

Introduction

What constitutes a decent standard of living for people in South Africa?

The aim of this ongoing project is to derive an understanding of what constitutes a broadly acceptable living level that should be used to reflect a basic living level. Central to this ambitious target is an awareness of the necessity of moving away from the minimalist ‘poverty lines’ that have been used in the design and evaluation of anti-poverty programmes. The use of such very basic levels to characterise the state of poverty is dangerous in an upper middle- income country such as South Africa that is already characterised by one of the highest levels of income inequality globally. Using such low levels might create more palatable poverty figures, but it dulls our ambitions of really ensuring that people live the life of dignity as guaranteed to them in the Constitution of South Africa, let alone a life of one of greater equality as the Constitution further provides for.¹ This project is thus inherently rights- based, rather than being a technocratic exercise. It is about trying to understand through asking ordinary people what such a decent living level should be for all in a post- Apartheid democracy.



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¹ See The Constitution of the Republic of South Africa, preamble, section 9(2) and section 10.

Context and Objectives

Despite the recognition of the destructive reality of poverty for many millions of people living in South Africa, there is still a lack of national consensus in South Africa on what is meant by the inverse of 'poverty', namely 'sufficiency'. This has particular resonance in an upper middle-income country such as South Africa. A stark illustration of the huge distance between what the state views as constituting 'poverty' and what ordinary South Africans view as constituting a basic decent living level is evident from the tragic incident of the Marikana massacre in August 2012. Miners at the Lonmin mine in the North West province went on strike over wage negotiations, demanding an entry level wage for rock drill operators of R12, 500 per worker per month. The workers, 36 of whom were killed by police action during the strike, substantiated their demands by showing how it was not possible to exist with any semblance of decency on an amount less than that. Most of the workers have become indebted to local 'loan sharks' when they have had to borrow for consumption purposes in the past. At the same time, farm workers in the Western Cape embarked on an equally historic strike, demanding an amount of R150 per worker per day in 2012 prices, about R3, 000 per month, as constituting the minimum level that could be seen to guarantee any possibility of a decent life.

At the other end of the scale, Statistics South Africa and many government policies and plans use three poverty lines which they have developed. These three lines reflect firstly, a survivalist 'food poverty' line, a second, 'lower bound' poverty threshold and an 'upper bound' poverty line. The 'food poverty line' is based on a costing of 2,261 kilo calories per capita per day.² The 'lower bound poverty line' combines the food poverty line and an average amount of non-food items consumed by households whose total consumption was equal to the food poverty line (i.e. that which people chose to purchase instead of the food that they would need to consume the nutritionally approved basic daily consumption). Finally, the 'upper bound poverty line' is a combination of the food poverty line and the average consumption on non-food items by households that spend the full food poverty line amount on food. These three lines are R305 (in March 2009 figures) per person per month, R416 and R577 per person per month.³ None of these figures suggest anything close to a sufficiency or the ability to command a decent standard of living given the multi-dimensional facets of deprivation, and the difference between these figures and those demanded by workers as referred to above, are clear.

There have been a number of commitments by government to finalise a Comprehensive National Anti-Poverty Strategy in South Africa. These began in 2005 through The Presidency. The initial 'Strategy' appears now to have been downscaled to the status of a national 'Project', and a final Strategy was never published. The initiatives were headed by a 'National War Room', located in The Presidency. The idea was for initiatives to also operate provincially and at local government level through decentralised 'War Rooms' to implement the Comprehensive Anti-Poverty Strategy.

A common understanding of what constitutes deprivation, even in a tangible 'Rands and Cents' approach, however, continues to elude discussions on poverty. This appears to be crucial, especially

² *Measuring poverty in South Africa: Methodological report on the development of the poverty lines for statistical reporting. Technical report D0300. Statistics South Africa.*

³ *Poverty Profile of South Africa: Application of the poverty lines on the LCS 2008/2009 Statistics South Africa. Pretoria: Statistics South Africa, 2012.*

in a country that is characterised by such extremes of income inequality as South Africa. In a presentation made by the National War Room on Poverty to the Portfolio Committee on Social Development on 13 October 2009⁴, poverty was defined as “a condition of deprivation below a minimum standard of living”, a deficiency in individual’s socio- economic capabilities’. The term ‘minimum standard of living’ appears again in the National Development Plan.

What is absent from the plans and the reporting, however, is any concrete reference to what such a ‘minimum standard of living’ is - or should be. SPII believes that a broad, national discussion is very necessary to reduce the sense of social distance that surrounds poverty, with the burden of poverty-induced deficits and the social and political implications of stark income inequality seeming to be disproportionately relegated to people living in poverty. Advancing a national debate about what constitutes an acceptable living level for all, albeit aspirational for many for today, is necessary to begin to reduce that social distance.

Is this possible?

Developing a decent living level is not without methodological as well as ideological challenges. Ultimately, a decision on what constitutes a basic need is deeply normative. As such, many studies undertaken in the field in the past have shied away from attempting to quantify and cost what such a basket would contain to support the quantification of a decent living level.

Critical to this idea is accepting that poverty is multi-dimensional and as such should reflect a basic standard of access to goods and services identified as being necessary by people. In the mid 2000’s, CASASP – the Centre for Applied South African Social Policy – undertook extremely comprehensive work under its Indicators of Poverty and Social Exclusion Project. This included fifty focus group studies held in nine provinces and amongst diverse social and economic classes. Their findings demonstrated that despite the very deep divisions in South Africa, there is a strong consensus on what goods and services should be included as basic needs. This project, however, did not proceed to attempt to quantify or cost what levels of these items should be included in a single basket.

Examples of such work exist in other countries. In the United Kingdom, a country that has undertaken extensive research into poverty (including pioneering work by Seebohm, Rowntree and Friedrich Engels), an innovative project called the Family Budget Unit was established at the University of York in 1987. This unit had the following aims and objectives

- To advance the education of the public in all matters relating to comparative living standards and living costs throughout the United Kingdom;
- To carry out research into the economic requirements and consumer preferences of families of different composition, for each main component of a typical family budget;
- To publish the useful results of such work.

The Unit over time developed very detailed household budgets that reflected an acceptable level of adequate living for a variety of low income family types, taking into account the various social wage benefits that were available through different levels of the state to begin to address these needs.

⁴ The presentation is available at www.pmq.org.za/docs/2009/091013waronpovertyedit.pdf.

Unfortunately this Unit was dissolved in 2011. Some of its work however informed the thinking and methodology around the Minimum Income Standards (MIS) project based at the University of Loughborough (fittingly, given the above, with the support of the Joseph Rowntree Foundation).⁵ This work is based on participatory research that sets out items that are considered to be necessary for a low but adequate level of living. Currently the project has produced standard budgets for 107 household types and the costings for these budgets are updated every July. Their work includes input by experts for example on nutritional standards, and includes a Minimum Income Calculator that shows how the household budgets are calculated and how much people would need to earn to be able to meet this weekly household budget, in the sense of a living wage.

Civil society organisations in Zambia and Malawi (the Zambian Centre for Theological Reflection (ZCTR) and the Centre for Social Concern respectively) have also developed 'Basic Needs Baskets' that they use very effectively for advancing information pertaining to the rising costs of basic items as experienced at localized spaces. The ZCTR monthly analysis also reflects the average minimum wages for public civil servants in Zambia against their analysis to demonstrate the shortfalls between incomes and needs.

Going Forward: Towards Constructing a Decent Living Level

There is a clear opportunity for South Africa to construct a democratically devised decent living level. The concept of a 'minimum living level', as indicated, is already used in diverse policy documents, but without any substantive details. Understanding what a decent living level is will also allow us to map out what we mean by a 'living wage' for all and how other popular campaigns (including for increases to the social wage, national healthcare, e-tolls, a national minimum wage) relate to the broader living wage campaign, how they relate to one another and what the implications are for the various mass- based campaigns.

⁵ This work is available at www.lboro.ac.uk/research/crsp/mis.