



**STUDIES IN POVERTY AND
INEQUALITY INSTITUTE**

*Building up knowledge
to break down Poverty*

POLICY BRIEF 1

Towards a Decent Living Level

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On 27 September 2013, Studies in Poverty and Inequality (SPII) and the Friedrich-Ebert Stiftung (FES) held the first consultative team meeting to discuss a National Minimum Living Level. The meeting was held at NEDLAC House, Rosebank, Johannesburg. Presenters and individuals that attended the meeting have an interest in a Minimum Living and were advocating for it in their respective institutions.

In his opening remarks, the CEO of NEDLAC, Alistair Smith, called for a social compact in the reality of the current policy stalemate. Isobel Frye, the director of SPII, set out the objectives of the process and provided a detailed overview of the subject.

In her presentation, Isobel mentioned that there is a need for constructive social dialogue that moves away from opinion-led debate to a more evidence-based debate. It is also important to acknowledge that the current poverty lines, even the subjective poverty measures, used by the state and the National Planning Commission, bear no correlation with basic needs, and that is what we need to address in this process. She further set out the constitutional framework that supported the construction of an adequate minimum living level, including the rights to dignity and equality, the justiciable socio-economic rights and the right not to be treated in a cruel or degrading manner or to be subjected to servitude.

Neil Coleman, from COSATU, stated that COSATU, as set out in its May 2012-Discussion Paper recognised that post 1994 South Africa has failed to fundamentally transform the apartheid labour structure, particularly its cheap labour basis, and excessive levels of income inequality which has led to growing tensions and fault lines, most tragically seen in Marikana, but also felt daily by the poor and the working poor. The position presented by Coleman include a combination of a review of collective bargaining, social protection strategies, a National Minimum Wage and comprehensive wage and income policies, as well as a review of the macro-economic and industrial policy frameworks. A successful example of the benefits of such steps can be seen in Brazil who have over the last decade reduced poverty and inequality, as well as creating formal jobs.

Trenton Elsley, from the Labour Research Service, said a social wage is important because it is a reward for the citizens and should be universal even if its main targets would be low-income earners, the poor and the most vulnerable. "Social wage has two elements, protection (from violence, ill health) and access (transport, social services), according to Trenton."

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Finally, Thabileng Mothabi, a researcher at SPII presented findings from the Basic Needs household income and expenditure survey that SPII conducted in Evaton, South of Gauteng in 2011/ 2012. The research monitored household expenditure, food price and the basic needs basket and will provide the basis for the development of the minimum living level.

These presentations are all available at www.spii.org.za.

The presentations were followed by robust discussion amongst participants which set out parameters for future engagement, critical participants and outcomes.

For further information or should you wish to be involved in further discussions, please contact Fortunate Mabuza at fortunate@spii.org.za.

