



WHY DOES CIVIL SOCIETY MAKE SOME POLITICIANS UNCOMFORTABLE?

By: Isobel Frye
Director: SPII

I was in a meeting recently with a Deputy Minister of the ruling party and the meeting was made up of mostly government officials, with a few of us from civil society who had been engaging on the particular issue with government and the South African Human Rights Commission (SAHRC) for some time. In his opening remarks, the Deputy Minister broadly welcomed the contribution of civil society and the chapter nine institutions present, but then proceeded to launch a very direct attack at one specific civil society organisation (CSO), one that frequently challenges governments service delivery failures through the courts, and the same organisation that had recently accused the state of trying to reduce the value of the rights contained in the South African Constitution. In short, the Deputy Minister insisted that the state, under the administration of the ruling party, was the one true representative of the majoritarian views of South Africans, and thus civil society organisations must desist from claiming that they represented the views and wishes of the people of South Africa in opposition, so he claimed, to the state.

Secretary, Zwelinzima Vavi and the National Union of Metal Workers of South Africa (NUMSA) from the federation, has to led to many observers (including former President Kgalema Motlanthe) to assert that the current COSATU will not find itself coming in to too much conflict with the ruling ANC.

In an interesting transcript of an interview on the state of civil society by Piroshaw Camay of CORE, Camay states that the general model of operating by civil society had changed quite substantially since the 1970's and 1980's. Previously there had been a far greater emphasis on building communities from grass roots up, enabling people to become far more resilient and united around violations and grievances – which of course was highly necessary against the brute force of the Apartheid state. According to Camay, the dominant mode of operating of civil society organisations currently involved litigation against the state, often around cases that had little or no connect with communities, although many of the issues directly affect the well-being of poor people and poor communities.

This is an interesting position, especially given the prevalence of protests across

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In the mid – 2000s, former President Thabo Mbeki launched some very public and critical attacks against civil society and the trade union federation, Congress Of South African Trade Union (COSATU), in particular, for representing an anti-democratic, 'ultra-left' tendency, which was, he warned, contrary to the values of the liberation movement. In recent times, these tensions have resurfaced. The most managed contested relationship was always that of COSATU and the African National Congress (ANC); however Alliance structures have always provided the architecture for mediation or de-escalation of these tensions. With the suspension of former COSATU General

the country as communities express their frustrations about the quality of state services, and general levels of anger about the lack of social and economic transformation as experienced in their own lives since the end of Apartheid, despite the pro-poor rhetoric. Many of these protests occur after initial attempts have been made in vain to engage with the appropriate local government structures, and often entail some degree of violence and destruction by communities, and protestors are met with varying levels of violence by the police.

It would be interesting to see a resurgence of organising and mobilising poor people around their grievances at the local level, teasing out new modes of engagement and organisation and fostering better and more responsive engagement with government – the democratic government of South Africa. Will this happen; or rather, what might be the trigger points that could galvanise such resurgence?

Current formations such as the Nine Unions organisation, if they decide to launch a political platform with a real grass roots following and a leadership that is informed by grass roots views in a bottom up rather than top down approach, might provide such impetus. Locating leadership and accountability amongst people directly affected by poverty and marginalisation is the best guardian of change. How this is managed and the extent to which middle class civil society supports (rather than seeks to hijack) such a structure will be a chief determinant of the kinds of policy reforms that we as a country will embrace

and the manner of engagement between the state and civil society.

One of the critical issues that everybody is speaking of, is the issue of inequality, or inequalities. Post- Picketty's recent lectures in South Africa, which again catapulted the issue of inequality into the fore, many people have reflected however that he 'did not say anything that we did not already know'. If this is true then, the greater the indictment against all social actors in South Africa, since if this is known, why have we not done anything about it with any serious intent? Is it because we are not prepared to tackle the vested interests of the elite, particularly the asset owning classes which according to Picketty are virtually unchanged since pre-1994? Even the National Development Plan (NDP) seems a bit reluctant to get down and dirty on inequality. While the NDP commits itself to eradicating poverty (using the lower bound poverty line of R419 in 2009 prices) by 2030. This suggests that despite reference to inclusive growth, policy makers are not

convinced that the economic trajectory that is spelled out in the NDP will in fact be able to make any impact on inequality.

In my opinion, tackling inequality in a participatory way informed by people in poor communities is the new and urgent challenge for civil society. Support for a national minimum wage that enables all workers to live a decent standard of life, and comprehensive social protection in the form of a universal cash transfer is a start. Considerations of wealth taxes and fair taxation of multi-national corporations and limiting illegal outflows of income should follow hot on the heels of these reforms.

We hope that you support the work of SPII and collegiate organisations in this regard!

Opinions shared above are those of the author, and do not reflect the opinions of the Studies in Poverty and Inequality Institute (SPII). If you wish to contribute to SPII Talk as a guest author please contact brian@spii.org.za.



CASH TRANSFERS: A PRO-POOR POLICY AND A SUSTAINABLE DEVELOPMENT GOAL

A FOUR COUNTRY ANALYSIS OF THE POTENTIAL IMPACT OF UNIVERSAL CASH TRANSFERS ON POVERTY AND INCOME | By: Taku Fundira
Senior Researcher: SPII

BACKGROUND.

This input forms part of a wider SADC wide Campaign for the roll-out of the universal basic income grant to SADC residents, including refugees and migrants. The Campaign is driven by a regional civil Coalition. The Campaign draws on principles of economic and social justice, including tax justice and the fact that the proceeds of extractive industries in SADC need to be more fairly distributed to break the crippling levels of poverty and inequality that exist in the region. More importantly, this will provide the necessary investment by our governments in human capital through universal social protection.

The call is for universalism, which is for social benefits, including cash transfers to be made available to everyone as a right. Over the past decades, debates on the desirability and feasibility of universal basic income have taken place in many different countries – from Alaska to Iran and the timing for the call for such a campaign in SADC could never be better. The world is no longer debating the positive impact of cash transfers, especially the human and economic aspects. In fact, cash transfers have been the most successful developmental policy in the Global South in the last two decades.

Furthermore, although, a popular approach among policy makers is targeting the poor, which is a process of deciding which members of society are eligible and ineligible for social benefit. This approach can be a costly approach that often has a number of unintended consequences. As Amartya Sen noted "The beneficiaries of thoroughly targeted poverty-alleviation programmes are often quite weak politically and may lack the clout to sustain the programmes and maintain the quality of services offered. Benefits meant exclusively for the poor often end up being poor benefits." In analysing the experiences of targeted social transfers in Brazil and Mexico, results indicate that it is close to impossible to achieve 100% accuracy in targeting and programs tend to exclude 59% of intended beneficiaries when targeting the poorest fifth of the population.

Quick Fact The results for Q3: 2015 show that the working-age population was 36, 1 million – 15, 8 million employed, 5, 4 million unemployed and 14, 9 million not economically active. (Quarter Labour Force Survey: Q3, 2015)



BACKGROUND CONT.

Provision of universal cash transfers programmes is also about ensuring social security and more specifically income security for all. It forms part of the broader call for universal and comprehensive social protection schemes by the African Union, the United Nations, and International Labour Organisation, more recently the World Bank. Access to social protection forms part of the newly endorsed sustainable developmental goals, which has come to signify that social cash transfers, is not about charity, it is about justice.

This brief forms part of research undertaken by the Studies in Poverty and Inequality Institute (SPII) made possible by funding from the Open Society Initiative of Southern Africa aimed at strengthening the advocacy activities of the SADC BIG Coalition at both national and regional level. The following inputs provides highlights from the five country studies that have

been undertaken on countries referred to as champion countries, namely, South Africa, Zambia, Mozambique, Namibia, and Malawi. The selection of the countries was premised on a number of factors among others and the factors include:

- **The particular countries have or are in the process of expanding their social transfers programmes, and**
- **SADC BIG Coalition partners in these countries have expressed willingness to campaign at national level and therefore important to channel the limited resources to these so-called 'champion' countries, wherein it is expected that success of the campaign in these countries will spur changes in other countries to adopt universal social transfer programmes.**

This input for SPII talk will only provide the results from the analysis of four of the five champion countries under analysis.

The countries include: **Malawi, Namibia South Africa and Zambia.**

Quick Fact The highest share of the employed population with tertiary qualifications (graduates and other tertiary) is found among the white and Indian population groups (Quarter Labour Force Survey: Q3, '15).

Photo by: David Brossard [CC BY-SA 2.0 (<https://creativecommons.org/licenses/by-sa/2.0/>)], via https://www.flickr.com/photos/string_bass_dave/8181285060



THE OBJECTIVE

The objective of this analysis is to show using econometric modelling techniques the impact of a universal cash transfer of basic income on poverty in the aforementioned countries - Malawi; Namibia, South Africa and Zambia. We are cognisant of the fact that such analyses have been undertaken before and that most work has focused on the impact of targeted programmes that exist and are being implemented. Therefore, this work will add to the literature on cash transfers and more specifically universal cash transfers such as the basic income grant (BIG).

The call for a basic income grant is also premised on the fact that social cash transfers have the ability to help alleviate the worst destitution currently faced by millions of poor people, and can contribute to pro-poor growth by providing an effective risk management tool, by supporting human capital development and by empowering poor households to lift themselves out of poverty.

We argue that access to social protection and more specifically income security is a fundamental basic human right

and therefore must be a priority for all governments. Internationally, the positive impact of cash transfers have been widely acknowledged and documented.

We call for all active citizens, state and non-state actors, and the private sector to rally in solidarity and make basic income a reality in SADC. This analysis will reaffirm this notion and we reiterate the call by the UN to "Leave no one behind!"



Photo by: "South Africa-Cullinan Premier Mine01" by NJR ZA - Own work. Licensed under CC BY-SA 3.0 via Wikimedia Commons - https://commons.wikimedia.org/wiki/File:South_Africa-Cullinan_Premier_Mine01.jpg#/media/File:South_Africa-Cullinan_Premier_Mine01.jpg

IMPACT OF A BIG

GIVE EVERYONE CASH AND WHAT HAPPENS TO POVERTY & INCOMES?

Impact on incomes

By giving all residents in the respective countries under review a monthly basic income of US\$15 (PPP), the impact on income and inequality is shown in table 1 below. It must be stressed that the income figures in the table show the average per capita income of individuals and not households in each income decile/ group per annum.

Quick Fact In Q3: 2015, 48,6% of employed white persons and 33,8% employed Indians had a tertiary qualification. More

than half of the black African and coloured populations had an educational level of less than matric. *(Quarter Labour Force Survey: Q3, '15)*

ZAMBIA.

20% THE AMOUNT OF POPULATION HOLDING 60% OF THE TOTAL INCOME FOR ZAMBIA.

The figure is according to the Living Conditions Monitoring Survey 2010.

50% THE TOTAL OF THE POOREST WHOSE INCOME INCREASES BETWEEN 40%-80%.

An introduction of the BIG significantly increases the income of the poorest, with the lowest 20% experiencing the highest income changes.

0.06 THE MARGIN OF REDUCTION IN INEQUALITY WITH THE INTRODUCTION OF A MONTHLY UNIVERSAL BIG.

In terms of inequality, a BIG also demonstrates a significant change in terms of redistribution with the Gini declining from 0.55 to 0.49 when a BIG is introduced.

NAMIBIA.

20% THE PERCENT OF POPULATION ACCOUNTING FOR MORE THAN 70% OF TOTAL INCOME.

Synonymous to most African countries highlighting how income distribution is skewed.

0.02 THE MARGIN OF REDUCTION IN INEQUALITY WITH THE INTRODUCTION OF A MONTHLY UNIVERSAL BIG.

The introduction of a monthly universal BIG in Namibia of US\$15 or N\$ 69.95 in terms of purchasing power parity, reduces inequality by a margin of 0.02 with the Gini coefficient reducing from 61% to 59%.

100% THE NUMBER OF INCOME GROUPS EXPERIENCING DOUBLE DIGIT INCREASES.

The poorest 50% (deciles 1 – 5) experiencing the double digit income changes ranging from more than 11% up to 41%.

MALAWI.

20% THE PERCENT OF POPULATION ACCOUNTING FOR MORE THAN 50% OF TOTAL INCOME.

Synonymous to most African countries highlighting how income distribution is skewed

0.07 THE MARGIN OF REDUCTION IN INEQUALITY WITH THE INTRODUCTION OF A MONTHLY UNIVERSAL BIG.

The introduction of a monthly universal BIG in Zambia of US\$15 or MKW 1 143.86 in terms of purchasing power parity, reduces inequality by a margin of 0.07 with the Gini coefficient reducing from 45% to 38%;

100% THE NUMBER OF INCOME GROUPS EXPERIENCING DOUBLE DIGIT INCREASES.

The poorest 30% (deciles 1 – 3) experiencing the highest income changes ranging from more than 50% to almost 100% income change.

SOUTH AFRICA.

0.04 A GINI REDUCTION COEFFICIENT OF 0.66 TO 0.64 IF A BIG IS INTRODUCED TO IMPACT INEQUALITY.

Synonymous to most African countries highlighting how income distribution is skewed.

40% THE POOREST BENEFIT MOST AS THEIR INCOMES INCREASE BY BETWEEN 22% TO ABOUT 98%.

The poorest 10% (decile 1) experiencing the highest income change.

0.88% THE RATE OF INCOME INCREASE THAT THE RICHEST 10TH DECILE RECEIVE.

Here we note that there are means of recovering the BIG beneficiaries in the 5th - 10th decile and therefore, such as progressive taxation and thus, this should not be used as a reason against the role out of a universal BIG.

IMPORTANT NOTE

These income changes are before any clawback of the BIG from middle and high income earners, which the SADC BIG Coalition is advocating. In other words, while a BIG is universal and everyone is entitled, the most vulnerable will benefit as the rich will pay back the BIG through progressive taxes.

POVERTY IMPACT

IN TERMS OF POVERTY ANALYSIS, AS ALREADY HIGHLIGHTED THREE DIFFERENT POVERTY MEASURES ARE COMPUTED IN THE MODEL: THE HEADCOUNT RATIO, THE POVERTY GAP, AND THE SQUARED POVERTY GAP. THESE ARE COMPUTED BEFORE AND AFTER INCOME CHANGES, USING MODERATE AND EXTREME POVERTY LINES .

- The poverty headcount measure represents the share of the population that is poor, that is, the proportion of the population for which income or consumption falls below the poverty line.
- The poverty gap measure describes the depth of poverty in a given population. Defined as the mean distance separating the poor from the poverty line (with the non-poor having a mean distance of zero), the poverty gap corresponds to the amount of resources that would be needed to pull the poor up to the poverty line.
- The severity of poverty measure, or the squared poverty gap, takes inequality of the poor into account by weighing the extreme poor, who fall far below the poverty line, more heavily than the less poor, who may hover just below the poverty line.

These measures are best used in combination because they provide different kinds of information about poverty. For each of these measures, a poverty line or the minimum income or expenditure necessary to keep a household out of poverty must be defined as highlighted above. The results are shown in table 2.

TABLE 2: IMPACT OF UNIVERSAL BIG ON POVERTY LEVELS

MALAWI

If we look at the severity of poverty measure, or the squared poverty gap (P2), which takes inequality of the poor into account by weighing the extreme poor, who fall far below the poverty line, more heavily than the less poor, who may hover just below the poverty line, will virtually eradicate extreme poverty for all income groups with the exception of the poorest 20% in both urban and rural areas, where this will however decline significantly from 31% to only 5%;

It is important to note that using headcount gap as a measure, one might think that a BIG has no impact when looking at moderate poverty on the poorest 40% (income quintile 1 & 2) in both urban and rural areas, as this only measures people below the poverty line, but when combined with the poverty gap (P1) and squared poverty gap (P2), the impact is significant, highlighting the importance of using a combination of indicators to make appropriate policy measures. The significance of a universal BIG thus cannot be ignored;

NAMIBIA

Extreme poverty will decrease by 8% over all, however, if we look at the severity of poverty measure, or the squared poverty gap (P2), which takes inequality of the poor into account by weighing the extreme poor, who fall far below the poverty line, more heavily than the less poor, who may hover just below the poverty line, a BIG will virtually eradicate extreme poverty for all income groups with the exception of the poorest 10%, where this will however decline significantly from 24% to less than 10%;

It is important to note that using headcount gap as a measure, one might think that a BIG has no impact when looking at moderate poverty on the poorest 10% (income decile 1), as this only measures people below the poverty line, but when combined with the poverty gap (P1) and squared poverty gap (P2), the impact is significant, highlighting the importance of using a combination of indicators to make appropriate policy measures.

SOUTH AFRICA

In terms of total impact using the squared poverty measure (P2); a BIG will reduce overall poverty rates from about 13% to about 9% using the moderate poverty line and almost eliminating extreme poverty from 5% to 2%. As already mentioned, the Squared Poverty Gap determines the degree of poverty for a given area. This method squares the poverty gap for each individual/household, and thus puts more emphasis on observations that fall far short of the poverty line rather than those that are closer. Therefore as an indicator it is more beneficial to the poor who are further away from the poverty line and are the most vulnerable and also marginalised.

Other indicators – the headcount ratio and the poverty gap show an overall reduction of 5%, upon the introduction of a BIG. The biggest impact is observed in income deciles 1 – 5 who experience income changes in excess of 10% and are more likely to be vulnerable to income shocks than the top 20% that account for more than 60% of total income as shown in Table 1.

ZAMBIA

By any measure used, be it headcount; severity of poverty (P1) or squared poverty (P2); a BIG makes a significant impact to the poorest, with extreme poverty reductions of 48%; 30% and 18% respectively;

Those classified as moderately poor will move out of extreme poverty by significant margins; with headcount reductions of 38% and virtually eliminating severe and extreme poverty using severity of poverty (P1) or squared poverty (P2) measures;

IN CONCLUSION AND RECOMMENDATIONS

- The above reveals that the significance of a universal BIG cannot be ignored;
- Decomposing changes in poverty incidence (headcount) and depth (poverty gap) reveals that, in all instances, the poor benefited from both growth and redistribution effects;

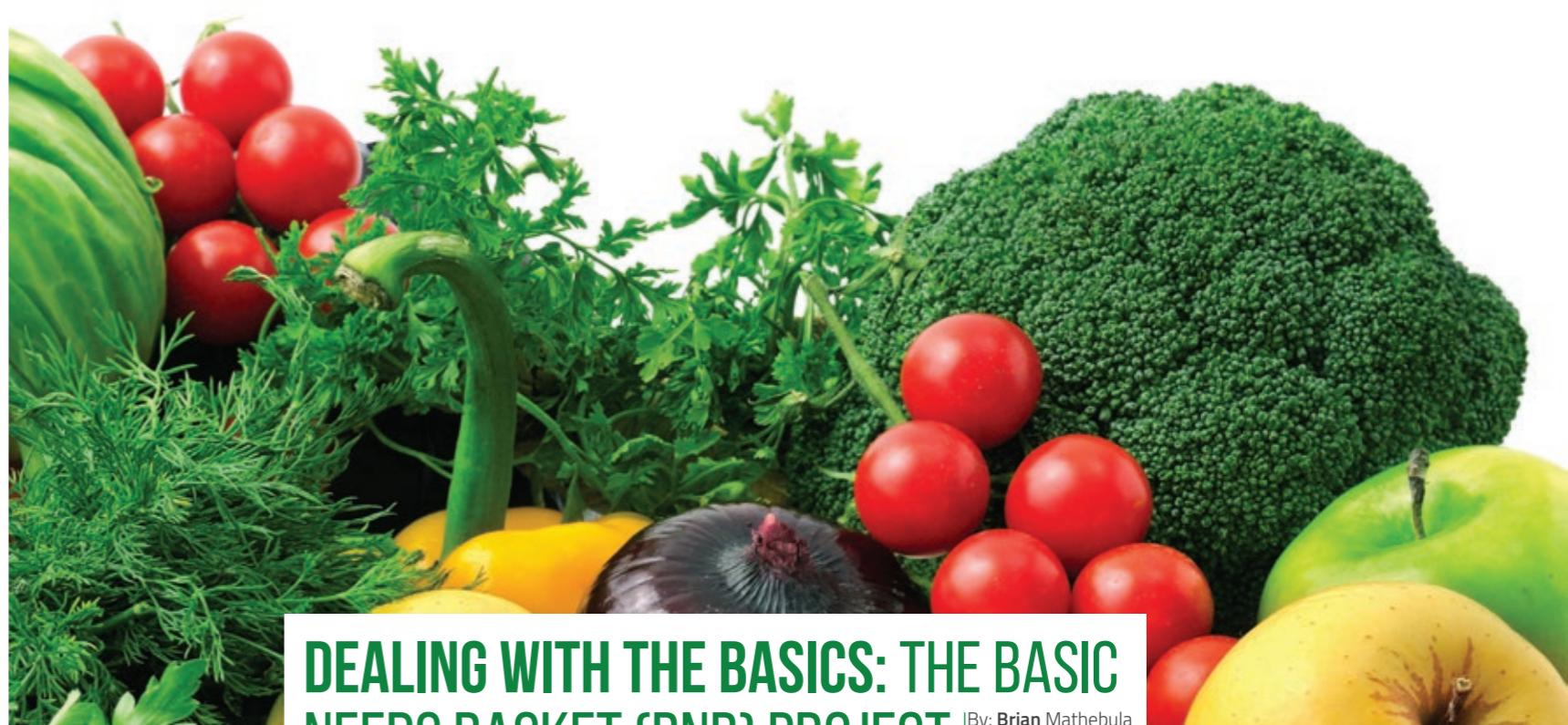
The Basic Income Grant is likely to promote economic growth through a number of important transmission mechanisms, including:

- The labour market: increased labour supply and demand raises employment levels and supports economic growth.
- Social capital: maintaining proper nutrition and providing education raises the productivity of labour and capital and fuels economic growth and job creation.
- The macro-economy: increased aggregate demand levels and changes in the composition of demand promote higher rates of growth and employment.

Quick Fact *“Employment levels increased in seven of the nine provinces between Q2: 2015 and Q3: 2015” (Quarter Labour Force Survey: Q3, 2015)*

Growth has two effects on the fiscal impact of the Basic Income Grant.

First, it raises overall national income, and thus supports the capacity of the economy to support fiscal expenditure. Second, by concentrating growth on lower income individuals, recipients of the Basic Income Grant gradually move to income levels in which their net transfer is reduced. This lowers the overall net cost of the Basic Income Grant transfers over time.



DEALING WITH THE BASICS: THE BASIC NEEDS BASKET (BNB) PROJECT

By: Brian Mathebula
Researcher: SPII

South Africa is experiencing one of the worst droughts since 1982, and the drought is expected to have an impact on maize production. Policy makers are currently in discussion on the most appropriate response, as relief strategies would have to go beyond assistance for farmers to include consumers. The effects of the drought will surely have an impact on whole food value chain. SPII in partnership with the Association of Community-Based Advice Offices of South Africa (ACAOSA) has 18 dedicated fieldworkers across the nine provinces that collect data for SPII’s Basic Needs Basket (BNB). The data is collected on 38 food and non-food prices every month with two data collection points in each province, including a rural and urban setting.

The food and non-food items tracked by SPII’s BNB project are not representative of goods and services necessary to attain a decent standard of living, but are indicative of the goods that people in low income areas most frequently consume. The food and non-food items tracked are drawn from SPII’s Household Expenditure Survey (HES), undertaken in 2011-2012 by SPII with the support of Statistics South Africa in Evaton, South Africa. The food and non-food items were further verified through focus group discussion in Alexandra Township

(Gauteng), Ngove (Limpopo) and Evaton (Gauteng) in 2014 with three different arrangements of participants, namely youth, women and older men and women.

Furthermore, SPII’s BNB methodology and presentation has benefited from previous work undertaken in this field, such as the BNB in Malawi conducted by the Centre for Social Care and Zambian BNB conducted by the Jesuit Centre for Theological Reflection and PACSA’s (food barometer) based in Pietermaritzburg, South Africa. In this contribution, we undertake a trend analysis of the tracked items from January to September 2015. At the end we also provide information of the different wages offered and settled on, as according to the different sectoral agreements in order allow for an assessment the BNB in relation to the different salaries.

According to StatsSA, Consumer Price Index (CPI) year on year change in September 2015 for all goods was 3, 6%, while for food it was significantly higher at 4, 4%. Inflation ranged from 3, 5% in Limpopo to 5% in the Free State. The national average increase between January and September 2015 according to our BNB data was also 3, 6%.

TABLE 3: TOTAL BASKET ACROSS THE NINE PROVINCE FROM JANUARY 2015 TO SEPTEMBER 2015

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	INCREASE
National Ave.	R799,70	R828,04	R841,34	R849,39	R824,67	R821,58	R832,73	R836,94	828,47	+ 3,60%
Gauteng	R766,03	R800,58	R820,67	R769,42	R737,34	R760,37	R767,22	R705,56	705,74	▲ 7,87%
Northern Cape	R787,77	R753,87	R757,10	R756,29	R748,98	R750,91	R757,41	R778,04	774,87	▲ 1,64%
Western Cape	R730,79	R784,65	R777,18	R758,62	R789,33	R749,30	R827,84	R734,25	636,61	▲ 12,89%
Mpumalanga	R820,66	R768,52	R807,74	R844,55	R856,47	R834,44	R807,59	R898,91	808,45	▲ 1,49%
Eastern Cape	R871,20	R921,94	R892,72	R958,11	R831,32	R819,08	R904,14	R814,36	889,44	+ 2,09%
Limpopo	R838,31	R929,37	R929,89	R925,22	R865,86	R768,69	R928,82	R877,29	908,80	+ 8,41%
Free State	R829,95	R852,82	R806,25	R824,02	R818,82	R844,47	R898,77	R850,52	788,83	▲ 4,95%
KZN	R763,32	R767,91	R914,57	R861,21	R827,12	R783,79	R762,70	R759,44	793,15	+ 3,91%
North West	R782,85	R799,54	R852,79	R901,41	R830,25	R903,33	0,00	974,43	882,44	+ 12,72%

The table above provides the average prices of the 38 food and non-food items tracked by SPII's BNB. The results indicate an increase in the national average between January 2015 and September 2015, and that increase was +3, 6% on average. Gauteng, Northern Cape, Western Cape, Mpumalanga and Free State Province experienced an increase in the total basket over this period. The highest increase was experienced in the Western Cape Province at -12, 80 (-R94, 18), and whilst the North West Province experienced the highest increase amongst all provinces by +12,72 (R99,59).

PROVINCIAL POVERTY SHARES

USING THE UPPER BOUND POVERTY LINE OF R577 PER PERSON PER MONTH IN MARCH 2009 PRICES, STATSSA REPORTED ON A VERY DIVERSE PATTERN OF POVERTY AMONGST THE VARIOUS PROVINCES, AS FOLLOWS:

TABLE 4: POVERTY HEADCOUNT AND POVERTY SHARE OF ADULTS

	HEADCOUNT (%)	SHARE (%)
Gauteng	24.6	12.9
Northern Cape	52.8	2.8
Western Cape	26.7	6.9
Mpumalanga	54.6	8.3
Eastern Cape	57.9	16.3
Limpopo	69.5	14.9
Free State	51	6.8
KZN	52.4	23.2
North West	50.2	7.9
TOTAL:	45.1	100

SOURCE: STATS, REPORT 03-10-02 (2008/09)

Note that the report cautions that poverty levels in Gauteng might be far higher in fact as the 2008/09 used the 2001 Census figures for weighting purposes and the 2011 Census reported a significant increase into the province.

TABLE 5: DATA COLLECTION AREAS USED IN TABLE 6

PROVINCE	RURAL/ URBAN	AREA IN PROVINCE	RETAILER
Gauteng	Rural	Hamanskraal	Shoprite
	Urban	Etwatwa	Shoprite
Northern Cape	Rural	Kuruman	Pick n Pay
	Urban	Petrusville	Petrusville Supermarket
Western Cape	Rural	Graafwater	Super Spar
	Urban	Kayamandi	Shoprite U-Save
Mpumalanga	Rural	Nelspruit	Boxer Supermarket
	Urban	Kwa - Guqa	Shoprite
Eastern Cape	Rural	Port Johns	Boxer Supermarket
	Urban	Uitenhage	SPAR
Limpopo	Rural	Kopermyn Ga – Maja	Mamobeidi General Dealer
	Urban	Mokopane	Mokopane Supermarket
Free State	Rural	Phuthaditjhaba	BIBI Cash & Carry Supermarket
	Urban	Kroonstad CBD	Shoprite
KZN	Rural	Mphophomeni	Save You Supermarket
	Urban	Mphophomeni	Shoprite
North West	Rural	Letlhabile	Shoprite
	Urban	Tlhabane	Foro Spar Hyper Market

TABLE 6: SECTORAL DETERMINATION & EPWP MINIMUMS AS AT 1ST MAY 2015

SECTOR	MIN PER HOUR	MIN PER DAY *(9 HOUR DAY)	MIN PER MONTH	INCREASE DATE
1. Domestic metro (above 27 hours pw)	10.95	R98.55	R2065.47	1 st Dec 2015
Domestic non metro (above 27 hours pw)	9.30	R83.70	R1812.57	
2. Security Officer Grades D& E Area 1	15.25	-	R3172.00	1 st Sept 2015
Security Officer Grades D& E Area 2	13.95	-	R2901.00	
Security Officer Grades D& E Area 3	12.68	-	R2637.00	
3. Forestry	13.37	R120.32	R2606.78	1 st March 2016
4. Farm	13.37	R120.32	R2606.78	1 st March 2016
5. Contract Cleaning Area A metros ex KZN	16.98	R152.82	R3308.55	1 st Jan 2016
Contract Cleaning Area B all other ex KZN	15.47	R139.23	R3014.33	
6. Hospitality 10 or < workers	13.34	R120.06	R2601.88	1 st July 2015
Hospitality > 10 workers	14.87	R133.83	R2900.08	
7. Taxi drivers and admin workers	13.68	R123.12	R2847.01	1 st July 2015
Taxi rank marshals	10.94	R98.46	R2275.81	
8. Wholesale & Retail shop ass. Area A	16.67	R150.03	R3249.98	1 st Feb 2016
Wholesale & Retail shop ass. Area B	14.09	R126.81	R2748.51	
Wholesale & Retail sales person Area A	21.04	R189.36	R4102.04	
Wholesale & Retail sales person Area B	17.92	R161.28	R3493.08	
9. EPWP (Ministerial Determination)	9.34	R75.10	R1625.00	1 st Nov 2015

SOURCE: BARRET (2015)



REALISING THE RIGHT TO A BASIC EDUCATION IN SA: THE SOCIO-ECONOMIC RIGHTS (SER) MONITORING TOOL

By: Daniel McLaren
Senior Researcher: SPII

On Wednesday 04 November 2015, the Socio-Economic Rights Monitoring Tool launched its latest report, "Realising the Right to a Basic Education in South Africa" at the Women's Gaol, Constitution Hill, Johannesburg. The launch began with welcoming remarks from Yuri Ramkissoo, a Senior Researcher at the South African Human Rights Commission (SAHRC) who has collaborated with the project for many years. Salim Vally, Director of the Centre for Education Rights and Transformation at the University of Johannesburg then provided a passionate key-note address on the history of the struggle for basic education in South Africa. The report's authors, Shaun Franklin and Daniel McLaren, gave a presentation summarising the approach and key findings from the report. This was followed by presentations and a vibrant panel discussion with representatives from the Department of Basic Education, the Gauteng Provincial Education Department, and the South African Democratic Teachers Union.

"Realising the Right to a Basic Education" applies SPII's 3-step methodology for assessing the realisation of socio-economic rights for the first time to the right to a basic education, which is enshrined in section 29(1)(a) of the South African Constitution. These steps required us to consider, first, the content of the right and the obligations it places on the state, and to evaluate government policies since 1994 in light of these obligations (step 1). Second, the report looked at governments resource allocations and expenditures on basic education over a 12 year period from 2005/06 (step 2). Third, the report developed a series of 44 indicators, based on the latest available data, which provide a snapshot of the actual enjoyment of the right to basic education, two decades into democracy.

Quick Fact *The largest quarterly employment gains were observed in Western Cape (60 000), Limpopo (59 000) and Gauteng (41 000). Job losses were recorded in North West and Free State (19 000 and 4 000 respectively) (Quarter Labour Force Survey: Q3, 2015).*

STEP 1: POLICY ANALYSIS

To understand what the right to a basic education means for rights-holders and the state alike, the authors consulted a range of local and international literature that speaks to the content of this right. This included analysis of key cases relating to this right that have been heard by the Constitutional Court. In one seminal case, Juma, the Court emphasised that:

"Unlike some of the other socio-economic rights, this right is immediately realisable. There is no internal limitation requiring that the right be "progressively realised" within "available resources" subject to "reasonable legislative measures". The right to a basic education in Section 29(1) (a) may be limited only in terms of a law of general application which is "reasonable and justifiable in an open and democratic society based on human dignity, equality and freedom."

But what does it mean for this right to be "immediately realisable" when the post-apartheid state inherited such massive educational inequality and backlogs at the time of the democratic transition? What must the state do and what are rights-holders entitled to? What level of quality and equality does the right to a basic education require?

The Constitutional Court has held that the right to a basic education imposes a positive obligation on the state to provide and make basic education available to every person. And by distinguishing the right as immediately realisable rather than subject to progressive realisation, the Court established that this is a right which belongs to the individual: to every learner, without exception. Accordingly, the realisation of the right to a basic education is not assessed in terms of whether the state has taken reasonable steps to provide basic education in South Africa progressively and over time but rather whether access to the right has actually been achieved. A person claiming that his or her right to a basic education has been violated would therefore not have to first prove that the government has acted unreasonably in the policies that it has developed or implemented or in its failure to act. Rather, once an individual has shown that the state has failed to provide for the realisation of his or her right to a basic education, the state instead bears the burden of showing that the limitation of the right is justifiable in an open and democratic society based on human dignity, equality and freedom. While the unqualified right to a basic education does not necessarily mean that all learners will immediately have access to high quality education, it does provide individuals who have been denied access to adequate basic education with certain benefits that litigants who seek to vindicate other socio-economic rights do not have.

A second important distinction between the right to a basic education and other socio-economic rights is its nature as a good rather than as an action. The Constitutional Court has adopted what has been termed a 'reasonableness' approach when interpreting qualified socio-economic rights, such as the rights to food, housing, social security and health care. Under that approach, the Court has held that the right to have access to health care services, for instance, does not give rise to a self-standing and independent positive right to any particular service.





Online Source: source: efareport.wordpress.com

Rather, qualified socio-economic rights require only that the state take action to respect, protect, promote and fulfil those rights through reasonable legislative and other measures, within available resources, to achieve the progressive realisation of each right. As such, individuals do not necessarily have a right to be provided with actual goods and services amounting to the provision of rights, such as food, housing and health care, but are rather entitled to have the state take certain actions through reasonable measures to provide these goods and services progressively and within available resources. The right to a basic education, on the other hand, is vested in each individual who not only has the right to have the state take action to affect the realisation of the right, but also has the right to immediately access the good itself: a basic education.

The legislative, regulatory and policy framework developed since 1994 to guide and govern South Africa's post-apartheid education system and to fulfil this right has in many ways provided much needed content to the right to a basic education. This policy framework, which from its inception has favoured decentralisation and awarded large amounts of autonomy to provincial education departments, school management, teachers and local school communities, speaks to many of the core components necessary for learning and teaching to take place. The wide range of legislation,

regulations and policies provide for schools to be staffed with qualified teachers, managed by school principals, and governed by school governing bodies comprised primarily of parents from the school's community and funded at minimum levels. Language policies provide for learners to access instruction in their home languages and then transition to a second language, usually English, at grade 4. Policies provide for the provisioning of textbooks, workbooks and other learning materials to learners. And the recently enacted Minimum Uniform Norms and Standards for School Infrastructure seek to ensure that all schools meet minimum standards by certain benchmarked years. The expansion of no-fee schools has enabled around 80% of learners to attend schools for free and fee-waiver policies have been designed to enable learners from households without adequate means to attend schools that do charge school fees for free without being discriminated against due to their socio-economic circumstances.

While these policy developments have been largely successful in ensuring and expanding access to schools, South Africa's public education system, however, continues to suffer from high degrees of inequality and dysfunctionality and low levels of quality. The report highlights several systemic failures that enable the perpetuation of these impairments that must be addressed if all learners are to fully realise their right to a basic education.

STEP 2: BUDGET ANALYSIS

Since the transition to democracy, successive African National Congress (ANC)-led governments have spent more on providing basic education than any other socio-economic right, including social security and health. This prioritisation of basic education reflects the immediately realisable nature of this right. However, our analysis of government spending on basic education since 2005/06 shows that growth in basic education spending has slowed in recent years. While basic education expenditure grew in nominal terms by 10% - 18% each year until 2011/12, since then (and reflecting the austerity imposed on

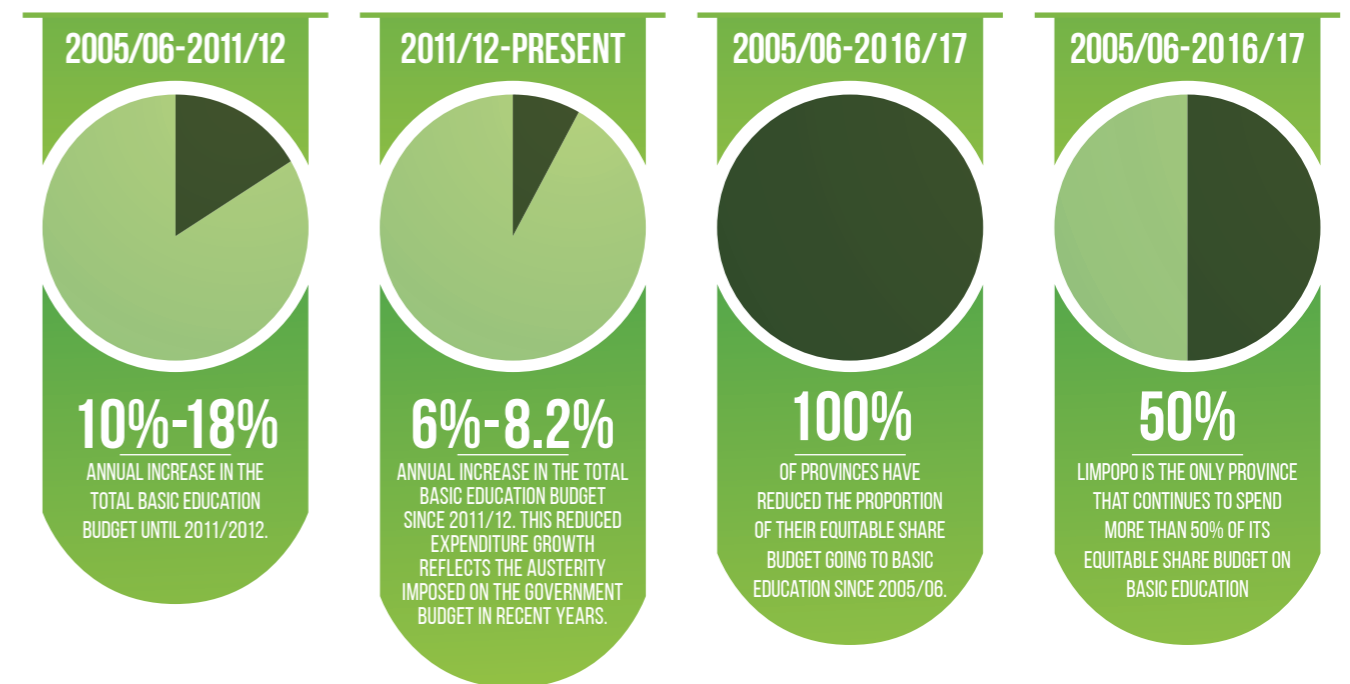
slightly decreased overall as a proportion of total government expenditure, to a projected 16.2% in 2016/17.

At the provincial level, where more than 90% of basic education spending takes place, provinces demonstrate a mixed record in terms of personnel vs non-personnel expenditure ratios as well as in their general spending performance and the amount of their provincial equitable share that is allocated to basic education. Limpopo and the Eastern Cape both spend over 90% of their basic education budget on staff compensation, leaving little for essential goods and services such as textbooks and maintaining and improving school infrastructure.

Moreover, all provinces without exception have reduced the proportion of their equitable share budget allocated to basic education since 2005/06. In total, provinces were spending 50.1% of their equitable share budget on basic education in 2005/06, but by 2016/17 this is due to be reduced to 47%. This reduction has been most steep in the Western Cape, which is projected to spend only 42.2% of its equitable share on basic education in 2016/17. Limpopo is the only province to have bucked this trend by continuing to spend over 50% of its equitable share budget on basic education.

Quick Fact *Levels of education below matric were observed in larger proportions (over 58%) among the unemployed coloured and black African population groups (Quarter Labour Force Survey: Q3, 2015).*

much of the government budget) basic education spending has increased by between 6% and 8.2% per annum. Moreover, since reaching a high proportion of total government expenditure of 17.1% in 2011/12, consolidated basic education spending has



STEP 3: INDICATORS

The 21 rights-based indicators and 23 sub-indicators developed for the paper show that learner enrolment rates have improved, especially amongst learners attending Grade R programming and during the compulsory schooling phase where enrolment rates are nearly universal for 7 to 15 year-olds. Gender parity has also improved substantially from prior generations and female learners are now more likely than their male counterparts to progress through primary school and graduate from secondary school, though female learners are slightly less likely than male learners to be enrolled in school between the ages of 16 and 18 when learner dropout begins to occur. Learners with disabilities, however, continue to suffer from lower enrolment rates and most learners with special needs appear to be unaccounted for in provincial enrolment records. Moreover, the ability of learners with special needs to be enrolled in special schools varies substantially amongst provinces.

Outcomes, however, continue to be poor, particularly amongst the majority of learners from poor households and communities. In 2013, fewer than half of South Africans between the ages of 22 and 25 had completed Grade 12. In 2014, bachelor degree passes qualifying learners to study for a bachelor programme at a university accounted for less than 15% of the number of learners enrolled in Grade 10 two years earlier. While National Senior Certificate (NSC) pass rates have improved from 60% of candidates passing the examination in 2009 to 76% of candidates achieving a National Senior Certificate in 2014, the number of candidates taking the more difficult mathematics and physical sciences subjects decreased. Grade repetition during those years, on the other hand, increased substantially, especially for learners enrolled in Grades 10 and 11. Grade 12 enrolment continues to account for just over half of the number of learners enrolled in Grade 10 when large numbers of learners reach a stage where they are so far behind in terms of building the skills necessary to pass the NSC examination that they accordingly exit the education system without attaining any sort of degree.

The indicators further identify that poor teacher subject knowledge and pedagogical skills, low levels of curriculum coverage, high rates of teacher absenteeism in many schools, poor school management, lack of libraries and limited access to reading and textbook materials, inadequate infrastructure and overcrowded classrooms are examples of some of the input shortcomings that impact South Africa's poorest and

most vulnerable learners the most. While teachers show poor degrees of subject content knowledge, teachers in the provinces where teacher knowledge and training backlogs are the most severe also had the highest rates of teachers who report having completed zero hours of in-service professional development training nine months into the school year.

The full report and executive summary are both available on our website: www.spii.org.za.

SER TOOL IN 2016

2016 will see the SER project team, which now includes Matshidiso Motsoeneng (formerly of the Local Economic Development project), apply our 3-step socio-economic rights monitoring framework to the rights to a healthy environment and water and sanitation (both due April 2016) and work (August 2016). We will also be publishing a national and provincial budget analysis of all nine socio-economic rights, tracking resource allocations and expenditures by the state since 2002. This report will be published to coincide with the Minister of Finance's budget speech in February 2015. The project will also continue to engage with the Deputy Minister of Justice and Constitutional Development and the Human Rights Commission to ensure a transparent and robust process for the state's first report on the International Covenant on Economic, Social and Cultural Rights (ICESCR).

This report will be due in April 2017 and the project hopes to play a leading role in providing policy, budget and outcome information for the rights contained in the Covenant. Matshidiso's experience conducting primary research in Evaton township will also be drawn upon by the project as we seek to integrate a citizen-based monitoring element to our SER Tool. This will entail a potential pilot of citizen-based monitoring of SER's in Evaton that will see community-leaders and activists auditing service delivery in their localities and providing information to the project on the levels of enjoyment of SER's.

For more information regarding the Socio-Economic Rights Project, please contact: daniel@spii.org.za.

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Building up knowledge to break down Poverty

Realising the Right to a Basic Education in South Africa:

An analysis of the content, policy effort, resource allocation and enjoyment of the constitutional right to a basic education.

November 2015

Shaun Franklin and Daniel McLaren



The Socio-Economic Rights Monitoring Tool

Working Paper 10

ASSESSING THE IMPACT OF THE SOCIAL PROTECTION AND LOCAL ECONOMIC DEVELOPMENT (LED): GRADUATION PILOT PROJECT

By: Brian Mathebula
Researcher: SPII



On the 31st of September 2015, SPII's 'Social Protection and Local Economic Development (LED): Graduation Pilot Project' came to an end after 24 months. In the last month, the Centre for Statistical Analysis and Research (CESAR) undertook an analysis of the data collected from both the treatment and control group at the end of the project, in order to assess the impact of the project interventions on the treatment group compared to the control group who did not receive any interventions during the same period. The treatment group received the five interventions (detailed below) and there was no contact made with the control group post the baseline data collection at the beginning of the project. The project was undertaken in Evaton Township, which falls under the Emfuleni Local Municipality. This contribution shares some of the findings that emerged from this pilot project, and the full project report is available at www.spii.org.za.

In order to participate in the pilot project, project participants (treatment and control group) had to be the owner of the small, micro and survivalist enterprise operating in the informal economy and reside in a household that has a recipient of a child support grant (CSG). The means tested social assistance program provided through direct cash transfers is an important

poverty alleviation strategy for the South African government. The CSG was the targeted grant because of the means-test, and serves as a proxy indicator for economic vulnerability. Despite its success, it has been found that social grants in can be diluted at a household level, therefore reducing the impact at the targeted child level. In addition, by selecting informal economy enterprises, the project aimed to strengthen project participant's livelihood strategies and enhance profits generated from enterprises through the interventions so that there is less dilution of the grant at the household level, and the grant can perform its intended primary task which is a child developmental level. The pilot aimed to achieve this through strengthened livelihood strategies (see interventions below), including human capacity building in order to achieve increased profits from the enterprises.

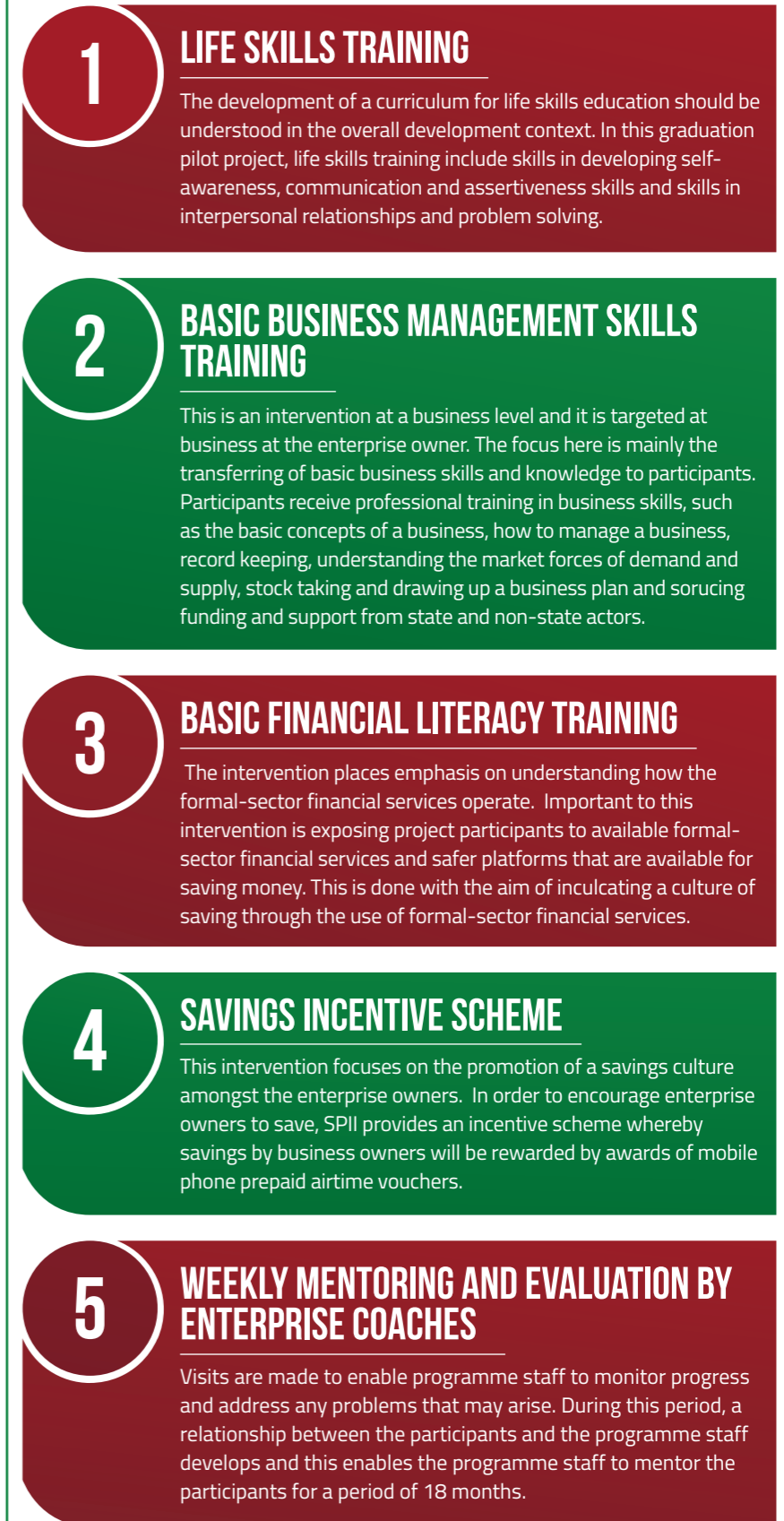
The project was made up of 300 small, micro and survivalist enterprises all operating in Evaton Township. In order to come up with the final targeted entrepreneurs, a two stage approach was used. Firstly, this included a non-randomised survey sample. SPII undertook a baseline survey of over 500 local enterprises in Evaton to interrogate the linkages between CSG and economic generating activities. The survey interrogated the

household dynamics in order to establish the vulnerability of the household. The sample of 300 enterprises was purposively not randomised in order to maximise the probability of including targeted households who are currently undertaking economic generating activities in the informal economy and have a recipient of a CSG residing in the household. Lastly, an in-depth analysis of 12 enterprises was also undertaken in Evaton to understand the challenges of township enterprises.

Out of this initial sample, the second stage which used a stratified random sample of 300 enterprises of which 150 would form the control group with the other 150 being the treatment group. The treatment group received the interventions during the course of the project, whilst there was no contact made with the control group post the collection of the baseline data, and the control group was visited again at end of the project to collect data in order to enable a comparison with the treatment group. Both the treatment and control group had a recipient of a CSG in the household, and interventions were undertaken with the owner of the enterprise who resided in a household with a CSG recipient.

Through five varied interventions, the pilot project sought to test the efficacy of tailor made interventions for those who operate in the informal economy.

FIGURE 1: FIVE INTERVENTIONS RECEIVED BY THE TREATMENT GROUP DURING THE PROJECT PERIOD



Over the period of 24 months, contact was made with only the 150 project participants in the treatment. At the end of the program, impact evaluations were conducted on 79 project participants who managed to stay in the project throughout the 24 months and consistently received the interventions. For those who opted out of the project, different reasons were provided over the course of the project, including:

- Finding a source of reliable income in the formal job market;
- **7 members of the project were deceased during this period;**
- Service delivery protests in the area destroying businesses;
- **Confiscation of goods by legal authorities forcing business to close down;**
- Businesses closing down because there was no profit made or as a result of a family bereavement, and;
- **Waning interest in the project.**

Quick Fact *Compared to Q3: 2014, unemployed black Africans with less than matric decreased by 1,8 percentage points in Q3: 2015*
(Quarter Labour Force Survey: Q3, 2015).

PERCENTAGES AND REASONS OF THOSE WHO HAVE BEEN FORCED TO CLOSE THEIR BUSINESSES



IN THE CONTROL GROUP, THE MOST COMMON REASONS FOR BUSINESS CLOSURES WERE



HIGHLIGHTS FROM THE REPORT:

The incentive scheme aimed to inculcate and promote a culture of saving amongst project participants, and at the end it was not effective because there was a genuine mistrust of formal financial sector by project participants;

Over reliance on sometimes risky informal savings scheme by project participants;

Over 70% of the project participants were women, and the project soon realised that there was a need to include husbands and partners in the interventions to deal with established and entrenched patriarchal norms;

There was inconsistent tracking of income on a month to month as most project participants could not record business transactions in the absence of enterprise coaches due to low literacy levels, and made it hard to consistently track monthly profits;

Participants were asked at follow-up if anyone goes hungry in the household. Only a small proportion of them answered yes, with a slightly higher, but not significant, percentage in the treatment group. 34% of treatment group and 42% of control group joined a feeding scheme in the past two years;

At follow-up a slightly higher percentage of those in the treatment group (56%) reported belonging to a Stokvel than those in the control group (49%), but these percentages were not significantly different. At baseline, the picture was also similar with more participants in the treatment group belonging to a stokvel than those in the control group, although the difference was not statistically significant). So the intervention does not appear to increase the likelihood of belonging to a stokvel.

When asked if they currently own a bank account at follow-up, there were no significant differences between the percentage of those in the treatment group (82%) and the percentage of those in the control group (79%). There was also no significant difference for those who have owned an account in the last two years although the percentage was higher in the treatment group (78%) than the control (62%);

More participants in the control group (41%) than the treatment group (34%) thought that belonging to a stokvel was more important than owning a bank account.

ATTENDANCE OF THE TRAINING WORKSHOPS

The participation levels in the Basic Business Management and Financial Literacy Training was higher than what was report for Life Skills Training. In the first training, 60% of the beneficiary households attended the training for one day while 39% did not attend any of the days. In the second training, participation was lower with 67% of the households not attending any of the training. Inability to find someone to look after the business during training days was cited by most as the reason for not being able to attend the workshops, either on the one day or both days.

PERSPECTIVE ON FIVE INTERVENTIONS

TABLE 7: BENEFICIARIES PERCEPTION OF MOST AND LEAST IMPORTANT COMPONENTS OF THE PROGRAMME

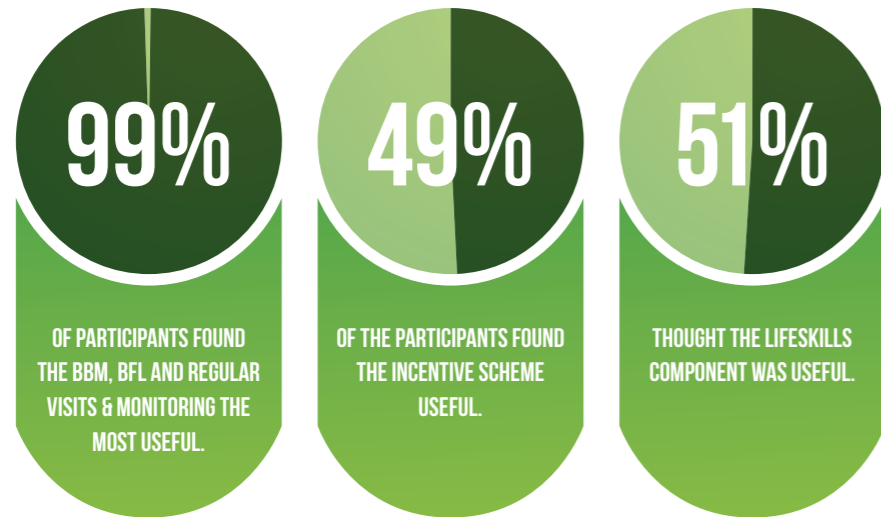
	MOST IMPORTANT (%)	LEAST IMPORTANT (%)
Life skills	1	56
BBM	49	15
BFL	0	5
Incentive Scheme	27	19
Regular visits and monitoring	23	5
Total	75	75

Half of the participants considered the BBM component of the programme to be most important while the life skills component was considered the least important (56%).



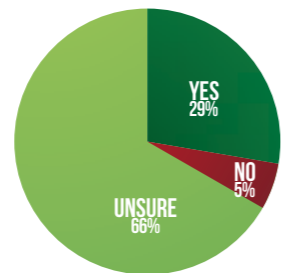
USEFULNESS OF DIFFERENT INTERVENTION COMPONENTS

FIGURE 2: USEFULNESS OF DIFFERENT INTERVENTIONS



AVAILABILITY OF TIME FOR WEEKLY VISITS

FIGURE 3: BENEFICIARIES' AVAILABILITY FOR WEEKLY VISITS



When asked whether they had enough time within their business for the weekly visits, 29% of the treatment arm participants said "Yes" while 5% said "No" (Figure 3).

PREFERRED METHOD OF TRAINING

FIGURE 4: RESPONDENTS PREFERRED TYPE OF TRAINING APPROACH



When asked which type of training approach they consider suitable for their business. Among the respondents, 75 were sole proprietors. Among those 55% preferred workshop while the remaining 45% opted for weekly visits.

Only six respondents were in partnerships. Among those, 33% preferred workshop (Figure 4).

Quick Fact

The proportion of unemployed white graduates increased (by 3,2 percentage points) from 8,5% in Q3: 2014 to 11,7% in Q3: 2015, and the proportion of the white population without matric decreased by 6,8 percentage points

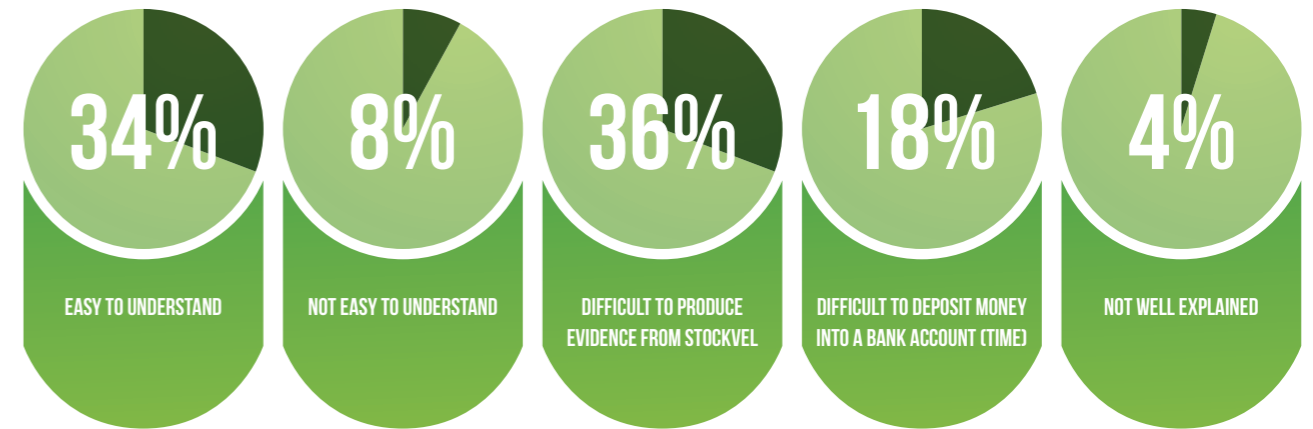
(Quarter Labour Force Survey: Q3, 2015)

Quick Fact

The official unemployment rate increased by 0,5 of a percentage point in Q3: 2015 compared to Q2: 2015. Increases in the official unemployment rate were recorded in six of the nine provinces

(Quarter Labour Force Survey: Q3, 2015)

PERSPECTIVE ON THE INCENTIVE SCHEME



The goal of this section is to establish the comparability of the treatment and control group at baseline. This will help to establish if both groups were fairly balanced at baseline and whether there is need for imbalance adjustment during impact evaluation analysis. For this analysis, only the 117 participants who completed the study were compared using a number of key variables for which there was baseline data for treatment and control households.

BENEFICIARIES ASKING FIELDWORKERS ABOUT FUNDING

FIGURE 5: BENEFICIARIES ASKING ENTERPRISE COACHES ABOUT ACCESS STATE AND NON-STATE-BUSINESS FUNDING



Figure above indicates that only 33% of beneficiaries asked a fieldworker about funding. Of those, 16% were not successful and 13% were still waiting.

Full report is available at www.spii.org.za

SPII would like to thank all the project participants both in the treatment and control group who formed part of the pilot project. We would also like to thank the enterprise coaches, namely Tokoloho Chabalala, Mpho Mokoka, Lebhonang Moloi, Kgomotso Limba and supervision from Matshidiso Motsoeneng.

For more information regarding the Social Protection and Local Economic Development (LED): Graduation Pilot Project, please contact brian@spii.org.za.

Quick Fact

Between Q2: 2015 and Q3: 2015, the expanded unemployment rate decreased by 0,5 of a percentage point to 34,4%. During this period, five of the nine provinces recorded decreases in the expanded unemployment rate

(Quarter Labour Force Survey: Q3, 2015)



SPII *Matters*

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