



*Building up knowledge  
to break down Poverty*



STUDIES IN POVERTY AND  
INEQUALITY INSTITUTE

**ANNUAL REPORT  
2008**

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## Terms and Phrases Used in the Report:

CBO – Community Based Organisation  
CSO – Civil Society Organisation  
INGO – International Non Governmental Organisation  
NGO- Non Governmental Organisation  
NEDLAC – National Economic Development and Labour Council  
NALEDI – National Labour and Economic Development Institute  
COSATU – Congress of South African Trade Unions  
PACSA – Pietermaritzburg Agency for Christian Social Awareness  
Social Security – a combination of contributory social insurance and tax funded social assistance grants. Provided for as a right in terms of section 27(1)(c) of the South African Constitution.

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Southern African Trust  
Open Society Foundation  
Christian Aid  
Conflict and Governance Facility  
Department of Social Development  
Black Sash  
South African Council of Churches  
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# Letter from the Chair

## 2008 has been a very full year, and one of remarkable consolidation for SPII.

Growing up rapidly from infancy, SPII is increasingly being acknowledged across the board for being an institute that provides good and sound research and analysis without compromising its commitment to working towards ending poverty and the alleviation of its effects in the short term.

2008 heralded a number of firsts – this was the first time that SPII constituted the Civil Society Social Security Working Group made up of SPII, Black Sash, the National Welfare Forum and the South African Council of Churches. This Working Group partnered with the national Department of Social Development to host one national and three provincial workshops on social security reforms. This was an historic partnering from our perspective as the department operated as a real partner. SPII drafted the report of these processes that was submitted to the Minister as reflecting the views and suggestions of civil society in respect of poverty and social security.

This year has also seen the implementation of SPII's first qualitative research work, undertaken by Idah Makukule in Vosloorus. Qualitative research will provide us with far richer insights into the dynamics of poverty and exclusion than our analysis of secondary quantitative statistics has to date.

SPII has also succeeded in building new friends and partners, and we are very happy to have Christian Aid on board as a solid friend as well as a partner.

As South Africa heads into a new electoral period early next year, the work that SPII does of asking the awkward questions, yet in a way that seeks collaboratively to find pro-poor, people centred solutions to poverty, inequality and marginalisation, so critical. Being true to the principles of the Constitution does not always win friends, but it does earn respect.

I know that I speak for the whole Board in wishing the Institute and the staff the best for 2009.

**Sharon Ekambaram**  
**Chair of the Board**

# SPII's Progress – 2008

## 2008 has seen SPII blossom from an organisation and bloom into an Institute.

2008 has seen SPII blossom from an organisation and bloom into an Institute. We have grown both in terms of staff and the composition of the Board. SPII has also moved offices and are now situated in the heart of the vibrant CBD, on Ghandi Square. Our community of supporters has also grown and we are delighted to have forged some deep friendships in this regard.

As we built on our work from 2006 and 2007, the need to work at community level in terms of collecting our own qualitative data became apparent to us, not only to test some of our emergent policy and secondary assumptions, but also to begin to understand possible solutions from the perspectives of people living in poverty – what would be the nature and type of interventions that might be able to move them into greater security?

SPII has also embarked on a medium-term process towards sustainability under the auspices of Inyathelo, which is a process supported by Atlantic Philanthropy for some of the organisations that it has partnered in South Africa. Ultimately we would like to see much of South African civil society funded by South Africans and South African resources, from individual giving to greater CSI and state funding for the activities of civil society. A strong and vibrant participative democracy requires a strong and independent civil society operating on a number of

different levels from School Governing Body and Stokvel to service delivery organisations, from broad networks to single issue advocacy campaigns. United by a common commitment to realise the rights of the Constitution, civil society must be a broad church, committed to the same level of excellence that we demand of the State.

In mid- 2008 SPII underwent a two day strategic planning process to identify new areas of work and confirm existing priorities. The issue of Youth Unemployment was something that came through the planning as being very important to our understanding of national poverty, participation and reconstruction. The Youth will be responsible for economic, social and political reproduction in the very near future, and yet the levels of un- and underemployment experienced by the Youth age cohorts suggests a generation trapped by external factors into perpetual youth, unable to make the transition to the responsibilities and opportunities that are attendant on getting a job, starting a family and creating a household and a future. How does society accommodate this, and begin to undo the marginalisation and atomisation that continues to happen to the youth?

The other issues that continue to challenge our thinking relate to our objectives on Inequality and also on Participation. Without compromising our commitment to work on the eradication ( and interim alleviation) of poverty, the impact of such high inequality on our society is indelible and also acts as a break on economic development and acts as a counter-effect to the success of any spending on poverty alleviation.

In addition to undertaking quality empirical research to provide optimal insights into causes and solutions of issues pertaining to poverty and social, political and economic marginalisation, SPII in 2008 has learned that it is incumbent, as we undertake research for concrete change, that we ask those awkward questions others do not like to ask.

# Policy Work

## Social Protection and Social Security Work

Six years after the publication of the Taylor Report<sup>1</sup>, the Department of Social Development is considering widespread and comprehensive reforms that seek to set in place a truly comprehensive and developmental social security and social protection system.

SPII was involved with early discussions about the proposed nature of the reforms arising from its representation on the NEDLAC Social Security Reform Task Team on behalf of the Community Constituency. SPII felt that broader civil society needed to get involved in the deliberations, develop as far as possible civil society positions (similar to the positions reached by Business and COSATU respectively), and begin to advocate for these positions to be adopted in the policy making process.

The national department of Social Development agreed to partner this process. SPII, working together with an interim National Social Security Working Group made up of the Black Sash, the National Welfare Forum and the South African Council of Churches, developed and facilitated one national workshop held in Midrand, and three provincial workshops held in the North West, KwaZulu Natal and the Western Cape between July and September 2008.

Approximately 80 people attended the national conference from civil society and between 30 and 50 people attended each of the provincial workshops (which were clustered to cover all provinces).

The aim of these engagements was to raise the issue of social security and its role in addressing people's vulnerabilities and insecurities. In addition, the Department of Social Development and Working Group members presented the Department's thinking in respect of the expansion of social security and the modality/ design of delivery interfaces. Participants were then encouraged in small groups to actively and critically engage with these proposals and to make alternative recommendations.

The issue of social security was also explored from a rights perspective and these engagements, and Professors Sandy Liebenberg and Karthy Govender both provided useful legal and jurisprudential presentations that formed part of the final report and continue to provide guidance in respect of potential litigation strategies.

SPII was contracted to develop a comprehensive report of these meetings which was provided to the Minister of Social Development, Dr Zola Skweyiya.

### The main features of the reform proposals include:

- Comprehensive access to income security for those that need it
- Specific secondary interventions as part of social protection, ranging from skills development and job centre type assistance for younger people, caregivers grants for people providing care for others, and an ambitious desire to introduce labour market activation strategies to income receipt

*Transforming the Present – Protecting the Future – Report of the Committee of Inquiry into a Comprehensive system of Social security for South Africa, March 2002.*





*Director General Vusi Madonsela and Deputy Director General Selwyn Jehoma of the Department of Social Development at the National Civil Society Social Security Workshop*

- Introduction of a national retirement fund with obligatory contributions from formal sector workers
- Establishment of a “one-stop shop” for interface between the state and beneficiaries in an integrated way that combined access to services across different spheres of government.

There have been some differing views within other government departments about the extent of the proposed reforms. Civil society feedback was very constructive. SPIII has set up a database of all the participants and we will continue to keep these participants informed about reform developments. It is hoped that the new administration will champion the adoption of the reforms in a transparent roadmap that enables everybody to see how and when the policies will affect them.

# Research

## 1. Basic Needs Basket Participative Research in Vosloorus

Research by SPII was conducted in the township of Vosloorus Extension 28, a township 35 kilometers from Johannesburg, using the Basic Needs Basket as a research tool –adopted from the Jesuit Centre for Theological Reflection (JCTR) based in Zambia Lusaka. Certain structural changes had to be made and the BNB had to be interrogated and made to fit into the urban context. The aim of the research was to explore household expenditure and food consumption patterns within the community of Vosloorus.

Although the research focused on the statistical approach to poverty, its emphasis was on the personal accounts on what people have to do on a daily basis to survive. The objective of the research was to bring in peoples lived experiences on the ground as anti-poverty strategies appear to be made in complete isolation. SPII’s perspective has always been that in such situations, the real experts who can advise policy makers are people living in situations of impoverishment. The research was accomplished through the use of various methodologies, a survey was conducted and 40 households took part with the aim of assessing household dynamic, levels of income and unemployment and the coping strategies utilized to have basic needs met. The survey explored expenditure within households to determine the localised needs and levels of deprivation in respect to food security.

We found that the majority of households were female





A Participant in the Research in Vosloorus attending to her food garden

headed, a lacked the presence of father figures. There was a large dependency on social grants as a form of income as the unemployment rate was high and in order to have basic needs met some drastic measures were taken. Furthermore focus group discussions were carried out within the community exploring perceptions of poverty and describing daily experiences in their everyday lives, and many of the participants state that “poverty is hunger” this process was done collaboratively with Community Based Organizations.

We also accordingly developed a matrix of needs based on interviews with people, piloted this as a questionnaire and then undertook a community based household survey in Vosloorus of 40 households. This formed the discussion on what assets are needed for an individual to have a decent life. For verification of data there was a process of participating and observing within the community where a number of days were spent with five different families. Individual views and stories on people perception of poverty have been told and SPII has captured these stories. This process enabled in depth understanding of the lived experience of poverty within the community.

The daily challenges that are faced became abundantly clearer. During the collection of data, communities would offer possible solutions of overcoming poverty through this we were able to identify those barriers or obstacles that appear to be too large for people to manipulate and that would require some structural change. The research report which has been compiled brings out the voice of the community and their possible solutions to be presented to policy makers and thus provide a platform for the voices of the poor both about the qualitative and quantitative nature of their poverty to be heard by decision makers and those who allocate state resources.

The research ended with a report where findings and recommendations have been shared so that people with access to knowledge and those with influence can bring about structural change with the work that we have been taking part in.

## **2. Anti-Poverty Measures in a Rights-Based Framework: Initial Exploration of the Pro-Poor Nature of State Spending and the Extent to Which This Influences Policy Makers**

SPII undertook a Poverty Audit Project that constituted an audit of legislative and policy measures that the state has taken in its bid to progressively realise the rights in the Bill of Rights as required by the Constitution. This audit resulted in the identification of rights that encompass within them the claims that citizens have with respect to the delivery of basic needs. These are the rights to education, health care, adequate housing and social security. The project therefore reviewed policies of the Governmental Departments constitutionally mandated fulfil these rights along with the Department of Transport because the Constitution places an obligation on the state to achieve infrastructure and human development. Also transport plays a big role in physical accessibility of services.



The methodology employed in the research project consisted of a desktop survey of National policies of the Departments of Education, Health, Housing, Social Development and Transport. The review which was also from a rights-based perspective, sought to determine whether the policies could be said to be “pro-poor” using an operational definition that was developed as part of the research project. We found that alignment between the relevant Constitutional right, policy, the budget, expenditure and institutions in place would be necessary in order to have the actions of the state benefit the citizens as required by the Constitution.

**The operational definition, of “pro-poor” government action is:**

*“State interventions shall be deemed to be pro-poor when alignment exists between budgets, policy, expenditure, institutions and rights to give effect to the Constitution.”*

This definition of “pro-poor” was applied to the policy and legislation.

A literature review of various academics who have undertaken primary research to determine the implementation of policies and to determine where the failings of implementation were was also undertaken. Some of these academics and other stakeholders were consulted through in-depth interviews as well as roundtable discussions to address issues that arose during the course of the research. The interaction with the stakeholders produced vibrant debates that allowed us to be critical of the approaches we took in terms of the method and scope of investigation.

The policy review revealed that there are a number of policies aimed at delivering particular services to the poor. The literature review discussed the fragmentation of policy implementation as well as the causes. Such causes ranged from gaps that exist within policies to institutional misalignment to lack of human capacity at the level of policy implementation. It is important not only to inform the public of the services that are available, but to also

ensure that the state officials and civil servants have full understanding of all the services. The research also revealed that budgetary allocations to Departments mandated to progressively realise socio-economic rights have progressively increased in real terms over the years. It was not however possible to track the financial resources to the beneficiaries due to insufficient data.

The aim of the Poverty Audit Project was mainly reviewing policies from a rights-based perspective so as to determine whether the progressive realisation of the socio-economic rights has been achieved and to also determine the feasibility of a monitoring and evaluation tool. The limitation clause that features in all socio-economic rights provisions, subjects access to the social amenities to progressive realisation within resources available to the state. It is the opinion of many that the limitation clause has been government’s cloak of defence to its snail pace roll out of benefits. It is therefore SPII’s intention to interrogate the legal nature of particularly the right to social security subject to progressive realisation with respect to both the South African Constitution and the International Covenant on Economic, Social and Cultural Rights. The aim of this undertaking is to produce empirical knowledge that will have a significant impact on policy making in order to ensure that these rights are given effect to. It is also our intention that such knowledge will be used by civil society in developing advocacy tools and seeking legal remedies to the infringement of socio-economic rights.

The following are the people who participated in the roundtables, meetings, telephonic interviews and those who sent research papers, who receive our heartfelt thanks:

Professor Sampie Terreblanche, Professor Sandy Liebenberg, Professor Servaas Van der Berg, Reza Daniels, Professor Edgar Pieterse, Ebrahim Khalil Hassen, Professor Steven Friedman, Derek Luyt, Doug Tilton, Neva Makgetla, Rikki Minyuku, James Motha, Michael Blake, Lisa Selipsky, Leila Patel, Ermin Erasmus, Maureen Mosselson, Nika Raphaely, Cameron Jacobs, Nhlanhla Ndlovu, Warren Smit, Rajesh Latchman, Karen Peters.



# Regional Work:

## **Livingstone II, the African Civil Society Platform, the Namibian BIG Pilot and the Regional Poverty Observatory Movement**

Bread for the World brought to our attention a process to promote civil society engagement around promoting social protection in African Union (AU) member countries. The process, called the Livingstone 2 Process, had been ongoing for the past 2 years, although the engagement with South African CSOs had been rather limited and not shared amongst non-participating organisations.

The civil society process has been linked to the meetings of Heads of States regarding the promotion and development of social policy across the continent with an emphasis on social protection.

Bread for the World supported SPII and SACC attendance at a meeting in Windhoek in October 2009, with a view to trying to understand where the civil society process was and to attempt to link our initiatives around civil society engagement with social security reforms to this continent-wide initiative.

Professor Vivienne Taylor developed a comprehensive study of the state of social policy and social protection amongst African countries and this paper was discussed at the Windhoek meeting. It emerged that the civil society process had been facilitated by the British "Grow up Free from Poverty" campaign with resources from DfiD. The civil society group is at this stage initially co-ordinated by five INGOs, namely Help Age International, Action Aid,

Plan International, Save the Children UK, World Vision International and Care International. The civil society organisations involved have agreed to form themselves around an African Civil Society Platform. The co-ordinating body, based in the HelpAge offices in Nairobi, Kenya, are also tasked with disseminating a civil society fund on behalf of DfiD before March 2009. SPII has obtained an agreement in principle that the Platform process will fund another civil society conference in South African in March 2009.

### **Regional Links:**

The above trip to Windhoek enabled SPII to visit the Namibian BIG Coalition Pilot situated in the village of Otjivero- Omitara outside of Windhoek.

The pilot began in March 2008. Funds were raised from national and international funders, including the BftW Advocacy desk and Friedrich Ebert Foundation, Namibia, LWF, UEM, BIEN, EkiR, EKVw and a number of individuals. The BIG Fund is administered by the Desk on behalf of the Coalition.

Bishop Kameeta of the ELCRN has been a very influential and positive champion for the Pilot and the work of the Coalition. The founding organisations of the Coalition included the Council of Churches of Namibia (CCN); NANGOF – the umbrella body of NGOs; NANASO – the umbrella body of AIDS organisations, and NUNW, the trade union federation of Namibia, LaRRi and the Legal Assistance Centre (LAC).

The objective of the Pilot is to demonstrate in a very concrete manner the benefits and impact of a universal income grant.

All one thousand members of Otjivero who were present on registration day were registered and are eligible to receive the 100 Namibian dollars per month. Payment is made through the Namibian Post Bank in the village. The pilot is universal, with no targeting or conditionalities attendant on receipt of the income grant.

# Friend- Raising Trip – June 2008

The findings of the pilot in the first six months were illustrated clearly the benefits of the BIG. Children's nutritional levels as measured by the local clinic improved dramatically, teachers remarked on a marked improvement in terms of attention and participation at the village school. Economic activities such as bread and brick making flourished as a result of the increased disposable income, and hence, demand. The beneficiaries of their own volition (ie not in response to any suggestions from external bodies including the Coalition) formed a community committee to monitor issues of use of the grant as well as to proactively facilitate any social developments that might emerge as a result of the income grant.

SPII subsequently was contracted to undertake a review of the work of the Desk for Social Development which included the work on the BIG pilot which was a privilege and a pleasure to do.

As a result of SPII being a fairly new kid on the block, it was decided that it would be useful for the Director to be going to meet international friends and partners to disseminate information about who we are, and what we do.

The Director accordingly spent a week in the United Kingdom in June 2008. She was accompanied by Venitia Govender, a good Friend of SPII, who has spent many years working with the Anti-Apartheid and solidarity movements.

The trip was very full, and included meetings with the Commonwealth Foundation, Christian Aid, the Sigrid Rausing Foundation, Action for Southern Africa, Progressio and we also met with the First Secretary at South Africa House to explain our objectives and to open up discussions that might hopefully lead to a South Africa Week that draws on the many people living in the United Kingdom that are involved in policy and research as well as the usual Business and trade related initiatives. We also met with Baroness Frances de Souza of the Labour Party which was very informative both in terms of their political processes, but also in terms of British Civil Society. It was most strange to experience, as we had tea with Frances, Baroness Maggie Thatcher walk in to the tea room and sit down next to us!

It is hoped that these relationships will be nurtured and that we can develop real ties of friendship with people who have contributed to the new democracy that we have, and hopefully we will be able to repeat this and replicate it elsewhere.



# Financial Report and Donors

## Donors 2008

Atlantic Philanthropies • Bread for the World • Christian Aid •  
Open Society Foundation

### Studies in Poverty and Inequality Institute

(Registration number IT 3080/2006)

Financial Statements for the year ended 31 December 2008

#### Balance Sheet

Figures in Rand	Note(s)	2008	2007
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	164,576	74,762
Current Assets			
Trade and other receivables	3	64,000	462,567
Cash and cash equivalents	4	173,717	253,095
		<b>237,717</b>	<b>715,662</b>
<b>Total Assets</b>		<b>402,293</b>	<b>790,424</b>

#### Equity and Liabilities

##### Equity

Trust capital	5	100	100
Accumulated deficit		(212,347)	322,583
		<b>(212,247)</b>	<b>322,683</b>

##### Liabilities

##### Current Liabilities

Trade and other payables	6	614,540	467,741
<b>Total Equity and Liabilities</b>		<b>402,293</b>	<b>790,424</b>

### Studies in Poverty and Inequality Institute

(Registration number IT 3080/2006)

Financial Statements for the year ended 31 December 2008

#### Income Statement

Figures in Rand	Note(s)	2008	2007
Revenue	7	1,897,883	2,296,700
Other income		33,800	23,908
Operating expenses		(2,512,334)	(2,132,739)
<b>Operating (deficit) surplus</b>		<b>(580,651)</b>	<b>187,869</b>
Investment revenue	8	45,721	16,697
<b>(Deficit) surplus for the year</b>		<b>(534,930)</b>	<b>204,566</b>