov.za/publications/P0100/P01002011.pdf>

² Amounts accessed from Black Sash. 2013. Social Grants Fact Sheet 2012/2013. http://www.blacksash.org.za/index.php/your-rights/social-grants/item/socgrants-summary?category_id=1

In terms of grants received, it should be noted that only 45% of the household surveyed received grants with 8% of them receiving more than one grant. Broken down by types of grants, the majority of recipients received the CSG (55%), followed by the OAP (26%), DG (16%) and FCG (3%)

Table 1.1: Types of Grants Received by Surveyed Households

Type of Grant	Number of Recipients	% of Recipients receiving a Grant by type	Amount of grant received per month (2012/2013) ¹
1. Old Age Pension	19	25.7	R1200.00
2. Child Support Grant	41	55.4	R280.00
3. Disability Grant	12	16.2	R1200.00
4. Foster Care Grant	2	3	R770.00
Total	74	100%	
Total (%) - all households		45%	

Source: SPII 2012 Household Expenditure Survey

Saving Mechanisms: Stokvels and Burial Societies. Many households have established some form of informal savings mechanisms to overcome their general 'unbanked' status. These include stokvels and burial societies. It is estimated that stovels are worth over R44 billion per annum with over 67% of membership being women. What was quite significant from the Evaton household survey is that a significantly higher number of households belonged to a burial society than to a stokvel. Of the 142 surveyed households only 14.08% belonged to a stokvel compared to 40.85% of households that belonged to a burial society.



Access to Education Facilities: Findings from the Evaton Township household survey demonstrate that 13.27% of school-going children attended a public primary school in the area and 10.9% of secondary-school going children were enrolled in a public secondary school in the community. The number of children enrolled in private primary and secondary was only 0.21% and 0.41%, respectively. It was found that 93.33% of the school-going children in public primary and public secondary schools attended no-fee schooling and the number of children accessing school feeding scheme every day was higher in primary school at 93.55%, 83.67% accessed school-feeding in secondary school. Only 21.05% accessed school-feeding every day in pre-school.

Access to Healthcare Facilities: Findings from the Statistics South Africa General Household Survey of 2011 indicates that nationally 70.7% of South Africans preferred accessing a public clinic or hospital, however, 24.3% would prefer to first consult with a private doctor before going to a public clinic or hospital. This was a similar trend found in the Evaton Township household survey, where it was found that 46% of households preferred going to a public clinic or community and a further 45% preferred going to a public hospital and only 6% of the households preferred going to a private hospital.



Project Two:

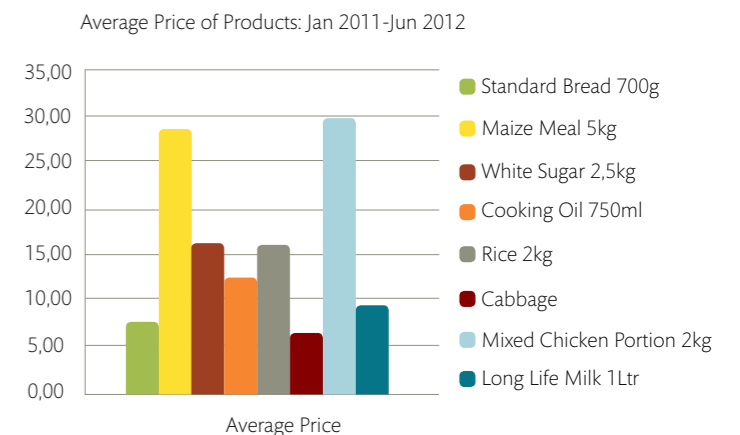
Food Price Monitoring Survey and Basic Needs Basket

Between November 2011 and June 2012, SPII conducted a Food price monitoring survey which tracked price changes of basic food items selected from the household expenditure survey conducted in Evaton Township during the same period. The monthly analysis of the food price monitoring survey was published in the bi-monthly SPII Talk Newsletter and the findings were also presented at the National Economic Development and Labour Council in the Public Finance and Monetary Policy Chamber.

The figures below demonstrate average price changes between the period January 2011-June 2012, this was during the same period of time when global food prices were 3% below the 2008 World Bank Food Price Index peak. During the period October 2010 to January 2011, global food prices of wheat, rice, maize sugar and edible oils increased by 15%. This also led to significant increases in countries that depend on importing these products which negatively affected their food price inflation. In South Africa the increase in oil prices also impacted negatively on food price inflation and therefore led to increase in local food prices as demonstrated in the figures 1.1 and 1.2 below. This also had a negative impact on households that depend on only one source of income for survival as a majority of these households spend between 25%-30% of their income on purchasing food and transport to and from work.

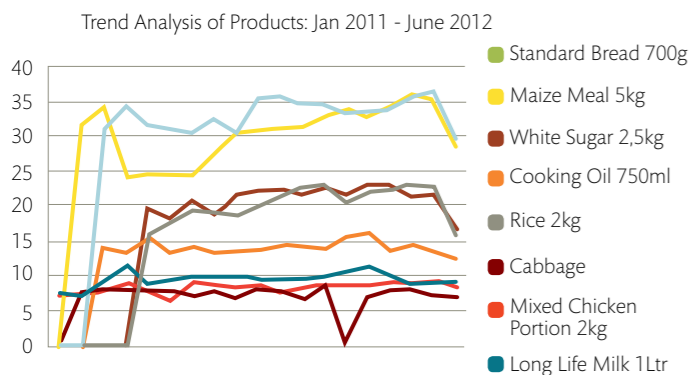


Figure 1.1 Average Price Differences (ZAR): January 2011-June 2012



SPII Food Monitoring Survey, 2012

Figure 1.2 Trend Analysis of Products: January 2011-June 2012



Source: SPII Food Price Monitoring Survey

With the completion of the household expenditure survey, SPII expanded the number of items covered in the Food Price monitoring survey from the monthly food diaries from the household survey by developing a basket of food and non-food items which was made up of the most purchased items in the diaries using the Food Frequency Model³. This basket included food items consumed by a family of four people which was then sent to a nutritionist to determine the nutritional value of the basket and compared against the South African Food Based Dietary Guidelines (FBDG)⁴.

The nutritional analysis shown in Table 1.2 below is an analysis of the food diary data from the household survey compared against the FBDG. The analysis found that the food diary data does not represent a well-balanced diet. The Energy provided should be sufficient for most family members (children and women) but for those doing physical strenuous work it will be insufficient energy.

³The food frequency model counts how often certain foods are eaten or consumed over a given period of time (weekly or monthly). However, it is also important to take note that this method does not estimate the precise amount of nutritional intake.

⁴The South African Food Based Dietary Guidelines is a set of dietary guidelines developed specifically for South Africans by the National Department of Health Nutrition Directorate.

Table 1.2: Analysis of the nutritional value of the food basket from household food diaries

Energy	9 116kJ
Protein	13.4% of total energy (71.9g/day)
Carbohydrates	53.1% of total energy (266g/day)
Fats	33.5% of total energy (82.5g/day)
Dietary fibre	18.3g of recommended 25g/day
Minerals	At risk (<70% of RDA) Calcium, Zinc, Selenium, Copper, Chrome, Iodine
Vitamins	At risk (<70% of RDA) Vitamin A, Riboflavin, Vit B6, Vit C, Vit D, Biotin

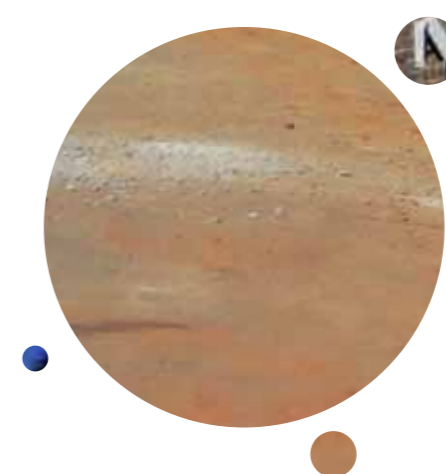
Source: SPII Household Survey, Food Basket Analysis, 2012

While the Protein (13.4%) is in proportion to the recommended guidelines (15–18% of total energy) – providing 72g protein per day of the 58g minimum recommended, the worrying factor is considering the source of protein. It is recommended that 75% of protein should come from an animal source to provide all the essential amino acids needed for growth and repair and 25% from a plant source. The food basket provides only 56.4% animal protein and 43.6% plant protein. This will contribute to a lack in essential amino acids, contributing to the known stunting problem in children. It may also play a vital role in the lack of protein to support HIV and TB patients' needs.

The Carbohydrates is sufficient (53.1%). According to the prudent diet guidelines 50 – 60% of an individual's total energy should come from carbohydrates. More fruit and vegetables are needed though to make the carbohydrate source of the diet more nutrient dense.

In conclusion, therefore, the lack in proper nutrition is emphasised when looking at the typical meals compiled from food items from the food basket. The variety and quantity supplied by the food basket is just not enough. Although the macronutrient distribution meets the prudent diet requirements, the lack in total energy and complete lack in vitamins and minerals means this menu fails the basic requirements for a healthy diet. It is inadequate and restrictive. In general the food basket lacks in animal protein sources such as meat, eggs, chicken, fish, milk, and cheese. More vegetables and fruit are essential and together with more whole grains, it will contribute to a better vitamin and mineral supply.

The basket developed from the food diary data using the Food Frequency model will be compared against the aspirational basket of the South African Food Based Dietary Guidelines. The aspirational basket will then be monitored from retail stores where household survey respondents purchase a majority of their food items and then cost the value of the basket over-time if households can be able to afford the aspirational basket for an average family of four. The value-add in monitoring and costing this basket will then lead to developing an advocacy strategy on zero VAT rating on these items in order to enable families to be able to afford them, resulting in a reduction in malnutrition rates and other nutrition related illnesses.





Programme Three: Social Dialogue

Located in the constitutional imperatives of public participation, SPII is committed to advancing access to the research, findings and recommendations of the research undertaken by the Institute, to audiences that are both situated in the policy and resource-allocation decision-making processes and those beyond. Shaping and contributing to national debates and discussions is crucial for advancing transformation at a variety of levels and fora.

Foundational to our theory of change analysis is the concept of concentric circles of influence around decision-making processes that can be used to promote equality and progressive change. Thus, spaces and affiliations that we have built in to this programme include: NEDLAC, partnered public seminars, cross cutting stakeholder management through our project based research and reference/ expert teams, and the use of the media as a secondary, broader medium of influencing social and public discourse. In addition, we contribute in conferences, seminars and journals hosted by others within the civil society sector and beyond.

Networks and Alliances

SPII belongs to the following networks and alliances that support our achievement of our goals and objectives:

- ▶ Coalition for the South African Ratification of International Covenant on Economic, Social and Cultural Rights
- ▶ African Platform for Social Protection
- ▶ Basic Needs Basket Network Southern Africa
- ▶ SADC – BIG Coalition
- ▶ Financial Sector Campaigns Coalition
- ▶ Community Constituency, NEDLAC
- ▶ SADC Social Protection Network

Special Focus: NEDLAC

Through its affiliation with the FSCC (the Financial Sector Campaigns Coalition), SPII is a key participant in the NEDLAC (National Economic Development and Labour Council) structures. The Director of SPII is the Community Constituency convener of the Public Finance and Monetary Policy Chamber, and represents the sector on a variety of task teams and executive and management committees. The Director also represents Community Constituency on the Unemployment Insurance Board.

SPII uses this avenue to contribute the research findings and recommendations into applied policy-making and debating fora. With its wide-ranging contacts in both civil society and the academic world, SPII has been able to facilitate the inclusion of a number of experts in specific interests to promote the participation of these sectors within NEDLAC, including around issues of economic justice and climate change. In 2012, SPII was also able to circulate to the PFMPC SPII's monthly reports on the inflationary impact on food prices with a specific pro-poor analysis, to deepen the Chamber's understanding of the impact of monetary policy.

Seminars and Discussions

In partnership with the Friedrich Ebert Stiftung and the Open Society Initiative of Southern Africa (OSISA), SPII also hosted two seminars in 2012 looking at diverse aspects of transformation. The topics of discussion and dates of the public engagements hosted by SPII in 2012 were:

Workshop/ Roundtable/ Seminar	Topics for Discussion	Date
1. Workshop	Basic Needs Basket Methodology Training, Windhoek, Namibia.	5-9th March 2012
2. Seminar	Towards Mangaung – Seminar Reflecting on the outcome of the ANC 2012 Policy Conference	6 July 2012
3. Research Seminar	Access to socio-economic rights by Non-Nationals – presentation of SPII Research Report.	09 July 2012
4. Roundtable Discussion	How feasible is a SADC-Wide Basic Income Grant?	10 July 2012
5. Workshop	Towards a regional research network. Strategies and Tactics.	11 July 2012
6. Roundtable Shifts And Drifts In The South African Transformation Process, and The Role Of Social Justice Organisations In Promoting Redistributive Justice	Social Justice and Transformation.	9 November 2012
7. Seminar	Towards a Living Wage Seminar	20 November 2012
8. Workshop	Applied Research and Planning Meeting LED	18 & 19 December 2012

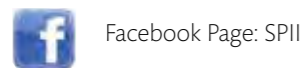


Media Interventions

In terms of Broadcast Media, SPII participated in the following:

- ▶ Panel discussion on food insecurity in South Africa - SABC Radio: SA FM: 1st March 2012
- ▶ Discussion on the basic needs basket and cost of living in Namibia - Namibia Broadcasting Commission: 7th March 2012
- ▶ Discussion on the state of poverty and inequality in South Africa - World Workers Media, Cape Town Television: 12 June 2012
- ▶ Panel Discussion: Workers' Wages and the Rising Cost of Living - SABC 1: Television: Know Your Right Show: 15 February 2013.

In 2012, SPII honed its use of social media to broaden our reach and increase participation to our debates. This included the use of our Facebook page, and Twitter. These can be followed on



The primary objective of the work was to interrogate the principles and values that underlay the transformation vision of a post-Apartheid society, and to assess to what extent these principles and values have found concrete purchase in our current society. The second leg of the work sought to record what the leadership of key social justice organisations in South Africa saw as representing the highlights of their work, and also to identify current and future challenges.

The seminar proceedings were deeply influenced by participants' pain caused by the recent Marikana massacre. The discussion and debate around the values and success in achieving transformation and the role of the social justice sector in promoting and championing these values reflected a very evident sense of confusion and concern about how best the democratic principles enshrined in the Constitution could be better promoted and protected.

The report of the discussions of the seminar can be found at www.spii.org.za. This conversation was by no means concluded, and SPII will seek to continue to create spaces for this to continue.

Social Justice and Transformation: Critical Essays and Seminar

In partnership with the RAITH Foundation, SPII wrote three critical essays based on a number of interviews conducted with leaders of social justice organisations and people who had been active in the transitional period from Apartheid to a democratic South Africa. The findings of these papers were presented at a public seminar held on 9 November 2012 at the Women's Jail, at Constitutional Hill.



Financials
and Internal
Policies

Financials and Internal Policies

By Eriqie Douwie, Financial Administrator

Donors 2012

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

Studies in Poverty and Inequality Institute

(Registration number IT 3080/2006)

Financial Statements for the year ended 31 December 2012

Statement of Financial Position

Figures in Rand	Note(s)	2012	2011
Assets			
Non-Current Assets			
Property, plant and equipment	2	105 310	108 227
Current Assets			
Trade and other receivables	3	82 918	38 391
Cash and cash equivalents	4	2 032 613	1 837 463
		2 115 531	1 875 854
Total Assets		2 220 841	1 984 081
Equity and Liabilities			
Equity			
Trust capital	5	100	100
Accumulated surplus		982 221	1 076 882
		982 321	1 076 982
Liabilities			
Current Liabilities			
Trade and other payables	6	1 238 520	907 099
Total Equity and Liabilities		2 220 841	1 984 081

Studies in Poverty and Inequality Institute

(Registration number IT 3080/2006)

Financial Statements for the year ended 31 December 2012

Statement of comprehensive Income

Figures in Rand	Note(s)	2012	2011
Revenue		3 347 109	2 898 569
Other income		255 455	426 712
Operating expenses		(3 758 948)	(3 417 992)
Operating deficit	7	(156 384)	(92 711)
Investment revenue	8	61 723	67 298
Deficit for the year		(94 661)	(25 413)

Note on Financial Sustainability

Despite continued reduction of funding to the South African civil society sector! SPII has managed to chart a course leading to greater stability and financial sustainability. Part of this has been through the registration for VAT that has allowed us to reclaim our VAT inputs since inception, and through strategic stewardship in the work of the financial administrator, and subject to the oversight fo the director and the board.

This has however been a sad year for us as it heralds the end of the core support that we have been fortunate to receive from Atlantic Philanthropies almost since the inception of SPII. We have however continued to make new friends who have offered promises both of financial and institutional support, for which we are very grateful.



Human
Resource
Report

Human Resource Report

Staff Profiles 2012

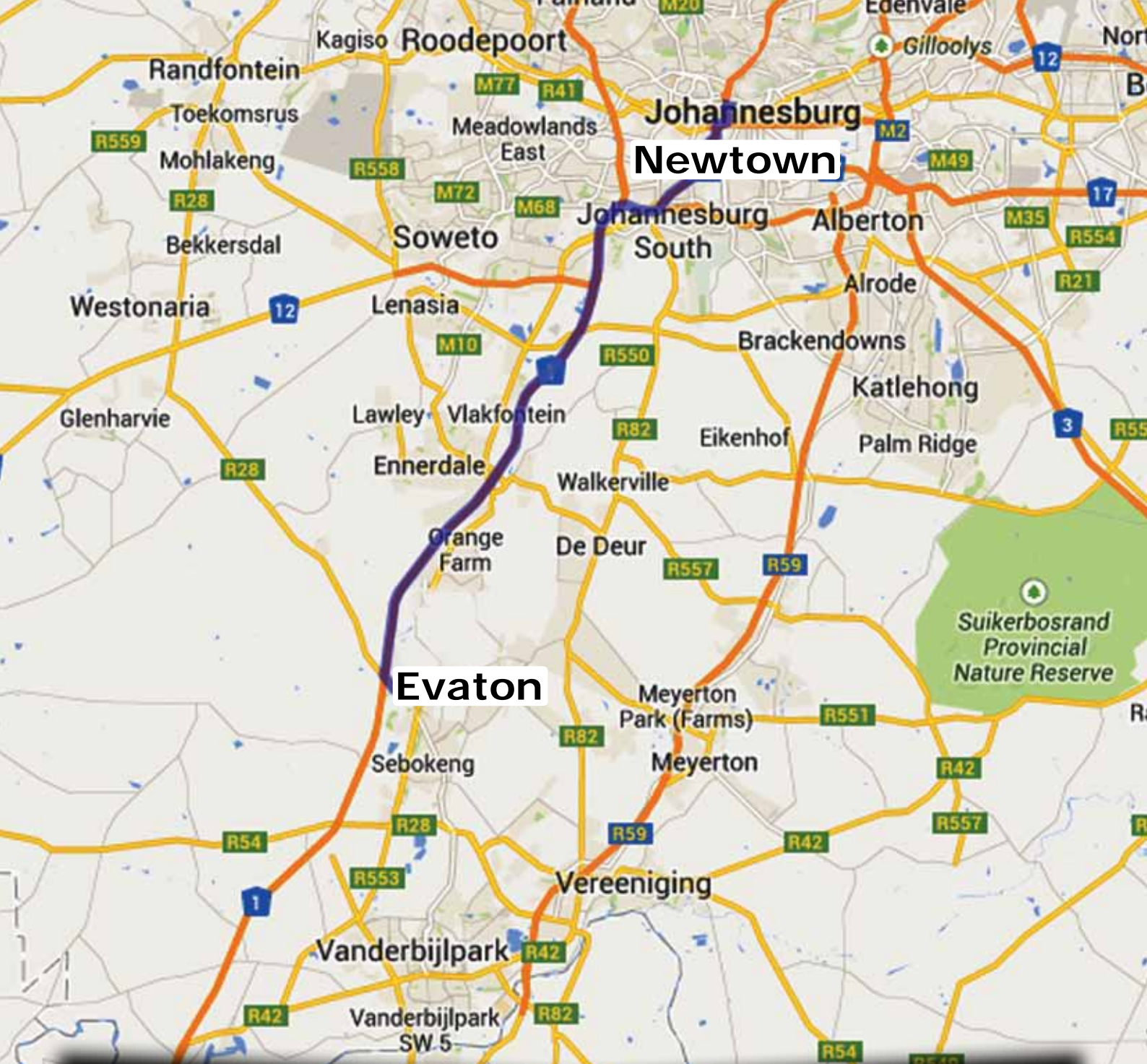
Isobel Frye Director	Education	B. A. LLb Higher Diploma in Law Law
	Experience	Senior Researcher in Poverty Eradication at NALEDI National Advocacy Manager at the Black Sash Lawyer in commercial litigation at Walker's Attorneys
	Focus	Research, management, organisational development, Community Constituency Chamber Convenor for the Public Finance and Monetary Policy Chamber, NEDLAC.
Erick Douwie Financial Administrator	Education	Diploma in Bookkeeping
	Experience	Bookkeeper at Jubilee South Africa Junior Clerk at A Cloete & Associates
	Activities	Financial Administrator & Administration Manager.
Fortunate Mabuza PA to the Director and Grants Administrator	Education	Secretary Diploma Currently pursuing a Degree in Economic Management at UNISA
	Experience	Logistical planning, public relations, business development and customer relationship management
	Activities	Manages the office of the director, and all events at SPII, board secretariat and grants administration.
Stephanie Brockerhoff Senior Researcher and Research Manager	Education	BA degree in Modern History and Politics MPhil in Politics
	Experience	United Nations Industrial Development Organisation (UNIDO) Boston Consulting Group
	Focus	Socio-Economic Rights Project and Research Manager
Thabileng Mothabi Researcher	Education	BA degree in Political Science
	Experience	Regulatory Impact Analysis Certificate
	Previously	Intern at the Presidency; Policy Coordination and Advisory Service
	Focus	Basic Needs Basket, SADC Basic Income Grant Project and Media Liaison Officer

Khetho Lomahoza Researcher	Education	M.Com (Economics)
	Experience	High Income Banking Consultant at Investec Private Bank
	Previously	Economist Intern at the Western Cape Provincial Treasury
	Focus	Socio-Economic Rights Project and econometric support to all programs
Brian Mathebula Researcher	Education	Honours in Public Management and Governance and Currently pursuing a Masters Degree in Public Administration at UNISA
	Experience	Intern at the Department of Economic Development Co-authored the proposed Second Economic Policy for the City of Johannesburg.
	Focus	Linking cash transfers to Local Economic Development
Delphine Ngongo Receptionist	Education	Office Administration Diploma
	Experience	Gold Reef City as an Usher at the Lyric Theatre.
	Activities	Office administration, Website administrator and internal management system administrator
Herbet Mahundla Intern	Education	National Diploma in Journalism
	Experience	Student Assistant Student Journalist at TUT FM
	Focus	Communications officer

Office Assessment Plan and Learning Outcomes

One of the challenges faced by this sector is how we identify success and challenges. In our work for change and transformation, developing appropriate indicators for success is critical. SPII was fortunate in 2012 to receive training from Inside Out consultants that spearheaded our own internal work in this regard. The work and outcomes from this training will feed into a five year strategic planning process that will be undertaken in the first half of 2013.





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