



Annual Report 2017



# SPII

**STUDIES IN POVERTY AND  
INEQUALITY INSTITUTE**

*Building up knowledge  
to break down Poverty*

## Crisis averted... where to next?

By many accounts, 2017 was a make or break year for South African politics and, therefore, by extension, the structures that ensure the proper functioning of government institutions, service delivery and so forth. The reason for the existential crisis is well-known among those who even pay cursory attention to the news. Last year we could no longer avoid the ugly truth that a pervasive rot has set into our government, as startlingly illustrated by leaked emails that showed the horrifying extent of state capture.

The outcome of the ANC's elective conference in December was deemed to be a deciding factor in South Africa's rise or fall. President Cyril Ramaphosa triumphed over his rival Nkosazana Dlamini-Zuma at the ANC conference.

Beyond the alarm raised by the allegations of state capture, we were also forced to face the consequences of corruption head-on. Across the country communities erupted in protest as services like water and electricity were disrupted. Anger over lack of housing and jobs also boiled over. It was therefore fitting that SPII took to the streets with these aggrieved citizens, to a degree. We undertook a project called Voices from the Ground, which detailed first-hand accounts of how ordinary South Africans understand and experience their socioeconomic rights.

The Voices from the Ground research project was conducted in partnership with the Nelson Mandela and Ahmed Kathrada Foundations. It deliberately included areas like Evaton and Soweto, where some of the most furious protests broke out last year.

The past financial year marked many other milestones for SPII, not least of which its participation in landmark negotiations on a national minimum wage. The outcome may have been much less than was desired, but we believe it was a significant step towards achieving a decent living wage and struck an important blow in the fight against poverty and inequality.

We appear to have averted the precipice. There are encouraging signs that President Ramaphosa is committed to rooting out corruption. But there is no doubt that entire governance systems have been left in a serious crisis. Moreover, many of those who have benefited from the malaise of the previous administration are still in positions of power. In such circumstances, the work of organisations like SPII has become more crucial than ever. As we continue building on the gains of the past year, we look forward to collaborating with our partners, including Ford Foundation, Christian Aid, Foundation for Human Rights, Church of Sweden, Friedrich Ebert Stiftung, Bokamoso Skills and Economic Development Centre, the Open Society Foundation of South Africa and the Rosa Luxembourg Foundation.



Langa Zita  
Chairperson, Studies in Poverty  
and Inequality Institute

## Contents

- 01 | Director's Note** SPII director Isobel Frye recounts the major projects that the institute undertook in 2017, along with some of the learnings.
- 03 | Voices from the Ground** Residents in Eldorado Park, Soweto, Lenasia and Yeoville talk to SPII about housing, social security, healthcare and the right to work. This project was done in collaboration with the Nelson Mandela Foundation, the Foundation for Human Rights, and the Ahmed Kathrada Foundation. It forms part of SPII's socio-economic rights monitoring tool.
- 05 | Minimum Wage, Maximum Impact** Major strides were made in 2017 towards achieving a better standard of living for marginalised South Africans, namely the successful conclusion of negotiations on the National Minimum Wage at NEDLAC. We explain the road to these gruelling negotiations, in which SPII played a meaningful role.
- 07 | Who, What, Where?** SPII has used the platform granted by major media organisations like eNCA and SABC to advance campaigns aimed at reducing poverty and inequality in South Africa. We take a look at the media coverage garnered by SPII and the impact achieved as a result.
- 09 | Audited Financial Statements**
- 10 | About SPII Back Cover**



## Director's Note

In August 2017, Statistics South Africa (StatsSA) confirmed what millions of South Africans are experiencing daily – poverty is rising, and has been rising consistently since 2011, coupled with increasing levels of inequality and unemployment. This stark finding elicited no real response from the State, despite the many interviews granted by the Statistician General. This is the context in which we believe SPII's work continues to be necessary and requires a constant recharge. The constitution of South Africa contains the tools for real radical economic, social and cultural transformation. We need those to be our constant lodestar and yardstick.

In the final weeks of December, the leadership of the ANC changed at the elective conference. Cyril Ramaphosa emerged as the president of the ANC, along with a new leadership of the top six of the party. His acceptance speech suggested that change was coming to the government of the ruling party, specifically with regard to rooting out corruption, incompetence, patronage and addressing poverty and inequality, economic growth and job creation.

We also hope that his words of renewal are in the interests of the country as a whole and not just ensuring the continued electoral dominance of his party.

For our part, SPII continued to drive and participate in major campaigns to reduce poverty and inequality. These included the push for a Basic Income Grant to be implemented in all SADC countries. On that score, SPII was part of a group of civil society organisations that carried on the fight for a SADC-wide basic income grant of US\$15, to be rolled out in the region to all citizens, refugees and immigrants.

The BIG campaign has been ongoing for several years and it looks like these engagements may have borne some fruit, if only in sentiment. SPII has seized this momentum by using all available platforms to engage policymakers and other stakeholders on the importance of a BIG in the region. To that end, SPII participated in several regional engagements in 2017, including:

- a presentation to the Regional Advocacy Strategy meeting of the Norwegian Church Aid in February 2017.



Isobel Frye  
Director, SPII

## Director's Note

- attending the Alternative Mining Indaba in Cape Town, where the SADC BIG Campaign emphasised the link between the SADC BIG Campaign and the use of extractives for sustainable development, with over 400 civil society actors from across the continent.
- a presentation to the Civil Society Forum in August 2017, with over 200 civil society actors from across the SADC Region.
- the Southern Africa Regional Youth Forum (SARYF) in Namibia, where the SADC BIG Campaign presented a conference paper: The realization of social justice through social protection. The event was hosted by the Friedrich Ebert Stiftung.

On the home front, SPII also set forth its socio-economic rights project, which consisted of:

- a monitoring tool that gauged citizens' knowledge of their constitutional rights.
- a community-based Monitoring Pilot Project – Voices from the Ground.

Our Decent Standard of Living programme involved a Basic Needs Basket price monitoring tool, which seeks to generate up-to-date information on the impact of price inflation on the spending power on goods and services that are frequently consumed by low-income households. We believe that the Basic Needs Basket project has great potential and one of the most crucial aspects of the project is that it demonstrates the cost of living for lower income households and the unfortunate reality that average South Africans are still very far removed from a decent standard of living. The Basic Needs Basket also displays the inefficiency of social grants. A child grant in South Africa is currently R380 – below even the lowest line of measuring poverty in South Africa of R531.

In the last quarter of 2017, SPII, along with several sister organisations formed the Imali Yethu coalition. Imali Yethu is comprised of the Public Service Accountability Monitor (PSAM), Equal Education Law Centre (EELC), Social Justice Coalition (SJC), Right2Know Campaign (R2K), SECTION27 and MobiSAM. The coalition works with the South African National Treasury to make budget information more accessible, user-friendly and empowering. OpenUp, which has been contracted by National Treasury, will develop an online Open Budget Portal.

Aside from the ongoing work cited above, 2017 was indeed a milestone year for those of us who have been advocating for programmes that take us closer to our goals. In 2017, NEDLAC successfully concluded negotiations on a national minimum wage. Although the outcome was far from perfect, we believe it was a significant step towards achieving a decent standard of living for millions of working South Africans. The coming pages offer insight into the work carried out by SPII around the national minimum wage and other related causes. Despite our greatest endeavours, we are acutely aware that our work is far from over.

In Evaton, women who offer sex in exchange for money are not regarded as prostitutes. One location for this kind of trade is known as the R5 place, suggesting that sex is sold for as little as that amount. Taverns abound, residents say, and are more plentiful than churches, sports grounds and other useful community facilities. A place called Nkandla serves as both a brothel and a conference centre, according to one local.

These testimonies from residents in Evaton form part of SPII's Voices from the Ground project, which was a component of the institute's Socio-economic Rights Monitoring Tool.

To align the SER Monitoring Tool with people's lived experiences, we hosted a number of community-based social dialogues in and around Johannesburg in the third quarter of 2017.

From July 2017, we hosted four social dialogues, with a diverse range of participants, including community members, local government officials, community-based organisations and the media. The dialogues were hosted in partnership with relevant stakeholders with an interest on the particular right. The dialogues were hosted around Gauteng, in Eldorado Park, Soweto, Lenasia and Yeoville, in collaboration with the Nelson Mandela Foundation, the Foundation for Human Rights, and the Ahmed Kathrada Foundation (the AKF was in partnership on the Lenasia dialogue). The right to work dialogue hosted in Yeoville also had the South African Informal Traders Forum (SAITF) as a partner.

These dialogues focused on rights education and sharing of access experiences on the rights to housing, social security, healthcare and the right to work, respectively. The first three places are satellite townships around Johannesburg, reflecting the apartheid spatial planning of Johannesburg, while the last is an inner city high-density suburb that has experienced quite an overwhelming influx of people from neighbouring countries. This area is often quite vulnerable around the right to work. The purpose of the dialogues was not only to introduce budget and indicator data drawn from the working papers to a wide audience, including community members, but to also allow community members to air their concerns, inform them of their constitutional rights and how to access them and bridge the ever-growing gap between government officials (at the local level) and the electorate.

## Voices From The Ground

These dialogues were piloted after a discussion that questioned why our first dialogue on a decent standard of living hosted with the Nelson Mandela Foundation at their office in March was hosted in such opulent surroundings; hence we included audiences of poor and working-class communities, those most affected by the State's poor performance in relation to some socio-economic rights.

The social dialogues – through the contribution of panellists and discussion amongst participants – highlighted avenues and tactics individuals could use in order to ensure access to socio-economic rights.

We worked with a total of 17 groups of residents, which included 301 people. Participants ranged in age from about 18 to 102 years old. Some of the groups were mixed in terms of gender and age, while others were less diverse.



## National Minimum Wage & Comprehensive Social Security

Our work as part of the Community Constituency came to the fore in the negotiations on the National Minimum Wage and the Comprehensive Social Security System.

The three-year dialogues on the former resulted in an agreement being signed by all social partners in February 2017 on the principle of the introduction of a NMW of R20 per hour or R3 500 per month to commence on 1 May 2018. The terms of the draft bill, the regulations and further details about exemption-granting processes, enforcement mechanisms and the establishment of a National Minimum Wage Commission continued throughout the year.

Although many parties correctly point out that an NMW is not a living wage, we believe that we were given a mandate to negotiate a basic wage below which no person should fall, with the understanding that it behoves progressive social partners represented on the NMW commission in future months and years to ensure that annual adjustments are made ahead of consumer price inflation (as it pertains to the lowest two income quintiles) to advance towards a living wage for workers.

2017 finally saw the real establishment of negotiations on a Comprehensive Social Security System in South Africa. SPII is the negotiating leader for the Community Constituency again, adding capacity to some partners who lack more technical and policy orientation. The thrust of our demands is the need for a comprehensive overhaul of the current system, with the introduction of income support for people between the ages of 18 and 59, who are currently not provided for.

In addition to monthly negotiating meetings, we have produced a CC position paper, and engaged in two workshops held by the International Labour Organisation. We are also leading on the task team research sub-committee, where aspects of econometric modelling, financing, demographics and international learnings were explored. While NEDLAC processes normally continue for six and, exceptionally, 12 months, we have agreement by all partners that this process will proceed until March 2019 given the extreme scale of the task.



## Regional Work: Southern African Social Protection Expert Network (SASPEN)

Following on from the decision by SASPEN network to establish itself as a distinct entity from the founding funder, Friedrich Ebert Stiftung, Zambia, the Director of SPII was elected as Vice-Chair of the Board of the new organisation, which was registered as a non-profit organisation in Zambia in 2017.

Due to the demands attendant on the registration of a new organisation, 2017 saw a number of board business meetings. We also had a highly successful three-day conference in Johannesburg in May 2017, titled: “Inclusion, Integration and Transition: Social Protection for Disabilities in the SADC”. The Director of SPII opened the conference and was part of the closing panel as well. The conference was attended by 58 women and 86 men. The conference had a total of 34 presentations/posters in line with the theme. This conference came with different demands, such as a braille programme, accessibility issues and sign language Interpretation. The conference opening keynote speech was delivered by Ms. Charlotte V. McClain-Nhlapo, who is the Global Disability Advisor Social, Urban, Rural and Resilience, of the World Bank. She delivered a speech titled ‘Why Inclusive Social Protection Matters: Transforming Lives of Persons with Disabilities.’



What,  
When,  
Where?


SPII's reach through the media has been broadened over the last year. This has allowed us access into and influence on public discourse and national debates about the progressive realisation of socio-economic rights. SPII has become the go-to organisation for commentary and analysis on poverty and inequality in South Africa. We have aligned this commentary to the broader issues, including the impact that socio-economic rights have on mitigating these forces.

We have seen significant progress with regard to the dissemination of our findings on social media. The SER team has been strategic in its attempt to ensure that SPII working papers achieve as broad a reach as possible.

On platforms such as Facebook and Twitter, we have had a reach of approximately 200,000 people and 120,000 people respectively. These figures are usually those seen by large local and international media houses, extending SPII's influence on conversations and debates related to poverty, inequality and unemployment.

We have had a number of op-eds published in both traditional and social media over the last year. We have used the findings of our research in these op-eds to ensure wide dissemination of our content.

SPII, the Rural Health Advocacy Project and Equal Education issued a co-written press statement which was picked up by South African media houses, and informed the pre-budget analysis prior to the tabling of the Minister for Finance's maiden Medium-Term Budget Policy Statement in October 2017.



Through our advocacy efforts and our engagements with the media through interviews, we have highlighted the insufficiency of the social grants system currently in place. In particular, we were fortunate to be invited to a special two-hour discussion with the former Deputy Minister of Finance, the Black Sash and well-known economist Iraj Abedian on the day following the Budget release in February 2017 in which we raised these concerns, as well as calling for a BIG, funded through a wealth tax in addition to the then announced top tax bracket personal income tax rate, on SAfm national radio.

In an interview about food inflation with magazine TV show, Carte Blanche, we highlighted the high increase of basic food items over the last year and the inability of lower income households to cope with food inflation.

We continue in our advocacy efforts to highlight at every opportunity the plight of lower income households and the need for dialogues and policy formulations that will aggressively work towards addressing the socio-economic disparities in our society.

**Donors 2017**

Christian Aid  
Church of Sweden  
Foundation for Human Rights  
Ford Foundation  
Anglo Gold Ashanti  
Standard Bank

**Studies in Poverty and Inequality Institute**

(Registration number IT 3080/2006)

Financial Statements for the year ended 31 December 2017

**Statement of Financial Position**

Figures in Rand	Note(s)	2017	2016
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	3	3
<b>Current Assets</b>			
Trade and other receivables	3	495 174	419 518
Cash and cash equivalents	4	1 098 390	481 502
		1 593 564	901 020
<b>Total Assets</b>		<b>1 593 567</b>	<b>901 023</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Trust capital	5	100	100
Accumulated surplus		1 377 921	165 968
		1 378 021	166 068
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	215 546	734 955
<b>Total Equity and Liabilities</b>		<b>1 593 567</b>	<b>901 023</b>

**Audited  
Financial  
Statements**

**Studies in Poverty and Inequality Institute**

(Registration number IT 3080/2006)

Financial Statements for the year ended 31 December 2017

**Statement of comprehensive Income**

Figures in Rand	Note(s)	2017	2016
Revenue		4 868 646	4 134 288
Other income		373 526	464 226
Anonymous Donations		450 000	-
Operating expenses		(4 480 219)	(4 769 182)
Operating deficit	7	1 211 953	(170 668)
Investment revenue	8	-	33 670
Deficit for the year		1 211 953	(136 998)

Please see organogram at the back of this page.



Voices from the Ground: Hosted four social dialogues, with a diverse range of participants, including community members, local government officials, community based organisations and the media.



National Minimum Wage & Comprehensive Social Security: Established negotiations on a Comprehensive Social Security System in South Africa.



Media coverage: SPII was featured on a number of major news channels, including eNCA and SABC, where we highlighted the insufficiency of the current social grants system and the inability of lower income households to cope with food inflation.



Audited Financial Statements



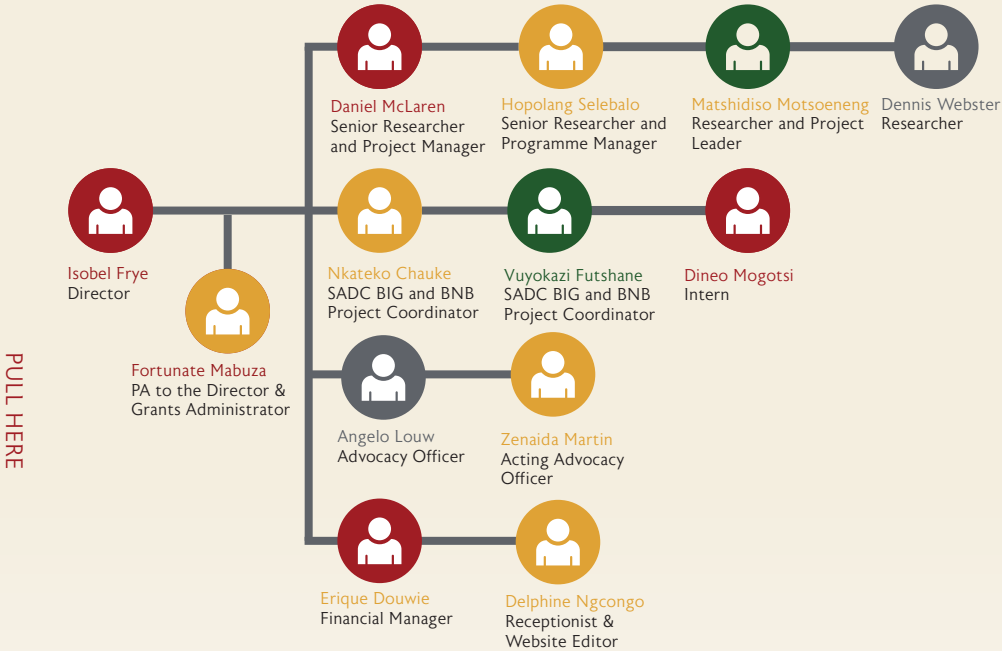
Visit [spii.org.za](http://spii.org.za) to get involved or scan the QR code

\* Compatible with all QR code readers

## Board of SPII

Langa Zita (Chairperson) | Nhlanhla Ndlovu (Secretary) | Horst Kleinschmidt (Treasury) | Venitia Govender  
Alan Fine | Sisa Njikelana | Fazel Randera | Isobel Frye (Ex Officio)

## Organogram



## Community-Based Monitors

L Moloi | TL Makoko | C Tshetlane | K Mosimane | M Ramabodu | N Zondi | K Ngomelani | MP Sechlabakane |  
SJ Makolana | MJ Tsele | J Masanbane | S Ndlovu | MD Tlou | J Maangane | T Motaung | P Sealanyane

## Networks/ Campaigns

### Senior/Advisory Capacity:

- SADC BIG Campaign (secretariat)
- ICESCR Ratification Campaign
- NEDLAC Community Constituency
- South African Network on Inequality
- Southern Africa Social Protection Experts Network

### Ordinary members:

- Awethu Social Mobilisation Network
- Financial Sector Campaigns Coalition

SPII is a not-for-profit trust which was registered in 2006. SPII is also registered with the Department of Social Development as a non-profit organisation (NPO), and has been granted tax exemption status under the Income Tax Act from the South African Revenue Service (SARS). SPII has strong stakeholder networks bridging civil society, government, organised labour and business. We are grounded in a belief in effective democratic engagement, human rights and non-racialism. SPII is committed to the full realisation of political, social and economic rights contained in the Constitution of South Africa. What sets SPII apart from other research and policy institutions is the emphasis on both content (knowledge) and process (inclusive participation). With the strategic guidance of its board of trustees, SPII is an organisation characterised by a sense of vision, justice and commitment to research and policy innovation.

## About SPII



## Vision

SPII focuses on generating new knowledge, information and analysis in the field of poverty and inequality studies in South and Southern Africa. Through facilitating collaborative partnerships with and between government, labour, institutions of democracy, academia, social movements and civil society organisations, SPII is able to develop and advocate for the implementation of 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 policymaking and implementation.

SPII believes that:

- if we engage in well-informed, quality strategic research; and
  - if we include informed civil society perspectives in this research; and
  - if we have fieldwork that reaches socio-economically marginalised groups;
- then we can:
- effectively analyse the features and drivers of poverty and inequality; and
  - support the development of innovative, evidence-based measures of poverty reduction; and
  - develop specific policies and strategic recommendations for reducing poverty and inequality; and

- promote dynamic participation by civil society in the debate; and
  - support oversight bodies around the solutions to poverty and inequality; and
  - develop strategic relationships with all three arms of government to ensure the trust necessary for our recommendations to have influence;
- we will:
- build a pro-poor policy environment to ensure a shift to a faster and more effective reduction of poverty and inequality and the promotion of agency among all people living in Southern Africa.

## Theory of Change



### Special Thank You to:

Bokamoso Skills and Development Centre  
SASPRI  
Labour Research Services  
Wits School of Governance  
South Africa Human Rights Commission

**Partners In Kind:**  
SME-it  
Walkers Attorneys  
Daryl Sklar & Associates  
TEN 18  
Munlin Travel  
CIVICUS



Tel: 011 833 0161 | Fax: 011 832 3085 | [www.spii.org.za](http://www.spii.org.za)  
31 Quinn Street | Civicus House | Newtown | Johannesburg  
PO Box 31747 | Braamfontein | 2017 | Johannesburg | South Africa  
Registered Trust: IT3080/2006  
Public Benefit Organisation: 93002387 | Non-Profit Organisation: 053-621-NPO

