

# COLLOQUIUM

## REPORT



DECENT  
STANDARD  
OF LIVING

# DSL

*Ubomi obungahlelekanga*

#decentstandardofliving

 **SPII**  
STUDIES IN POVERTY AND  
INEQUALITY INSTITUTE

*Building up knowledge  
to break down Poverty*

**FRIEDRICH  
EBERT**   
**STIFTUNG**



*There is a crucial link that exists between the right to a decent standard of life and the right to DIGNITY.*

The right to dignity is an inalienable right guaranteed in Section 10 of the South African Constitution.

## TOWARDS A **DECENT** LIFE FOR ALL

*Ubomi obungahlelekanga*  
*“a life without a struggle”*



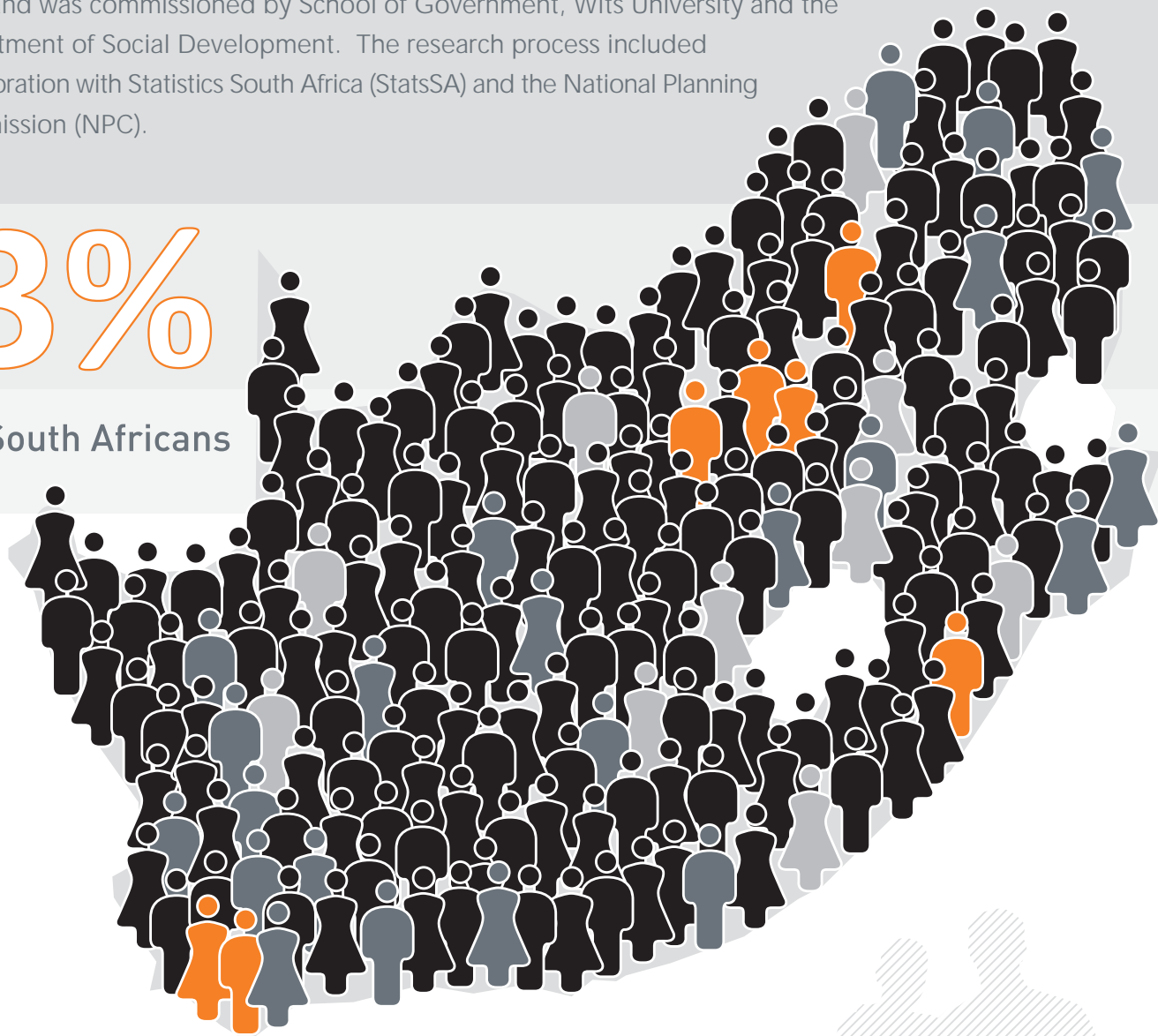
**DECENT  
STANDARD  
OF LIVING**



The South African national Decent Standard of Living of R7 043 per person per month was launched on 20 November 2018. SPII, together with the Friedrich-Ebert-Stiftung (FES) hosted the launch of the Decent Standard of Living for South Africa which was developed with research partners, the South African Social Protection Research Institute (SASPRI) and the Labour Research Service (LRS) and was commissioned by School of Government, Wits University and the Department of Social Development. The research process included collaboration with Statistics South Africa (StatsSA) and the National Planning Commission (NPC).

ONLY 3%

of South Africans



About **1,7 million** people  
meet the requirements for a **DECENT** life right now.

This Report documents the research findings, as well as the emerging issues that participants identified as being critical for the future work around a Decent Standard of Living (DSL) in South Africa.

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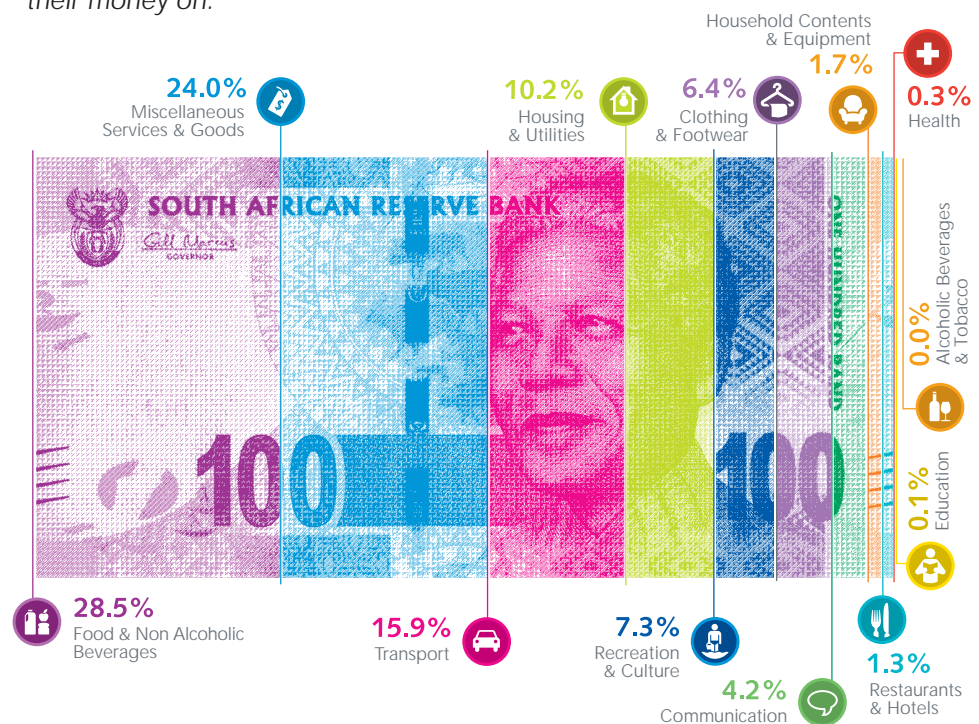
#decentstandardofliving

# What is a decent standard of living?

The research that was launched found that people who had access to R7 043 per person per month were able to afford to live a decent life, or to live with dignity.

This is the middle (median) income of the range of people that could afford the 21 goods and services that people across the length and breadth of South Africa had deemed necessary to live a decent life. These 21 items are referred to as Socially Perceived Necessities, or SPNs.

The image below sets out what people who spend this amount of money, spend their money on:



It is clear that food is still the most significant expenditure item for people. Given the unequal nature of wealth and poverty in South Africa, it is necessary to note the critical fact that only 1,7 million people or 3% of the population are able to meet this threshold for living a decent life.

*This is extremely concerning when thinking of economic growth: a lack of disposable income in the hands of the majority of South Africa has a direct impact on local demand. A dampened demand results in a low productivity demand resulting too in low employment growth.*



# Why do we need a DSL?

Section 10 of the South African Constitution guarantees to all a right to *dignity* in South Africa. In other words, the state is obliged to adopt and implement policies to ensure that people are able to have that right realised.

Developing a standard is essential to enable policy makers to design policies that are aligned to meet that standard. This is foundational to the National Development Plan 2030 adopted by government in 2012 that commits to a multifaceted Decent Standard of Living <sup>1</sup>.

In addition, the South African government is a signatory to the UN International Covenant on Economic Social and Cultural Rights (The ICESCR) that guarantees the right to an Adequate Standard of Living for all people in Article 11 of the Covenant. The final Recommendations and Observations of the UN Committee handed down in November 2018 states that South Africa needs to develop, adopt and annually update exactly such a standard so that we can measure the progressive realisation of this standard of living amongst all South Africans.



Finally, the attention of the WORLD is on meeting the SUSTAINABLE DEVELOPMENT GOALS. Working towards the achievement of a DSL will meet the demands for action on the following SDGs:



<sup>1</sup> National Development Plan, 2030 (page 38)

# Third Annual Colloquium

## Panel of Presenters

The launch was attended by a diverse audience including organised labour, many young intellectuals, policy makers and the media. In addition to the launch of the DSL research, there was a carefully selected panel of presenters. These were:



### Dr Vivienne Taylor | *National Planning Commission*

Vivienne Taylor is a specialist in comparative social policy, development planning and social and economic development and her research focus addresses poverty and social inequalities using a political economy and human rights perspective.

She was principal author and researcher of: Human Development and HIV/AIDS in 1998 and Transformation for Human Development in 2000 and a 50 country research study for the African Union called Social Protection in Africa in 2008 which informed the Social Policy Framework for Africa. She served as Adviser to South Africa's Minister of Social Development and chaired the Committee of Inquiry into Comprehensive Social Security in South Africa during 1999-2002. The Report contributes to South Africa's comprehensive policy framework for social protection.

She worked at the UN with Professor Amartya Sen, as Deputy Director in a global Commission on Human Security. More recently she chaired the Ministerial Committee on the review of South Africa's White Paper on Social Welfare. She has also served on international Expert Groups of the United Nations Division for Economic and Social Affairs on themes such as Social Security/Protection, Social Policy, Civil Service Reform and Social Exclusion.

She currently serves as a Commissioner on the National Planning Commission in South Africa and led the Diagnostic work for the NDP on the Human Condition and the social policy areas of education, health, social protection and comprehensive social security in the NDP.



### Thandeka Gqubule-Mbeki | *Economic Editor, SABC*

Thandeka Gqubule-Mbeki is Economics Editor at the SABC, where she is responsible for Economics, Business and Financial markets coverage of the corporation across TV, Radio and Digital. Here she became involved in a struggle for independent public broadcasting and freedom of expression, joining a group called the SABC8.

She holds a Masters degree in Journalism from Columbia University, New York, and several short business qualifications from Wits Business School, London School of Economics and Said Business School, Oxford University.

She has worked in various editorial capacities in the South African Press including, as Associate Editor at the Financial Mail. She has taught journalism at Rhodes University, Grahamstown and Monash South Africa.

Gqubule-Mbeki was awarded the Nat Nakasa press freedom award in 2016. She is the author of two books *No Longer Whispering to Power: The Story of Thuli Madonsela*; Jonathan Ball (2017) and *Semane Queen of the Peaceful Crocodile*, Legend Publishing (2007).





### Hamed Deedat | *Acting Director, National Labour and Economic Development Institute (NALEDI)*

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Hamed Deedat, is the Acting Executive Director at The National Labour & Economic Development Institute (Naledi).

She is also a senior researcher in gender, trade, climate Change, BRICS, and the future of work and labour.



### Dr Wiseman Magasela | *Special Advisor, Ministry in the Presidency Responsible for Women*

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Dr Wiseman Magasela is the Special Advisor (Social Policy) to the Ministry in the Presidency Responsible for Women, Republic of South Africa. Prior to this role, he was the Deputy Director General: Research and Policy Development in the Department of Social Development. This position promoted and institutionalised evidence-informed policy making in the social development sector.

Shaping both conceptualization and policy practice, this approach places research as evidence in policy making and policy choices, and the promotion of social policy as a way of thinking in an integrated and coordinated manner in addressing human and social development challenges.

Research and Policy Development in the Department involved development and review of policies on local economic development,

children, youth, the elderly, people with disabilities, community development, social security and other policy areas which are the mandate of the Department of Social Development.

Prior to joining the Department of Social Development Dr Magasela held the position of Research Manager at the Centre for the Analysis of South African Social Policy, University of Oxford, England. He worked as a Chief Researcher at the National Research Foundation in the Research Capacity Development Directorate which promoted and supported research at South African universities.

He lectured Sociology at the University of Natal and the University of Fort Hare in South Africa. Dr Magasela holds a Doctor of Philosophy degree in Social Policy from the University of Oxford, England.



### Jabulani Jele | *Researcher, South African Social Policy Research Institute NPC (SASPRI)*

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Jabulani Jele is a researcher at the Southern African Social Policy Research Institute NPC (SASPRI, South Africa), with research interests in pro-poor growth and development, and spatial measures of deprivation and inequality.



# Third Annual Colloquium

## Panel of Presenters



Dr Faith Masekesa | *Researcher: South African Social Policy Research Institute NPC (SASPRI)*

Dr Faith Masekesa is a Researcher at Southern African Social Policy Research Institute NPC (SASPRI, South Africa).

She has recently completed a PhD in Development Economics at the National Graduate Institute for Policy Studies, Japan.



Trenton Lesley | *Director, Labour Research Service (LRS)*

Trenton Elsley is the Executive Director of the Labour Research Service (LRS). The LRS is a membership-based, non-profit labour support organisation, or if you prefer, a labour think tank.

Trenton's interests include democracy, civil society, the politics of trade union organisation and representation, the world of work and multinational companies. He is also interested in poetry and frisbees.



Brenton van Vrede | *Director for Social Assistance: National Department of Social Development (DSD)*

Brenton Van Vrede is the Chief Director for Social Assistance at the National Department of Social Development in the Republic of South Africa.

Mr. Van Vrede started his career in the National Government of South Africa in 2004 when he joined the National Treasury as a health analyst.

In 2006 he became the budget director for the National Department of Social Development and in 2011 he joined the National Department of Social Development to focus on and pursue his interest in Social Security.

He holds a Bachelor's degree in pharmacy; MBA in the field of health care (2014) and a Master's in Management in the field of Social Security (2015). He currently lives in Pretoria with his wife Madelane and their 3 children.



## Professor Alex Van Den Heever | *Chair of Social Security Systems Administration and Management Studies, University of Witwatersrand*

Professor Alex Van Den Heever is presently the Chair of Social Security Systems Administration and Management Studies at the University of the Witwatersrand. He holds a Masters in economics from the University of Cape Town and has worked in the areas of health economics and finance, public finance and social security in various capacities since 1989. This includes participation in the Melamet Commission of Inquiry into Medical Schemes (1993-4), the Taylor Committee of Inquiry into Comprehensive Social Security (2000-2), and the Ministerial Task team on Social Health Insurance (2003-5).

He has also held positions in the Department of Finance (Central Economic Advisory Services), the Industrial Development Corporation, the Centre for Health Policy at the University of the

Witwatersrand, and the Gauteng Department of Health.

Over the period 2000 to 2010 he worked as an advisor to the Council for Medical Schemes, which he was partly responsible for establishing together with the regulatory framework, and in an advisory capacity to the social security policy processes (including the Department of Social Development, the National Treasury, the Inter-departmental Task Team on Social Security) taking forward the recommendations of the Taylor Committee, and the Competition Commission (regarding private health markets). He has published extensively in the field of health policy, the implementation and review of health public private partnerships, and the regulation of health systems.



## Werner Ruch | *Director of Research and Product Development, Poverty and Inequality Statistics Division, Statistics South Africa*

Werner Ruch is the Director of Research & Product Development (Stats SA). He holds a BA in Political Science and Mathematics, Macalester College (2004) [United States], MPhil in Urban & Regional Science, Stellenbosch University (2015) [South Africa].

After finishing his undergraduate studies in the US, he briefly worked for Greater Twin Cities United Way and Wells Fargo before moving back

to South Africa where he joined Statistics South Africa (Stats SA) in 2006 as a Survey Statistician for the Income & Expenditure Survey Project.

Werner became Chief Survey Statistician for the Household Budget Statistics division in 2009 and he is currently the Director of Research & Product Development for the Poverty & Inequality Statistics division.



## Isobel Frye | *Director, Studies in Poverty and Inequality Institute (SPII)*

Isobel Frye is the Director of Studies in Poverty and Inequality Institute in Johannesburg. She moved from being a director at a commercial law practice to work for the Black Sash as their Advocacy Manager and then for NALEDI as a senior researcher in poverty and socio-economic rights.

SPII's undertakes both primary and secondary research into poverty and social exclusions, and policy analysis in the field of anti-poverty policies,

inequalities, socio-economic and constitutional rights and social protection.

Isobel is the Vice-chair of SASPEN, and is a member of ODAC. She serves on the Exco of CASAC, and on the Academy of Science of South Africa Standing Committee on Science for the Reduction of Poverty and Inequality. She is an active contributor to print and broadcast media on policy issues on poverty, inequality and socio-economic rights.

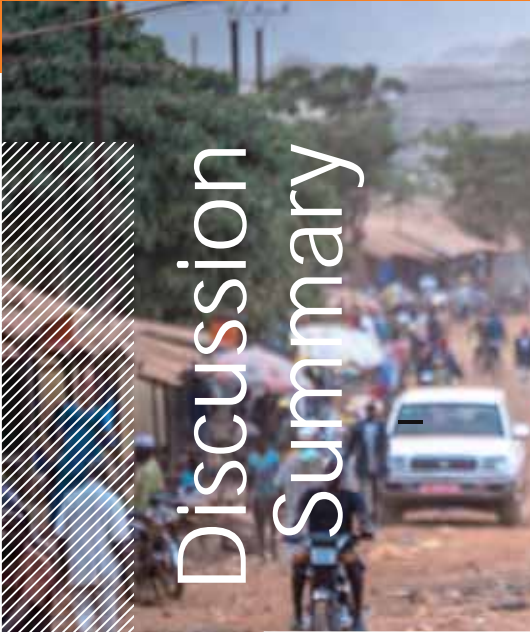
Dr Bongartz, Resident Director FES, Mogomotsi Sekobe, National Project Manager, FES and Dr Gemma Wright, SASPRI provided introductions and facilitation for the proceedings.



# Definitional Issues

Dr Vivienne Taylor

## Discussion Summary



Professor Taylor, as the key note speaker, skillfully located the DSL research in current national debates of the National Planning Commission (NPC) on the policy challenges attendant on a decent standard of living.

The NPC's approach has been to embed the objective of a decent standard of living within the global concept of a protected or guaranteed social floor. This resonates with key capabilities that would enable people to live the life that they desire.

*For the NPC, the social floor would include education and skills, the opportunity to work and to earn an income sufficient for a decent standard of living.*

Critical to the attainment of a DSL is the provision by the state of the social wage which is aimed at reducing the cost of living for poor households. From the perspective of the NPC, this would enable productive labour to be procured at a lower wage rate which should promote the provision of decent work opportunities.

The NPC sees the attainment of a DSL as a social floor being achieved through progressive realisation of the social wage and the concerted reduction of the poverty gap (the severity of poverty) of South Africans.



National Planning Commissioner's closing comments :

- there is a difference between a minimalist standard of living and a decent standard of living which is informed by the fundamental right to dignity that lies at the heart of the concept
- it is the dynamic of relative as opposed to absolute poverty that informs the DSL and the desire for everybody in South Africa to be able to participate meaningfully in society, going beyond bare survival
- the UN's Social Protection Floor proposal of 2009 combines both the provision of services through the social wage as well as the provision of social transfers, both in cash and in kind to provide minimum income security, enhance nutrition and access to essential services to assist in the realisation of the human rights contained in the Universal Declaration of Human Rights

*Professor Taylor affirmed one of the aims of the launch of the DSL research as being to 'push an agenda for co-ordinated pro-poor transformative policy, planning and implementation that will influence the 6th administration of south Africa's democratic government.*

# 5

## A Historic Overview of Understanding Poverty, Poverty Definitions (Living Standards) and Policy responses to Address Poverty

Dr Wiseman Magasela

### Discussion Summary



Dr Magasela provided an historical background to the South African journey of defining and measuring poverty from the early Apartheid days.

It is critical to be mindful that original poverty lines (poverty datum lines) were crudely set as standards for optimal exploitation of black workers by Apartheid racial capitalism. His presentation emphasised the need to advance equality and reduce poverty under the rubric of fundamental and socio-economic rights in South Africa. According to Dr Magasela, advancing equality and reducing the levels of poverty in which people lives, also makes absolute economic and political sense.

*Choices about the setting of levels of standards for well-being reflect the vision and values that we want for our society, and will inform the choices that are made of resource allocation in order to enable that country to realise those standards for all. It is inherently political.*



Magasela traced the social wage back to the 1937 welfare state introduced for whites in South Africa. In 1941 Edward Batson published a Poverty Datum Line (PDL). Critically as set out below, his aim was not to recommend a level, but inspired by the observational poverty studies of Seebom Rowntree and Charles Booth, he wished to use his PDL to illustrate the appalling levels of destitution in which so many people were living in South Africa at the time.



The contents of the PDL describe the physiological minimum for human existence, but was neither civilised nor human, barely survivalist.

Tragically, his approach WAS then adopted by industrialists to set the minimum wages for black workers in South Africa.

*Isobel Frye, Director SPII*

*This dehumanised minimalist approach to wage setting continues today, so much so that it required a three year negotiating process amongst all social actors to set a National Minimum Wage (NMW), effective 1 January 2019, that aspired to shed this shameful wage history.*

The NMW wage falls far short of a Living Wage, and is only half of the Decent Standard of Living. However, there was still objection from the Business sector at the adoption of a NMW on the basis that this would hamper the profitability of doing business in South Africa.

It is clear that should we wish as a nation to move towards a more prosperous and equal society as contained in the setting of a Decent Standard of Living requires legal protection given the many people that do not care voluntarily to share resources more fairly.

In closing, Magasela welcomed the launch of a standard that was NOT located in a physiological minimum, but a more comprehensive and multi-dimensional measure of a standard of living, and the need to move beyond minimalism towards a decent living level.



# 6

## Concluding Observations and Recommendations of the UN Committee on Economic, Social and Cultural Rights

Brenton van Vrede

### Discussion Summary



This presentation motivated for the adoption of a DSL from the strong recommendations and observations handed down by the UN CESCR.

Article 11 of the ICESCR refers to an adequate standard of living that includes food, clothing and housing, and to a continuous progressive realisation of this standard by everyone.

The UN CESCR Guiding Comments state that an adequate standard of living is shaped by the prevailing political, social and cultural norms of each particular society.

The 2018 Concluding Observations of the Committee on the South African government report, state as follows:

*"The Committee notes, however, that the Constitution has not fully incorporated the rights enshrined in the Covenant, such as rights to work and to an adequate standard of living, and that, although the Constitution provides that its Bill of Rights should be interpreted into consideration international law (Section 39(1)(c)), the provisions of the Covenant are not considered to be directly applicable by the courts, other tribunals or administrative authorities."*



Particularly:

There is no composite index on the costs of living, providing the State party with a benchmark to adequately set the levels of social benefits consistent with the requirement to ensure an adequate standard of living to all;

The levels of all non-contributory social assistance benefits are too low to ensure an adequate standard of living for recipients and their families;

Those with no or little income between the ages of 18 and 59 and are capable of working are not covered by existing schemes .

### Recommendations:

In addition to raising the introductory levels of the National Minimum Wage (NMW), the CESCR recommended to the South African government that this level be adjusted regularly to keep it in line with the cost of living **to ensure an adequate standard of living for workers and their families** , and to:

- Design and regularly update a composite index on the costs of living;
- Raise the levels of non-contributory social assistance benefits to a level that ensures an adequate standard of living for recipients and their families".

Clearly, the ability of the South African state to implement the recommendations of the UN CESCR would be greatly enhanced through the adoption of a clear, inclusively developed, standard of living





# The Vulnerability of Workers and the Future World of Work

Hameda Deedat

## Discussion Summary



Deedat's presentation emphasised the vulnerability of workers, now and the possible permutations of the future world of work.

Her analysis of workers' vulnerabilities threw up the challenge that the current workplace is by no means aligned to the articulation by states and global institutions to realise a decent standard of living for all. In support of this, Deedat identified the ongoing informalisation of work, in the name of flexibility, that includes downward variation, multi-tasking, the use of part-time workers and casual outsourcing and the impact that this has on workers having to work more than one job where they can just to meet basic minimums of life for themselves and their families.

In her presentation, she also questioned the impact of continued illicit financial flows out of the country on the ability of the state to provide the quality social wage that is articulated in the National Development Plan.

*On the concept of a Decent Standard of Living, Deedat embraced the shift from a minimum to a decent standard. She cautioned the truism that too frequently, a minimum standard can become a minimalist standard, without any movement despite the nominal commitment to progressive realisation.*

In addition to the Constitution, the UN ICESCR and the NDP, Deedat referred to the Sustainable Development Goals to which South Africa is committed.

In closing, Deedat raised the working-class concern about the recently adopted National Minimum Wage of R3500 per month as failing far short from a Living Wage that organised labour has advocated for, for a very long time. Who will carry the costs, and what or who becomes collateral damage, was her closing question and challenge.



# Necessary Future Engagements

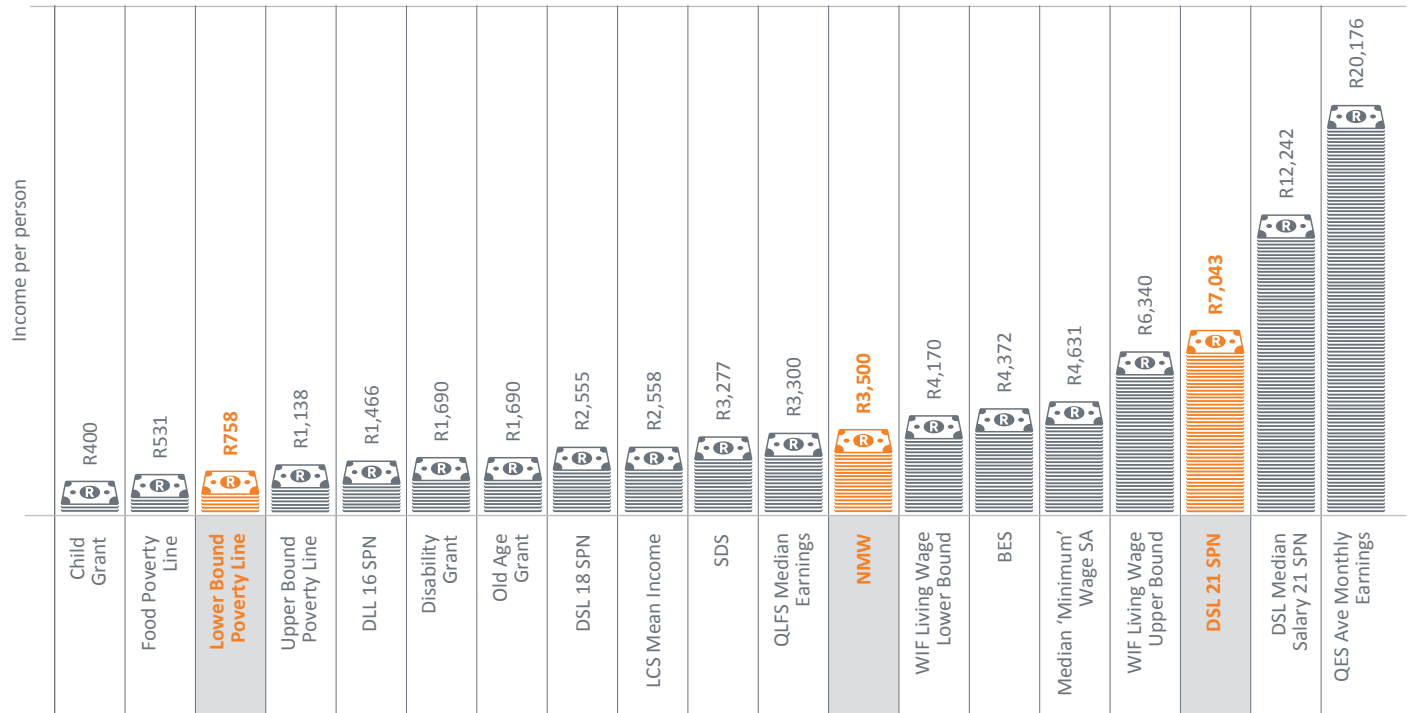
*A Summary of Outcomes of the Dialogue*

1. Recognising the essential value of the DSL by all sectors in South Africa so that it is owned by all.
2. Frequent use of social media is very critical.
3. Develop stronger links between the DSL and the National Planning Commission's National Development Plan process.
4. Reclaim the concept of distributive justice to embed processes of achieving a decent standard of living.
5. Move beyond just the launch of the DSL, activate this and undertake more sub-group research on gender, age and spatial location.
6. We need to identify policy pathways that identify choices and models for how a decent standard of living can be best achieved in South Africa.
7. SPII MUST align the DSL with measurement and monitoring of the NDP, the UN CDESCR and the UN SDGs under the critical rubric of the South African Constitution.



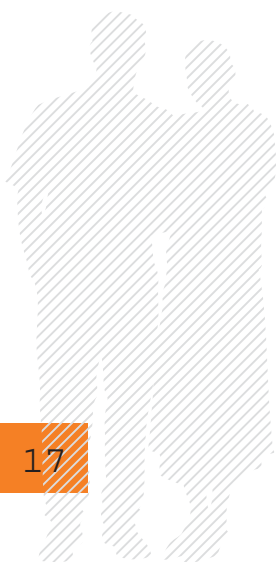
We compared income levels with other benchmarks, including wages, bargaining settlements and social grants. We can see from the graph below how little income so many millions of people have to survive on. Certainly not a decent life!

## Income comparison



Source: LCS 2014/15





Our 3rd annual Decent Standard of Living Colloquium hosted at the Sunset Boma, Midrand on the 29th November 2018 was a great success in part thanks to the efforts of the following team members:







*Building up knowledge  
to break down Poverty*

