



# **Studies in Poverty and Inequality Institute**

Building up Knowledge  
to break down Poverty

● **Annual Report 2013**

# **SPII Annual Report 2013**

## *Acknowledgements*

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# 01

**CHAIRPERSON'S  
REPORT - 04**

# 02

**DIRECTOR'S REPORT - 06**

# 03

**ABOUT SPII - 08**

# 04

**PROGRAMMES - 12**

4.1 Socio-Economic Rights  
Programme - 13

Progressive Realisation of  
Socio-Economic Rights  
Monitoring Tool - 13

Local Economic  
Development - 15

SADC Basic Income  
Grant Campaign - 16

4.2 Basic Needs Basket and  
Decent Living Level  
Programme - 18

4.3 Social Dialogue  
Programme - 20

4.4 Conferences and Papers  
Published - 22

# 05

**FINANCIAL REPORT - 25**

*Contents*



# Chairperson's *Report*

## THE YEAR 2013 HAS BEEN YET ANOTHER

eventful year both in South Africa and around the globe. Last year we drew attention to the unprecedented focus on the mining sector; both its current place and its future in the South African economy. At the time we had witnessed a brutal massacre of the mining workers and some members of the security establishment. It was clear that because of the dependence of the South African economy on the mineral and energy complex, the attention on the mining sector was warranted.

2012 ended with the ANC conference that amongst other things took a number of resolutions on eradicating poverty and inequality. On the issue of nationalisation of mines and the commanding heights of the economy, the ANC took a complex resolution that clears the way for the creation of a state mining company but fell far short of calling for nationalisation of the mines. There is a common refrain in the governing party that since the mineral rights rest with the state the discussion on nationalisation is a moot point.

Whilst the ANC is clearly not interested in the nationalisation of mines a new formation has entered the political fray in South Africa, i.e. the Economic Freedom Fighters (EFF). The EFF has revitalised our politics in unprecedented ways. The EFF has made it clear that its strategic objective is to nationalise the mines and ensure redistribution of wealth. The EFF is also noticeable for its youthfulness both in membership and leadership. There are many of the positions that are championed by the EFF that have their origins in the ANC and in particular the Freedom Charter. The resonance with the Freedom Charter is attributable to the large number of ex-ANC Youth League leaders and members that have swollen the ranks of the EFF. However, there is

also a different story to the EFF; that of the radical September National Imbizo (SNI) members. The SNI in its first Imbizo resolved to demand that the public representatives must use public services. This they argued will make the public servants more responsive to the needs of the people and will ensure that the public services improve because they will be using them as well.

The SNI is also an organisation whose ideological point of departure is that of black consciousness and Pan-Africanism. The EFF as it combines the radical ex-congress cadre and the Black Conscious Pan-Africanists is poised to change the political landscape forever. There are other parties like Agang SA that have not really set the political scene alight, thus our reasons for not paying too much detail on them are self explanatory.

For an institute such as SPII, any developments that increase the focus on issues of poverty and inequality are always welcome. We do not expect for instance that the EFF will win the elections in the coming year. But leftwards pressure on the ANC should have a positive effect on the fight against poverty and inequality. Parties like the DA have drawn the ANC rightwards for some time now. The EFF will draw the governing party to the left and will contest the same constituencies as the ANC.

As SPII through our programmes we are now more than ever before well positioned to work with both government and Civil Society to continue to push back poverty and inequality. We hope that the next five years will usher in a new dispensation in which the competition for votes will see exponential growth in direct benefit to the electorate.

We are urging so as we draw closer to the deadline for the Millennium Development Goals. It is our



# Director's Report

## THE PAST YEAR HAS PROVED TO BE A VERY

significant one and history will no doubt favour us with an ability to gauge the watershed nature of 2013 in the coming years. However, even with the distance of a few months, there are many interesting markers.

On the one hand we saw the registration of new political parties in a country which is increasingly being described as a single party state, in effect, rather than formally. The Economic Freedom Fighters (EFF), under the leadership of Julius Malema as Commander-in-Chief, is mobilising their red beret wearing members under a popular, if not somewhat populist, declaration of war against the capitalist enemy. Theirs might indeed prove to be a more successful "war on poverty" than the plan launched by the ruling African National Congress, which lacked either a spirit of enthusiasm; or evidence of sustainability.

The confusion around the existence, engagement, marriage or divorce of Agang, has sadly detracted from a level of gravitas that its launch seemed to offer. However, as a party it might still offer an alternative for people looking to dilute the ruling party; and cannot consider voting for any of the other opposition parties. With all the newcomers, the possibility of new coalitions could prove interesting, either in the run-up to the next elections, or throughout the course of the next five year administration. Indeed, debates in portfolio committees might become far more relevant.

Another marker that will have impact on the course of our young democracy is the response to the report of the public protector, Ms Thuli Madonsela. The investigation was undertaken in response to seven complaints lodged between December 13 2011 and November 2012. Significantly, the first complaint in December was lodged by an ordinary member of the

public. Of the subsequent six complaints, one was lodged by a member of an opposition political party. This is an important statement on active citizenship.

Whatever the outcome of the investigation, the manner in which the process is viewed, and the steps undertaken in response to the report, will be a litmus test for how both government and the public view the importance of adhering to the rule of law in South Africa.

South Africa continues to battle with extraordinary high levels of poverty and inequality, which appear to have become accepted as the norm – a very worrying state of affairs. For some policy makers, the extent of the problem appears to be overwhelming, and so often it is ignored in reality, although lip service might be paid to the need to address poverty and inequality in certain sod-turning situations. It is hoped that in 2014, the new administration will become recognized for its determination to roll back the frontiers of poverty and inequality and that we are able to have a national debate about what needs to give on that front.

At SPII, we have had an exciting year. Our Graduation Pilot Project was launched in October in Evaton, Gauteng. This project is in partnership with the Ford Foundation, as part of an initiative to develop a global body of researchers at community level. The intervention was undoubtedly a critical experience for the 150 participants, and we are confident that it will also play a part in shaping future policies.

SPII's work on developing indicators to measure progressive realization of socio-economic rights, also in partnership with the Ford Foundation, has entered its third phase. We anticipate handing the indicators for the rights to housing and food, to the SA Human Rights Commission in March 2014. The next set of



**"Theirs might indeed prove to be a more successful "war on poverty" than the plan launched by the ruling African National Congress"**

indicators we will be developing will be around the right to education.

Another major achievement for the organisation in the past year has been our involvement in the civil society steering committee on the SADC BIG coalition, fighting for basic income grant (BIG). Through our involvement, SPII has produced five scenarios for the financing and administration options for a BIG within SADC and these have been disseminated to coalition members, and are posted on our website. We have also established a blog for the campaign; a campaign platform for the signing of new members; a logo; and a slogan. Please sign up.

The Decent Living Level project was launched this year. SPII is working under the auspices of the community constituency at Nedlac, and is in close consultation with the living wage and national minimum wage campaigns within the labour movement. The project will begin a national debate regarding what should constitute a decent living level in South Africa. Consultative seminars have been hosted, and in the next financial year, SPII will be engaging with focus groups to evaluate our initial findings. Once we have this data, we believe the project will be placed on the national agenda. We encourage all organisations and individuals to get involved in the debate through our website.

With regards to governance, we have great delight in announcing that Julian May and Sisa Njikelana have

joined the SPII board. We look forward to benefitting from their guidance. During 2013 SPII also developed a new five year strategic plan. This process was crucial in guiding new developments within the organisation, and will assist in the development and adoption of new projects, as SPII seeks to realize our vision and organisational objectives. We thank Frank Meintjies for his support in this process. SPII's strategic plan has been drawn up and will be submitted to the board for endorsement in early 2014. I would also like to thank Nhlanhla Ndlovu for his commitment and support both to SPII and to me as Director as Chair of the Board for the past three years. Although he steps down as Chair, he remains serving as a Trustee.

In closing, we wish to thank our senior economist, Taku Fundira, for redesigning our website. We look forward to your comments and suggestions.

Thank you to the staff of SPII for their contribution in making 2013 a successful year. We would also like to express our gratitude to our Board, all our partner organisations and individuals, who continue to support our work.

**Isobel Frye**

# About *Spii*

## **SPII IS A NOT-FOR-PROFIT TRUST 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 non-racialism, human rights and effective democratic engagement, separate from party politics. SPII is committed to the full realisation of the 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).

Assisted by its board, SPII is an organisation characterised by a sense of vision and a commitment to innovation.

## **Our vision**

SPII focuses on generating new knowledge, information and analysis in the field of poverty and inequality studies. Through facilitating collaborative partnerships with and between government, institutions of democracy, academia and civil society organisations, SPII is able to develop 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.

## **Theory of change**

### **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 for poverty reduction; and

make specific policies and strategic recommendations for reducing poverty and inequality.

If we make compelling recommendations for the reduction of poverty and inequality; and

if we promote dynamic participation by civil society in the debate, and support oversight bodies around solutions to poverty and inequality; and

if we develop strategic relationships with all three arms of government to ensure trust to be influenced by our recommendations

### **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.





**"We can: Support the development of innovative, evidence-based measures for poverty reduction"**

# Human Resources in 2013

## **Board members**

Nhlanhla Ndlovu  
Langa Zita  
Venitia Govender  
Sharon Ekambaram  
Horst Kleinschmidt  
Isobel Frye (ex officio)  
Sisa Njikelana  
Julian May

## **Staff**

### **Management**

Isobel Frye - Director  
Taku Fundira - Senior Economic Researcher  
Hannah Dawson - Senior Researcher  
Erick Douwie - Financial Manager

## **Research Team**

Khetho Lomahoza - Researcher  
Brian Mathebula - Researcher  
Thabileng Mothabi - Junior Researcher

## **Administrative Team**

Fortunate Mabuza - PA to the Director  
and Grants Administrator  
Delphine Ngcongco - Receptionist and Website Editor

## **Interns**

Tshegofatso Monnana  
Matshidiso Motsoeneng  
Nomfundo Dhlamini



**ZULU BOY**

**CHICKEN DUST KING**



**QUATER CHICKEN**



**GRAVY**



**PAP & QUATER CHICKEN**

**QUATER CHICKEN = ..... ONLY B**  
**PLATE (PAP + 1/4 QUATER CHICKEN + GRAVY) = ..ONLY**

# Programme *reports*



The work of the organisation falls into three programmes:

- ▶ Socio-Economic Rights Programme;
- ▶ Basic Needs Basket and Decent Living Level Programme; and
- ▶ Social Dialogue Programme.

## 4.1

## SOCIO-ECONOMIC RIGHTS PROGRAMME

This programme focuses on monitoring and tracking socio-economic rights in order to ensure that promised rights are realised by millions of poor people, and not relegated to paper rights. The programme includes desktop research, primary research and sub-regional campaigning.

### 4.1.1 Progressive realisation of socio-economic rights monitoring tool

SPII has developed a SERs monitoring tool, which integrates budget and policy analysis with statistical indicators. It aims to advance evidence-based empirical debate; as well as monitor the rate, pace and direction of the progressive realisation of socio-economic rights.

During 2013, the SERs monitoring project achieved significant milestones, most notable of which was the strengthening of the relationship between SPII and the South African Human Rights Commission (SAHRC). This is significant as the closer co-operation resulted in the development and finalisation of the indicators for social security and health. In May 2013, the methodology was officially launched at a workshop held at the Ford Foundation, co-hosted by SPII and the SAHRC. The keynote address by Justice

Zak Yacoob made a strong case for a monitoring mechanism and a programmatic response to socio-economic rights in South Africa. The workshop was attended by SAHRC commissioners, the SAHRC CEO, and members of their research unit as well as members of civil society and public litigation organisations. The delegates provided useful feedback on the monitoring tool and indicators.

### Achievements, opportunities and lessons learnt during 2013

#### Developing and populating statistical indicators for social security and health

While engaging in the process of populating indicators for health care and social security, the project has explored how to visually represent data in ways which capture the complexity of the progressive realisation of SERs, while making the data easy to understand. It has been found that dashboards are a stimulating way to represent data, as they show change over time and indicate benchmarks and targets.

The project has learnt that engaging with relevant experts is required from the beginning of indicator development to ensure broader ownership and immediate access to existing work. The formation of right-specific reference teams is also assisting in leapfrogging some of the data challenges which persist in this work. Also, based on our experience around timeframes, and the involvement of the commission and other civil society organisations in the identification of potential indicators followed by verification of the existence of reliable data sets for each indicator, we have decided that the next phase of the project can address three SERs: housing, food and education.

#### Zandspruit research

The Zandspruit informal settlement is on the outskirts





of Johannesburg. The research conducted in this community focused on people's experience in receiving primary health care at the local clinic and accessing social grants, with a focus on the child support grants (CSGs) system. The study looked also at the broader questions of the adequacy and quality of these services. The research gave SPII the opportunity to see whether the methodology and statistical indicators could meaningfully reflect the concerns, priorities and needs of residents. The project is committed to finding new ways to include and accommodate monitoring information from ordinary people. This is aimed at ensuring that the methods and outcomes reflect the concerns and needs of residents. SPII has been investigating various existing methodologies for community-based monitoring, and exploring how these could be integrated into SPII's work, and vice versa.

### Comprehensive budget analysis

During 2013 the SER programme completed and published its budget analysis of the spending of the department of social development, the department of basic education; and the department of health, in the period 2006/7 to 2011/12. SPII was also invited to join the steering committee of the budget expenditure

and monitoring forum (BEMF), which brings together a variety of civil society actors involved in budget work from a human rights perspective. We hope to strengthen this relationship and ensure that BEMF plays an active and influential role at Nedlac.

For SPII, there is a commitment to integrate budget analysis into all components of our work and to ensure there is detailed budget analysis at provincial and local level with regard to all work being conducted around specific rights.

### Advocacy, dissemination and familiarisation of the tool

The dissemination of the monitoring tool and promotion of the methodology was a focus of the SER programme this year. This was done through stake holder consultations with litigators, civil society, academics and the parliamentary research unit. In July 2013, the senior researcher and director of SPII presented the monitoring tool and populated indicators to the parliamentary research unit. This meeting highlighted the absence of systematic monitoring tools in Parliament, and the need for MPs, and the research unit, to have access to reliable sources of information beyond the administrative data provided by the state.

The ratification of SPII's membership to the steering committee of the civil society campaign calling for the ratification of the International Covenant on Economic Social and Cultural Rights (ICESCR) in South Africa is also very significant for the advocacy and training work that the SER programme will be undertaking.

**"There is an urgent need to examine the various methods used to strengthen these livelihood strategies"**



#### 4.1.2 Local Economic Development

During the present tough economic climate it is better to be informally employed than to be unemployed. Yet the informal economy remains a grey policy area despite the high levels of poverty, unemployment and income poverty. The resistance by informal traders to being forcibly removed by the City of Johannesburg and City of Emfuleni during 2013 are just two instances that highlight the need to protect vulnerable groups. Rather than inhibiting the informal sector, it is necessary for government to develop strategies to strengthen informal economy operators. There is an urgent need to examine the various methods used to strengthen these livelihood strategies.

Recent studies on the informal sector in South Africa indicate that enterprises owned by non-nationals are more successful than those owned by South Africans. It is critical at the present juncture in the South African development trajectory where unemployment, inequality and income poverty dominate both private and public conversations, that we question whether we are missing something about how best to support this sector of the economy. The Social Protection and Local Economic Development (LED): Graduation Pilot Project is a 24-month project that seeks to generate evidence and test targeted interventions for individuals and enterprises operating in the informal economy.

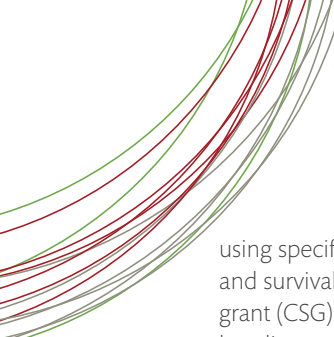
##### Achievements and opportunities in 2013

During the past financial year, SPII embarked on a six-month planning and designing process for the Social Protection and Local Economic Development (LED) Graduation Pilot Project.

The planning phase engaged local and international experts in graduation, local economic development, informal economy, and impact evaluations. The pilot project is an adaptation of the successful Bangladesh Rural Committees (Brac) graduation model. Internationally, the concept of “graduation”, - developed by Brac - has gained prominence for its positive impact on poor households. Since 2006, it has been adapted and tested by the Consultative Group to Assist the Poorest (C-GAP) as well as the Ford Foundation, through pilot projects in different countries and contexts. “Graduation” has become synonymous with providing support over a specific period of time to poor households, with the sole purpose of shifting them out of extreme or ultra-poverty.

According to Huda (2012), critical to the adaptation of the graduation model - and sustaining the achievements post the graduation period - is access to a long term social security system. In South Africa, the social grant system forms one pillar of the state’s social security system. Social security, including social assistance, is a socio-economic right contained in Section 27 of the South African Constitution. Social assistance forms an important component of the social protection package or social wage, delivered by the state. The pilot programme is thus building on existing government cash transfers, which have over 16-million recipients.

The LED project was launched in Evaton, south of Johannesburg, in October 2013 and was implemented as a rigorous study with a control and treatment group. Project participants are randomly selected



using specific criterion, which include small, micro and survivalist enterprise owners with a child support grant (CSG) recipient in the household. From a baseline survey of 300 small, micro- and survivalist enterprise owners with a recipient of a CSG in the household, each participant was randomly assigned to one of the two groups. In the treatment group, project participants receive training in life skills, basic business management skills, financial literacy, a savings incentive scheme and weekly mentoring from trained fieldworkers - known as enterprise coaches - over a period of 24 months. The control group do not receive any interventions.

This project is significant, as the research that is being conducted will generate primary evidence for national scale-up.

Through engagement with local and international experts, it is clear that the approach SPII is taking will provide valuable in-depth knowledge for a bottom-up approach to development. While concrete evidence of this is deemed important, it is not yet possible to undertake randomised control trials (RCT's), as SPII is still investigating the efficacy of targeted interventions. The methodology undertaken in this project is rigorous in both qualitative and quantitative research that builds on a baseline survey of both control and treatment groups.

### **Linking with Bokamoso Skills and Economic Development Centre, a community-based organisation (CBO) in Evaton**

The Bokamoso Skills and Economic Development Centre is based in SPII's pilot area. Its primary focus is to provide skills development, including computer studies, welding, plumbing, electrical repairs and life-skills training. Through this partnership, SPII has hired five of the graduates from the centre who will join the fieldworkers over the 24 month period. SPII provides the training for the fieldworkers for the pilot project, and they will assist in gathering primary data during the planning and design phase of the project.

### **4.1.3 The SADC BIG Campaign**

The Southern African Development Community Basic Income Grant (BIG) Campaign, better known as the SADC BIG Campaign, is now in its third phase.

The campaign combines advocacy and campaigning, with analytical research work to support campaign positions. To this end, SADC BIG is focussing on collecting solid evidence to ensure that the campaign speaks from an informed position.

One of the key challenges for SPII regarding the

research aspect of the campaign is the lack of standardised data to develop a single hybrid model that can be used as a standard for all SADC countries. In addition, access to data on the continent continues to present a challenge.

The campaign strategy was endorsed in November 2013.

## **Achievements and opportunities in 2013**

### **Econometric modelling**

Data limitations have constantly bogged down the econometric modelling and we have realised that a one-size-fits-all approach will be difficult to achieve, considering the variable economic geometry of SADC countries. We have come to the conclusion that the modelling work should be undertaken in two phases to ensure that sufficient time is given to the process. This would ensure that the added value of modelling is appreciated by demonstrating not only the redistributive impact of a SADC BIG, but also the impact on human development which most micro-simulation models cannot reveal. The first phase, which has been concluded, looked at the costs of a SADC BIG at national and regional level. The second phase, currently under way, is identifying the impact potentials and additional multiplier benefits of a SADC BIG.

### **Campaigning**

Through the SADC BIG campaign, it has become clear that campaigning takes an inordinate amount of time. A critical aspect is spending time with partner organisations to share information and knowledge. In light of this, SPII has had to spend time developing campaign activities and outputs, which are now being shared with campaign partners. The success of the campaign depends on active involvement from coalition partners through local networks, media and lobbying, in as much as it does through regional work.

### **Links with other regional initiatives**

While building the campaign coalition SPII has come into contact with other organisations working on related issues such as resource mobilisation, tax justice, reduction in illicit financial flows and corruption as well as good governance. The current thinking on SADC BIG is that a universal grant would greatly enhance the work being undertaken by coalition members, as it would provide evidence of the indirect benefit a more watchful citizenship has in ensuring better stewardship of resources, more accountable governments, and more disciplined private business.





### **SADC BIG Coalition**

In November 2013, SPII called a meeting to endorse the SADC BIG Campaign. The meeting was attended by 20 social justice organisations, community-based organisations, and faith-based organisations. The campaign was endorsed and today consists of 61 organisations representing 10 SADC countries. The aim is to increase the number of coalition partners to 100. It is thought that more representation from Francophone and Lusophone SADC member states should be sought.

### **Establishing a SADC BIG Steering Committee**

While SPII initially developed the idea for a SADC BIG campaign and continues to act as the secretariat, in order to promote a broader ownership and responsibility, it has become necessary to establish a coalition steering committee. The steering committee is currently made up of 10 representatives from civil society organisations, faith based organisations, and regional trade unions from SADC.

### **SADC BIG campaign strategy**

In the third quarter of 2013, in consultation with coalition partners, SPII finalised the concept and model of the SADC BIG Campaign. The strategy was submitted to the steering committee in October 2013, and subsequently presented for adoption to a broader meeting of the coalition in November 2013. The adoption and launch of the campaign is now planned for the third quarter of 2014.

### **Modelling of anticipated costs of a SADC BIG**

Throughout 2013 SPII worked on developing economic models on cost and affordability in order to set out in an accessible manner the answers to the SADC BIG cost question at both a national and regional level. The need for models had come from coalition members who felt they needed to have the facts and figures to arm them in advocacy and for lobbying, while engaging with national and regional leaders. These were presented at a SADC BIG coalition in November, and the intention is to disseminate the findings widely.

### **SADC BIG campaign blog and logo**

SPII has completed the revamp of the SADC BIG website, with a separate page for a SADC BIG blog. This was launched in November 2013, and will meet the need for regular communication among SADC BIG members. A logo for the regional campaign has also been endorsed.

### **SADC BIG campaign communiqué**

Following the SADC BIG campaign workshop meeting on November 18 2013, the coalition drafted a communiqué detailing the principles of the campaign; as well as the goals and demands of the campaign. The communiqué was circulated to 50 civil society organisations in SADC to circulate within their countries. Subsequently the communiqué was published in the Sunday Times of Malawi on December 29 2013, under the headline "SADC Movement Critiques Malawian Government".

## BASIC NEEDS BASKET AND DECENT LIVING LEVEL PROGRAMME

During 2013 there was a deepening of the conceptual work done under the basic needs basket (BNB) and food price monitoring programme.

Our analysis on the erosion of the purchasing power of people has been developed through the primary research SPII conducted in Vosloorus in 2011/12. From the outcome of this research it has been possible to develop the "Evaton-based household food diary and income and expenditure" surveys during 2013. This work was supported by Statistics South Africa. One of the key concerns to emerge from the research is the survivalist foundation on which much poverty measurement has historically been based.

Despite the recognition of the destructive reality of poverty for many millions of people living in South Africa, there is still a lack of consensus on what is meant by "poverty", and its alternative "sufficiency". This has particular resonance in an upper-middle income country such as South Africa.

There have been a number of commitments by government to finalise a comprehensive national anti-poverty strategy in South Africa. The process began in 2005 through the office of the presidency. The initiatives were headed by a "national war room", located in the presidency. The idea was for initiatives to also operate provincially and at local government through decentralised "war rooms" to implement the comprehensive anti-poverty strategy. However, the initial strategy appears to now have been downscaled to a national "project", and to date a final strategy has not been published.

SPII's interest was piqued when the National Development Plan 2030 made reference to "the need to move towards a national consensus on what would constitute a minimum standard of living sufficient to provide households with access to a decent life". This is significant as the NDP variously refers to the need for South Africans to begin to have this conversation by initially understanding whether there would be consensus on what should be included in a decent standard of living.

SPII approached Nedlac and the Friedrich Ebert Stiftung (FES) in early 2013 and agreed that under the auspices of the community constituency in Nedlac, and with the involvement of organised labour, principally Cosatu and the Labour Research Service,

that a conversation and inquiry should begin. The approach would combine research, public seminars and focus groups, and would culminate in early 2014.

Two public seminars were held in September and November 2013, and were attended by a broad representation of CSOs, government officials, labour, academics and the media. Presentations by labour included reflections on the interstices between a decent living level, the living wage campaign, aspects of the social wage process; and finally the call within the alliance for an investigation into the feasibility of a national minimum wage (NMW), similar to the highly successful NMW adopted under former president Luis Inacio Lula da Silva's government in Brazil.

Central to this work is an awareness of the necessity of moving away from the minimalist "poverty lines" that have been used in the design and evaluation of anti-poverty programmes. While using such low levels might create more palatable poverty figures, it dulls our ambitions of ensuring that people live the life of dignity as guaranteed to them under in the South African Constitution, let alone one of greater equality as the Constitution provides for. The work is inherently rights-based, rather than being a technocratic exercise. It is about trying to understand through asking ordinary people what a decent living level should be in a post-apartheid democracy.

SPII believes that a broad, national discussion is very necessary to reduce the sense of social distance that surrounds poverty, with the burden of poverty-induced deficits and the social and political implications of stark income inequality seeming to be disproportionately relegated to people living in poverty. Advancing a national debate about what constitutes an acceptable living level for all, albeit inspirational for many for today, is necessary to begin to reduce that social distance.

SPII has provided training on the BNB methodology with the Zambian-based Jesuit Centre for Theological Reflection, and the Open Society Institute of Southern Africa (Osisa), to provide training to civil society organisations on the BNB methodology.

### Is this possible?

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

In the early 2000's, the Centre for Applied South African Social Policy undertook comprehensive work under its indicators of poverty and social exclusion project. This included 50 focus group studies held in nine provinces among diverse social and economic classes. Their findings demonstrated that despite the very deep divisions in South Africa, there was a strong consensus on what goods and services should be included as basic needs. This project however did not proceed to attempt to quantify or cost what levels of these items should be included in a single basket.

### **Towards constructing a decent living level**

There is a clear opportunity for South Africa to construct a democratically devised decent living level. The concept of a "minimum living level" is already used in diverse policy documents, but without any substantive details.

Having drafted an initial framework for a decent living level, SPII will augment this work during the first few months of the new financial year to gauge where consensus lies in the contents of such a basket, the thresholds and the cost implications. This would be used by SPII and partners to be able to monitor the value of the basket over time, and also make policy recommendations in parallel with our work on the right to food. This would be for both public and private sectors.

SPII, together with its partners and through the auspices of Nedlac, and in consultation with the National Planning Commission, plans to contribute to the first phase of this national discussion. We hope it will take root and flourish, and guide interventions aimed at reducing current levels of deprivation and inequality, as we move into the third decade of democracy.

**"We hope it will take root and flourish, and guide interventions aimed at reducing current levels of deprivation and inequality, as we move into the third decade of democracy"**



## SOCIAL DIALOGUE PROGRAMME

SPII's social dialogue programme includes all activities, publications and conversations that engage with external stakeholders.

The objectives are to strengthen networks of progressive actors demanding decisive and evidence-based policies and strategies, and their effective implementation. These initiatives are aimed at combating poverty, reducing inequality and collectively amplifying the demand and pressure for ending poverty and inequality.

SPII has continued to contribute to Nedlac, as part of a community constituency (CC). In this capacity we served another year as the CC convener of the public finance and monetary policy chamber (PFMPC), the management committee and the executive committee, as well as a number of standing and ad hoc task teams.

Successful engagements were held through the PFMPC with the National Treasury throughout the national budget processes, leading to the potential of expanding this engagement to broader civil society in 2014.

In addition to Nedlac, the social dialogue programme includes our regular electronic newsletter, "SPII Talk", as well as through social media. SPII's followers and friends have increased and the feedback and conversations are both informative and enable us to access a much younger audience than is reached through traditional media.

On our new website we shall be launching specific pages that will connect to the SADC BIG site, and we plan to upload regular briefs from the LED fieldwork.

As part of the broader civil society collective, SPII also serves on a number of CSO networks and campaign steering committees, including the regional Southern African Social Protection Network which was launched successfully last year, and the Campaign for the Ratification of the International Covenant on Economic, Social and Cultural Rights. We look forward to future engagement with the government in 2014 and trust that the ratification and additional signature might be one of the lasting legacies of the first administration of President Jacob Zuma.

### Highlights

- ▶ The Director participated in a live broadcast with Duncan Green on March 14 in Durban, as part of the presentation by the director at the Oxfam-hosted Tackling Inequality across BRICS. The discussion included reflections from Duncan Green's recent publication, *From Poverty and Power*, and also focussed on learnings from Brazil in their success in eliminating extreme poverty, increasing the living standards of all Brazilians and reducing inequalities. The need to have deliberate strategies to reduce both poverty and inequality was emphasised as a key learning for all BRICS countries.
- ▶ In October 2013, the director and senior economist were invited by one of our partners, the Church of Sweden, to participate in a conference in Stockholm commemorating a century of the Swedish universal social assistance pension and a subsequent CSO workshop held in Uppsala.

SPII delivered two presentations at the conference based on, "Learnings from South Africa's Social Protection System for Developing Countries and Towards a SADC BIG". Interesting debates with strong relevance for social protection and advocacy in South and Southern Africa were held. The discussions also tackled the issue - universalism versus targeting and conditionalities - a critical debate. It was striking that the question of financing social protection was as relevant to northern countries, who continue to face threats of downsizing their protection systems; as it was to southern countries, where countries are advocating for the expansion of cover to many who have never received support from a social protection safety net.



## 4.4 CONFERENCES AND PAPERS PUBLISHED

### Further conferences, seminars and papers

An important aspect of SPII's work under the social dialogue programme involves attending and hosting conferences and workshops to share our research findings, and develop an understanding of what other research is being conducted. An overview of these engagements includes:

### Socio-economic rights programme Hosted events

#### May 23 2013: Roundtable: "How do we best measure the progressive realisation of Socio-economic rights?" (Ford Foundation)

SPII and the SAHRC co-hosted a dissemination and consultation workshop in May 2013 at the Ford Foundation's offices in Johannesburg which officially launched the monitoring tool and its methodology. This was well attended by commissioners, the CEO of the SAHRC and their research unit along with a number of other civil society and public litigation organisations.

#### May 21 2013: ICESCR steering committee campaign meeting (Civicus House)

SPII hosted the ICESCR steering committee campaign meeting in May 2013 whose members are key stakeholders for the project including CALS, Seri, and the SAHRC, among others. This meeting focused the activities to fast track the ratification of the ICESCR and OP-ICESCR as well as monitoring and reporting where it is envisioned the SPII monitoring tool would be used.

#### July 2013: Press briefing (Lamunu Hotel, Braamfontein)

SPII hosted a press briefing in July 2013 focusing on the case for a monitoring tool to advance evidence-based empirical debate on the implementation of SERs in South Africa. This provided an opportunity to challenge journalists to interrogate government delivery in the run-up to national elections and not just focus on politicking.

### Presentations:

#### July 2013: Southern Africa Peer Exchange and Learning Exchange Event – Grassroots Participation in Social Protection (Mbabane, Swaziland)

Hannah Dawson: "Measuring the progressive realisation of social protection as a human right in South Africa"

#### September 2013 - Isibalo Symposium on Evidence-Based Decision Making for Gauteng Launch by Stats SA, Gauteng Provincial Office (Midrand)

Khetho Lomahoza: "Developing indicators to monitor socio-economic rights: Reflections on experience with using Stats SA data"

#### October 8-10 2013 - Ahmed Kathrada Foundation annual conference "Lost in Transformation? Reviewing 20 Years of Transformation in South Africa" (Johannesburg)

Hannah Dawson: "Socio-economic rights and transformation: the case for a monitoring tool"

#### November 13-14 2013: International Workshop on Social protection hosted by the Southern African Social Protection Experts Network (Saspen) (Malawi)

Hannah Dawson: "Monitoring the right to social security in South Africa. An analysis of the policy gaps, resource allocation and enjoyment of the right"

### Publications

#### Working papers and published articles

SPII, (2013), Summary of Methodology paper: "Taking Stock - How to make Sense of Progressive Realisation of Socio-Economic Rights and Evaluate Progress made over Time"

H Dawson, (2013), "Monitoring the progressive realisation of socio-economic rights in South Africa - the case for a comprehensive monitoring tool", ESR Review, Vol 14 No. 2.

K Lomahoza, S Brockerhoff, I Frye, (2013), "A review of National and Provincial Government Budgets in South Africa"

S Brockerhoff, (2013), "A review of the development of Social Security Policy in South Africa"

#### Policy briefs

H Dawson, (2013), "Towards Transformation – Measuring, Monitoring & Evaluating Socio-Economic Rights in South Africa"

H Dawson, (2013), "Monitoring the right to social security in South Africa. An analysis of the policy gaps, resource allocation and enjoyment of the right"

K Lomahoza, (2013), "Monitoring the right to health care in South Africa. An analysis of the policy gaps, resource allocation and health outcomes"

H Dawson, K Lomahoza and T Monnana. (2013), The right to social security and primary health care in Zandspruit informal settlement South Africa. Resident's experiences and evaluation of government services

## Local Economic Development Project

### Hosted Events:

August 25, 26 2013: Social Protection and Local Economic Development (LED): Graduation Pilot Programme-Reference Team Meeting. Rosebank, Ford Foundation Offices

The aim of the reference team discussion was to provide strategic direction and input into the final project. The high-level reference meeting was attended by international experts on the graduation model, experts in basic business management skills development, community-based organisations and the University of Johannesburg.

### Presentations:

#### June 19-21 2013: Presentation:

The National Government Indaba for Traditional Leaders, Councillors and Local Government Officials on Rural Governance, Land Rights and Rural Poverty Alleviation Strategies, 2013. Edward Protea Hotel, Durban.

SPII presented at the national indaba on the proposed pilot project. The aim of the meeting was to find alternative approaches to sustainable livelihood strategies, especially in rural areas. The meeting was attended by councillors, local government officials and the members of the department of rural development.

### Study Tour:

#### October 15 to 18 2013: Study Tour to San Luiz, Colombia

The strategic thrust of the study tour was to serve as a fact finding mission for the Institute on the graduation pilot project being undertaken by the Fundacion Capital in San Luiz, Colombia. Internationally, there are over ten varied graduation pilot projects that are being undertaken under different contexts, and the Colombian experiment with the graduation pilot project was seen as the most strategic pilot to visit given some of the contextual similarities between South Africa and Colombia (i.e. middle income status, high levels of inequality, etc.). Importantly, this study tour also served as a sharing of knowledge, experiences between south-to-south countries.

### Publications

#### Working papers and published articles:

Brian Mathebula, (2013). The 'graduation' revolution: Critical considerations for the South African context

Brian Mathebula, (2013). The dynamics between Savings and Credit for low-income households: Literature Review

Brian Mathebula, (2013). Scoping of small, micro and survivalist enterprises in Evaton Township

Brian Mathebula, (2013). Simplified directory of existing supporting public sector programmes for small, medium, micro and survivalist enterprises (SMME's)

## SADC BIG Project

### Hosted events:

At the November 2013 SADC BIG Conference, during which the Campaign Strategy was launched, a new and enlarged Steering Committee was elected, through self-nomination from Coalition members. The enlarged SC is representative of the Coalition Members in the different countries in SADC and we felt this was important to bring a voice representing SADC when tackling challenges that may arise during the campaign at country level. Experience of the SC at national level is critical for guiding the activities of the SADC BIG Campaign and also ensures inclusiveness and buy-in from the broader Coalition members.

### Presentations:

#### 25-26 April 2013- SADC BIG Conference: Alternatives to financing a SADC Wide basic income grant

Taku Fundira –'Trade and Development in Southern Africa'

Thabileng Mothabi –'Feasibility of SADC BIG: Alternative funding models for SADC BIG'

#### 29 August 2013- SADC BIG Key Experts Reference Group Meeting

Taku Fundira –'Key issues for consideration in modelling a SADC BIG'

Thabileng Mothabi –'SADC BIG Scoping Report'

#### 31 October-1 November 2013- Africa Platform for Social Protection (Harare, Zimbabwe)

Taku Fundira- 'The Campaign for a SADC Basic Income Grant'

#### 13 - 15 November 2013- Southern African Social Protection Experts Network (Lilongwe-Malawi)

Taku Fundira –'Poverty Alongside Mineral Wealth? Making the Case for a SADC Basic Income Grant'

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# Financial *report*

## Donors 2013

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## Studies in Poverty and Inequality Institute

(Registration number IT 3080/2006)

Financial Statements for the year ended 31 December 2013

### Statement of Financial Position

Figures in Rand	Note(s)	2013	2012
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	20 677	105 310
Current Assets			
Trade and other receivables	3	300 515	82 918
Cash and cash equivalents	4	2 359 850	2 032 613
		<b>2 660 365</b>	<b>2 115 531</b>
<b>Total Assets</b>		<b>2 681 042</b>	<b>2 220 841</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Trust capital	5	100	100
Accumulated surplus		310 247	982 220
		<b>310 347</b>	<b>982 320</b>
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	6	2 370 695	1 238 521
<b>Total Equity and Liabilities</b>		<b>2 681 042</b>	<b>2 220 841</b>

## Studies in Poverty and Inequality Institute

(Registration number IT 3080/2006)

Financial Statements for the year ended 31 December 2013

### Statement of comprehensive Income

Figures in Rand	Note(s)	2013	2012
Revenue		3 727 604	3 347 109
Other income		248 508	255 455
Operating expenses		(4 685 500 )	(3 758 948)
<b>Operating deficit</b>	<b>7</b>	<b>(709 388)</b>	<b>(156 384)</b>
Investment revenue	<b>8</b>	37 415	61 723
<b>Deficit for the year</b>		<b>(671 973)</b>	<b>(94 661)</b>





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