

Enhancing Civil Society
Participation in the South African
Development Agenda:
The Role of Civil Society
Organisations



Editor: Bongani Magongo

This book has been produced from research conducted and commissioned by the National Development Agency between 2013 and 2015. It forms part of the NDA mandate to conduct research that informs national development policy and to facilitate dialogue between the civil society sector and the state. Institutions commissioned to contribute to this work are the Human Sciences Research Council (HSRC) and Co-operative for Research and Education (CORE). The NDA would like to acknowledge and thank all the contributors to the chapters of this book. The aim is to unlock the potential of the civil society sector, through knowledge and robust debate.

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ABBREVIATIONS

ACF	Atkinson Charitable Foundation	LAPs	Local Area Plans
ACP	Assets and Capabilities Poverty	LCN	Lesotho Council of NGOs
AFSUN	African Food Security Urban Network	LCS	Living Conditions Survey
AMPS	All Media and Products Surveys	LED	Local Economic Development
ASGISA	Accelerated and Shared Growth South Africa	M & E	Monitoring and Evaluation
BRAC	Building Resources Across Communities	MDER	Minimum Dietary Requirement
CAADP	Comprehensive Africa Agriculture Programme	MDGs	Millennium Development Goals
CARE	Cooperative for American Remittances to Europe	MoU	Memorandum of Understanding
CBN	Cost of Basic Need	MRC	Medical Research Council
CBOs	Community Based Organisations	MTEF	Medium Term Expenditure Framework
CFS	Committee on World Food Security	MTSF	medium Term Strategic Framework
CHAM	Christian Hospitals Association	NAMC	National Agricultural Marketing Council
CIPC	Companies and Intellectual Property Commission	NARYSEC	National Rural Youth Service Corps
CIW	Canadian Index of Wellbeing	NCC	National Coordinating Committee
CORE	Cooperative for Research and Education	NDA	National Development Agency
COSATU	Congress of South African Trade Unions	NDP	New Development Plan
CPRN	Canadian Policy Research Network	NEPAD	New Partnership of Africa's Development
CSI	Corporate Social Investment	NFCS	National Food Consumption Survey
CSOs	Civil Society Organisations	NGP	New Growth Path
CSPR	Civil Society Poverty Reduction	NHDRs	National Human Development Reports
CSPRF	Civil Society Poverty Reduction Facility	NHI	National Health Insurance
CSR	Corporate Social Responsibility	NIDS	National Income Dynamics Survey
CWP	Community Work Programme	NLB	National Lotteries Board
DAFF	Department of Agriculture, Forestry and Fisheries	NLDTF	National Lottery Distribution Trust Fund
DBSA	Development Bank of South Africa	NPC	National planning Commission
DC	Development Caravan	NPOs	Non-Profit Organisation
DCoGTA	Department of Cooperative Governance and Traditional Affairs	NSNP	National School Nutrition Programme
DFID	Department for International Development	NYDA	National Youth Development Agency
DG	Director General	OECD	Organisation for Economic Cooperation and Development
DoA	Department of Agriculture	PCE	Private Consumption Expenditure
DPME	Department of Performance Monitoring and Evaluation	PDA	Provincial Departments of Agriculture
DPSA	Department of Public Service and Administration	PEP's	Public Employment Programmes
DRC	Danish Refugee Council	PFMA	Public Finance Management Act
DRDLR	Department of Rural Development and Land Reform	PIMD	Provincial Indices of Multiple Deprivations
DSD	Department of Social Development	PSLSD	Project for statistic on Living Standards and Development
ECD	Early Childhood Development	QLFS	Quarterly Labour Force Surveys

ABBREVIATIONS continued

ECOWAS	Economic Community of West African States	R & D	Research and Development
EIG	Employment and Income Generation	RDP	Reconstruction and Development Programme
EPWP	Expanded Public Works Programme	RDT	Report Drafting Team
ERDT	Expanded Report Drafting Team	RHDRs	Regional Human Development Reports
EU	European Union	SAGA	South African Grantmakers Association
FAO	Food and Agriculture Organisation	SAIRR	South African Institute of Race Relations
FBOs	Faith Based Organisations	SALGA	South African Local Government Association
FFC	Financial and Fiscal Commission	SANGOCO	South African Non-Governmental Organisations Coalition
FIVIMS	Food Insecurity Vulnerability Information and Mapping System	SAQA	South African Qualifications Authority
GDP	Gross Domestic Products	SARB	South African Reserve Bank
GEAR	Growth Employment and Redistribution	SARS	South African Revenue Service
GEF	Global Environmental Facility	SASAS	South African Social Attitudes Survey
GEP	Gauteng Economic Propeller	SASIX	South Africa Trust Social Investment Exchange
GHS	General Household Survey	SAWID	South African Women in Dialogue
GIC	Growth Incidence Curves	SEDA	Small Enterprise Development Agency
GIS	Geographic Information System	SEF	Small Enterprise Foundation
HDI	Human Development Index	SETAs	Skills Education Training Authorities
HNWI	High Net Worth Individuals	SGBI	Strengthening Grassroots Business Initiative
HSRC	Human Sciences Research Council	SMEs	Small and Medium-size Enterprises
HST	Health Systems Trust	SONA	State of the Nation Address
ICT	Information and Communications Technology	STATSSA	Statistics South Africa
IDASA	Institute for Democracy in South Africa	TCP	Tshomisano Credit Programme
IDGs	International Development Goals	TEA	Total Entrepreneurial Activity
IDT	Independent Development Trust	TWG	Technical Working Group
IES	Income and Expenditure Surveys	UBN	Unsatisfied Basic Needs
IFC	International Finance Commission	UN	United Nations
IFSS	Integrated Food Security Strategy	UNDESA	United Nations Department of Economics and Social Affairs
IGVGD	Income Generation for the Vulnerable Group Development	UNDP	United Nations Development Programme
ILO	International Labour Organisation	UNESCO	United Nations Educational, Scientific and Cultural Organisation
IMF	International Monetary Fund	UNICEF	United Nations Children's Fund
INP	Integrated Nutrition Programme	UNSD	United Nations Statistics Division
IPC	Indian Planning Commission	WB	World Bank
IT	Information Technology	WIGGs	Women Income Generating Groups
KZN	KwaZulu-Natal	ZAR	South African Rand
PSPPD	Programme to Support Pro Poor Development		

FOREWORD FROM THE MINISTER

The National Development Agency (NDA) was established primarily to grant funds to civil society and community based organisations to meet the development needs of our communities in a democratic state. Ten years on, the NDA remains committed to execute the mandate that is clearly articulated in the National Development Agency Act (Act No. of 1998).

One such relates to the Agency's function to conduct research and publication aimed at providing evidence based policy making and interventions to maximise the impact and relevance of our development initiatives. With this in mind, the NDA undertook this research with the view to promote national dialogue, particularly in the context of the National Development Plan (Vision 2030), the implementation of which requires a vibrant civil society organisations. The NDP highlights active citizenry as one of its core pillars. The promotion and creation of active citizenry is a key role of civil society organisations. The attainment of the key focus areas of the NDP which amongst others include building safer communities, building a capable state, promoting accountability, fighting corruption, transforming society and uniting the country requires a more organised civil society capable of undertaking all these important tasks.

During the liberation struggle civil society organisations, working together with other like-minded formations played a very important role in bringing down the apartheid regime and in shaping the society we live in today. However, various reports have noted with concern the general decline of the civil society sector in the national development discourse. Key challenges include compliance with regulatory and governance issues as well as access to funding, especially amongst organisations that operate in remote areas and emerging organisations. It is for this reason that the NDA has embarked on an extensive capacity building programme to ensure that the civil society sector is better positioned to respond effectively to the developmental challenges of our times.



**Ms Bathabile
Dlamini, MP.
Minister
of Social
Development**

The 2030 Agenda for Sustainable Development, adopted last year in September picks up from and move beyond the Millennium Development Goals. Despite the remarkable progress South Africa recorded and to some extent even surpassed some of the MDG targets, much more still needs to be done to address poverty, unemployment and inequality. The urgency of addressing these issues and in building a more inclusive economic growth is underlined by the current economic climate across the globe which is likely to make more people vulnerable.

Given the foregoing, the publication of this report will go a long way towards creating an open platform on which Government and the civil society sector can begin to engage effectively on the key question of the national development agenda and the important role that the sector must occupy in this regard.

Ms B O Dlamini, MP
Minister Of Social Development
Republic Of South Africa

CHAPTER 1:

THE LANDSCAPE OF THE CIVIL SOCIETY SECTOR IN SOUTH AFRICA

National Development Agency: Bongani Magongo

Introduction

The civil society as a whole in South Africa has reinvented itself over the past years since the democratic dispensation. The sector has had to adjust to new realities and enemies after apartheid. The common enemy of apartheid fell and the sector had to face the realities of building the country into one coherent society with a common goal of “better life for all”. Over the past twenty years, the sector has faced obstacles from within and outside. These obstacles can be linked to the following fundamental questions: What are the common elements that will pull us together in the democratic society we are operating in? How do we strategise to obtain a cohesive approach towards a national development agenda that is just, fair and effective? How do we relate to democratic government to ensure that we have a progressive democratic society? How do we remain relevant in the new dispensation? These are questions that have engulfed this sector over the years. Most of them are not easy to answer; or the answer lies with the civil society response towards developmental issues relating to ordinary citizens of the country.

South African democracy has three main enemies. These are poverty, inequality and unemployment. These three challenges are a threat to the state if they persist for too long without being arrested by all social partners of the state. The new democratic government has, over the years, developed legislative and policy frameworks specifically to address these challenges. Some of the policy frameworks have been reviewed as context changes over the past twenty years; however, the results have not been as significant as some citizens would expect. This does not mean that nothing has happened but it may suggest the high expectations that citizens have entrusted to government. As a developing nation which has been twisted by colonialism and apartheid over centuries, it will be difficult to deal with these problems over a short period of time.

The government priorities have always focused on these areas and programmes have been developed across government spheres to implement initiatives relating to these challenges. However, the citizens of the country still hold a perception that not much is being done. We may want to then look at the role played by all the state partners in dealing with these challenges.

One may start by providing a narrative context of these challenges in order to determine the role that can be played by the civil society sector in positively contributing towards the state's efforts on poverty, inequalities and unemployment. The chapters in this book also seek to provide detailed research that can spark debate in these areas. The civil society sector is a major player in national development; in fact, developed countries use this sector to influence their foreign policies in other countries, especially the third world. The South African civil society context is unequal; operating on different levels and these stages of development of organisations belonging to the sectors vary considerably. This climate attracts skewed levels of skills, resources, influence and the ability to grow in many organisations. Organisations with better skills attract better resources and will have more influence on the public and government. Organisations with more influence also have an added advantage in that they are most likely to be sustainable, innovative and attract skilled people. The organisations that are struggling, newly formed and most likely operating in remote areas, remain marginalised and disenfranchised. This is due to lack of a competitive edge with other organisations in the sector. Many struggling and newly-formed civil society organisations do not graduate from the infancy to toddler stages because the environment for survival in the sector is very narrow and monopolised by the well-established and developed organisations. This environment has a potential of stagnating the sector with the unintended consequences of stifling development in remote rural areas where there is limited economic activity.

Legitimacy of core existence of the civil society sector

The South African civil society sector has over the past years, experienced fragmentation. The national and provincial NGOs which maintained unity of purpose got engulfed by internal and environmental politics. The internal and environmental politics can also be traced to the scramble for resources. As funding to the sector became scarce and difficult to access during the first 10 years of the democracy, the sector started to fragment, resulting in individual organisations having more access to available resources. The State recognised the unintended consequences should this sector remain unregulated. In 1997, the state passed legislation that regulates this sector. The intentions of the act were to ensure that the sector remained active and contributed to the development efforts of the state; thus it states in its preamble: *“To provide for an environment in which non-profit organisations can flourish; to establish an administrative and regulatory framework within which non-profit organisations can conduct their affairs...”*¹ The intentions of this Act are to ensure that the sector operates in a just and fair environment. The State at the same time also recognises that the sector will require a supportive environment to thrive and grow. The aim was to ensure that the sector becomes the main social partner in all development efforts and the fight against legacies left by colonialism and apartheid. In 1998, the state, through an Act of parliament, established the National Development Agency (NDA) to deal with sustainability and quality of contributions the sector could provide to the state. The NDA Act of 1998 states, amongst others, in its preamble: *“To establish a National Development Agency aimed at promoting an appropriate and sustainable partnership between the Government and civil society organisations to eradicate poverty and its causes....”*² These two pieces of legislation

are a clear indication that the state recognises the sector as a major partner in development.

The sector, in real terms, has been growing over the years. The number of NPOs that get registered with the NPO Directorate of the Department of Social Development is increasing every year. However, the number of non-compliant NPOs is also very high, over 60% of the total registered NPOs. This should be a first indication that the sector requires intervention to ensure that NPOs who get registered, first do so for a good cause, second, that the support they require to adhere to compliance is provided and third, that there are systems and processes in place to enforce compliance. The NPOs Directorate in the Department of Social Development and the National Development Agency are the two instruments setup by the state to deal directly with the civil society sector. The indications are, based on interactions with the sector, that the sector has doubts on the abilities and effectiveness of these state instruments. During a summit organised by the Social Development Department with the sector in 2012,³ the sector was very critical of the support it was getting from the department. As a result, the Minister of the Department set up a ministerial task team to deal with the issues and in addition a moratorium on de-registering noncompliant NPOs was effected by the minister. In another consultation process organised by the NDA on its current strategy in July 2015,⁴ the sector raised similar issues relating to NDA ability and effectiveness to play a role as the state organ for the civil society organisations in the country. The civil society sector has to thrive in a highly regulated environment with very effective methods of compliance adherence, but despite this, most NPOs that get registered fail to meet the minimum requirements to raise resources within and outside government, as they are deemed non-compliant, or are disqualified on the basis of their registration status.

¹ NPO Act 1997

² NDA Act 1998

³ NPO summit report

⁴ NDA consultative forum report

Although the private sector is reporting high investments in its social corporate investment programmes (CSI), these programmes are not monitored and reported in a manner that can quantify and/or qualify the contribution of the investment in developing the sector. The National Lottery was also set up to assist in funding the sector for development causes through the civil society sector. This vehicle has also found it difficult to support the sector effectively. The National Lottery has over the years shown a very high funding request from NPOs during their request for proposal (RFP) window periods; however the proportion of NPOs that qualify with quality proposals has always been very small. The high rate of proposal rejections by the National Lotteries for NPOs is one of the most serious indictments of the sector. High hopes were created in the sector when the National Lotteries Board was created, as the sector saw this vehicle as the only viable source for funding directly by the state. This funding source has not provided the respite the sector requires to alleviate the difficulties of accessing funding for development programmes in rural or less disadvantaged communities. Until the best formula is found by the state to integrate the instruments set to assist the sector, the sector will gradually fade away, and the influence it should be having on development for poor communities will be elusive to the sector and the state.

The civil society sector has over the past 10 to 15 years deteriorated in its effectiveness to support development discourse in South Africa. This sector has been disenfranchised by its weak regional and national structures. Over the past decade, we have witness very few powerful NPOs taking the state into task. These powerful NPOs have been created by a weak centre that does not hold. There have been a number of NPO umbrella bodies mushrooming across the country. These umbrella bodies have come about as a result of dissatisfaction with the existing umbrella bodies who should have been custodians of the interests of the sector. The danger of having very few powerful NPOs, with the ability

to challenge the state, is that it created a toxic relationship between the state and the civil society sector. This toxic relationship has created a sense of mistrust between the civil society sector and the state, which is counterproductive for development. Western countries have used the civil society of their respective countries to advance their development agenda in foreign countries. Some countries, such as the United States and various European countries, have invested billions of dollars in their own civil society organisations to promote their foreign development policy interests and agenda in other regions of the world. The partnerships they have with their civil society organisations are based on common goals and interests. South Africa has not invested in such relationships between its civil society sector and the state. The common enemies for the civil society sector and the state are poverty, unemployment and inequalities. These have been documented in all national economic and development policies of the Republic of South Africa since the advent of the democratic government. All government policies, social and developmental, have identified these three as enemies of the state. The plans and roadmaps as executed by all social partners, including the civil society sector, have not happened as envisaged. South Africa lacks coherent strategies and programmes for the civil society sector to deal poverty, unemployment and inequalities, where the sector takes charge of specific deliverables and offers appropriate resources to the sector to respond to the challenges. The relationship between the government and the sector is that of “master and subordinate”. Such relationships are problematic, since the one waits for the other to issue instructions. If the instructions are not clear or accompanied by the required resources to execute, the whole plan falls apart. This gives rise to those civil society organisations with enough access to resources to revolt against the state. This relationship cannot be symbiotic nor can it achieve the intended results against the enemies of the state. The civil society sector needs to be the first to ignite the spark that starts the process of getting the sector out of its

current state and towards meaningful contribution to development and development policy in general.

The weakening of the sector started at the beginning of the current century in South Africa. The decision by government to stop the RDP programme, which acted as a conduit for funding to the civil society has crippled the sector. Being aware of the outcome of this move to the sector, the state thus created the National Development Agency to fill the void. The assumption was that the state agency would have the necessary abilities and capabilities to fulfill the function left by the RDP. This never happened as envisaged and the NDA ended up struggling to survive or living up to its true potential, thus the sector completely losing trust in the state agency. This created the current scenario experienced in the sector. The void left by switching foreign government direct funding to the sector and replacing it with government to government has opened opportunities for foreign NPOs to start programme implementation in South Africa. These foreign NPOs are funded directly by their governments to operate in a space in South Africa where the indigenous and small organisations are unable to dictate terms, as the terms are dictated by foreign NPOs. This has also fuelled the strained relationships between the sector and government. There have been some perceptions from some government quarters that some civil society organisations are funded by foreign governments to destabilise the country. As long as these perceptions prevail in the minds of some people working for or aligned to the state, the relationship between the sector and state will always be viewed with suspicion. A systematic way for NPO funding must be established to mitigate suspicion of the conditions for funding. The proliferation of foreign government NPOs needs to be addressed in a manner that foreign government NPOs are regulated outside the normal local NPO regulation mechanisms.

Moving Civil Society towards a common goal

Understanding the predicament faced by the civil society sector, one has to look at a systematic approach that can be implemented by both the

state and the sector in a symbiotic way. Coexistence of the civil society sector and the state organs is fundamental in fighting poverty, unemployment and inequalities. However, they both need to acknowledge the current barriers and normalise the relationships, thus building trust and eventually realising a common goal.

We have to acknowledge that the civil society sector is fragmented and needs a rebuild internally and externally for it to present a coherent approach towards development. The current civil society organisation structures are weak or non-existent, except for the very few who may see themselves occupying the void created by fragmentation and disenfranchisement of the sector. The danger with this is that the few civil society organisations that are vocal, may present themselves as representing the interests and ideologies of the entire sector. In South Africa, there have been a few civil society organisations that have lobbied and advocated the state to address some fundamental developmental policies and actions. In early 2000, the Treatment Action Campaign (TAC), a civil society organisation, challenged the state on making ARVs available in the country for people living with HIV. Recently, Section 21, another civil society organisation, took the state to task to deal with access to textbooks in schools. The two cited examples are a typical reaction of some of the civil society organisations on how they would make their voices heard by the state. However, there are tens of thousands of civil society organisations across the country that are operating in dire conditions with no outlet to challenge the state. The sector needs a leadership that can galvanise the sector to advocate and lobby for the interests of the sector as a whole.

There are a number of fundamentals that need to be put in place and supported by the state to re-ignite the abilities and capabilities of the sector to becoming partners in development. The sector as a whole needs to re-organise itself. This may be a tall order, given the fragmentation and inequalities

that exist in the sector. However, there are a number of civil society organisations that are working hard to achieve the expectations of a civil society organisation. The only requirement needed is for state entities such as the National Development Agency and National Lotteries Commission to create the platform for the sector to rescue itself from the current state of affairs. This requires a mind shift from these state agencies. There is a body of literature that suggests these entities are pre-occupied with their own internal challenges and only look to the sector when they need validation of their actions. The state entities created to support the sector must first realise they have a responsibility to fulfill to the sector. This requires these entities to first build bridges between themselves and the civil society sector with the aim of re-establishing trust and defining a common developmental agenda with the sector. This is a critical step to be taken before any programmes, activities and funding modalities can be defined. The sector requires the state organs created to provide a conducive environment for it to define its contribution. The agenda of the sector must be guided by boundaries within which they can organise themselves and formulate programmes. There are three critical and useful pillars that the sector can organise themselves around. These are service delivery, lobby and advocacy and research.

Service delivery would address all interventions aimed at responding to development needs of communities. Currently there are a wide range of interventions that are provided by the sector to tackle poverty and unemployment with the aim of reducing inequalities. The interventions range from social to economic development needs of individuals and communities. This area of civil society operations is funded by government departments and its agencies at all spheres of government, the private sector and donor agencies. However, there is no parity in how the funds flow to the sector, thus organisations with

capacity and influence usually benefit far more than those which are less visible.

Lobby and advocacy are more effective when implemented by the civil society sector, as the sector operates from the premise of representing the interests of the people. Over the past 10 to 15 years, civil society organisations which define themselves as lobby and advocacy CSOs have been reactive. Examples of the civil society protests around ARVs, school books and corruption show that they were initiated after the problem already existed. The approach should be proactive. This can only happen if the sector sits side by side with policy makers at the policy formulation level. A survey of civil society organisations (CSOs) engaged in open government partnership (OGP) with civil society showed a widespread recognition that OGP represents a great opportunity for leveraging transparency and accountability in countries around the world.⁵ The sector will need to organise itself to ensure that the state sees the sector as key partners in formulating national policies. However, the state will find it difficult to satisfy and accommodate the needs and the views of the sector if it remains fragmented and dysfunctional.

There are a number of civil society organisations that are focusing on research in South Africa. Some of these organisations are stand alone, some are attached to academic institutions; however, their research perspective and agenda are to produce knowledge for their clients, not the sector. The sector, to remain competitive and producing useful knowledge to policy and programme debates with the state, needs to generate its own sector knowledge. The sector needs to establish information hubs that will ensure that programmes implemented by the sector are responding to needs-monitored and rigorously evaluated to show benefits and effects. Research is also useful to inform proactive advocacy for policies and new programmes by

⁵ Warren Krafchik (2013). *Advocacy from the Inside: The Role of Civil Society*.

the state. This is an area where the sector in South Africa has lagged behind. State institutions such as the NDA and National Lotteries Commission should assist the sector to secure research funding for the sector. Hess⁶ wrote the following when arguing the fundamentals of research conducted by the civil society sector: “when civil society organisations challenge elites with the goal of making social change that serves a broad public benefit, they confront a variety of problems, such as repression, lack of media coverage, internecine struggles, and underfunding. Among the many problems that social change agents face is an often lopsided field of scientific research. With so much money available from government and industry to support research in tune with military and industrial interests, and with the industrial shaping of university research through donations and partnerships, mainstream research agendas tend to reflect the priorities of political and economic elites. Those priorities are evident in the selection of which scientific research questions are worth pursuing and which should be designated as best left undone. As a result, when social change agents attempt to make epistemic claims, such as claims about the safety of a new technology or an industrial process, they often confront a lack of knowledge or an area of “undone science” that does not exist but would have been valuable to them.”

In South Africa, a number of social change initiatives have been implemented by the state, with little influence from civil society movements. These include social grants, unemployment grants, youth employment schemes and many others. In all these schemes, the aim is to address poverty, unemployment and very high inequalities, yet there has been no quasi-experimental or experimental research conducted on the efficacy of these initiatives in South Africa at a scale that can measure social benefit. It would be of significant benefit for the state, through the National Lotteries Commission to fund civil society scientists to conduct social change

experimental studies on these programmes to inform the state on the tangible benefits of investing billions in these programmes.

Levelling the landscape for civil society contribution to development

To revitalise the sector back to a coherent civil society movement, a number of actions need to be taken by the sector itself and supported by its social partners. The sector needs to acknowledge that fragmentation based on the scramble for resources, makes the sector weak in South Africa. The sector needs to first agree on a common purpose and re-establish national, provincial and regional structures to pursue their goal. These structures are paramount in creating an environment for the sector to gain trust and confidence from its partners. Many national and regional structures for civil society have mushroomed in the past few years. These structures have only focused on mobilising resources as opposed to formulating a common agenda and influencing their partners to support the agenda. Those with skills and access to resources have focused on their survival and sustainability. The sector has taken the private approach towards development. Their resource mobilisation is focused on responding to tenders where they are expected to perform functions on behalf of the state or partner, with no interest in the community. This approach cannot be addressed through a fragmented sector. Both government and the private sector, through its social corporate investment programmes (CSI), have contributed to the fragmentation and scramble for resources. Organisations contracted through the government or CSI programmes are forced to operate with a focus on the contractual agreements and deliverables rather than responding to community felt needs. This has caused the community to lose trust in the sector as champions of community development discourse.

There is a need for a mind shift from the state and the private sector on how they create a space for the

⁶ Hess, D J. 2009. “The Potentials and Limitations of Civil Society Research: Getting Undone Science Done

sector to actively participate in representing society on issues affecting the public. The state and the private sector must first recognise that civil society is the most influential sector for debating public discourse. Tollefsen⁷ describes public discourse as seeking to engage not only those who disagree, but, just as importantly, those who do agree, in the common project of a public conversation about our day's most pressing issues. He further argues that, it attempts to do this with genuine civility, of the sort that acknowledges all our fellow citizens as equal partners in the search for moral and political truth. Such acknowledgement requires not just the manners so often lacking today, but also the mutual giving and criticising of reasons that mark us as rational beings. This is lacking in the current landscape of civil society engagements with the state and private sector. There may be valid arguments in South Africa that the civil society sector is represented in most structures of public discourse. These maybe structures such as NEDLEC, planning commission, etc. However, the representation of the sector and selection to these structures may be questioned; the argument can be made that civil society must set its own agenda and enter a public debate with a public viewpoint on the issues. Some critics of the current representation in these structures seem to take the view that those representatives are state appointees, thus agreements have no public participation. The state and private sector have to value and acknowledge contributions that would come from this sector on all public debates that affect public life.

The state has regulated the non-profit sector in South Africa; however, this legislative framework is much more concerned about the registration and compliance of the sector to national prescripts rather than to operations and sustainability. For the sector to survive and reclaim its position in the public discourse, the sector in South Africa needs self-regulatory mechanisms. The civil society sector often asserts that they speak on behalf of communities

and those that do not have a voice. This then regularly demands greater accountability from other sectors and the managing of increasing volumes of public funds, thus the sector is being asked to improve its practices internally, among themselves and in their relations with other stakeholders. Such sector level, self-regulatory initiatives have become an important means of building public trust, protecting the political space for civil society to operate, and sharing good practice and learning. The advantage of a self-regulatory mechanism for the South African civil society sector is that the sector will be able to create a credible space in which it can operate. It will also provide trust and accountability in order for state, private sector and donors to fund the sector. The absence of any form of regulatory mechanisms for the civil society sector in South Africa has opened the space to be dominated by organised groups such as the labour unions and political parties, who may not represent the true interests of communities, especially on public policy issues.

The sector needs to build its capacities and capabilities. It has been argued in many publications and commentaries that the sector lost its capacities and capabilities when the new democracy came into being. The arguments slant towards both government and private sector attracting the best skills from the sector, to build both state and business capacities to ensure that the new dispensation is responding adequately to public and private sector service delivery demands. If these arguments are true, the sector then needs to forge strategies and tactics that can re-build capacities. The flaws of the current capacity-building programmes advocated by both the state and private sector for civil society organisations, is that it focuses on abilities for the sector to deliver programmes on their behalf and interest, not the interest of the sector. In a report on a summit for non-governmental organisations organised by the Department of Social Development in 2012, the sector identified capacity building as one

⁷ Tollefsen.C O (2009). What Is Public Discourse?

point of their 10 point plan. The approach towards capacity building is external; the sector is suggesting that this can be achieved through implementation by external institutions. The statement on capacity building says “the strengthening of NPOs by focusing on training and development so as to enable these NPOs to build capacity for themselves and for other NPOs. Key role players are the Department of Social Development, other government departments and government agencies, notably the National Development Agency (NDA), relevant SETAs and other stakeholders, as well as the NPO sector in partnerships”. The capacity development for the sector must be strategic and empower the sector to formulate its own strategies and programmes. The focus must be on the abilities of the sector to be independent and provide value to partners, whilst representing interest of their constituencies. The civil society sector, by virtue of its objectives and the interests they serve must have a constituency. Once this element is eroded, they cease to be agents of change but service delivery agents. The sector needs to debate how they balance the two expectations to ensure that they respond to both the needs of their partners and the needs of their constituencies.

Funding in the civil society sector is unpredictable. No one knows how much the sector is funded and from who and when. This makes it very difficult for the sector to plan and execute plans in accordance with the sector agenda. The sources of funding for the sector are also fragmented and funders do not know if they are the only one funding the organisation. In a publication by Alexander O’Riordan in 2013, on the South African Civil Society Information Service, he stated that “there is far from overwhelming attention paid to the need for greater funding to local NGOs. It is, thus, unfair to only criticise donors for their allocations when local NGOs in the governance sector have done so little to lobby for their own institutional needs”. This is pointing at the fragmented strategic approach by the sector on resource mobilisation as a sector. In 2011, it was reported that international

donors, mainly from western governments and multilaterals disbursed \$1.2 billion to South Africa. Trialoge reported in 2012 that the private sector funded civil society organisations for R8 billion through corporate social investment schemes. The government funding to civil society organisations has never been quantified, however. The Department of Social Development alone, has reported funding up to R6 billion a year. The National Lotteries in 2012, reported to have funded the sector for R1.7 billion in funding through the National Lottery Distribution Trust Fund. The National development Agency reported to have funded the sector for R32.7 million in 2014. The question about the funding flows mentioned above is who coordinates funding to the sector? In any given year, billions of rands are spent on the sector in South Africa. However, there is no formal mechanism to track and monitor funding flows to the sector in South Africa. The sector itself is not organised to provide accurate information and monitor its contributions from the partner investments made to the sector. This sector, for it to better monitor funding inflows and monitor the quality of deliverables with stakeholders or funding partners, needs to develop a functional and transparent funding coordination and disbursement mechanism. This has to be set up and managed by the sector to ensure transparency and trust to the sector.

Finally the sector has to demonstrate the benefit and contribution it is making to development in the country. This is one of the most difficult components of civil society work. The majority of funders are more interested in outputs, such as the number of people who benefited from the funding; however, this type of reporting can never qualify the extent to which change has been made to the beneficiaries. In some cases, you find that the reporting requires information on the value of funding distributed. All these variables fail to show effort in ensuring that the value and the number have produced beneficial effect on the lives of the individuals or communities serviced by the sector. Measurement should be viewed as a process whereby the greatest value

is achieved through organisations building up and learning from data and evidence over time. The most basic forms of performance metrics comprise two categories. These are “activities,” such as the number of staff trained or amount of goods purchased, and “outputs,” such as the number of clients served, products distributed, and areas reached. With respect to giving programmes comprising primarily short-term, one-off funding driven by community obligations, simply identifying activities and measuring output may be all that is feasible. However, output and activity metrics alone cannot indicate that positive societal changes are being achieved or if unintended harm is being caused. Civil society organisations are faced with mounting pressure from funders to demonstrate the effectiveness of their programmes. They are expected to recount cases of several successful journeys from “aspirations to impact” and they are required to rigorously answer the following interdependent questions:

- What are the results for which we will hold ourselves accountable?
- How will we achieve them?
- What will they really cost?
- How do we build the organisation we need to deliver these results?

To further clarify the language of measurement: “outcomes” are those benefits or changes realised as a direct result of a programme’s activities and other outputs, while “impact” refers to long-term results and ultimate social value. Ideally, one could measure along the entire chain of results, from initial activities through intermediate outcomes to final impact, and prove that the programme directly resulted in the changes observed. In practice, however, the rigorous evaluation of impact leads to twofold complications. First, it often takes a long time before final impact can be observed and this involves a lengthy measurement process. Second, one must establish statistically-validated causality between services and observed impact in order to

prove without doubt that the programme in question is responsible. To gauge the funding success, civil society organisations may use other assessment approaches that may be less precise but more timely and practical.

Formal impact evaluations – this would require commissioning formal programme studies and is often the only way to measure and prove the impact arising from a grant. Many such impact studies are expensive and rigid, requiring significant data and a control group (i.e., of participants who do not receive the programme’s treatments) to be statistically reliable.

Outcomes-measurement systems – this requires measuring intermediate outcome metrics and may be a practical alternative to formal impact evaluations. Monitoring near-term outcomes can identify opportunities for mid-stream improvements. Applying the models and results of other, already-existing studies can project impact. Definitive causation and attribution are not formally proved, but evidence from other similar treatments may be sufficient to establish that a reasonable link exists between the measured outcomes and ultimate impact.

Assessment of the organisation’s impact-achievement potential – this is the most commonly-used evaluation approach for civil society programmes. The approach relies on the organisation’s own metrics, data, and standards. In the social sector, evaluation experts have proposed standardised criteria for assessing an organisation’s potential for achieving measurable and improvable impact.

Such assessment can increase confidence among funders that an organisation is effecting positive change according to its claims. High-performing characteristics include capable leadership, clear objectives, diligent quality-data collection and analysis, and the informed adjustment of processes to improve. Choosing which approach or combination of approaches to adopt depends

partly on how much confidence funders require in measurement precision and data quality:

- The rigour of formal evaluation places the greatest demand on the quality of underlying data. It also requires the most time. If funders need to make timely decisions, it may be more practical to choose and measure a proximate set of nearer-term outcome indicators believed to be predictors of ultimate impact.
- Programmes that are not yet mature or stable may not be ready for formal evaluation, as their theory and implementation are still evolving. In evaluations, treatments cannot be changed without invalidating the test, while control group participants cannot receive the programme's services.
- Other evidence, such as evaluations from similar programmes, may already prove that similar types of interventions work well in certain contexts. Regarding programmes designed largely around evidence-based processes, outcomes measurement and/or impact-potential assessment can reasonably demonstrate that they are on track.
- Existing national and regional datasets relevant to the programme can be identified to construct reasonable comparison benchmarks in lieu of formal control groups.

Conclusion

The civil society sector has a duty to reclaim its space in the South African development discourse. This requirement cannot be achieved through the current approach towards civil society work, where there is an expectation that the state and the private sector will dictate what the sector must do, including when and how. The civil society sector needs to first take charge of its own business. This means the sector must find a way to reorganise itself for a common goal and purpose. This will allow the sector to deal with the current fragmentation at all levels. There is a need to revive and revitalise umbrella bodies that unite the sector. Currently there are many umbrella bodies which are either dysfunctional or have no common purpose, thus limiting the ability of the

sector to become a critical player in the development space in South Africa. This cannot be achieved through third-party interventions in the sector, but must be driven by the sector itself.

The sector has to define a niche in the development space where it can dictate the development agenda to partners. The current development agenda in South Africa is only dictated by the state and business. The space of the sector in setting up development agendas has been taken over by labour movements and opposition political parties. The danger of this is that these movements may present themselves as true representatives of the public, whilst serving their own interest. Until such time that civil society is organised around a common theme and is seen by the public and communities as the voice for development, the sector will have no constituency to represent and thus will be rendered ineffective. The state has adopted the National Development Plan Vision 2030 as its policy and strategic framework. The civil society sector has not organised itself around this strategic framework and defined its role as a sector. State institutions such as the National Development Agency should be providing platforms for the sector to define itself in relation to its contribution towards the national strategic framework. There has been no meaningful debate around its role in the setting of the national development agenda, even the state is not sure how to bring the sector into the centre of discussions on issues relating to defining the role of civil society in implementing the National Development Plan. It is important for this sector to establish a niche that they will rally around within the areas of priorities in the development agenda of the country.

The sector needs to start processes that will allow some self-regulatory mechanism to ensure operational functionality, accountability, norms and standards of their programmes. The reason why some bilateral donor funding is returned by National Treasury every year is because the sector does not have instruments to regulate itself in terms of service

provision. The only regulatory mechanism that exists is the NPO Act. This legislative framework deals with compliance for registered NPOs, it does not regulate operations. The sector operations need to ensure that funders of the sector are attracted and have confidence in the sector's ability to manage its own business. The sector must take responsibility on how programmes are planned, implemented, monitored, reported and evaluated. This will enable it to quantify and qualify its contribution to national development and at the same time account for funds received from donors and the state. Currently it is very difficult to account for all funds received by organisations on year to year basis. Until such self-regulatory mechanisms are in place, it will be impossible for the sector to report accurately on what the sector has produced and at what cost.

Equitable funding in the sector is the main challenge. This is caused by a number of factors within the sector and the environment in which the sector operates. It is very difficult for funders, including the state, to fund in an equitable manner a sector that is not organised; i.e. with no accountability mechanisms and no guarantees for delivery. This then introduces selective funding by funders. Organisations with a history of skills, accountability and quality service will always have a larger share of the available funds for the sector. However, these organisations with these pre-requisites are few and usually operate

in metropolitan areas. They would, if they require more capacity, contract the less advantaged and smaller organisations in remote areas to implement their plans. This creates a dependency syndrome in organisations with limited access to funding which prohibits them from building their own internal capacity to attract funding. Most foreign AID funders prefer to fund organisations that they are familiar with and have processes and systems that can deliver and report against their funding. New and emerging organisations have difficulty in breaking through this type of funding. However, if the sector were organised and had self-regulatory mechanisms it would be easier for such funding to come through the sector and the sector would equitably distribute funding in a manner that would allow organisations in remote areas access to funding. In the absence of the National Development Agency playing its conduit funding role for state and international donors, the National Treasury has taken over this role, even though it does not have any mechanisms to equitably distribute funding to the sector. It is the duty of the National Development Agency, as prescribed in the act, to coordinate and provide this instrument to ensure that foreign AID and government funding to the sector is equitable and systematically distributed for development programmes. The sector has to lobby and advocate that donor funding is centrally coordinated and equitably distributed across all sectors of development.

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CHAPTER 2:

POVERTY AND ITS MANIFESTATION IN SOUTH AFRICA

Human Sciences Research Council: Margaret Chitiga-Mabugu, Nicholas Ngepah, Charles Nhemachena, Shirin Motala, Jabulani Mathebula, Evans Mupela. National Development Agency: Thami Ngwenya, Bongani Magongo.

Introduction and background

Poverty has remained topical in global development policy endeavours, especially in developing countries. It is much more topical in South Africa due to historicity and depth of inequality in assets, incomes and opportunities. Poverty is a multifaceted and dynamic phenomenon. As such, poverty reduction endeavours do not only require a multipronged approach, but also strategies that are adaptive enough over time and space to always measure up with the changing fundamentals.

The reasons for undesirability of poverty lie in two significant truths. The first is the fact that poverty is ethically unacceptable. It is not ethically conceivable that a proportion of the population of a society should be in deprivation of any kind of welfare. For this reason, poverty reduction is for its own sake. The second truth is that both initial and current poverty affect the pace and spread of the economic growth that a nation experiences (Ravallion, 2009). The dissatisfaction due to poverty can also lead to stifled growth through socio-political unrest that may ensue (Ngepah and Mhlaba, 2013). In this regard, in recent years South Africa has been experiencing significant protests (from the seemingly deprived citizens at the lower scale of the welfare distribution spectrum) in demand of service delivery. In order to design and implement targeted poverty reduction policies, it is therefore important to understand how poverty is distributed in South Africa and what the main determinants may be.

While the global policy objective with respect to poverty is to halve the proportion of people living in extreme poverty⁸ by the year 2015, starting from the 1990 level of extreme poverty, South Africa has shown more boldness in this objective by undertaking to halve its national poverty by 2014. Cognisant of this, South Africa has vested resources in its national institutions to fight against poverty.

In 2008 the Human Sciences Research Council (HSRC) and National Development Agency assessed the profile of poverty at the provincial level in South Africa. The 2008 report used a multiple deprivation approach to construct indices that were used to profile poverty comparatively at the provincial level in South Africa. The report also assessed provincial (budgetary) capacity and local economic development (LED) at the provincial level. It specifically looked at levels and growth of Gross Domestic Products (GDP) and the respective provincial contributions to national GDP; unemployment and sectoral contributions to employment.

In 2014, both institutions conducted a similar assessment. The follow-up assessment is particularly relevant in connection with South Africa's bold adoption of the poverty-related Millennium Development Goals. In the wake of 2014, it is important to assess and comparatively understand how South Africa has fared in its battle against poverty. The basis of this review hinges on the two approaches to poverty reduction: one of which is handing social grants to the poor, which though it may alleviate current poverty and inequality, may not be sustainable. The second approach is to ensure that the poor effectively participate in the productive process and also share in the fruits of the ensuing economic growth. It is this last avenue that this assessment will lay emphasis on. The main objective of this assessment is therefore to profile poverty in South Africa across the nine provinces. It also aims to evaluate changes in poverty and incomes of the poor between 2005 and 2010, matching the changes to various determining factors like education, health, income source, etc.

The theory and practice of poverty conceptualisation and measurement issues

Before any attempt to know where the poor are and what distinguishes them from the rest of the citizens,

⁸ i.e. on less than US \$1.08 per person per day

there must be a means of identifying the poor from the non-poor. How one conceptualises poverty can lead to materially different outcomes in terms of poverty profiling and policy guidance. The key question here is: what conceptual approaches to poverty are suitable for the specificities of the South African context? The racial and cultural diversity and the apartheid legacies of the South African society speak to these specificities. In attempting to adapt various poverty conceptualisations to South Africa, the usual debates and trade-offs come alive. Some of these debates relate to whether poverty should be one-dimensional or multidimensional; monetary or non-monetary.

Poverty has been generally accepted to mean significant deprivations in wellbeing (Haughton and Khandker, 2009). Two related questions arise from this definition. The one is the meaning of wellbeing and the other is how deprived should one be from an appropriately defined wellbeing indicator in order to be considered poor.

The fundamental differences in poverty outcomes and profiles arise from the consideration of what wellbeing is. Three broad conceptualisations of wellbeing can be identified in literature of poverty measurement. The one is the utilitarian view (Sen, 1979), which considers poverty as acute deprivation in utility. Proxies are used for utility due to the fact that utility cannot be observed and is hence immeasurable. The most common proxies used are incomes or consumptions, which are considered as inputs to utility. The use of monetary measures of poverty is therefore justified by the fact that money can buy any input to attain a required level of utility. The shortfall is that the usual proxies of utility do not capture utility from publicly provided goods or leisure. One may argue that for the purpose of poverty measure, this shortcoming is not too acute to jeopardise the desired outcome. This is mainly because publicly provided goods are available to every citizen and lack of monetary means may be the main reason why some people would not have access.

The second broad conceptualisation focuses on whether a given household or individual attains a given dimension of wellbeing, such as health, education, nutrition, etc. In this approach, money (income) could be just one dimension, like others. Here, a broad range of dimensions can be considered, such as infant mortality; life expectancy; assets; the share of spending allocated to food, housing conditions, or child schooling. The importance of this approach is that it spells out the multidimensionality of poverty. By this standard, poverty can be conceived in terms of non-attainment of certain minimal levels of these dimensions. It is based on this that poverty is sometimes viewed in terms of multiple deprivations. However, this approach poses an interpretational problem. For instance, someone may be educated and healthy, but poor in monetary terms. However, if on the other hand, someone has enough income to acquire the required minimal levels of the other dimensions of wellbeing; to what extent should the policy-maker be concerned?

The third broad approach is based on Sen (1987), who argues that wellbeing is a product of a capability to function in society. Poverty therefore arises when people lack key capabilities, and hence have inadequate income or education, or poor health, or insecurity, or low self-confidence, or in some way powerlessness, or the absence of rights, such as freedom of speech. In this regard, poverty is equally multidimensional in nature. Multidimensionality in this context becomes relevant for South African society, given the history of racially targeted deprivations of different dimensions of wellbeing. These concur to impact on participation in the labour market and hence define the outcomes of other dimensions, such as income. Before we return to the considerations of dimensions in poverty measurement, let us look at the fundamentals of measuring poverty.

Out of the three approaches, one may not choose a single one over the other for South Africa. Given that different dimensions interrelate very closely with income, it is agreeable to use income as an overarching

dimension and also as a means of acquiring other dimensions. However, it is also necessary to analyse the other dimensions as they relate to incomes and the constraints of attaining them.

Irrespective of what dimensions one considers, and how these dimensions are considered (one at a time or a lumped single index), the steps to identifying the poor are common, and well-established. Sen (1976) lays down two basic steps to measuring poverty: firstly identifying the poor and then constructing a numerical index that measures poverty.

Identifying the poor

In identifying the poor, a threshold level is established, that serves as a criterion to separate the poor from the non-poor. This threshold, known as the poverty line, can be established using various methods. The methods depend primarily on what one seeks to achieve with the poverty line, or what one wants to do with the ensuing poverty measures. There are three basic approaches to the poverty line. These are absolute poverty line, relative poverty line and subjective poverty line.

If much emphasis has to be laid on equity in policy measures, one might consider relative poverty lines, which depend not only on the absolute attributes of the poor, but on the wellbeing (distribution) in the rest of the society. This is known as relative poverty lines, because it depends not only on the wellbeing of the poor, but also on what happens to the wellbeing of the rest of the society. There are two ways of defining the relative poverty line. The one consists of defining the poor as a proportion of the population at a given level of the lower end of the income distribution spectrum, such as 40 percent, or 20 percent of the population. The weakness of this approach, as explained by Woolard and Leibbrandt (2001: 48), is that the ensuing poverty rates from this method may remain unchanged even when economic conditions change. The other way is to set the poverty line in relation to the target society's living standard. This can be a certain percentage of mean or median of

income, or the wellbeing indicator of interest. For example, using this approach, one may draw the poverty line at a certain proportion of the mean or median income, or endowments of any dimensions of wellbeing in the society.

The other way of identifying the poor is establishing a poverty line that is absolute and independent of the rest of the society. This is usually based on the cost of a set of goods and services considered necessary for having a satisfactory life or a minimal level of a given dimension that is considered absolutely necessary for a satisfactory life. The most basic form of the absolute poverty line is the food poverty line, which considers a nutritional threshold. To the extent that one includes the consumption preferences of the population, sub-classes of this type of poverty line may be derived. Examples are the normative and the semi-normative (also known as the cost of basic need-CBN) poverty lines (Expert Group on Poverty Statistics. Rio Group, 2006: 54-55). The normative is an estimated cost of a basket of food, which is constituted according to established nutritional and health norms. In the semi-normative, the basket is constituted based on the consumption preferences and the market prices facing a population whose poverty is of interest.

In the end, the approach adopted has to be informed by the nature of the exercise and the policy purpose thereof. For the purpose of poverty profiling and mapping, one would be conscious of issues of comparability and hence, the poverty line chosen for a given dimension of poverty must lend itself to profiling according to geographic, time and demographic and socio-professional grouping, and the overcoming of data constraints.

In this review, we will not concern ourselves a lot with the debates around the poverty line, but rather with the appropriateness of it for the purpose of poverty profiling at the relevant geographic, racial grouping, gender (etc.) disaggregation. For the purpose of targeting the poor, and the prioritisation in policy, in the context of limited resources, one can argue

for the absolute approach for certain dimensions of wellbeing. However, a combination of different approaches may be necessary for some dimensions.

Poverty measures

Once the poverty line is appropriately chosen, the task of aggregating the poor following the desired criteria becomes the next concern. For the purpose of profiling and comparison over space, time and different groups, the most important criterion of the poverty index is that of sub-group decomposability. In this respect, the most elegant approach to aggregation of the poor is that proposed by Foster, Greer and Thorbecke (1984), which has come to be known as the FGT family of poverty indices. These are also the most widely-used indices for quantifiable dimensions of wellbeing. The FGT poverty measures contain three important poverty indicators according to degrees of poverty. These are incidence, depth and severity of poverty.

The poverty incidence measures the percentage proportion of individuals in a society that are considered poor according to the appropriate threshold. This is simply the ratio of individuals under the poverty line to the total population. For policy purposes, one is often not just interested in how many people are poor, but also in how poor people are. In this respect, this measure, though it gives a picture of the proportion of the poor, is lacking. The poverty gap measure, which measures the depth or intensity of poverty is worthy in this respect. It measures on average how far away from the poverty line the wellbeing of the poor is. This measure can go beyond telling the policy-maker about who is poor, to determining what resources may be needed to lift a certain number of poor people out of poverty.

Beyond these, one may also be interested in knowing how unequally the poor are faring among themselves; that is, are there among the poor, the very abjectly poor that may need to be targeted first

in policy interventions? For this purpose, a measure of what severe poverty looks like becomes important.

Besides quantitative poverty measures that aggregate poverty to a single index, a number of dimensions of wellbeing are not quantifiable. This, therefore, generally calls for the combination of quantitative and qualitative methods in poverty analyses involving multiple dimensions. Clert et al (2001) provide more arguments for combining quantitative and qualitative methods in poverty analyses besides the argument of non-quantifiable nature of certain dimensions of wellbeing. One compelling argument is that quantitative poverty analyses are inadequate to provide an answer to poverty causation issues because of failure to contextualise information. On the other hand, qualitative methods⁹ can assist in clarifying the economic, socio-cultural and political contexts underlying the poverty outcomes. This discussion differs from another kind of discussion which considers lumping multiple dimensions into one index. The latter is considered below.

Considerations of dimensionality in poverty analyses

The multifaceted nature of poverty necessarily calls for analyses over different dimensions. Thinkers in the poverty space agree that poverty has to be approached in more than one dimension (Clert et al, 2001). Over time, attention has shifted beyond the consumption/income-based approaches to achievements in human capital. Attention has even broadened to include social disadvantage, vulnerability and powerlessness. Despite the broadened attention from the consumption/income, or money-metric wellbeing indicators approach, when it comes to practicalities of poverty measures and profiling there is still much dependency on money-metric wellbeing. The multidimensional approach to poverty is not under debate, it is a consensus. However, the dividing issue remains that of measurement and hence operationalisation and interpretation. Below,

⁹ Examples include participant observations, community surveys, key informant interview etc.

we consider the different viewpoints of the use of dimensions in poverty measurement and analyses.

One-dimensional versus multi-dimensional indices in poverty measurement

The debate at issue goes beyond whether or not one should take other dimensions of wellbeing into account, but rather how to take these into account. In the attempt to take multiple dimensions into account, there are researchers (such as Alkire and Santos, 2010; Alkire and Foster, 2007; 2011) who think that such considerations should be done by aggregating deprivations in the various dimensions into a single index. This approach has led to the development of the Human Development Indices (HDI) and also a multitude of multidimensional poverty measures.

A sub-class of this approach is argued by researchers like Alkire and Foster (2007), Duclos et al (2006), Bourguignon and Chakravarty (2003), Tsui (2002). This consists of measuring poverty in each dimension separately. After such separate measurements one may compare across dimensions or carry out sub-aggregations or overall aggregations. This approach may be quite useful in the sense that it allows for the examination of the different dimensions or sets of dimensions separately. This approach is mostly used in the multiple deprivations studies.

The second viewpoint is that argued by Ravallion (2011). He views a multidimensional index, not in the light of whether it is feasible, but whether it is necessary. From an interpretational and policy point of view, a composite index of poverty may not be that useful. For example, when one develops an index that contains various mixtures of different dimensions, the question becomes how to understand what that end product stands for and how to prioritise the different components of the index in policy-making and implementation. In addition to this core challenge with multidimensional poverty indices, i.e. that of not lending itself to prioritisation in policy-making and implementation, there are other associated challenges.

In this regard Ravallion (2011) argues for a price weighted consumption attainment aggregate of different goods compared with a similarly defined poverty line. Here the focus is on consumption of market and non-market goods. In the case of market goods, actual prices or shadow prices can be used. For non-market goods, missing prices will have to be estimated. This approach can take into account (price-weighted) monetary consumptions that feed into the different dimensions; therefore, in essence this is still the consumption-based poverty measure we are acquainted with. The main criticism of the HDI-type approach is that of arbitrarily assigning relative weights to the different dimensions by the researchers. Such weights may not be compatible with preferences of the policy-makers and the poor themselves. Ravallion (2011) argues that the use of price-weight consumption poverty takes care of the problem by incorporating the preferences of the poor through prices.

Though not without weaknesses, the consumption poverty approach still stands the test for poverty comparisons in poverty profiling such as the task required of the present work. To the extent that money-metric consumption poverty measures and the corresponding poverty lines take into account the different attainments of wellbeing indicators, one can argue that such measures are multidimensional. Therefore the monetary dimensions in this respect may be seen as a type of catch all dimension. Poverty studies from the World Bank mainly follow the consumption attainment approach.

However, this does not mean that money can do all things. Somehow, capabilities become crucial in converting assets (including financial) to utility and wellbeing, although one may to a limited sense argue that with money, you can acquire health, education, etc. In addition, there must also be an acknowledgement of the challenges of the fact that not all dimensions of wellbeing can be easily quantified and captured in elegant single indices poverty measures. Nor does survey data of incomes

and consumptions give adequate insight into the individuals' view about their own preferences, which may depend not only on prices but on other factors such as taste, cultures, demographics etc.

In the face of these factors, one might consider multiple approaches comparatively. The core may be consumption poverty but it may be useful to examine the different dimensions for a deeper understanding of what wellbeing aspects are more critical for different groups of individuals and over time. Beside exploring different indices for different dimensions in conjunction with consumption-based poverty, the risk of not being able to (adequately) capture some dimensions that may not be at all, or fully quantifiable has to be catered for. This can be done by a combination of quantitative and qualitative approaches of the type discussed in Clert et al (2001).

Some relevant dimensions in South Africa

The review of the relevant dimensions that have been considered in South Africa is principally based on the works of Woolard and Leibbrandt (1999), Noble et al (2006), Borhat and van der Westhuizen (2013), the different works of Statistics South Africa, Human Sciences Research Council and a couple of international development organisations like UNICEF, OXFAM, FAO etc. The suitability of different dimensions is based principally on the policy objectives or purpose envisaged.

Woolard and Leibbrandt (1999) follow the World Bank type approach of consumption wellbeing, which sees poverty as the inability to attain a minimal standard of living in terms of consumption needs. After considering poverty as such, they then consider the characteristics of the poor by comparing consumption poverty with other dimensions of wellbeing. The main approach followed by Statistics South Africa (STATSSA) is also consumption based. For instance, STATSSA (2012) derives poverty indices according to the consumption approach. Like Woolard and Leibbrandt (1999), STATSSA

(2012) then compares the poor by some other relevant wellbeing indicators.

However, unlike Woolard and Leibbrandt who compare the poor by outcomes of other, different wellbeing indicators, STATSSA compares the poor in terms of expenses on the wellbeing indicators. Both approaches are important. On the one hand, following a policy intervention such as cash transfer to the poor, one may be interested to know what other dimensions the poor consider most important by observing their expenditure patterns on the other dimensions. On the other hand, over time and space, one may want to compare the poor by outcomes of the different wellbeing dimensions in order to gain insight of how well expenditures on the different dimensions translate to attainments of certain standards in those dimensions. In this respect, both have to be considered to complement one another. In terms of the other dimensions, Woolard and Leibbrandt consider education, health, unemployment, access to services and access to transport. STATSSA considers health, education, unemployment, access to services and asset ownership.

UNICEF and FFC (2010) use consumption poverty, setting the poverty line at 40th percentile in order to study child poverty in South Africa. The study profiles poverty among children by age, racial groups, gender, rural/urban location and provinces. Of interest to us here is the provincial classification. Using the 40th percentile poverty line, poverty (head count) rate among children is shown to be highest in Limpopo (78%) and Eastern Cape (77.9%). The least poor provinces in terms of child poverty are Western Cape (37.9%) and Gauteng (41.3%)

Noble et al (2006) differ from the above approach in that they use a multiple deprivation framework. They calculate deprivation indices for individual wellbeing dimensions and aggregate them to a single index by apportioning weights to different dimensions. Five broad dimensions or domains were considered by these authors. The first is income and material deprivation. This is measured by people

living in households with income of below 40% of the mean equivalent household income, and without certain assets (fridge, TV and radio). The second is employment deprivation, captured by people of working ages (15-65) who are either officially unemployed or unemployed due to illness or disability. The third is health deprivation, measured by years of life lost. The fourth is education deprivation, measured as people aged (18-65) with no schooling at secondary level or above. The fifth is living environment deprivation, with different components consisting of lack of access to piped water, toilet, electricity, telephone, and also shack dwelling and two or more people per room.

The main issue here is what has been highlighted already by Ravallion (2011), namely that of attributing weights to different dimensions in an arbitrary manner. Noble et al attribute equal weights to the different dimensions. Their argument is the absence of evidence suggesting differential weights to be used (Noble et al, 2006: 31). Yet there is no evidence suggesting equal weighted dimensions. Intuitively, it would be absurd to assume that the different dimensions are judged equally by the poor or the policy-maker.

Bhorat and van der Westhuizen (2013) calculate the asset poverty index for South Africa based on access to certain assets and services. These are mainly formal dwelling, piped water and electricity (for lighting and cooking). Using factor analysis, they have assigned weights to various asset categories and derived an asset index.

This review helps to establish not only the relevant dimensions prominently used in South African poverty analyses, but also a comparison of methods of incorporating dimensions to poverty index. Top of the list for the dimensions are education and health, followed by unemployment, access to assets and services.

Poverty profiling and mapping scope and gaps

The major problems with the apartheid era study

of poverty are inconsistencies and incompleteness of data. The first nationally representative survey was only conducted in 1993 just before the new democratic government took over. Carter and May (1999) used this dataset and found that 52 per cent of rural African households lived below a scaled per capita expenditure poverty line. Our aim in this review is to focus on the most recent poverty profile exercises. However, we first take a brief overview of the earlier post-apartheid studies before closely looking at an HSRC (2008) study that was aimed at a similar exercise to the present task. We follow up with other similar studies within South Africa and then briefly examine some international examples before concluding with gaps in South African endeavours and recommendations for the present study.

Most of the works that exist in South Africa on poverty profiling are those produced by Statistics South Africa (STATSSA), the Development Policy Research Unit (DPRU), the Human Sciences Research Council, various university research and researchers' publications. Here we focus on a few prominent ones and lay emphasis on studies that have made significant attempts to disaggregate poverty at different geographic and or socio-demographic units. We start by reviewing works that focus primarily on the consumption-attainment approach to poverty profiling, before we look at studies that have mainly used non-monetary poverty measures in poverty profiling in South Africa.

Consumption-based poverty profiling

One of the earlier consumption-based studies is Woolard and Leibbrandt (1999). They used various indicators of consumption (such as per capita consumption, total household consumption, per capita income, per capita food expenditure, per capita caloric intake, food ratio and educational level of adult household members) to define various poverty measures. An interesting exercise in their work is that of a simple correlation of the different indicators of wellbeing in their poverty measure, with private consumption expenditure (PCE). The useful

outcome is that adult educational attainment¹⁰ and caloric intake correlate only weakly with PCE. They explain that educational attainment of less than completed secondary school, is a poor predictor of finding employment and hence poverty. Also, the caloric intake measure, which basically considers income that can achieve a certain caloric level, is difficult in that food poverty may not mean energy poverty for a number of reasons.

These reasons have also been highlighted in very recent literature. Jensen and Miller (2010) explore some of the reasons. First is the lack of consensus on what should be the correct minimum or subsistence calorie threshold, how it should be computed, or even whether such a threshold exists at all. Second, is the possibility of considerable variations of any recommended threshold across individuals (and for the same individuals over time), and depends on a range of characteristics such as age, sex, height, weight, health status, level of physical activity, lean and muscle body mass, fitness level, stress levels and basal metabolic rate. Another reason is the high income elasticity of nutrition, whereby as incomes increase, individuals substitute away from certain foods, for taste rather than calories.

In the poverty profiling proper, Woolard and Leibbrandt (1999) disaggregate first by racial groups (mainly Africans and Coloureds)¹¹, then by locational classification (rural, small towns, secondary cities and metropolitan cities), by provinces, by gender, education, health, employment, income sources, and access to basic services and transport. Africans and coloureds experience far higher poverty rates than Indians and whites. Except for caloric intake measures, all the other measure of consumption attainment poverty show that Africans are poorer

than coloureds according to both 1993¹² and 1995 data. In terms of locational classification for 1995 data, poverty incidence decreases from 39.3% as one move from rural, steadily to 5.1% for metropolitan areas. The 1995¹³ rural population though, contains the highest proportion of the poor, and makes the highest proportion (48%) of the total population while the metropolitan, with the second highest population share (23.9%) has the smallest share of people in poverty. The picture is similar with poverty intensity, which measures consumption or income shortfall from the poverty line. However, the severity of poverty is much more pronounced in small towns than in rural areas. By provincial classification with 1995 data, the Eastern Cape has the highest proportion of poverty for all three measures (incidence, intensity and severity), followed by the Free State. Gauteng consistently ranks lowest in all the three measures, followed by Western Cape.

Comparing poverty across gender presents the difficulty of not being able to appreciate intra-household gender dynamics given that data is generally collected at the household level. As such, gender comparisons can only be achieved by comparing women in poor households with men in poor households. However, as Woolard and Leibbrandt (1999) point out, there may be women who are poor, living in non-poor households, who will not be counted in such comparisons. The way of identifying gender aspects is first by identifying (de facto¹⁴ and de jure¹⁵) female-headed households to compare with male-headed ones. Using this classification, for the 1993 Project for Statistics on Living Standards and Development (PSLSD), they found 60% of female headed households in poverty, compared with 31% for male. They also establish that

¹⁰ Educational attainment has a significant proportion of less than secondary school among the poor.

¹¹ These seemed to bear the significant burden of poverty.

¹² The 1993 data is the October household surveys that Statistics South Africa undertook annually, starting from 1993.

¹³ The 1995 data is a combination of 1995 income and expenditure survey, 1995 October household survey by Statistics South Africa.

¹⁴ Where the head is female in practice because the designated male head is absent for most of the year.

¹⁵ Where the household head is specified to be female.

female-headed households depend quite heavily on remittances for principal income source. In addition, a great proportion of time is spent by females on non-paid work, such as child care, home cleaning, fetching of water and firewood, washing, ironing, shopping etc., this increases their vulnerability to poverty.

When comparing across levels of educational attainment, the main message is the small difference between groups with no education and those with less than seven years' education. Although these two groups are the most prone to poverty, the no education group is worse off in terms of severity of poverty. It is important to followup with this type of analysis of educational attainment groups, because it can help to explain how policies fare in terms of low-skilled employment, and hence poverty reduction, in the low skilled socio-professional category. Their comparison by health category shows that the poor have a higher burden of poverty diseases (tuberculosis, diarrhoea, and fever), and mental and physical disability. A measure of children's health indicator relating to chronic under-nutrition (stunting), shows that 38% of children in ultra-poor homes suffer from stunting, compared with 31% for the just poor and 18.5% for the non-poor. An important lesson in the work of Woolard and Leibbrandt (1999) on the issues of poverty and health is the measurement of health. They note that self-reported subjective health may be biased as the rich are more health conscious and thus over-report, while the poor under-report. Therefore, a more objective measure of health is necessary for such an exercise.

The highest unemployment category in the 1995 data¹⁶ is among the ultra-poor Africans 59.4%, compared to 52.7% for the poor and 24.5 for the non-poor. The racial group with the second highest unemployment among the poor are the coloureds,

with 46.1% of the ultra-poor unemployed. Gender differences show female unemployment significantly higher than male unemployment. The tendency runs in similar ways amongst the poor and the ultra-poor. However, unemployment among the rural poor is less relative to the urban. The main sources of income for poor households are wages (40%), state transfers (26%) and remittances (17%). For the non-poor, their main sources of income are wages (72%) and capital income (13%).¹⁷

In terms of access to basic services, Woolard and Leibbrandt (1999) show the poor significantly lagging relative to the non-poor in access to electricity, inside-dwelling toilets, and piped water. Access to clean water and sanitation facilities is significant in terms of the most obvious and direct benefits to the poor in terms of reducing mortality, poor health and increasing productive capacity (Woolard and Leibbrandt, 1999: 39). Access to transport is also an important dimension for comparing the poor because they can spend significant financial resources on transport. The poor are shown to depend largely on walking, bus transport and taxis, while the non-poor depend largely on own transport (car or motorbike).

A number of other studies have profiled poverty in South Africa using the methodologies followed by Woolard and Leibbrandt (1999). One of the most useful, in terms of mitigating data challenges for finely disaggregated poverty profiling exercise of the type that may be required for this work, is Alderman et al (2001). The fact that a finely disaggregated poverty profile is most useful for more precise targeting in anti-poverty policies is a given. However, such fine disaggregation comes at a cost of trading off representatively of survey data such as the Income and Expenditure Surveys (IES). On one hand, survey data samples, though rich in variables of interest, are too small to be representative enough at some

¹⁶ The 1995 data is a combination of 1995 income and expenditure survey, 1995 October household survey by Statistics South Africa.

¹⁷ These figures are from Woolard and Leibbrandt (1999)

of the finest levels of disaggregation that may be desired. On the other hand, census data, though having the best coverage to eliminate the problem of representatively, does not contain the richness of the variables of interest for poverty mapping. Aldelman et al (2001) use a method that was first applied on Ecuador by Hentschel et al (1999) and later revised by Elbers et al (2001), to combine survey data with census data in order to exploit their respective strengths for use in more detailed disaggregated levels of poverty profiling in South Africa. They used the 1995 October Household Survey (OHS) and the IES data in conjunction with the 1996 population census to derive poverty measures at provincial, magisterial district and local council levels. The statistical tests for this method show that the method can be reliably used to impute poverty indices at magisterial district and local council levels with good precision. This method is also known as small area estimation.

The official statistics organ of South Africa also follows the consumption attainment poverty approach. Statistics South Africa generally calculates poverty in monetary/consumption terms using the various poverty lines. It uses both nationally defined and the international threshold of \$1 and \$2, revised recently to \$1.25 and \$2.50. In accordance with Woolard and Leibbrandt (1999), various other relevant dimensions are often profiled according to levels of poverty (monetarily defined).

In line with this approach, some of the recent poverty profiles of South Africa, such as STATSSA (2012), profiled poverty by race, province and other dimensions such as access to assets and services, health and education. The dataset used is the Living Conditions Survey (LCS) for 2008/2009, which is the first survey designed purposefully by STATSSA to measure poverty, although the IES is very rich in income and expenditure data. The study shows that the poor's access to basic services is encouraging, with electrification rate at 70.1% for the poor compared to 89.5% for the non-poor; access

to piped water inside dwellings or onsite at 51.8%, compared with 84.8% for the non-poor. About 54.7% of the poor have social grants as the main income. Provincial classification shows Limpopo as the poorest province, followed by the Eastern Cape, while Gauteng remains the least poor followed by the Western Cape. The gender gap of poverty has narrowed somewhat, showing females as contributing to 53.8% of the overall poor and poverty incidence being 27.3 compared with 25.2% for male poverty according to the food poverty line. Comparing the report to Woolard and Leibbrandt (1999) it appears that poverty rates among Africans have remained unchanged, however it is unclear if STATSSA (2012) considered household demographic composition by taking adult equivalence into account.

The existing consumption-base poverty profiles for South Africa have hardly gone lower than provincial level. The difficulty lies in the fact that the survey data that is comprehensive in income and expenditure information, loses precision as you disaggregate to smaller areas beyond the provincial level. Only Alderman et al (2001) attempted a municipality and district level profile by combining census and survey data. The few other small area mapping attempts are based on non-monetary dimensions such as the assets and capabilities poverty indices.

Non-monetary/deprivation poverty profiling

There have also been a number of early attempts to profile poverty according to non-monetary approaches; for example, multiple deprivations. In their study, Noble et al (2006) provide a broad classification of wellbeing categories over which multiple deprivations are assessed. There are studies that take the broad multiple dimensions approach, of which we review Noble et al (2006) as a sample for South Africa. There are a class of studies that focus on assets. For this we review Borhat and van der Westhuizen (2013) and Simelane (2009).

The approach to multiple deprivations used by Noble et al (2006) is that of constructing a composite

index of the different dimensions of wellbeing. The dimensions they considered are income and material deprivation, employment deprivation, health deprivation, education deprivation and living environment deprivation (akin to access to services). We discussed these dimensions in 2.4 above. Here, we are interested in the poverty profile that resulted from this approach. They construct provincial indices of multiple deprivations (PIMD) which are used to assess deprivation at provincial and ward levels. In each province, wards are ranked by PIMD scores.

Unfortunately, the PIMD measures do not allow for inter-provincial comparisons of deprivations. Besides the weakness of this approach discussed above, which is the difficulty of interpreting and using results of composite indices for policy specificity, there is also the problem of inter-comparability. With limited resources, one would prefer an approach that would lead policy to target the neediest areas. Secondly, this type of analysis, though it gives an idea of deprivations, does not indicate what possible resource requirement would be necessary to tackle the deprivation problem. Thirdly, the issue of which dimensions to prioritise, becomes crucial. As we discussed above, assigning equal weights to the respective dimensions gives the impression that the different dimensions are equally important from the point of view of the deprived and the policy maker. However, this is not the case and certain dimensions may be more important and would need to be addressed first.

Data-related issues are also worth discussing here. The census data used is good for small area profiling, but as discussed earlier in the review of Alderman et al (2001), the capture of income by this dataset is not an appropriate, reliable measure of quantitative poverty. Two main difficulties arise with the Census 2001 dataset, namely banded incomes and missing incomes. Because incomes are reported in bands and at individual levels, getting values of income at a household level poses a challenge. Noble et al uses logarithmic means to proxy for incomes at

household level. The second and most important are missing incomes, which have been estimated to be about 28% in the 2001 census data. Although the authors find comfort in the fact that Stats SA impute values of missing observations using some reliable techniques (logical and hot deck), these techniques do have limitations. However, according to Stats SA (2011), the UN standard rule for the output of this method to be acceptable is that any variable imputed for less than 10% of its cases is acceptable, and for less than 5% it is very good. Comparing these thresholds to the 28% missing observations of the income variable may be worrisome.

An examination of the profile of the households with missing or zero incomes by Leibbrandt et al (2005) shows that most of the missing data pertains to the poorest provinces in South Africa. Three of the poorest provinces, the Eastern Cape, KwaZulu-Natal and Limpopo contributed the greatest (in excess of their population shares) to the proportion of total missing and zero values in 1996 and 2001.

Simelane (2008) uses an approach similar to Noble et al (2006) in constructing an Assets and Capabilities Poverty (ACP) index for South Africa. He uses a method of principal component analysis which consists of employing the covariation of the variables in the index to assign weights to each dimension of deprivations. This tries to avoid the assigning of subjective weights. He uses two sets of variables, one for assets and the other for capabilities. The eight types of asset variables are types of dwelling; ownership of telephone; source of energy for cooking, heating and lighting; main source of domestic water supply; type of toilet facility and means of refuse disposal. Capabilities variables consist of the proportion of adults in each household with high school education and above, as well as the proportion of employed adults in each household. His approach excludes a number of pertinent dimensions such as health.

A useful discussion in Simelane (2008) is the method

employed in geographic mapping of poverty, however determined. Spatial maps of poverty may be misleading in interpretation due to the fact that some cluster patterns may occur just by chance and are of no policy importance. Simelane (2008) does a statistical significance analysis to eliminate randomness of clustering. The method is a spatial autocorrelation, which examines the autocorrelation of variables by location, looking at the association of values of variables at a given location with those observed in neighbouring locations. When a spatial map of assets and capabilities distributions is thus established, a simple logit regression¹⁸ is employed to determine which households are asset-poor.

The index of asset poverty shows that over time, assets and capability poverty has fallen from 1996 to 2007 by about ten percentage points. The method does not only allow for comparison over time, but also for geographic locations of the poor. Simelane (2008) undertakes poverty profiling at the national, provincial and district levels using this approach. For example, the method classifies Alfred Nzo district in the Eastern Cape as the poorest in 1996 and the wealthiest in the Eastern Cape is Nelson Mandela Bay. At the municipality level, Imbabazane (KwaZulu-Natal) was the poorest in 1996 and Overberg (Western Cape) the least poor. The 2007 picture shows the poorest to be Greater Sekhukhune in Limpopo.

Bhorat and van der Westhuizen (2013) use a similar method of factor analysis to construct an asset index of poverty. They conclude that non-income welfare has increased in South Africa from 1993 to 2004, with a more significant change from 1993 to 1999 than from 1999 to 2004. Similar significant changes in non-income poverty (relative to the 40th percentile line) are observed, with a fall from 40% in 1993 to 21.6% in 2004. Their method also generated a poverty gap, which shows that similar changes

happened over time on the gap measure. The main profiling of poverty by Bhorat et al (2013) is by race rather than geographic locations. The analysis shows that African households have the highest head count of non-income poverty, which is consistent with the income/consumption poverty identified by Woolard and Leibbrandt (1999). Although Africans accounted for the highest levels of poverty in 1993, they also benefited the most from the decline in asset poverty between 1993 and 2004, dropping from 55.6% to 27.7% according to the 40th percentile poverty line.

However, as appealing as this method may appear in terms of its spatial decomposability and comparisons over time and sub group, the major weakness is similar to that which we discussed earlier, mainly that of interpretation for policy relevance. When a policy-maker knows that a district or household is poor in terms of the assets and capability poverty index, how can he then design targeted policies to tackle this kind of composite poverty? Therefore, for better targeting and policy precision, an approach that considers a possible overarching dimension in comparison to the rest of the relevant dimensions may be preferred to the composite indices approaches.

Poverty assessment, profiling and mapping

The approach consists of first giving a brief profile of monetary poverty and a map of an index of multiple deprivations at provincial level. It continues with an assessment of a subjective view of what dimensions the citizens consider most challenging at the provincial level. Then an assessment of each province's capacity to effectively deliver on anti-poverty programmes is carried out. Following this, a general survey of each province's socio-economic indicators is explored, including unemployment, contribution to national GDP overall and at sector levels. The last aspect is an overview of the state of local economic development at the provincial level.

¹⁸ A logit model is a probabilistic model of regression that is used to predict outcomes of categorical variables using a set of predictors.

This is followed by a concluding section of policy prescriptions, mainly centred on capacity building, cooperative approach to interventions and sectoral intervention strategies.

The HSRC (2008) study starts with a poverty profile based on earlier (2006) research.¹⁹ It presents a provincial map of (consumption-based) poverty rates, presenting Free State as the poorest province (60.2%), followed by Limpopo (59.0%) and KwaZulu-Natal (55.1%). Although the figures seemed to have been borrowed from earlier literature, it is always important to discuss the methodology and data issues that underlie the earlier study. This can be useful in making meaningful comparisons with other aspects of poverty study also used in the report.

What appears to bear some significant link, methodologically speaking, to some aspects of (non-monetary) poverty are the multiple deprivation indices, based on the South African Social Attitudes Survey (SASAS) 2003 information. SASAS is a nationally representative, repeated cross-sectional survey annually undertaken by the HSRC since 2003. The aim of the survey has been to capture the interaction between South Africa's changing institutions, its political and economic structures, and the attitudes, beliefs and behaviour patterns of its population. The dimensions of deprivations considered in SASAS (2003), as reported in Pillay et al (2006), are income, employment, health and living environment, housing and education. The multiple deprivation indices seem to have been adopted from those calculated by SASAS, based on 2001 census data. The report does not discuss the data challenges of the type we have already highlighted earlier, precisely those related to significant non-response on income variables, income banding and implausible zeros. Nothing is said about the methodology of how this index of multiple deprivations was constructed, and the debatable issues of weighting are absent.

Provincial multiple deprivation indices were used to map poverty at the provincial level. However, the usefulness of such a map of a composite index for policy purpose becomes the one single most important challenge in appreciating the usefulness of the work. This challenge becomes quite apparent when one compares the monetary poverty map with the multiple deprivations map. Whereas the consumption-based poverty map shows Free State, Limpopo and KwaZulu-Natal as the three poorest provinces, the multiple deprivation map shows Eastern, Northern and Western Cape as the poorest provinces. Equally, the consumption poverty map shows that Western Cape and Gauteng provinces are the least poor, but the multiple deprivation approach gives the lowest multiple deprivations to Gauteng and Mpumalanga. Although there may be some consensus with Gauteng, comparison of the rest of the provinces gave mixed messages. In terms of policy direction, this kind of analytical approach for poverty profiling can be confusing, with no clear guide emanating from the study.

One of the most interesting aspects of the study is the view of the people in the SASAS data with respect to what they consider as the three most challenging issues. Based on the graphical representations of this information, unemployment appears to be the most important challenge in the minds of individuals across all the provinces, followed by poverty.

A similar presentation is made based on 2006 SASAS data; on individuals' subjective ranking of what they consider should be government's expenditure priorities. The majority in most of the provinces, especially the poorest ones, rank education first, followed by health and housing. This is a useful piece of information, and not surprising, as the most important dimensions that affect one's capability and also the ability to participate in the labour market are education and health. One of the main aspects of the study appears to be based on

¹⁹ This study is not referenced in the 2008 HSRC report

an earlier study by Pillay et al (2006) who did some analyses on the 2003 edition of the SASAS. By this standard, Western Cape, Northern Cape and Free State respectively top the list of unhappiness due to income, with percentage proportions of unhappy population being 61.4, 61, and 59.5 respectively. It is not clear whether the proportions are weighted, or expressed with respect to national totals, rendering comparison difficult. However, on the surface, it appears that this indicator is quite unrelated to income poverty, given that Western Cape being one of the least poor provinces is ranked highest by unhappiness due to income.

The originality of the study seems to lie in the construction of provincial capacity indicators. It first starts with a review and mapping of various poverty reduction policies at the provincial level. From the overall programmes reviewed, the work selects a few core programmes for evaluation. The selected ones related to food parcel, water and sanitation, education and training, urban renewal and human settlement development, land restitution, small and medium enterprise development programme, community-based public works programme and land care. These programmes that were earmarked for review seem the most important as they relate closely to the major dimensions of deprivations that matter for poverty. Nutritional dimensions are addressed by food parcel programmes, education and access to important basic services are also included, but the health dimension is absent. Though nutrition may be considered an input to a healthy life, it may not be enough to assess measures that aim at addressing the health deprivation of the poor. The methodology of selection of policy projects from a plethora of programmes ought to be linked to a prior rigorous assessment that looks at how the different dimensions affect poverty outcomes or at least, associate closely to poverty outcomes. This will ensure that the most relevant programmes are selected for assessment.

The study then proceeded by examining provincial-

level government spending as an indicator of government's capacity to deliver on poverty reduction programmes. The budgetary analysis was then used to rank provinces according to spending effectiveness, mainly in terms of over- and under-spending. This approach did not yield full data, but was nonetheless useful. It was complemented by a survey of provincial government managers with the purpose of getting information on human resources skills, funding and funding sources, and the general views of the existing gaps and the role of the NDA. The analysis ranked Limpopo worst in terms of budget allocation, spending and reporting. Western, Eastern and Northern Cape provinces were the best.

The next level of analysis was of some socioeconomic indicators at the provincial level. These were mainly unemployment, contribution to national GDP and contribution of different productive sectors to provincial GDP. The growth opportunities of the different sectors were also explored. The main analyses highlighted at the end of the study are poverty incidence (monetary standards), unemployment, contribution to GDP, multiple deprivation and budgetary indicators at the provincial level. At this stage, the study made a good attempt to link these pieces. These culminated in recommendations for identified provinces, mainly in the areas of interventions in health, education and skills development, and enhancement of growth and job creation opportunities.

The HSRC/NDA 2008 review brings certain gaps to light. The first is the apparent disjuncture in the different pieces of analyses done, although towards the end, some minimal attempt is made to link some of the pillars; however, the disconnection remains clear. The recommendations that flowed from the study seem less connected to the livelihood of the poor and more to a provincial level search for gaps in growth opportunities. For example, the recommendations to enhance growth and employment opportunities in certain areas should have followed a thorough analysis of socio-professional categories upon

which the poor depend. This difficulty would be traced to the fact that the level of disaggregation (provincial level) is not adequate enough for targeted poverty-reduction policy recommendations.

Overall, the main gaps and pitfalls to minimise or avoid in the next study are highlighted here. They relate to levels of disaggregation, comparisons (over time, racial groups and socio-demographic groups), the appropriate indicators to better capture poverty and the impact of policies on the poor and the degree of poverty.

Small area disaggregation: For purposes of better targeting of the poor, lower level disaggregation is important. However, as reviewed earlier, the main challenge is data issues. This challenge can be dealt with by combining survey data with census data. Nevertheless, certain levels of disaggregation can be done without facing such data challenges in a significant way; these are socio-demographics (gender, child poverty, racial groups, etc.). Except for racial, the other dimensions of disaggregation pose a different kind of challenge, which relates to the fact that intra-household resource allocations have to be accounted for. This is difficult because survey and census data are generally at household level, not individual level. However, this problem can be mitigated using the equivalence scaling method used to allocate resource consumption levels for different demographic elements within a household.

The appropriate indicators for capturing of poverty have to include elements of intensity and appreciation of inequality, beyond simple poverty incidence used in 2008. Beyond this, the assessment of growth in 2008 can be enriched with provincial level assessment of the pro-pooriness of the growth. This helps to understand how much of the growth in each sector accrues to the poor. The technique for this, which can be applicable for this purpose, is the Growth Incidence Analyses. The 2008 study basically gives a snapshot of the situation, and lacks appreciation of the time dynamics of the changes in the socio-economic indicators and

the poverty dimensions. If one shies away from the complexities of the types of growth incidence analyses, then cross tables showing association of socio-economic indicators and different poverty measures can be drawn for the different years and their trends appreciated. This can help to see which programmes are possibly working and which ones are not.

It is also important to discuss some elements of a framework for poverty profiling that may be suitable for South Africa, namely combining the strengths of the different reviews. It is also necessary to look elsewhere at some international examples on profiling poverty.

International examples

There are a number of international poverty-profiling exercises that one may review here. However, at the end, the methods adopted will depend on a number of factors, including what is required of the study and national social dynamics, etc. in the review of international examples. First, we look at global-level poverty profiling by the United Nations (UN, 2012). This is followed by some African-level experiences, first at regional level, undertaken by the Commission for Economic Community of West African States and United Nations Statistics Division (ECOWAS and UNSD, 2007). This is a compilation of national-level poverty profiles for fifteen West African States, with some varying degree of geographic disaggregation, such as provinces. Following this, we review a recent African Development Bank working paper, which profiles poverty for Nigeria (Anyanwu, 2012). We then conclude with some non-Africa reviews, such as a profile for Bolivia (Spatz et al, 2006), Bangladesh (Kotikula et al, 2010) and Argentina (World Bank, 2010).

Global poverty profile

The United Nations (2012) views poverty primarily in monetary terms at the household level and the provisions of basic infrastructure and public services at the community level. The suggestion here is that

there are certain consumptions that households can access based on their monetary poverty status and others that they cannot access, depending on the publicly-provided amenities. The profile starts with assessing where the poor live. By head count poverty rate (using the \$1.25 poverty line for extreme poverty), they establish that 47.5% of the poor are in Sub-Saharan Africa. Dividing the world into different sub-continental regions, they use five poverty indicators to profile world poverty. The first is a monetary indicator (derived from the poverty line of \$1.25 per person per day). The rest of the indicators are nutrition, education and health-related. Nutrition is measured in terms of those who suffer from hunger. Education is measured in terms of children out of school and adult illiteracy. Health deprivations enjoyed a bigger emphasis in their extreme poverty profiling, measured by a number of indicators, such as persons living with HIV/AIDS, malaria deaths, under-five mortality, maternal mortality and child (under-five) stunting. They also included an indicator of lack of basic sanitation, which is captured by open defecation.

African Attempts at poverty profiling

As expected, this type of high-level profiling paints only a broad picture for a global development agenda. However, it cannot be useful for national and sub-national policy direction. ECOWAS and UNSD (2007) undertook an exercise to profile poverty in the ECOWAS region. Their approach seems more useful in our context as they first look at poverty at the ECOWAS aggregate level, but also disaggregate into national and even sub-national levels. The report first identifies three types of datasets useful for poverty profiling at various levels. These are surveys on income and expenditure; surveys on non-monetary dimensions of poverty such as education, health, assets and access to public services; and surveys on subjective evaluations of poverty.

The report first starts with monetary poverty estimates, which it compares first across countries and then over time. In cross-country comparisons, the

report also distinguishes rural and urban poverty in the different countries. There are important highlights of possible sources of non-comparability when we are dealing with different countries and attempting to compare over region and time. These sources pertain to construction of consumption aggregates; adjusting for differences in the cost of living and demographic compositions of households; and setting of a poverty line. Fortunately, some of these challenges disappear when we are dealing with a single country and attempting to do comparisons across sub-national geographic units. However, a number of these concerns remain when we compare over time. This is because the concerns arise primarily from differences in datasets and data collection methodologies, but also in some conceptual differences in defining certain aspects that affect our definition and profiling of poverty.

Although the ECOWAS report does not give any approach on how to overcome these challenges, we may look into our earlier reviews in this work. For the purpose of comparison over time, one has to ensure that the different consumption items listed in the different datasets are consistent in the different rounds of the surveys. This does not arise when comparing across geographic space for a given country, if the dataset is nationally representative. Adjusting for differences in the cost of living is a real issue, since, even within the same country, cost of living may be markedly different from region to region. For example, cost of living may be higher in rural than urban areas. This challenge is related to the poverty line in that the differences in cost of living may require slight adjustments to the poverty line for different regions. The same approach applies over time. In accounting for demographic composition of households, the technique of equivalence scaling, discussed in Woolard and Leibbrandt (1999) becomes useful. The demographic composition (such as age and sex) within households may change over time, but the consumption requirements of each demographic profile may not. As such, any equivalence scaling approach adopted is

not likely to change over a few years, and hence such a challenge does not affect time comparison significantly.

The methodology of profiling adopted by ECOWAS and UNSD (2007) consists of first defining a consumption-based poverty measure, and then using the measure for comparisons, first across geographic space and time, then by the other different dimensions of poverty. Therefore, the report compares consumption poverty measures by household-size, occupational profile, education and gender. In terms of household size, it becomes apparent that larger households are associated with higher poverty. Comparison of poverty by occupational profile reveals that there is higher poverty for low skilled workers, especially in agriculture. By education, households whose heads have no education are the poorest. As one moves up from no education to post-secondary, poverty steadily decreases. Contrary to the case of South Africa (Woolard and Leibbrandt, 1999; STATSSA, 2012), in almost all West African countries, female-headed households contribute to less poverty than male-headed ones.

Recent in-depth profiling of a single African country (Nigeria) is the African development Bank's attempt by Anyanwu (2012). He also follows a methodology along the lines of ECOWAS and UNSD (2007) in that he starts with a consumption-based poverty indicator, which he compares over time and geographic disaggregation in Nigeria. He then continues with comparing poverty within the different other dimensions like education, age group, occupational characteristics and gender. To that, he added religious affiliation and marital status. Perhaps an improvement by this paper to our methodological review is the fact that in profiling poverty, Anyanwu (2012) also estimates an econometric model of probability of poverty in Nigerian households. He finds that the probability of household poverty decreases with the age of the household head, urban location, post-secondary education and certain locational

zones of the country. A higher probability of poverty is associated with household size and no education. Possibly, because occupational characteristics are likely to be strongly associated with education, he (strangely) finds no significant association between profession and poverty.

In this review of African experience, a dimension of deprivation that is conspicuously absent is health. No apparent reason is given why health is not accounted for in poverty profiling, but other reviews suggest that it is too important a dimension to ignore, including nutrition. The weakness in econometric approaches of the type of Anyanwu (2012) is that it may not adequately account for very small area disaggregation that may be required in our current exercise. Also, in danger of running the risk of too many dummy variables, such models may not be able to further break down demographic profiles in order to appreciate child poverty. We now look at some non-African profiling attempts, particularly Bolivia, Bangladesh and Argentina.

Non-African experiences on poverty profiling

The Bolivian exercise by Spatz et al (2006) is important to us because it gives some avenue of mitigating the challenges of data limitations. It also highlights the need for varying regional poverty lines within a given country. The type of data challenges that Spatz et al seek to address are those that relate to non-representativity of survey data, especially those carried out with limited geographic coverage. The challenge of non-availability of data that can lend itself to inter-temporal comparison is also addressed. Given that the major official surveys in South Africa have been nationally representative, the (very technical) suggestion of the paper may not be very useful. Nonetheless, the method consists of using two different datasets to generate covariates in one period for a given region to then generate nationally representative simulated data, over time and region. Perhaps the most useful aspect of this paper that we can utilise is the fact that it highlights the need to look at different poverty lines for

different regions. In South Africa, we generally have the upper bound and lower bound poverty lines, but for generating poverty lines that allow consistency of poverty measures with respect to cost of living, one has to question whether a harmonised poverty line is not undercounting or over counting the poor in certain areas of South Africa.

In a similar manner to the other profiling review, Spatz et al (2006) first start with consumption-based poverty measures, derived from data that have been simulated to obtain nationally representative measures for Bolivia. They use the consumption measures comparatively with asset index poverty calculations. The profiling is then done first according to spatial disaggregation, down to municipality and departmental levels. The next step compares poverty by household size, age, gender, education and occupational characteristics. In terms of changes over time, growth incidence analyses are performed at the different levels of spatial disaggregation. This perhaps is very important in that understanding how income changes with changes in per capita GDP across the income distribution spectrum and for different geographic groups, is of significant policy importance.

The profile of poverty in Bangladesh, in a World Bank paper by Kotikula et al (2010), emphasises changes over time. Rather than doing the growth incidence analysis, they decomposed changes in poverty or consumption and regressed them on a number of determinants. This is important in that one can directly link changes in poverty to changes in certain attributes that can be directly impacted by policy measures. It is important to note that their approach to poverty profiling also starts with a consumption-based measure. They then tabulate such measures with factors that are likely to affect consumption levels. These are household demographics (size, age, and gender), education, occupational status, land ownership, remittances and access to micro-finance. They

also carry out regression analyses, which differ from Anyanwu (2012) in that household per capita consumption is specified as a dependent variable, instead of probability of poverty. Their findings from this approach indicate that larger households, dependency, female-headed are associated with lower household welfare. The behaviour of female-headed households in Bangladesh seems to be consistent with what has been observed in South Africa. Other determinants of (consumption) welfare are education, agricultural land ownership, occupational types and remittances. Education premium is locational-specific. This aspect suggests that location-specific characteristics have to be taken into account when assessing the association between poverty in consumption terms and the rest of the other dimensions of welfare.

Maybe an even more important aspect of the Bangladeshi review is the linking of changes in poverty to changes in other dimensions. This reveals that changes in the same factors can affect changes in poverty in different locations (urban-rural) differently. For example, among rural households, changes in household size, demographic variables, land ownership and geographic location impact more on rural than urban consumptions. Increase in educational endowment has a stronger effect on consumptions in urban households. Occupational categories also show disparate effects, while an increase in returns to agriculture, labour and farming accounts for substantial poverty reduction in rural areas; returns to non-farm and self-employment contribute more significantly to urban poverty reduction. The purpose of highlighting these disparities is to underscore the importance of carefully assessing the sources of income of the poor from different locations before making relevant recommendations for appropriate interventions.

Another poverty profiling exercise is that undertaken by the World Bank (2010) for Argentina, which focused mainly on rural poverty. This particular study is quite interesting because it raises the

common concern that most poor in rural areas and in the informal economy are hardly accounted for in official developing country data. This problem generally arises because of strong urban bias in welfare data collection. The study emphasises the need to combine qualitative and quantitative approaches to poverty profiling especially when dealing with rural poverty. It also exposes the usual problem of using survey data on the one hand and census data on the other. While census data has good coverage, it is generally poor in some of the most important welfare dimensions of concern, such as income and expenditure and is often dated far back in time, with less frequency for time comparison. On the other hand, survey data gets deeper with these variables of interest, with more frequent rounds and is hence suitable for time comparison, but lacks coverage. In lacking coverage, it generally undercounts the poor in rural and difficult-to-reach areas.

We note two approaches here, both of which were reviewed earlier. The one by Clert et al (2001) combines quantitative and qualitative approaches to poverty profiling. The other, by Hentschel et al (1999), Aldelman et al (2001) and Elbers et al (2001) combines survey data with census data in order to complement their respective strengths. World Bank (2010) uses 2001 census data together with the 2007 qualitative survey to profile poverty for Argentina. The qualitative data consist of key informant interviews, in-depth interviews, focus group discussions and secondary information sources. Some of the key background aspects to the qualitative study are large household size, extended families, coexistence of different family arrangements such as children cared for by grandparents or other relatives, multiple families in each household and more complex and extended family arrangements. Some of these elements are common in South African households, especially in rural areas, which merit closer examination.

The study starts with an in-depth examination of

demographic structure and changes in Argentina, distinguishing rural, urban and different provinces. The next step is the measurement of poverty. The approach is along the lines of consumption attainment, and measures poverty in terms of Unsatisfied Basic Needs (UBN). The UBN indicator considers a household to have unsatisfied basic needs if it is crowded, living in a precarious dwelling place, has at least one child of school age not attending school, and has four or more persons per employed person. Although this approach is commendable if income or expenditure data is not available, the CBN indicator has some weaknesses. The most important one is that its definition is arbitrary and does not follow any clear conceptual approach to poverty. The fact that what constitutes basic needs may vary over time and space is another weakness given that the CBN definition is applied to all households. The limitation is even more acute when applied to rural areas, since the UBN definition underestimates resource command.

Nonetheless, in the absence of reliable income data, World Bank (2010) uses this approach. They then compare it across education, demographic characteristics, access to social service and employment. This approach is then complemented with qualitative analyses of socio-demographic characteristics, including family composition, asset ownership, and access to basic services, migration, labour market, health, social protection and housing. The beauty of qualitative assessment is that one can zoom in on different aspects of interest. World Bank (2010) also captures factors related to aspirations, conflict and discrimination in characterising poverty.

What arises from these reviews is that quantitative measures of consumption-based poverty have been preferred in many poverty-profiling exercises, especially those that aim at generating targeted poverty-reduction policies. The consumption indicators have all been complemented with other dimensions of wellbeing, most often health, education,

employment, access to services and demographic composition. Comparisons over time have been done in the context of growth incidence analyses, but most often, in simple tabulations and cross tabulations of indicators over time. Another good approach is to compare the breakdown of changes in poverty indicators with changes in other socio-economic and demographic characteristics. This has been able to match changes in poverty status with factors that are most likely to underlie these changes. An important insight in the reviews is the way data limitations can be overcome, especially in situations where small area disaggregation is necessary. We now turn our attention to creating a possible framework for poverty profiling in South Africa.

Approach used for profiling poverty in South Africa

The overriding question with which we conduct this assessment relates to active participation of the poor in the economic growth process, and is twofold:

- What constrains the poor from accessing productive opportunities?
- What constrains the poor from gaining from the fruits of the ensuing economic growth?

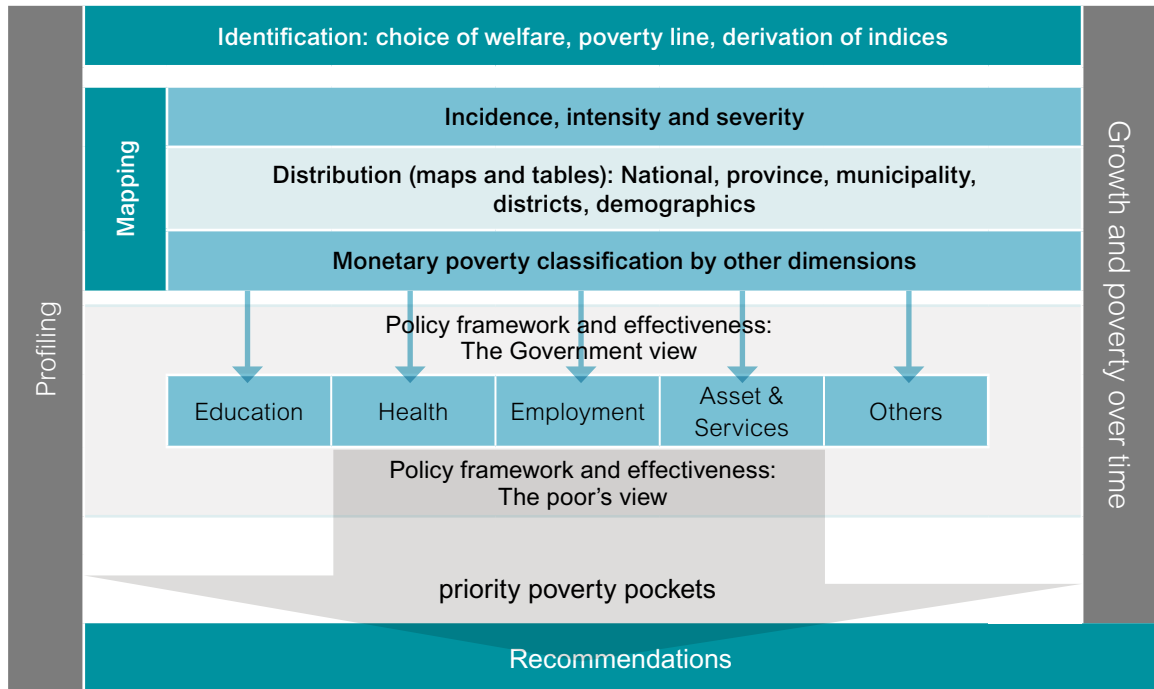
Though social grants may constitute an important social safety net, the focus in this work is primarily

on the sustainability of poverty reduction strategies rather than on a short term solution only. The methodological framework used draws from the thorough review of literature in the practice of poverty profiling. The review has helped to establish not only the relevant dimensions for South African poverty analyses, but also a comparison of methods of incorporating dimensions into the poverty index. Top of the list for the dimensions are education and health, followed by unemployment and access to assets and services.

The approach we adopted was to first define poverty in terms of consumption attainment, then to examine the seriousness and distribution of poverty across space, gender and racial profile, followed by the characteristics of the poor, the changes in poverty and the associated factors over time. The changes were then linked to the policy context and the other dimensions identified in literature.

The approach first involved a quantitative assessment of poverty based on a quantitative measure of poverty. This was followed by a qualitative assessment, which included the poor's view about the dynamics of poverty, through qualitative information gathering. The following figure sketches the various blocks of activity undertaken in developing this poverty profile at appropriate levels of spatial disaggregation.

Figure 1: The flow of various activities for poverty profiling



This framework commenced with poverty identification and an explanation of the extent and distribution of poverty. It then went on to identify and compare the characteristics of poverty before looking at changes over time. The policy context (from both the policy-makers' and the poor's viewpoint) was subsequently explored before undertaking a comparative qualitative analysis.

Identification of the poor

In identifying poverty, the first step consisted of determining a welfare indicator. We began with a consumption-based type of poverty measurement. Going with a consumption measurement, poverty line must be consistent with the consumption attainment approach. Even when the welfare dimension is chosen, there can still be a number of ways to define poverty line. This stems from the wide variety of poverty line definitions.

Poverty line derived from the different definitions can vary significantly. Woolard and Leibbrandt (1999) suggest the use of "poverty critical range". We applied it in this work by choosing a set of poverty lines over which poverty comparison was not sensitive. Poverty measures plotted by different poverty lines can be a useful tool in performing comparisons that show the degree of robustness given different lines. Statistics South Africa (STATSSA, 2012) suggests using food poverty line, lower and upper bound poverty lines. These have been estimated for most of the datasets and only a sensitivity performance may be required. The one important factor that has been ignored for South African poverty line determination is to account for the fact that purchasing power parity may change from province to province and at different levels of spatial disaggregation. For this purpose, an approach that involved the analysis of the income distribution spectrum was employed.

The three different poverty indices to be calculated for each poverty line is the poverty head count index, poverty gap and severity. The calculation follows the Foster, Greer and Thorbecke (FGT) method. Each of these indices gives a different degree of poverty. Before calculating it, equivalent scales have to be employed in order to take into account difference in intra-household age structure. Woolard and Leibbrandt (1999: 12-17) provide an exposé of equivalence scaling which will also be employed here.

Distribution of poverty

The distribution of poverty was presented in tables and maps of poverty by geographic locations, gender, racial and demographic groups. Mapping depended on data generated by geographic information systems (GIS) with values fixed to specific locations on a grid. The use of GIS allows for the integration of multiple databases from different sources; analyses of spatial association between variables. It can also be used to incorporate spatially generated determinant variables that can be used to analyse poverty correlates, such as education, health, labour market, etc. It can also allow the analysis of the impact of poverty on other aspects of the socio-economy. Policy comparison can also be made possible through dynamic mapping (over time). Tabulation of poverty is also important in complementing the GIS mappings.

Our overall approach was to start at national level, then provincial. We then selected the provinces with the highest rate of poverty for a deeper and more disaggregated analysis. Given that poverty measures provide averages for the province, the extent of distribution of poverty within provinces is also important to consider. We therefore used the criteria of poverty inequality to further identify the provinces to probe beyond provincial level disaggregation.

Characteristics of the poor

Poverty reduction can happen through two types of redistribution. One is based on cash transfers, such as various government grants. The other is based

on improving the poor's endowment of the crucial dimensions that allow for more fruitful participation in the economic production process. Education and health are crucial dimensions for human capital development, which in turn determines access to the labour market and hence socio-professional status. We therefore paid particular attention to these.

After mapping the poor and distinguishing their distribution geographically and socio-demographically, we then classified the poor (relative to the non-poor) by various other dimensions of deprivations. The main dimensions by which to classify poverty are education, health (poverty and infant/maternal mortality, poverty and child stunting, poverty and HIV, poverty and other disease burdens), labour market (participation and occupational characteristics), gender and access to basic services.

Access to assets, in addition to human capital, can help the poor by allowing them to gain stakes in a productive value chain through investment. Therefore we lay particular emphasis on the core dimensions of education, health and assets.

Poverty dominance, drawn from the methodology of stochastic dominance, is also necessary. Dominance analyses of the type employed in Woolard and Leibbrandt (1999) will be undertaken. It is also a way of ensuring that the comparisons within each dimension are relevant to the choice of poverty line. Poverty dominance curves are plots of the respective poverty measures on the y-axis and poverty line on the x-axis. The three different measures (incidence, depth and severity) were plotted within different welfare dimensions and socio-demographic categories.

Dynamic analyses of poverty

The dynamic analyses of poverty involved three main steps. The one was exploring the trends of the poverty measures over time for the different spatial disaggregation. The next was to map dynamic changes to the different characteristics and

dimensions of poverty. Thirdly we undertook growth incidence curves (GIC) analyses within different dimensional categories. The purpose of GIC analyses is to evaluate the pro-pooriness of changes in the different dimensions of deprivations and in economic fundamentals (including GDP growth). The degree to which anti-poverty policies are effective over time depends on how strongly it enables the poor to benefit from the fruits of economic growth. A growth incidence curve is a plot of income growth on the y-axis against the poorest x-percent of the population ranked by per capita income. It shows what proportions of the growth (in income or any other dimension) accrue to the different segments of the income distribution spectrum.

Policy context and qualitative assessment

The policy context consists of systematic documentation of the various antipoverty policies that have been implemented over the last few years. First it starts with a review of the policy prescriptions that have been followed for poverty reduction, with particular emphasis on the works relating to social and economic development of communities and people. The obvious starting point is the policy review work; the purpose is to map various policies from the national government level through provincial to district levels. Of particular relevance here, the outcome of the policy review is to evaluate the effectiveness of antipoverty programmes and institutional capacity through budgeting and staffing. Respective policies that are designed to directly affect incomes and consumptions of the poor, and indirectly via other factors such as labour market, education, health, access to public service, etc., were explored from the top policy-making spheres to target population at the small area space level. Implicit in the assessment was the performance of the respective administrative units to deliver on various poverty reduction programmes, especially at the provincial level.

Within the frame of qualitative assessment of poverty, views of policy effectiveness were collected from a

sample of the poor selected from three provinces with the highest levels of poverty within areas of development interventions. These views were linked to the top-bottom policy exploration. With this comparison, gaps in policy and policy effectiveness were identified for policy recommendation. The qualitative assessment of poverty, including views from the poor, was not limited to policies, but also to the other dimensions of poverty. The poor were asked to describe poverty and also indicate the possible causes. This information was then compared with the quantitative assessment before drawing conclusions of poverty profiling.

Data Sources used for poverty profiling

Data for the type of profiling described above were obtained from various sources, the major and reliable data source being Statistics South Africa data publications. In addition the South African Audience Research Foundation survey, known as the All Media and Products Survey (AMPS) family surveys dataset, was utilised. This dataset is also important and has often been used by the Presidency to produce the South African Development indicators. It is a good dataset for longer term time series analysis of poverty, especially at macro and mesolevels. However, the data can have a strong urban bias since it is collected primarily for marketing purposes and it may under-represent some poor communities, especially rural poor, and those with less effective participation in the market economy. There are also data-compiling firms that use various data sources to compute the indices of interest and other socio-economic indicators. These sources are listed below separately. We classify data according to household/individual and community-level statistics.

The core datasets utilised were from Statistics South Africa (STATSSA). Statistics South Africa has undertaken censuses and various surveys. Census data available for this work were primarily from the recent 2011 census, with some comparison to census 2001. There were various survey datasets and those rich in consumption and income variables

were the income and expenditure surveys (IES, 1995, 2000, 2005 and 2010) and household living conditions survey (2009). The living conditions survey was designed specifically for poverty-related data collection. These datasets also contain rich information on other dimensions and qualitative aspects of poverty. However, for the other dimensions of deprivation, like education and health, assets etc., the main source of data was the general household surveys.

Although we get some employment characteristics from the other datasets, there are also dedicated surveys that focus on the labour market, namely the Quarterly Labour Force Surveys (QLFS) and labour market dynamics. In order to take a closer look at child and youth poverty, information from the survey of activities of young people was employed. Other datasets that we found useful for this analysis was the community survey (2007), financial census of municipalities, non-financial census of municipalities and various national and government statistics. Other datasets that were drawn on to map government spending against different aspects of anti-poverty policies came mainly from the National and Provincial treasuries and the different provincial governments.

Other data compiled from existing datasets included the South African Institute of Race Relations (SAIRR, 2012) South African Survey, compiled in 2012. It contains economic, demographic, educational, health and assets information, presented at the national level and also at various levels of spatial disaggregation. Other data firms which make use of the various censuses and survey data are Global insight (Rexexplorer), and Quantec. Quantec dataset has some rich socio-economic indicators which are mainly demographic, incomes, expenditures, housing and infrastructure. Quantec data covers provinces, metropolitan areas, and user-defined areas based on district and town council. The main relevant dimensions that are covered are: demographics and income at the individual and household level; poverty indicators;

HIV/AIDS incidence estimates; education & training; labour market indicators such as employment by skill, formal and informal and unemployment; detailed consumer expenditure, retail sales and development; economic indicators such as GDP, labour remuneration and gross operating surplus at the industry level. The datasets are compiled using the primary data collected by STATSSA and AMPS.

Poverty reduction policies from national to grassroots levels

The policy intent of the government of South Africa is contained in the Medium Term Strategic Framework (MTSF). It is the framework that guides planning and resource allocation across all spheres of government. The different national and provincial departments draw their strategic plans and budgets following guidance from the MTSF. Equally, the MTSF is the basis from which municipalities are expected to adapt their Integrated Development Plans (IDP). Although the recent (2014) Medium Term Expenditure Framework (MTEF) also draws from other policy documents such as the National Development Plan and the New Growth Path, the MTSF is meant to capture the key elements of the other policy documents. The MTSF also spells out the relevant strategic objectives for the period 2009 to 2014, which contains the relevant period of assessment in this work. Therefore the core policy objectives reviewed here are those contained in the MTSF.

In customising the MTSF at the local level, municipalities are expected to develop budgets that are aligned to key outcomes. In the local government and expenditure review for 2006/07 – 2012/13, National Treasury (2011) highlighted twelve outcome areas as the basis of the alignment of municipal budgets. The outcome areas are developed from the key priority areas of the MTSF, which is also informed by the six key sectors of the New Growth Path (NGP): infrastructure expansion (particularly transport, energy, water, communication and housing); agriculture and agro-processing sector; mining and mineral beneficiation; green economy and

associated manufacturing services; manufacturing sectors earmarked in the IPAP; tourism and selected services sectors.

General pro-poor policies

At the centre of the MTSF policy framework is the role of economic growth and development, including decent work and investment in education and skills development. From this core objective flows five related sub-objectives, of which the first three and the fifth are directly relevant to our assessment of poverty and related dimensions:

- The first is to halve poverty and unemployment by 2014
- Ensure a more equitable distribution of the benefits of economic growth and reduce inequality
- Improve the nation's health profile and skills base and ensure universal access to basic services
- Improve safety of citizens by reducing incidents of crime and corruption
- Build a nation free of all forms of racism, sexism, tribalism and xenophobia

The first objective seeks to tackle poverty directly through the improvement of the labour demand-side of the economy. The second objective seeks to ensure that the process of economic growth is more inclusive by tackling inequality. The third addresses the labour supply-side by seeking to tackle human capital and access to services. The fifth objective seeks to address racial, gender and geographic divide in economic opportunities and poverty. From the above set of objectives flow ten strategic areas of policy priority. In this work, we emphasise six²⁰ of these strategic areas as they relate directly to poverty and the different dimensions considered in this review. These strategic areas are:

- More inclusive economic growth, decent work and sustainable livelihoods

- Economic and social infrastructure
- Rural development, food security and land reform
- Access to quality education
- Improved health care
- A developmental state including improvement of public services

In the discussion of pro-poor policies in South Africa, we group the strategic areas into the relevant dimensions that determine poverty outcomes. These are human capital, comprising education and health; labour market and access to assets (land).

Education policy

Recognising the role of skills and education in helping individuals participate actively in the social and economic life of the nation, the government has, since post-apartheid, emphasised education in the national budget. In the MTSF, policy strategy in accomplishing a strong skills and human resources base includes a number of elements.

The first strategy is to create a culture of achievement, with the improvement of learners' outcomes. The target is to attain an overall 20% improvement in the key educational indicators by 2014, and improving South Africa's position in cross-country tests. The set of measures put in place seeks to achieve a more effective school outcome by increased resource utilisation in public schools, to remove obstacles to access to education and completion of schooling programmes and to implement performance monitoring measures in the educational system etc.

The second is enhancing participation and quality of Early Childhood Development (ECD) services, with the target of a universal access to Grade R and doubling the participation of 0-4 year-olds to ECD services by 2014. The tools for this target include improved institutional framework for governing and facilitation of ECD services, improved system

²⁰ The other strategic areas that we don't emphasise are: the fight against crime and corruption; cohesive and sustainable communities; creation of a better Africa and a better world; sustainable resource management and use.

of registration of ECD centres, establishment of norms and standards for early childhood education, provision of curriculum support; provide incentives for ECD teacher education etc.

The third is to expand access to and capacity of secondary education, with a target of increasing secondary enrolment rates to 95% by 2014, and ensure high access and completion rates of young people. Tools to achieve these include a drive to make the first 12 years of schooling compulsory, encourage the acquisition of a senior certificate for every learner, diversify educational delivery modes, including curriculum adaptation to minimise age-related exclusions.

The other strategies towards education and skills development relate to educational infrastructure, safe and supporting environments for children, development of a teaching profession with high ethical and professional standards for high quality education. Improved conditions for an effective school management system, including monitoring and evaluation, and schools performances management are also tools for this objective. Broadening of access to post-secondary education especially higher education, with emphasis on people with disability is also included in the policy package, with a target throughput rate of 20% by 2014. Finally, recognition of skills mismatch has prompted policy objectives to include measures that ensure that skills development initiatives respond directly to the requirements of the economy, rural development challenges and social integration. Therefore policy direction in this area is to increase the number of skills of personnel in key critical areas such as manufacturing, construction and cultural activities.

Health care policy

As another key element in the human capital development, policy strategy acknowledges the challenges that the South African health system continues to face. The key policy direction in this respect is to transform the public health system

in order to reduce inequality in the health system, improve quality of care and public facilities, boost human resources in the health system and enhance the fight against HIV and AIDS, TB and other communicable lifestyle diseases.

A set of tools is proposed in policy mix to achieve and improve the health care system. The first element includes the phasing in of the National Health Insurance (NHI) system. A precursor to this being a revamp of the public health system in order to progressively provide quality health care. The second element is to enhance institutional capacity to deliver health system functions, which also involves structural reforms for the improved management of health services at all levels of the health care delivery chain. Policy to curb infant morbidity and mortality aims to introduce new vaccines against the major causes of infant morbidity – diarrhoea and pneumonia.

Employment policy

Although adequate human capital can contribute in improving labour market access by the poor, it largely addresses labour supply side issues. Even the best trained labour force can do little in the absence of employment opportunities. The South African government is aware of this and has incorporated two broad areas of policy interventions to address the issues of labour demand. The one is addressing economic structural problems in order to speed up economic growth, transform the economy to create decent work and sustainable livelihoods. The other is an intervention for a massive public works programmes to build economic and social infrastructure.

The set of policy prescriptions in the Medium Term Strategic Framework (MTSF) geared at addressing economic growth and transformation that delivers decent work and sustainable livelihood, is born from the recognition that South Africa's economic growth needs to be sustained and that its benefits more equitably accrued to all sections of the society, especially the poor and the marginalised. It is also born from the recognition that few sectors have driven

growth and that sources of economic growth need to be broadened. The key objective of this policy priority area is to ensure that growth in decent employment and income security are boosted and investment is sustained to enhance national economic capability and industrial competitiveness. Five core pillars of this strategy have been identified as areas of policy intervention.

The first is to foster and maintain a pro-employment macroeconomic environment that promotes economic growth stemming from broad-based industrialisation with reduced income inequality. This is proposed to be achieved through a battery of macroeconomic interventions and state investment. Macroeconomic interventions are proposed in the areas of countercyclical monetary and fiscal policies; price stability and low inflation and reduction in currency volatility. Other policy instruments include expenditure management, a tax system that encourages productive investment and employment creation, implementation of the BEE charter and a more focused investment of state and other pension funds.

The second pillar of policy intervention is implementing industrial policy that creates large scale decent jobs, broadens the industrial base and deals with the balance of payment constraints. The main vehicle is the scaling up and implementation of the Industrial Policy Action Plan (IPAP), with the provision of the necessary human and financial resources. The IPAP is to be accompanied by various other complementary measures such as competition policy, regional economic integration, supporting progressive improvements in pay and conditions of workers and effective regulation of contract work and job sub-contracting.

The third area of policy intervention is the creation of inclusive growth through the expansion of opportunities for the poor to access labour market and to ensure the fruits of economic growth benefits all sectors, particularly the poor and marginalised. The major policy tools are the facilitation of

access to financial services in poor areas, with particular emphasis on the second economy; full implementation of the expanded public works programme; ensuring location of working people closer to economic activities; upgrading and transformation of informal settlements; greater alignment of infrastructure and land use planning; and skills development.

The other two pillars of intervention are Small and Medium-size enterprises (SMEs) and co-operatives and the science and technological innovation development as a pillar of industrial competitiveness and sustained growth. The SMEs pillar is driven through the facilitation of access to markets, access to value chain by small businesses and co-operatives, strengthening of institutions for the provision of business development support, access to micro-finance, partnership with private sector and leveraging of state procurement. The science and technological innovation focuses on strategies and support for innovation in firms, and R&D; increasing access and the uptake of ICT services through partnership with business and civil society; and skills development in the area.

Economic and social infrastructure programmes

This strategic priority recognises the importance of infrastructure for economic growth and social transformation. It proposes massive infrastructure investment programmes in the areas of transportation, energy, water, sanitation and information and communications. The target is to scale-up infrastructure investment up to 25% of GDP by 2014. This policy sphere contains the elements of access to assets such as land, and services.

The major elements include resource mobilisation for economic and social infrastructure programmes; these include: revamp and maintenance of electricity infrastructure, alternative energy sources; logistics infrastructure for the supply of liquid fuel to inland provinces; transport infrastructure, particularly agro

logistics infrastructure for farming and agricultural products; ICT infrastructure; efficient and reliable public transport; building and maintenance of water infrastructure; development and provision of suitably located low-cost and affordable housing, with an inbuilt concept of integrated communities; development of rural infrastructure, particularly agriculture and production services in conjunction with land reforms, schools, health, water, energy, sports and other recreational infrastructure and improvement of provincial and local government capacity for efficient delivery of economic and social services.

Profiling poverty in South Africa

For the purpose of monetary poverty calculation, consumption is used as a welfare indicator. Before profiling poverty, we discuss the issue of equivalence scaling which is important to adjust for the fact that people's needs and consumption may differ according to age profile. There are various approaches to equivalence scaling, the simplest being the practice of using the per capita indicator of welfare, in our case consumption within the household. However, the method indicated as plausible for South Africa is that suggested by May et al (1995)²¹ and critically discussed in Woolard and Leibbrandt (1999). The method attributes a weight of 0.5 to children²² and a coefficient of economies of scale of 0.9. The same approach is used to weight household consumption

expenditures. It is worth noting from Woolard and Leibbrandt (1999) that poverty measures vary very little with change in equivalence scaling methods.

Another issue to discuss is that of poverty line. As discussed earlier, poverty lines can be established in two ways. The one is in absolute terms and independent of the distribution of wellbeing. The other is in relative terms, which is in some way related to the distribution of wellbeing. In South Africa, efforts have been made to estimate some indices of absolute poverty lines. These are food poverty line, lower-bound poverty line and upper-bound poverty line. In addition to these, there is the international poverty line of \$1.25 per person per day and \$2.50 per person per day, corresponding to lower and upper bounds respectively. With respect to relative poverty line, literature review shows that the 40th percentile and the 20th percentile are commonly used. STATS SA (2012) has estimated the respective absolute poverty lines, adjusting for inflation. The period of the poverty lines also corresponds to the period of the income and expenditure survey (IES) of 2010/2011. For this reason, we use these poverty lines together with the two relative poverty lines for sensitivity check when making comparison, however, the rest of the work uses only a single absolute poverty line for analysis, which is the upper bound poverty line of ZAR 577.

Table 1 shows the values of the respective poverty lines to be used.

²¹ May, J., Carter, M. and Posel, D. (1995) "The composition and persistence of poverty in rural South Africa: An entitlement approach". Land and Agriculture Policy Centre Policy Paper No. 15.

²² Considered by OECD to be a household member below 14 years of age.

Table 1: Poverty lines in South Africa

Poverty line type	Value	Remark
Food poverty line	R305 per person per month (/p/m)	March, 2009 figures
Lower Bound poverty line	R416 per person per month	March, 2009 figures
Upper Bound poverty line	R577 per person per month	March, 2009 figures
International poverty line	\$1.25 (R4.81) /person/day (or 146.3 /p/m)	Adjusted for PPP
International poverty line	\$2.50 (R9.63) /person/day (or 292 /p/m)	Adjusted for PPP
Relative poverty line	20th percentile (538.1 /p/m)	
Relative poverty line	40th percentile (914.5 /p/m)	

Poverty comparison by demographics

Figure 2 plots poverty incidence for South Africa and the nine provinces by poverty line. The figure indicates that irrespective of the choice of poverty line from the above table, poverty comparison across provinces remains consistent. Only three provinces have poverty incidence below the national

average for all the poverty lines. These provinces are Gauteng, Western Cape and Free State respectively, in order of increasing poverty incidence. The poorest provinces are Limpopo, Eastern Cape and KwaZulu-Natal, respectively, in order of decreasing poverty incidence.

Figure 2: Poverty intensity by age group

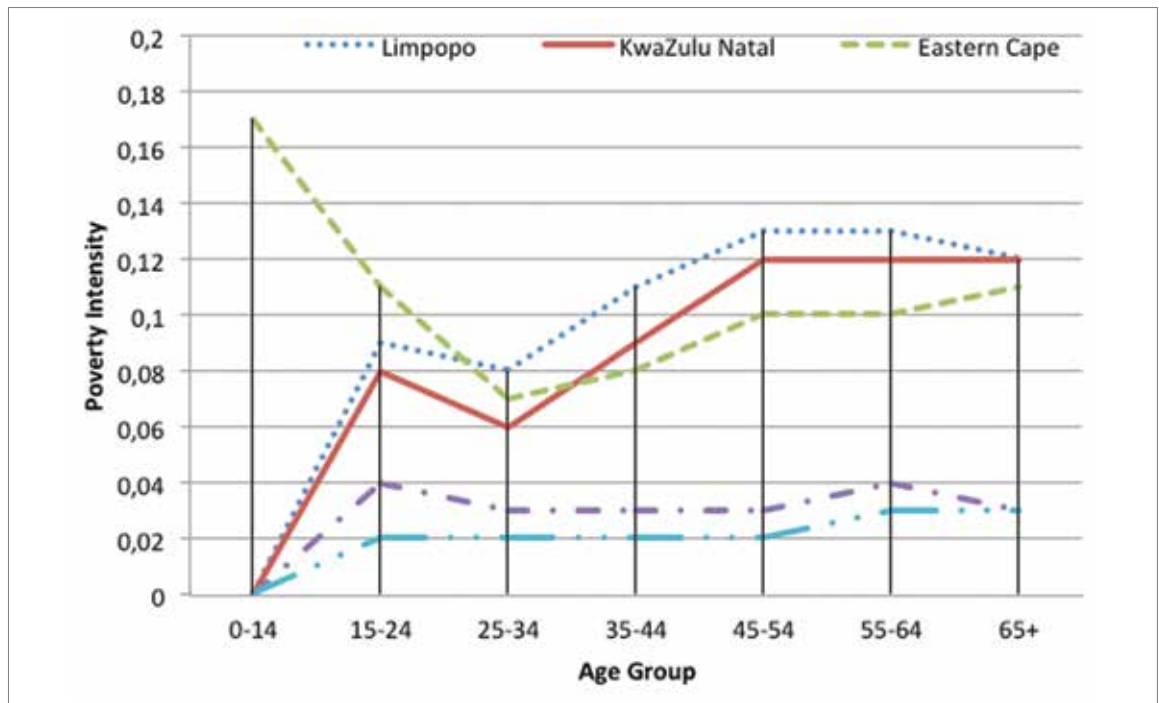
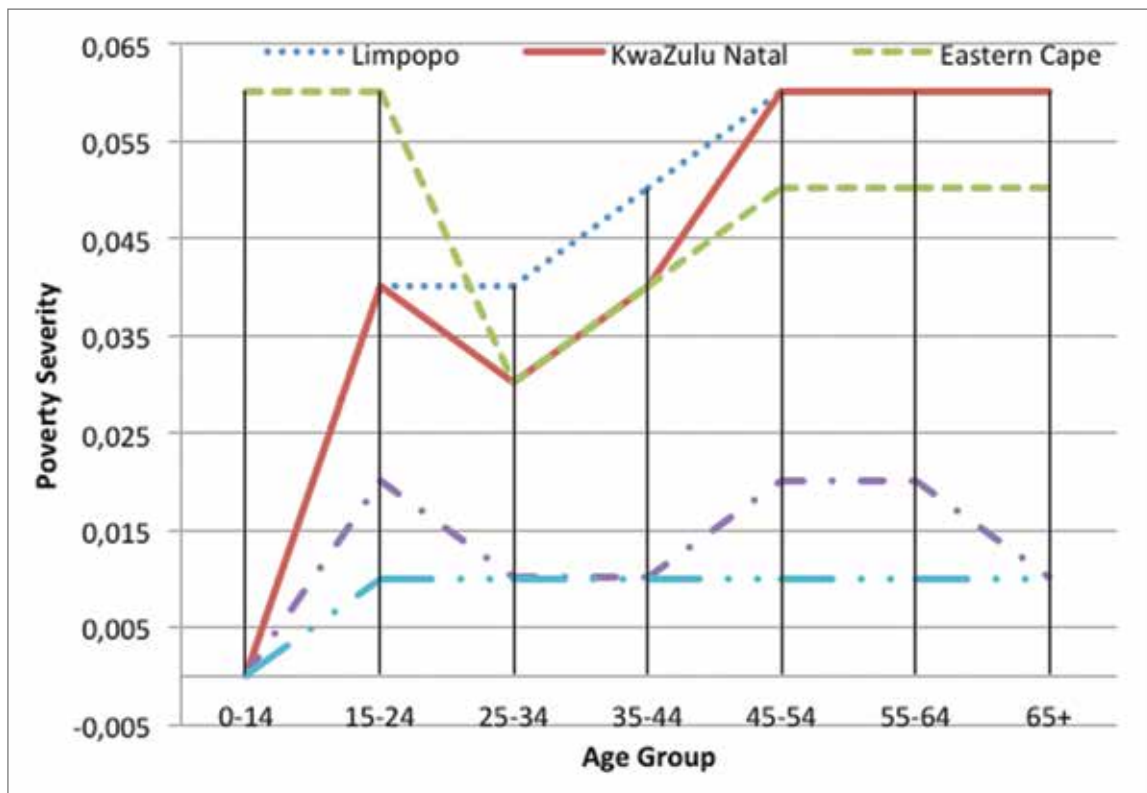


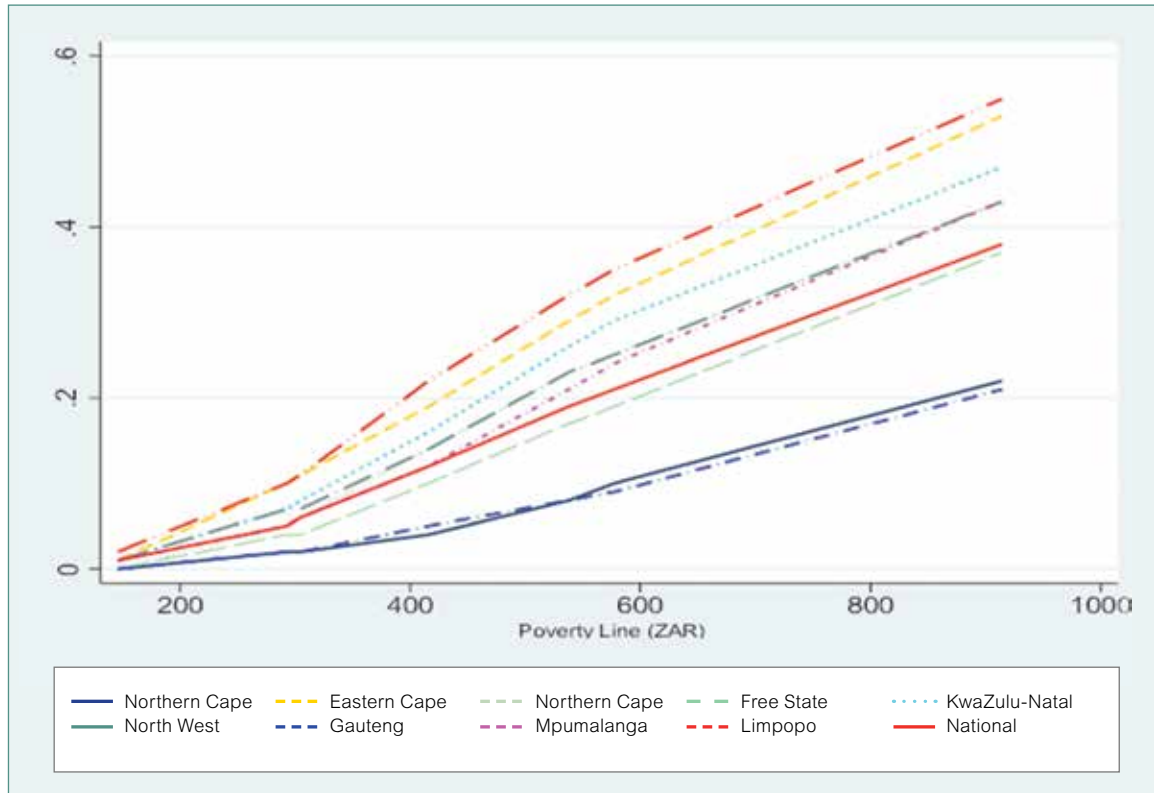
Figure 3: Poverty severity by age group



Similar analysis is done for poverty intensity (figure 2) and severity (figure 3). The analysis shows that for lower poverty lines, there is no consistency in terms of which province dominates the other in poverty. However, at higher poverty lines there is consistency and therefore comparison is safer. The figures show

that poverty lines of R577 and higher are safe to use for comparison. This is why we chose the R577 absolute poverty line for further analysis. The three provinces (Limpopo, Eastern Cape and KwaZulu-Natal) remain consistently at the top. These are the provinces that will attract particular emphasis in further analyses.

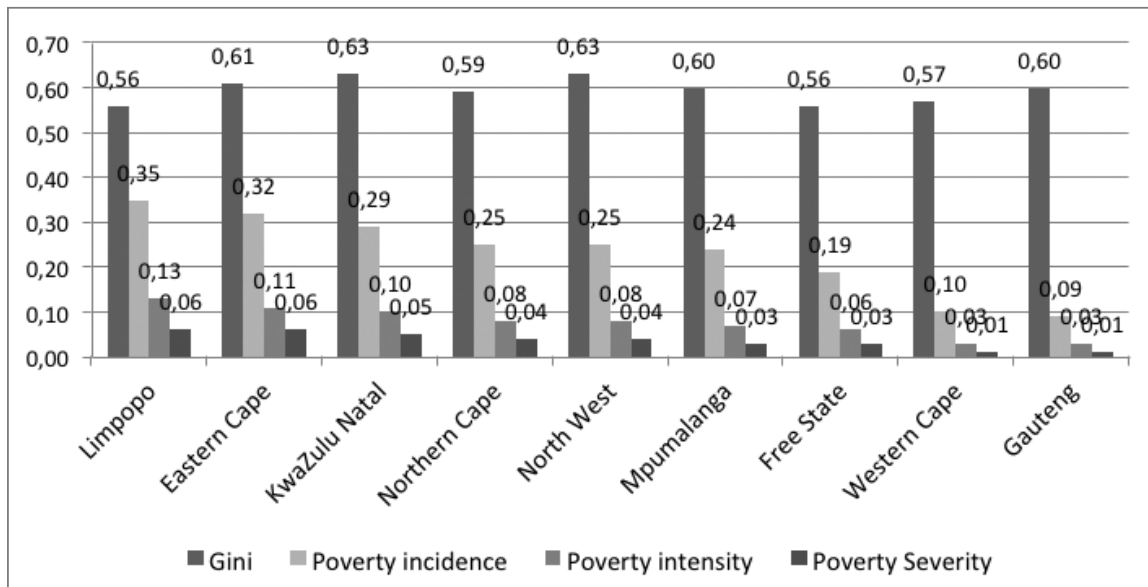
Figure 4: Poverty incidence sensitivity to poverty lines in 2010 data



In selecting provinces for further analyses, we also looked at inequality criteria. Figure 4 compares provincial inequality (Gini coefficients) and poverty severity according to levels of poverty incidence. Poverty severity has a measure of inequality in it but focuses only on the poor. It measures how unequal the poorest are from the poor. Therefore it is more appropriate to select other provinces based on the poverty severity rather than Gini. The Gini measures inequality in overall income distribution, which is not our interest here. We are only interested in the distribution of poverty amongst the poor.

Figure 5 compares income inequality and the three measures of poverty by province. In general, except for Limpopo, the poorest provinces also have the highest Gini, while the richest provinces have the lowest Gini. Poverty severity consistently decreases with decreasing poverty incidence. Consequently we do not add any other province to our list of further analyses since those chosen using poverty criteria are also chosen using inequality criteria.

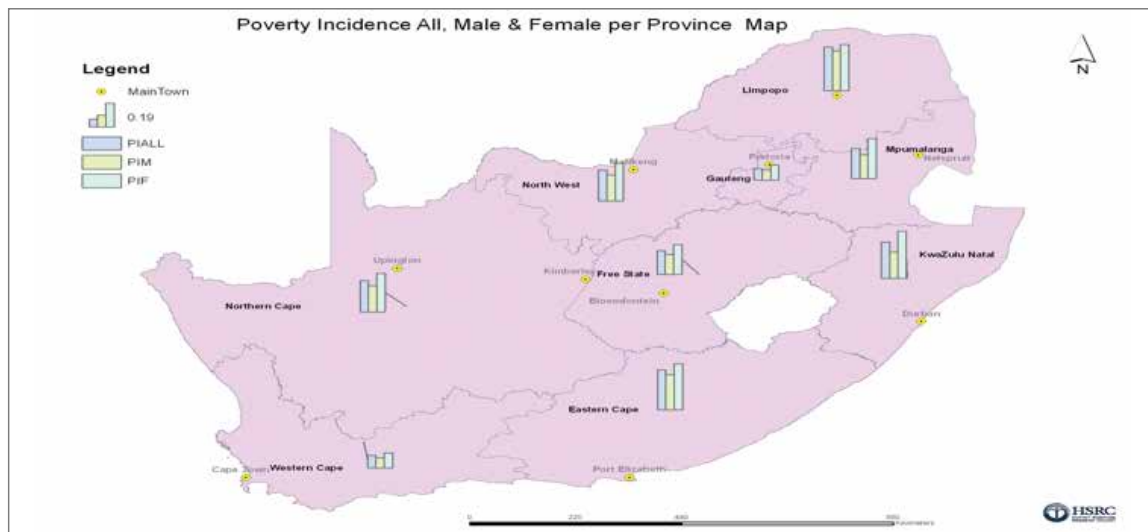
Figure 5: Inequality and poverty by province (Poverty line of R577, 2010)



Figures 6, 7 and 8 respectively present the maps of provincial distribution of poverty incidence, severity and inequality (Gini). The poverty incidence and

severity indicators are disaggregated by gender. The maps complement figure 3 and clarify the explanations of the distribution above.

Figure 6: Provincial map of poverty incidence by gender ²³



²³ Generated from poverty rates that were calculated from the IES, 2010 dataset.

Figure 7: Provincial map of poverty severity by gender ²⁴

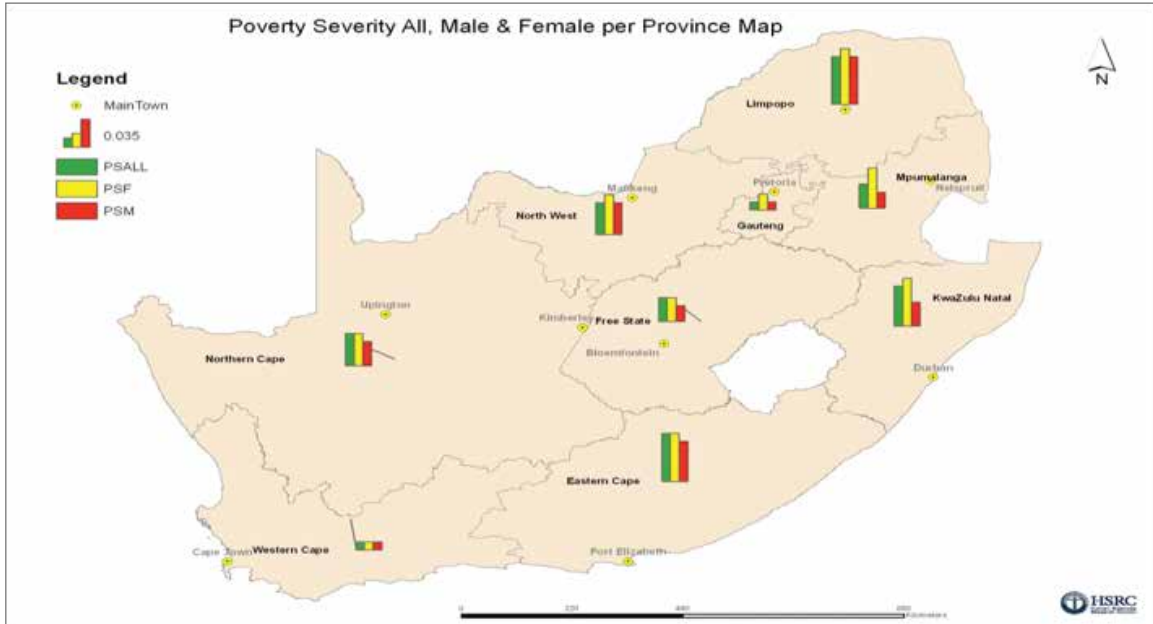
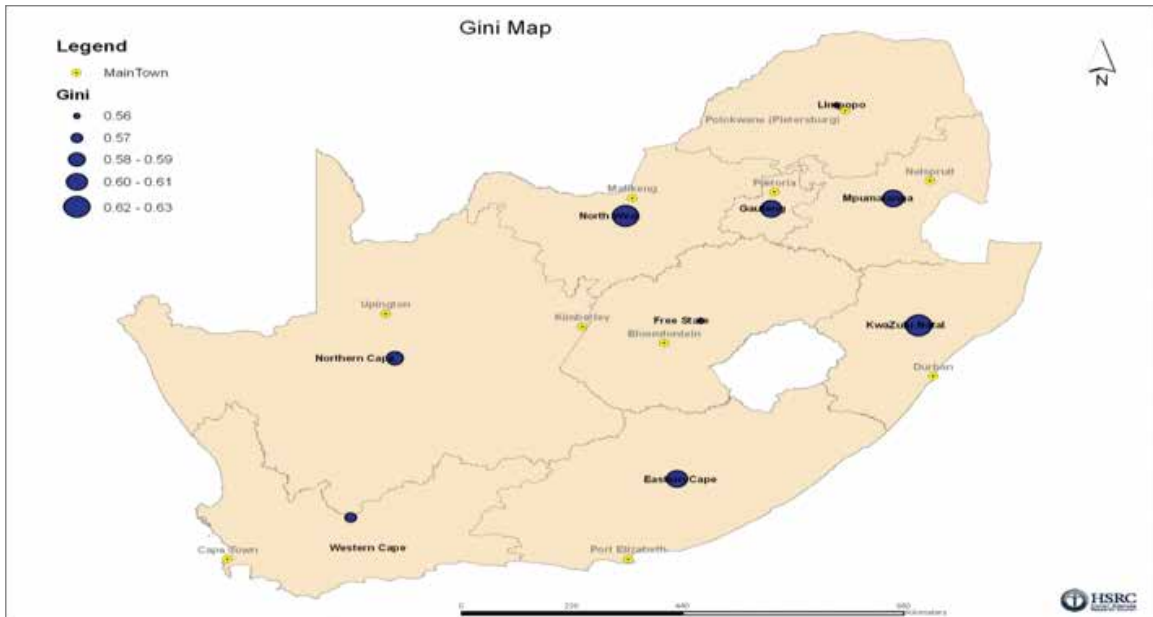


Figure 8: Provincial map of inequality (Gini) ²⁵



²⁴ Generated from poverty rates that were calculated from the IES, 2010 dataset.

²⁵ Generated from poverty rates that were calculated from the IES, 2010 dataset.

Gender

Table 2 shows the indices of poverty disaggregated by gender across all provinces. In general, households headed by females tend to be poorer than those headed by males. This is so across all three poverty

indicators. However, for Western Cape, Eastern Cape and North West Provinces, the female/male poverty gap is not significant for poverty severity.

Table 2: Poverty and inequality by province and gender (Poverty line of R577) ²⁶

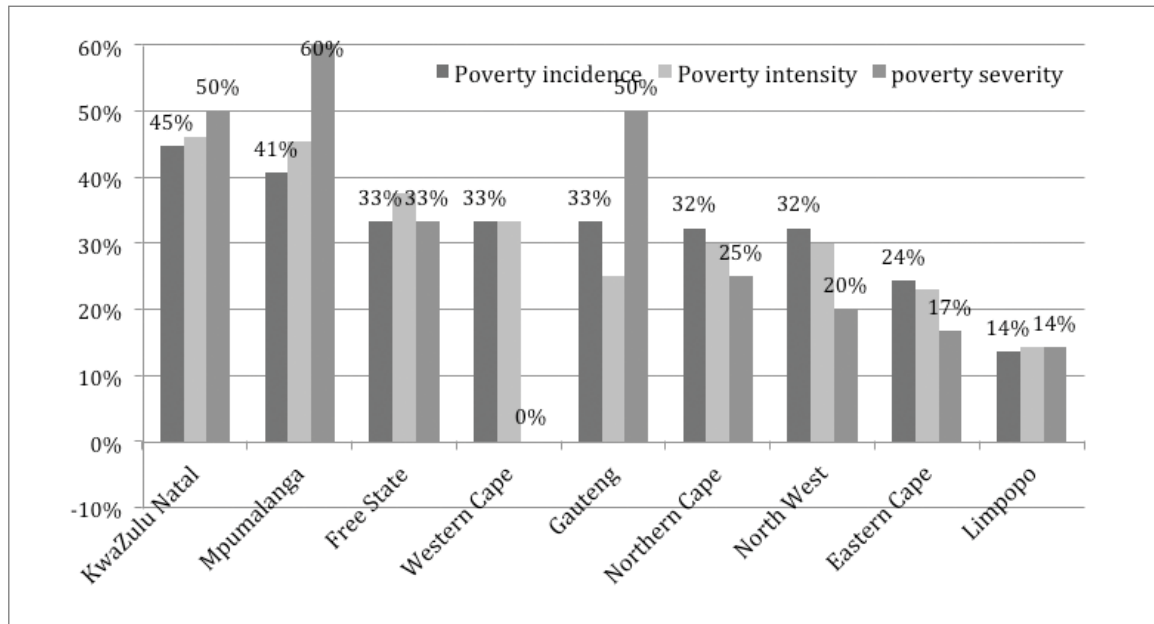
Province	Gini	Poverty								
		Incidence			Intensity			Severity		
		All	Male	Female	All	Male	Female	All	Male	Female
National	0.63	0.21	0.17	0.28	0.07	0.06	0.10	0.03	0.03	0.05
Western Cape	0.57	0.10	0.08	0.12	0.03	0.02	0.03	0.01	0.01	0.01
Eastern Cape	0.61	0.32	0.28	0.37	0.11	0.10	0.13	0.06	0.05	0.06
Northern Cape	0.59	0.25	0.21	0.31	0.08	0.07	0.10	0.04	0.03	0.04
Free State	0.56	0.19	0.16	0.24	0.06	0.05	0.08	0.03	0.02	0.03
KwaZulu-Natal	0.63	0.29	0.21	0.38	0.10	0.07	0.13	0.05	0.03	0.06
North West	0.63	0.25	0.21	0.31	0.08	0.07	0.10	0.04	0.04	0.05
Gauteng	0.60	0.09	0.08	0.12	0.03	0.03	0.04	0.01	0.01	0.02
Mpumalanga	0.60	0.24	0.19	0.32	0.07	0.06	0.11	0.03	0.02	0.05
Limpopo	0.56	0.35	0.32	0.37	0.13	0.12	0.14	0.06	0.06	0.07

Figure 9 presents a chart of female/male poverty differential in relative terms, calculated as (female-male/female) by province. Among the provinces, KwaZulu-Natal has the highest gender poverty incidence and intensity differentials, 45%, and 46% respectively. This means that in KZN, females contribute 45% and 46% more to poverty incidence and intensity respectively than their male counterparts. This is followed by Mpumalanga where females contribute respectively 41% and 45% more to poverty incidence and intensity than males, and

Free State 33% and 38%. In terms of poverty severity, females contribute up to 60% more in Mpumalanga than their male counterparts, followed by KZN and Gauteng (50% each). Although levels of poverty and inequality are high in Limpopo compared to most of the other provinces, it shows less gender inequality amongst the poor. It has the least gender disparity for poverty incidence and intensity, followed by Eastern Cape. Of the three poorest provinces, the figures suggest more marginalisation of women among the poor in KZN than the other provinces.

²⁶ Calculated using IES, 2010 of STATSSA

Figure 9: Female-male poverty differential by province (Poverty line of R577) ²⁷

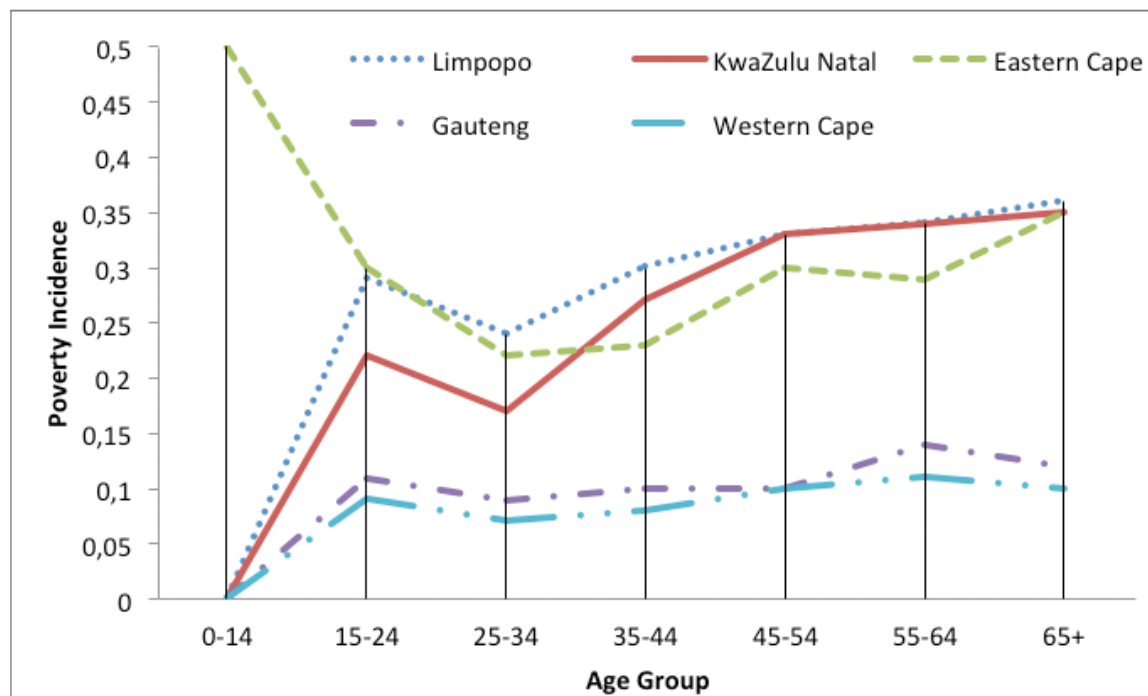


Age

Perhaps one of the most serious problems in the poorest provinces of South Africa is the high proportion of child-headed households. The three provinces together account for up to 67% of all child-headed households in the country. Figure 10 shows the extent of poverty by age group. Child-headed households exhibit the highest poverty, up to 50% in Eastern Cape. For all the poorest provinces, poverty starts high among households with the youngest

household heads (15-24 age group). It drops to the age group of 25-34 and rises steadily thereafter. After the age group of 25-34, the older the household head, the poorer the household. This trend is evident not only for poverty incidence, but also for poverty intensity and severity. In contrast, for the richest provinces (Western Cape and Gauteng), poverty appears to be relatively constant across the different age groups. Therefore antipoverty interventions should pay particular attention to children, youth and the elderly.

²⁷ Calculated using IES, 2010 of STATSSA

Figure 10: Poverty by age group (Poverty line of R577) ²⁸

 Table 3: Poverty incidence by age group in South Africa (Poverty line of R577) ²⁹

Province	0-14	15-24	25-34	35-44	45-54	55-64	65+
National	0.13	0.21	0.16	0.19	0.23	0.25	0.28
Western Cape		0.09	0.07	0.08	0.10	0.11	0.10
Eastern Cape	0.50	0.30	0.22	0.23	0.30	0.29	0.35
Northern Cape		0.35	0.20	0.20	0.30	0.26	0.27
Free State		0.14	0.15	0.19	0.23	0.22	0.21
KwaZulu-Natal	0.00	0.22	0.17	0.27	0.33	0.34	0.35
North West	0.00	0.20	0.19	0.24	0.28	0.24	0.33
Gauteng		0.11	0.09	0.10	0.10	0.14	0.12
Mpumalanga		0.19	0.17	0.21	0.23	0.31	0.29
Limpopo	0.00	0.29	0.24	0.30	0.33	0.34	0.36

Table 3 presents the information in the graph above for all provinces. It is worth noting that Northern Cape has significantly high levels of youth poverty (15-24

age group). The poverty incidence of 35% in this age group is the highest for all the provinces.

²⁸ Calculated using IES, 2010 of STATSSA

²⁹ Calculated using IES, 2010 of STATSSA

Race

Presenting poverty by race (Table 4) indicates that poverty still remains a racial issue in South Africa. Black South Africans account for the highest poverty

in South Africa and among the poorest provinces. The coloureds have the second highest poverty in South Africa and among the poorest provinces. Poverty does not seem to be an issue among the Indians and Whites.

Table 4: Poverty by province and race in South Africa (Poverty line of R577) ³⁰

	Poverty incidence				Poverty intensity				Poverty severity			
	Afr	Col	Ind	Wh	Afr	Col	Ind	Wh	Afr	Col	Ind	Wh
KwaZulu-Natal	0.33	0.13	0.01	0.00	0.11	0.04	0.00	0.00	0.05	0.02	0.00	0.00
Eastern Cape	0.32	0.19	0.00	0.00	0.11	0.05	0.00	0.00	0.05	0.02	0.00	0.00
Limpopo	0.32	0.33	0.00	0.01	0.12	0.10	0.00	0.00	0.06	0.03	0.00	0.00
Northern Cape	0.28	0.28	0.00	0.01	0.10	0.09	0.00	0.00	0.04	0.04	0.00	0.00
North West	0.27	0.23	0.00	0.01	0.09	0.08	0.00	0.00	0.04	0.04	0.00	0.00
National	0.26	0.15	0.01	0.00	0.09	0.04	0.00	0.00	0.04	0.02	0.00	0.00
Mpumalanga	0.25	0.00	0.10	0.00	0.08	0.00	0.05	0.00	0.04	0.00	0.02	0.00
Free State	0.21	0.14	0.00	0.00	0.07	0.04	0.00	0.00	0.03	0.02	0.00	0.00
Western Cape	0.13	0.11	0.00	0.00	0.03	0.03	0.00	0.00	0.01	0.01	0.00	0.00
Gauteng	0.13	0.03	0.00	0.00	0.04	0.01	0.00	0.00	0.02	0.00	0.00	0.00

KwaZulu-Natal has the highest poverty among Blacks (33%), followed by Eastern Cape (32%) and Limpopo (32%). Northern Cape and North West also have significantly high population of Black poor (28% and 27%). Highest poverty among the Coloureds is in Limpopo (33%). Compared to the national average of 15%, Coloured poverty in Eastern Cape and KZN is not too high (19% and 13% respectively). Beside Limpopo, other provinces that exhibit high poverty among the Coloureds are Northern Cape (28%) and North West (23%).

Poverty by settlement type

Table 5 presents poverty by settlement types. In South Africa most of the poverty is in traditional (39%), urban informal (28%) and rural (26%) settlements. KZN shows similar poverty distribution by settlement types. Its highest poverty is among the traditional dwellers (46%), followed by urban informal (35%) and rural (29%). In the Eastern Cape, poverty is also higher among the traditional settlements (39%), followed by urban informal (36%).

³⁰ Calculated using IES, 2010 of STATSSA

Table 5: Poverty by settlement type in South Africa (Poverty Line of R577) ³¹

	Urban formal			Urban informal			Traditional			Rural		
	Incidence	Intensity	Severity	Incidence	Intensity	Severity	Incidence	Intensity	Severity	Incidence	Intensity	Severity
Eastern Cape	0.24	0.09	0.09	0.36	0.12	0.12	0.39	0.14	0.14	0.14	0.04	0.04
Northern Cape	0.22	0.07	0.07	0.55	0.22	0.22	0.48	0.16	0.16	0.28	0.08	0.08
Free State	0.16	0.05	0.05	0.36	0.14	0.14	0.27	0.09	0.09	0.27	0.09	0.09
North West	0.16	0.05	0.05	0.28	0.10	0.10	0.31	0.10	0.10	0.27	0.11	0.11
Limpopo	0.13	0.04	0.04	0.08	0.03	0.03	0.39	0.15	0.15	0.37	0.12	0.12
Mpumalanga	0.12	0.04	0.04	0.28	0.09	0.09	0.36	0.12	0.12	0.24	0.06	0.06
National	0.11	0.03	0.03	0.28	0.09	0.09	0.39	0.14	0.14	0.26	0.08	0.08
KwaZulu-Natal	0.11	0.03	0.03	0.35	0.11	0.11	0.46	0.16	0.16	0.29	0.10	0.10
Gauteng	0.08	0.02	0.02	0.21	0.07	0.07	–	–	–	0.05	0.01	0.01
Western Cape	0.07	0.02	0.02	0.28	0.09	0.09	–	–	–	0.27	0.08	0.08

There is higher poverty in the Eastern Cape among urban formal residents (24%) than rural (14%). The picture in Limpopo is somewhat different with most of the poor concentrated in traditional (39%) and rural (37%) settlements. Northern Cape presents significant poverty when classified by settlement types, with urban informal settlement accounting for up to 55% of poverty incidence, followed by traditional (48%).

An interesting pattern to note is that poverty among urban informal, traditional and rural populations is significantly high across all provinces, including even

the richest provinces. Western Cape urban informal poverty is up to 28%. It is 21% in Gauteng. Limpopo is the province with the least urban informal poverty (8%). Rural poverty is highest in Limpopo (37%), followed by KZN (29%) and Northern Cape (28%). However, Western Cape, one of the richest provinces is closer, with rural poverty incidence of 27%. Gauteng has the least rural poverty of 5%. To put the figures in context, Table 6 gives the proportion of population in each settlement type for each province. Western Cape, Gauteng, Northern Cape and Free State have majority of their population in urban formal category.

Table 6: Proportion of population in the different settlement types ³²

	Urban formal	Urban informal	Traditional	Rural
Western Cape	90%	5%	0%	6%
Eastern Cape	42%	4%	53%	1%
Northern Cape	87%	6%	1%	7%
Free State	80%	5%	10%	5%
KwaZulu-Natal	34%	9%	54%	3%
North West	39%	5%	52%	4%
Gauteng	88%	12%	0%	1%
Mpumalanga	43%	7%	44%	6%
Limpopo	17%	1%	80%	1%

Classification of poverty by settlement type shows great diversity across provinces. Therefore poverty reduction programmes in the different provinces will have to emphasise different settlement types according to provincial specificities in poverty distribution.

Poverty by other dimensions of wellbeing

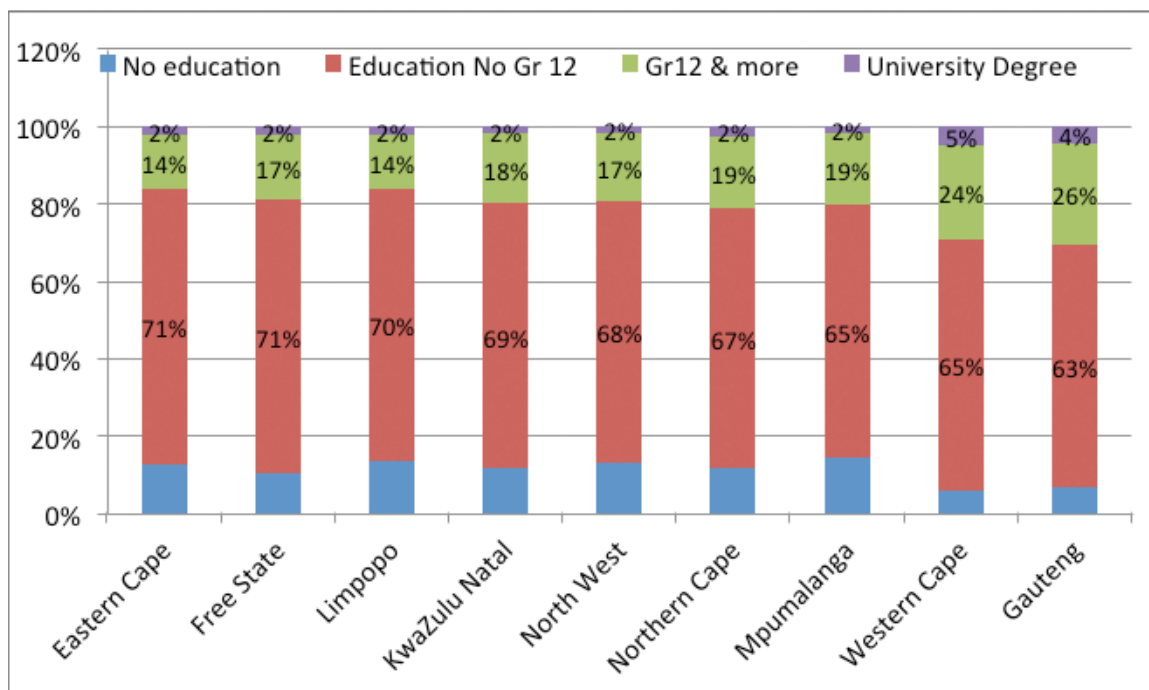
After exploring poverty along socio-demographic and geographic lines, we also show poverty in the different provinces according to the other dimensions of wellbeing. The relevant dimensions considered here are those that determine the labour-market outcomes (education and health), source of income as an indicator of financial capital endowment, asset ownership as an indicator of physical capital and socio-professional category, which captures

elements of labour demand and supply.

Education and poverty

One of the most important correlates of poverty in literature is education, as a major indicator of human capital. Good education does not only predispose people to be able to seize employment opportunities, but also endows them with the capabilities to be able to access and make productive use of the other capitals. Figure 11 presents the percentage of households with different levels of education, while Figure 12 plots poverty incidence within the different levels of education by province. The levels of educational attainment, range from no education, education without grade 12, grade 12 and more and university degree.

Figure 11: Proportion of household heads by educational attainment ³³

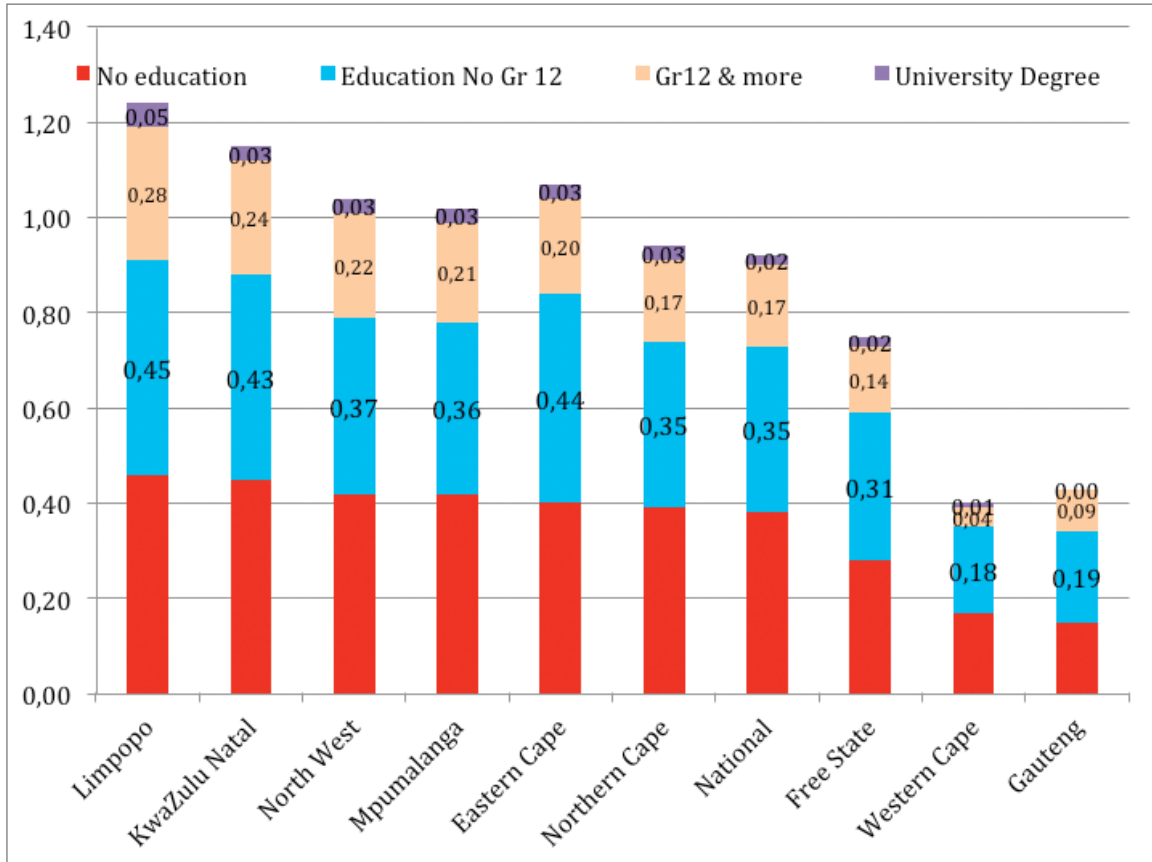


³¹ Calculated using IES, 2010 of STATSSA

³² Calculated using IES, 2010 of STATSSA

³³ Calculated using IES, 2010 of STATSSA

Figure 12: Poverty by educational attainment (Poverty line of R577) ³⁴



Gauteng and Western Cape respectively have 4% and 5% of their household heads with university education. The rest of the provinces have just about 2% each. Clearly, at the national level and across all provinces, a university degree is associated with significantly lower poverty in all provinces (less than 5%). While in all other provinces, there is 2-3%

poverty among university graduates, there is up to 5% poverty among graduates in Limpopo. In the richest provinces (Gauteng and Western Cape), there is no poverty among people with university degrees. This may seem to suggest acute labour demand side-issues that may be addressed by job creation interventions.

³⁴ Calculated using IES, 2010 of STATSSA

The two richest provinces also have a higher proportion of households with post Grade 12 certificate (26% and 24% respectively for Gauteng and Western Cape). The poorest provinces have the least households with post grade 12 certificates (14%, 14% and 18% respectively for Eastern Cape, Limpopo and KZN). Grade 12 with related post-grade 12 certificates and diplomas are only associated with lower poverty (less than 14%) in provinces where the poverty rate is less than the national average. There is significant poverty among households with grade 12 and above, but no university degree in Limpopo (up to 28%), KZN (24%), and Eastern Cape (20%). The richest provinces have less than 10% poverty among this category. Again, this seems to suggest labour demand side-issues. Education and skills development should therefore be accompanied by programmes to create employment that can absorb the skills. Largely, similar patterns are observed for poverty intensity and severity, with a steep fall in poverty post grade 12 certificates and insignificant poverty among people with a university degree (see Figure 10).

The three poorest provinces have the highest proportion of household heads with less than grade 12 attainment (above 70%). Across all provinces, no education and any education below grade 12 certificate are associated with significantly higher poverty. Even in the richest provinces, the poor are concentrated among these categories. These are the categories that are unable to take advantage of the opportunities that are being generated for lack of educational human capital. Skills development interventions should therefore lay emphasis on them

across all provinces. The main outcome of analysis by education is that interventions that aim at creating employment should focus on the poorest provinces while skills development and educational upliftment, (though this may emphasise the poorest provinces) should be present in all provinces where there are pockets of poverty particularly in the urban informal residents for the richest provinces, traditional and rural for the poorest provinces.

Poverty by income source

Presentation of poverty by source of income is important. The source of income can help shed light on the type of capital an individual possesses and makes use of for income generation. Income sources were classified into six groups – labour, entrepreneurial, physical capital, financial capital, grants, allowances and remittances, and other categories, (Figure 13). Labour income comprises salaries and wages. Entrepreneurial income is made up of net profit from business or professional practice, activities of commercial farming and income from royalties. Physical capital income is the total of income from letting fixed property. Financial capital return comprises interest received and/or accrued on deposits, loans, savings and dividends on building society shares; dividends on shares other than building society and regular receipts from pensions from previous employment and annuity funds. Grant allowances and remittances include all social welfare grants; allowances from alimony, maintenance etc. and remittances from other family and non-family members from elsewhere. The other category includes unspecified incomes, not applicable response and other income.

Figure 13: Proportion of household by income sources ³⁵

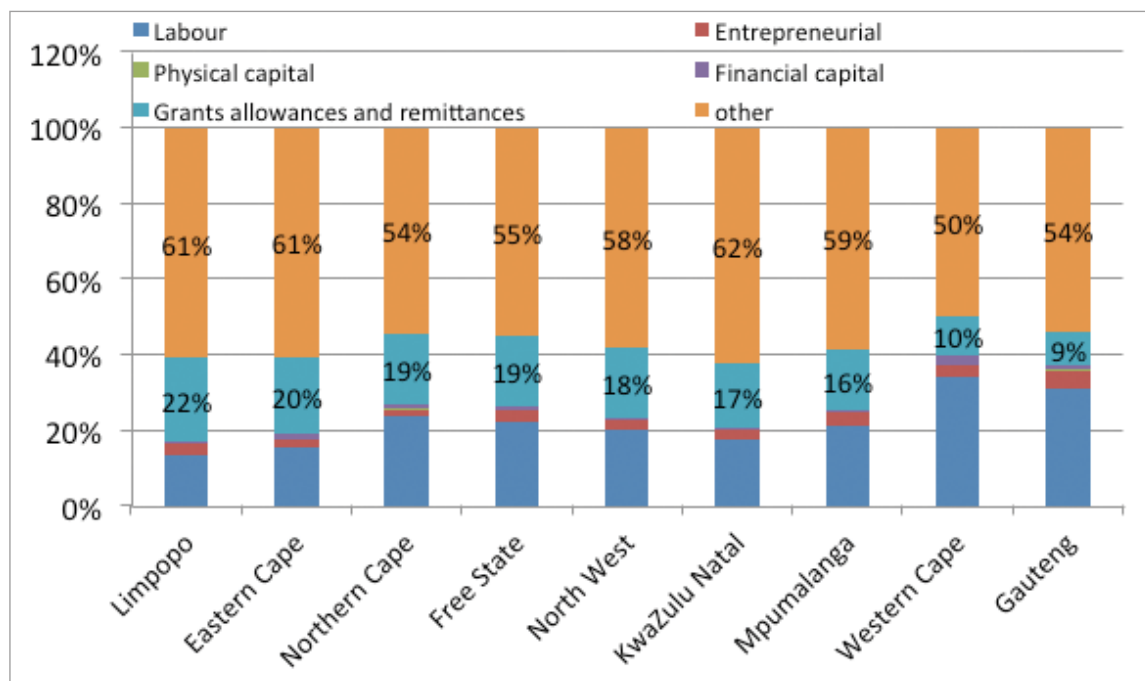


Figure 13 shows the percentage of households in each province that depend on each income source as a main source of income. Poverty incidence by the respective income sources for national and all the provinces are presented in Figure 14. The majority (more than 50%) of households across all provinces do not have a clear source of income. They depend on other (unidentified categories) for living. In this category, poverty ranges from 37% to 38% for the three poorest provinces (KZN, Eastern Cape and Limpopo). For the two richest provinces (Western Cape and Gauteng), poverty incidence within this category is 12% and 16% respectively. For the rest of the provinces, poverty within this category range from 25% to 32%.

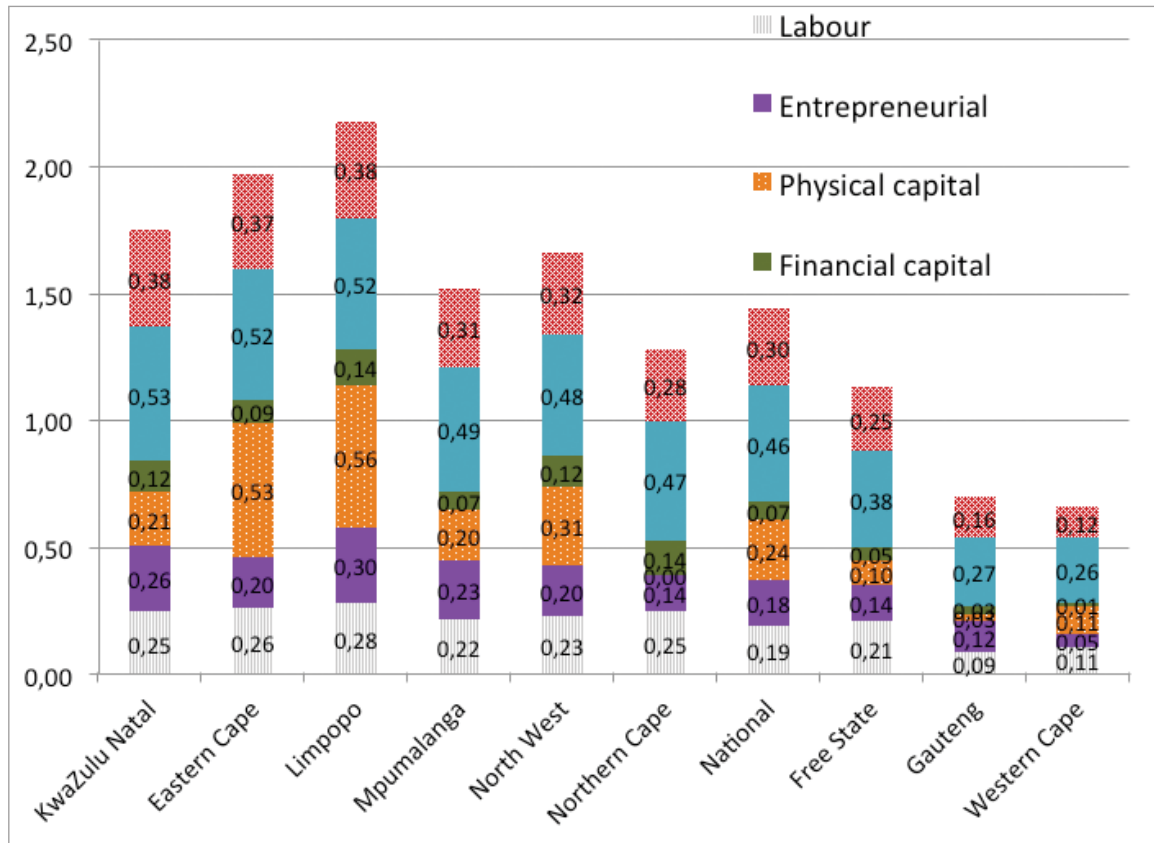
The second most popular source of income on which households depend for living is labour. The poorest provinces (Limpopo, Eastern Cape and KZN) have the least percentage of households (13%, 15%, and

17% respectively) depending on labour income. More than 30% of households in the richest provinces depend on labour income, while in the rest of the provinces, households depending on labour income range from 20% to 24%. Gauteng and Western Cape respectively, have 9% and 11% poverty among households depending on labour income. Limpopo, Eastern Cape and KZN respectively, have 28%, 26% and 25% poverty in this category. For the other provinces, poverty ranges from 21% (Free State) to 25% (Northern Cape). It may be deduced from this that selling labour yields higher returns in provinces with more economic activities as compared to others.

Dependency on grants, allowances and remittances as main income is highest in the poorest provinces (22%, 20% and 17% for Limpopo, Eastern Cape and KZN). The dependency on this category is least for the richest provinces (9% and 10% for Gauteng and Western Cape respectively). At national level and for all

³⁵ Calculated using IES, 2010 of STATSSA

Figure 14: Poverty by income source (Poverty line of R577) ³⁶



provinces, the highest poverty is among households depending mainly on grants, allowances and remittances. In this category, KZN, Eastern Cape and Limpopo record the highest poverty (53%, 52% and 52% respectively). The least poverty in this category is recorded in the richest provinces, Gauteng and Western Cape (27% and 26% respectively). For the rest of the provinces, poverty in this category range from 49% to 38%.

The two richest provinces also appear to have the highest share of households depending on financial capital, physical capital and entrepreneurial returns as main source of income, while the poorest provinces depend on these the least. Overall, these are also

the categories with the least poverty. Poverty among households depending mainly on financial capital ranges from 14% (Limpopo and Northern Cape) to 1% (Western Cape). Clearly, access to financial capital and financial investment is a significant way of poverty reduction. However, this necessarily comes through a savings and investment culture within an investment-conducive environment.

Physical capital is associated with low poverty only in the richest provinces (3% in Gauteng and 11% in Western Cape), where assets can yield high returns. Without economic opportunities, physical capital has low returns and therefore associated with higher poverty in the poorest provinces (56% in Limpopo,

³⁶ Calculated using IES, 2010 of STATSSA

53% in the Eastern Cape, 31% in the Northern Cape and 21% in KZN). Similar logic applies to households depending on entrepreneurial income. Economic development comes with the inter-sectoral linkages that make entrepreneurial activities more rewarding. Consequently, the richest provinces have the lowest poverty among households depending

on entrepreneurial income (9% for Gauteng and 11% for Western Cape). By the same token, there is relatively higher poverty for this category of income in the poorest provinces, 28%, 26% and 25% for Limpopo, Eastern Cape and KZN respectively. Similar conclusions can be reached for the other measures of poverty (see Table 7).

Table 7: Poverty by income source (poverty line of R577)

Province	Labour	Entrepreneurial	Physical capital	Financial capital	Grants allowances and remittances	Other
Poverty intensity						
National	0.07	0.06	0.09	0.02	0.18	0.11
Western Cape	0.03	0.01	0.05	0.00	0.08	0.04
Eastern Cape	0.09	0.07	0.22	0.02	0.20	0.13
Northern Cape	0.09	0.04	0.00	0.05	0.18	0.10
Free State	0.07	0.04	0.01	0.01	0.13	0.08
KwaZulu-Natal	0.09	0.09	0.09	0.03	0.22	0.14
North West	0.08	0.07	0.09	0.03	0.19	0.12
Gauteng	0.03	0.04	0.01	0.01	0.09	0.05
Mpumalanga	0.07	0.08	0.07	0.02	0.18	0.11
Limpopo	0.11	0.11	0.20	0.05	0.21	0.15
Poverty Severity						
National	0.03	0.03	0.04	0.01	0.09	0.05
Western Cape	0.01	0.01	0.02	0.00	0.04	0.02
Eastern Cape	0.04	0.04	0.10	0.01	0.10	0.07
Northern Cape	0.04	0.01	0.00	0.02	0.09	0.05
Free State	0.03	0.02	0.00	0.01	0.06	0.04
KwaZulu-Natal	0.04	0.04	0.05	0.01	0.11	0.07
North West	0.04	0.03	0.03	0.01	0.10	0.06
Gauteng	0.01	0.02	0.00	0.00	0.05	0.03
Mpumalanga	0.03	0.04	0.03	0.01	0.09	0.05
Limpopo	0.06	0.06	0.10	0.03	0.11	0.08

Poverty by Land ownership

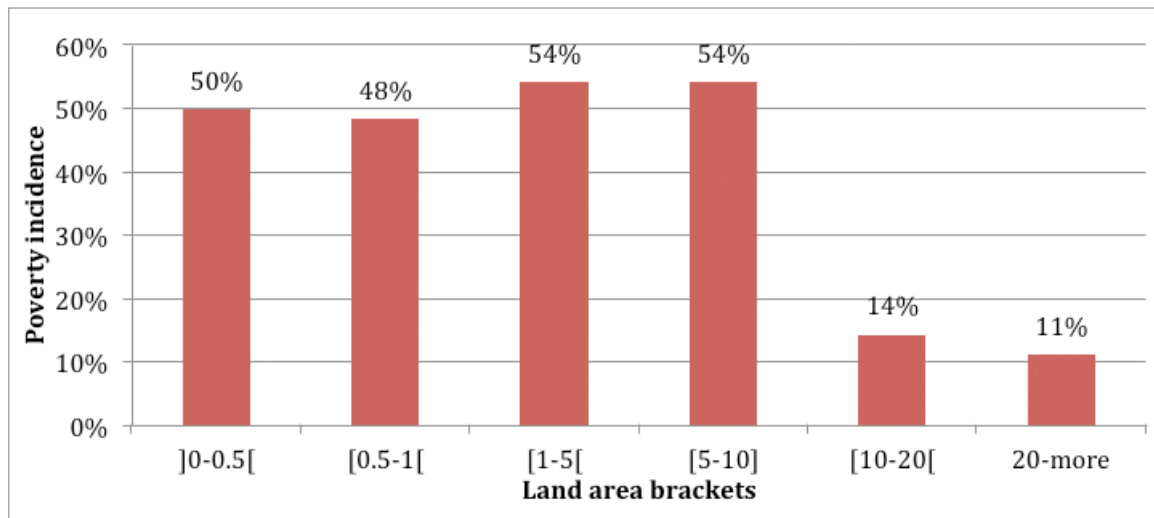
Access and ownership of land as a productive resource is important in determining income levels and poverty outcomes. The only dataset that allows us to undertake this type of analysis is the Living Conditions Survey. Of the 25075 observations, only 5% have access to land and 75% do not. About 18% were unspecified. Some technicalities of sampling technique and difficulties with the land variable could not allow us to do analysis at the provincial level. So the report is based on national level assessment.

The puzzling outcome is that there is higher poverty (about 50%) among those who have access to land than those who do not have access (32%). This means that access to land per se does not automatically lead to poverty reduction. Of the 5% who have access to land, only 39% put the land to any productive use, while

36% do not use the land for anything and 25% are unspecified. Still puzzling is the fact that there are similar levels of poverty among those who put the land to productive use (48.4%) compared with those who do not put their land to any productive use (48.4%). This seems to answer the question why many people may not put land into productive use. There does not seem to be any immediate benefit in land use.

However, the answer to these puzzles seems to lie in three aspects. First, is that the size of land one accesses matters for poverty reduction; second, is that the type of ownership also matters for poverty reduction and the third, is that for those who put the land into any productive use, the proportion utilised is important for poverty reduction. Of those with access to productive land, up to 64 percent access only less than a hectare. Figure 15 shows land size by poverty levels.

Figure 15: Land Size and poverty ³⁷



³⁷ Calculated using IES, 2010 of STATSSA

Reading from Figure 15, it is immediately evident that land size below 10 hectares is associated with significantly high poverty levels (above 50 percent) while above 10 hectares, poverty levels fall below 15%. It is therefore not surprising that most of the land lies unproductive. More than 50% of those who leave land unproductive are those who have access to less than 10 hectares. Therefore the size of the piece of land that one accesses matters a lot for productivity and hence poverty reduction.

In terms of land ownership, a direct cross tabulation shows that those who own their own land have higher poverty (46%), compared to those who access land on rental basis (13%). There is also significantly high (57%) poverty among those who access land on communal basis. However, this may be misleading since most (72%) of those who own their own land only own less than 0.5 hectares. Therefore what is driving poverty in land ownership is land size and not the fact that one owns land. When we control for land size, it emerges that the lowest poverty is among those who own their own land. For those who own about five hectares there is 4% poverty ratio,

compared with 7%, 23% and 11% among those who access land on rental, shared cropping and through tribal authorities respectively. As one increases the land size in each category, poverty levels also fall. This implies that owning a piece of land is important for poverty reduction.

The assessment shows that it is not access to land per se that matters for poverty reduction. Two key factors that affect whether land contributes to poverty reduction are the size of land accessed and ownership of the land. Obviously, poverty might have a negative effect in terms of acquiring other productive inputs to invest on the land. However, theoretically, the effects of other factors are likely to be minor given that access and ownership of the right size of land can serve as collateral to access other capital like financial and physical.

Economic growth and poverty

This section starts by presenting the contributions to national GDP of the respective provinces and the percentage growth rates of GDP. These are in Table 8.

Table 8: Contribution of GDP and GDP growth rates ³⁸

Province	2005	2006	2007	2008	2009	2010	2011	Period average
Percentage contributions to National GDP								
Gauteng	34.3	33.8	34	33.8	34	34	34.3	34.0
KwaZulu-Natal	16.2	16.2	16.1	16	16	15.9	15.7	16.0
Western Cape	14.6	14.5	14.5	14.3	14.1	14.2	14.1	14.3
Eastern Cape	7.9	7.7	7.5	7.5	7.6	7.6	7.4	7.6
Mpumalanga	6.6	6.9	6.9	7.1	7	7	7.2	7.0
Limpopo	6.6	6.8	6.8	7	7	7.1	7.2	6.9
North West	6.4	6.5	6.5	6.6	6.5	6.5	6.6	6.5
Free State	5.2	5.4	5.4	5.4	5.4	5.4	5.2	5.3
Northern Cape	2.2	2.2	2.3	2.3	2.3	2.3	2.2	2.3
Percentage annual growth rates								
National	5.3	5.6	5.5	3.6	-1.5	3.1	3.6	3.6
Gauteng	5.5	6.4	6	4	-1.3	3.5	4.4	4.1
Western Cape	5.9	5.9	6.2	4.3	-1.3	2.8	3.9	4.0
KwaZulu-Natal	5.8	5.5	5.9	4	-1.6	3.7	3.6	3.8
National	5.3	5.6	5.5	3.6	-1.5	3.1	3.6	3.6
Eastern Cape	4.9	5.4	5.4	3.7	-1.1	2.4	3.6	3.5
Mpumalanga	4.6	4.6	4.7	2.3	-1.7	2.8	2.4	2.8
Limpopo	4.3	4.8	4.5	2.6	-1.4	2.5	2.2	2.8
Free State	4.2	4.5	4.5	3.1	-2.1	2.5	2.5	2.7
North West	5.1	4.5	4.2	2.2	-2.6	2.9	2.7	2.7
Northern Cape	3.6	4.1	3.9	1.7	-3.2	2.6	2.2	2.1

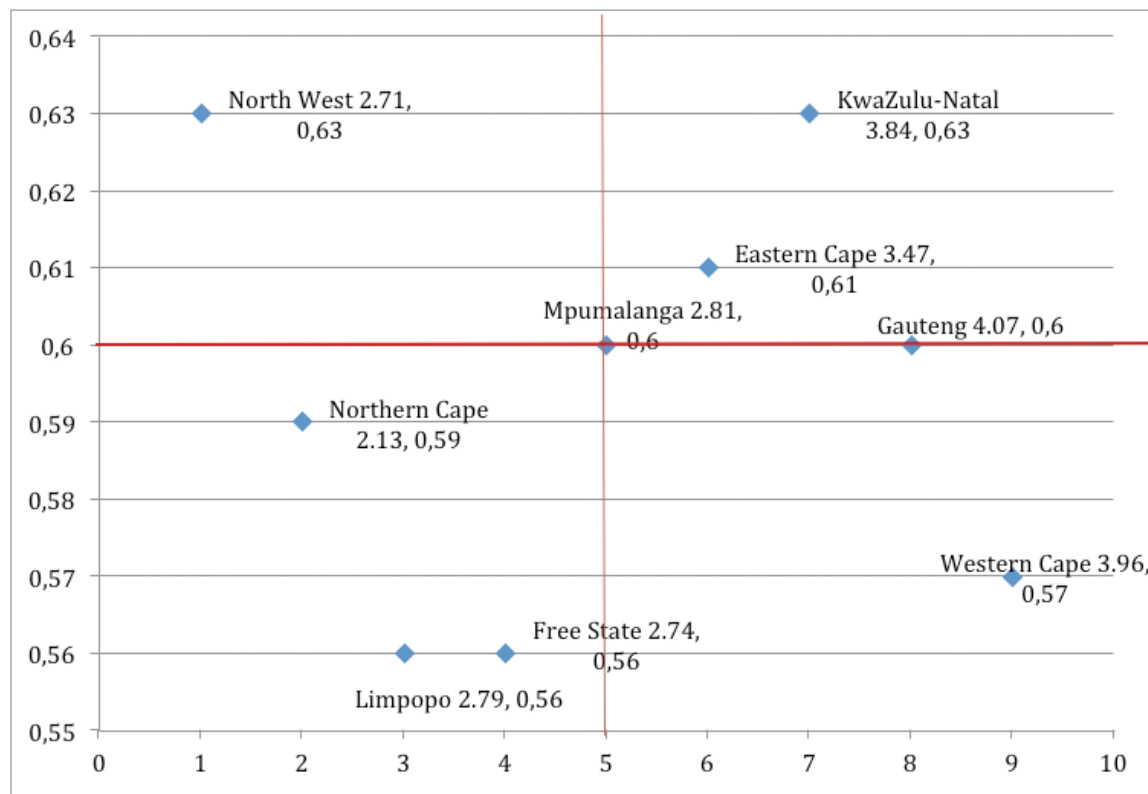
The first surprising fact from Table 8 is that some of the poorest provinces contribute significantly to national GDP, and have economic growth rate close to or above the national average. This implies that existing economic activities are not pro-poor, or the poor lack the capability to capture significant portions of the economic growth to be able to come out of poverty. KZN for example contributes up to 16% on average to national GDP in the period 2005-2011. This is next only to Gauteng (34%). GDP growth rate in KZN is also high for the same period (3.8%), close

to Gauteng (4%) and Western Cape (4%). Eastern Cape follows with 7.6% contribution to national GDP and a growth rate of 3.5%.

Following these facts, we classify the provinces into four quadrants according to growth/inequality pair (Figure 16). The upper left quadrant corresponds to low growth, high inequality; upper right is high growth, high inequality; lower right is high growth low inequality and the lower left is low growth, low inequality.

³⁸ Calculated from STATSSA GDP Dataset, available at http://beta2.StatsSA.gov.za/?page_id=1849, last visited 21/02/2014

Figure 16: Classification of provinces by growth-inequality pair ³⁹



It emerges that the richest provinces belong to high growth, medium inequality (Gauteng) and high growth, high inequality (KZN). Two of the poorest provinces (KZN and Eastern Cape) are in high growth, high inequality zones, while the other (Limpopo) is in a low growth, low inequality zone. Northern Cape, which has shown high youth poverty, also belongs to this zone. The conclusion from this analysis is that in KZN and Eastern Cape, poverty is not so much a problem of absence of economic opportunities but rather lack of investment in the poor to access opportunities. On the contrary, in Limpopo (and the Northern Cape), there are less economic activities. Therefore anti-poverty activities in Limpopo should emphasise both expansion of economic activities together with investment in the skills of the poor.

For KZN and Eastern Cape, the priority should be investment in the skills of, and access to opportunities by the poor.

Analysis of Growth Incidence Curves

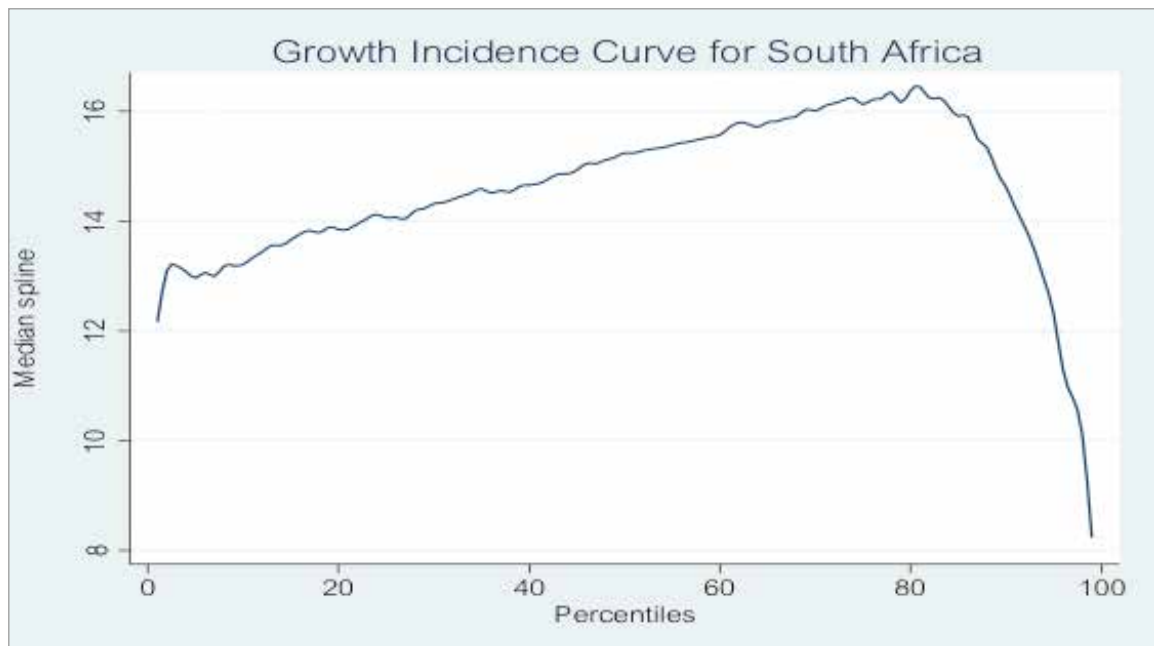
The essence of growth incidence analysis is to determine which segment of the population in the different income distribution groups (percentile) benefit from South Africa's economic growth. The Growth Incidence Curves (GICs) are plotted for the national scenario, the two richest provinces (Gauteng and Western Cape), and the three poorest provinces in South Africa (Eastern Cape, KwaZulu-Natal and Limpopo) and Northern Cape for its high youth poverty. The GICs are computed using data from the Income and expenditure Surveys of 2005 and 2010.

³⁹ Calculated from STATSSA GDP Dataset, available at http://beta2.StatsSA.gov.za/?page_id=1849, last visited 21/02/2014

Figure 17 reports the national GIC. The figure shows that of the average 3.6 GDP growth rate between 2005 and 2011, less than 14% went to the poorest 20%. On average, about 15% went to the middle class (30-60 percentiles), while above 16% went to the top 20% of the population. One can conclude, if we consider only the weak definition of pro-poor growth⁴⁰, pro-poor growth is at the national level. The strong

definition⁴¹ implies that growth in South Africa is still lacking in terms of benefiting the poor, since the poor in relative terms benefit less than the rich. One must note that in South Africa, because of high inequalities due to apartheid legacies, strong gains that will lead to a reversal of these legacies require South Africa to adopt the strong (relative) definition of pro-poor growth.

Figure 17: Growth incidence curve: National ⁴²



The disaggregated curves by province start with the richest provinces. Even the pattern of distribution of growth in the richest provinces is different, but clearly much of the growth is not going to the top class. For Gauteng (in Figure 18), growth is strongly pro-middle class, getting up to 10% of its average 4.1 growth rate for the period of 2005 and 2010. Both the bottom and the top 10% get less than

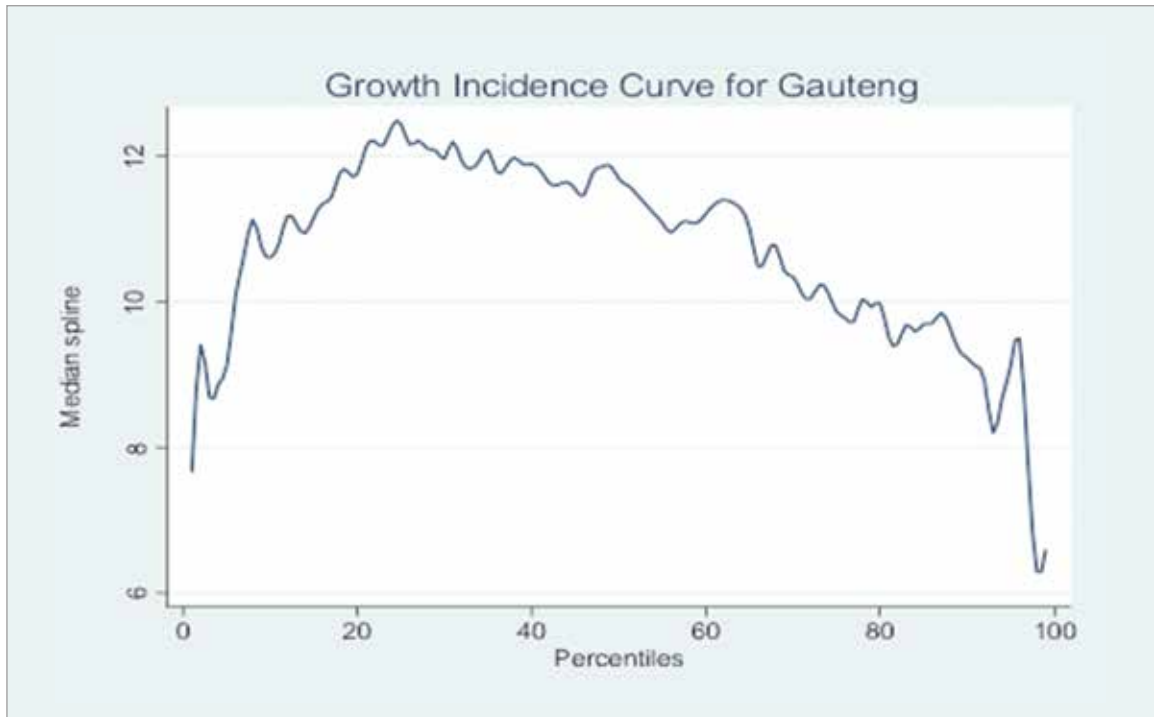
10% on average. This picture of Gauteng calls for policy prescription that should pay greater attention to abject poverty. If growth continues to leave them behind, then there is little hope for them. However, the fact that the shares of growth going to the different groups are positive implies that in weak pro-poor terms, all the poor benefit from growth in Gauteng.

⁴⁰ The weak definition of pro-poor growth requires growth to simply be poverty reducing, irrespective of the inequality in how the growth is distributed.

⁴¹ The strong definition of pro-poor growth requires that in relative terms, the proportion of growth going to the poor should be higher than that going to the rich.

⁴² Source: computed from IES, 2005 and 2010.

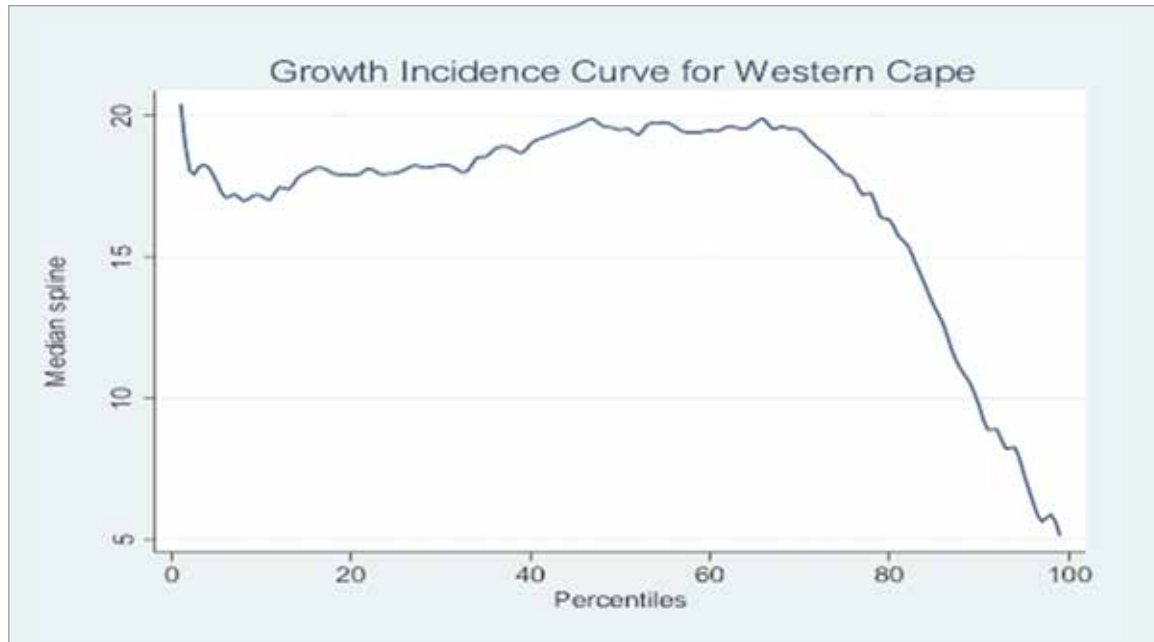
Figure 18: Growth incidence curve: Gauteng ⁴³



In Western Cape, as shown in Figure 19, growth is clearly pro-poor in strong terms especially when we compare the bottom (poorest) 10% getting close to 18% on average, to the top (richest) 10 % getting

about 18% also. From the 20th percentile to the 60th percentile, the shares stably hover between 16% and 19%. Like Gauteng, the bulk of the growth goes to the middle class.

⁴³ Source: computed from IES, 2005 and 2010.

Figure 19: Growth incidence curve: Western Cape ⁴⁴

Relative to the richest provinces, where growth predominantly goes to the middle class, the growth in the poorest provinces is relatively skewed to the rich. For the Eastern Cape in Figure 20, the peak of the curve clearly shifts to the right of the graph. Although the slope of the curve is not as steep as the other poor provinces, the 20th percentiles gains only about 9% of the 3.5 average GDP growth rate.

The picture in KZN (Figure 21) clearly depicts the high inequality, where growth is narrowly distributed mostly to the top 10% of the population, gaining about 21% of the 3.8 average GDP growth. The poorest segment of the population gains only about 15%. Not only is this a depiction of the already existing high inequality in KZN, but it implies that if the situation is not reversed, inequality will get worse.

Limpopo also has a similar scenario to KZN in terms of the shape of the GIC (Figure 22). The poorest 20% shares only about 10% of the GDP growth, while up

to about 16% goes to the top 20%. In Figure 22, we have noted the low growth/low inequality situation of Limpopo. The GIC here shows the low inequality is only as a result of the fact that the growth is also very dismal. In a situation where there is very little, and the accrual on the little base is also small, that distribution may not show a wider dispersion, not because of equality, but because of the small base. If the fundamentals (human capital especially) of the poor are not addressed, the situation of inequality over time will become wider. Any strong growth in this situation will quickly lead to widening income gap in the province. Similar conclusions can be drawn for Northern Cape (Figure 23).

In summary, the poorest provinces are characterised by growth that is strongly pro-rich. The overall situation is such that if nothing is done, the income gap between the rich and the poor will widen further, with the possibility of jeopardising any growth and poverty reduction efforts in the future.

⁴⁴ Source: computed from IES, 2005 and 2010.

Figure 20: Growth incidence curve: Eastern Cape ⁴⁵

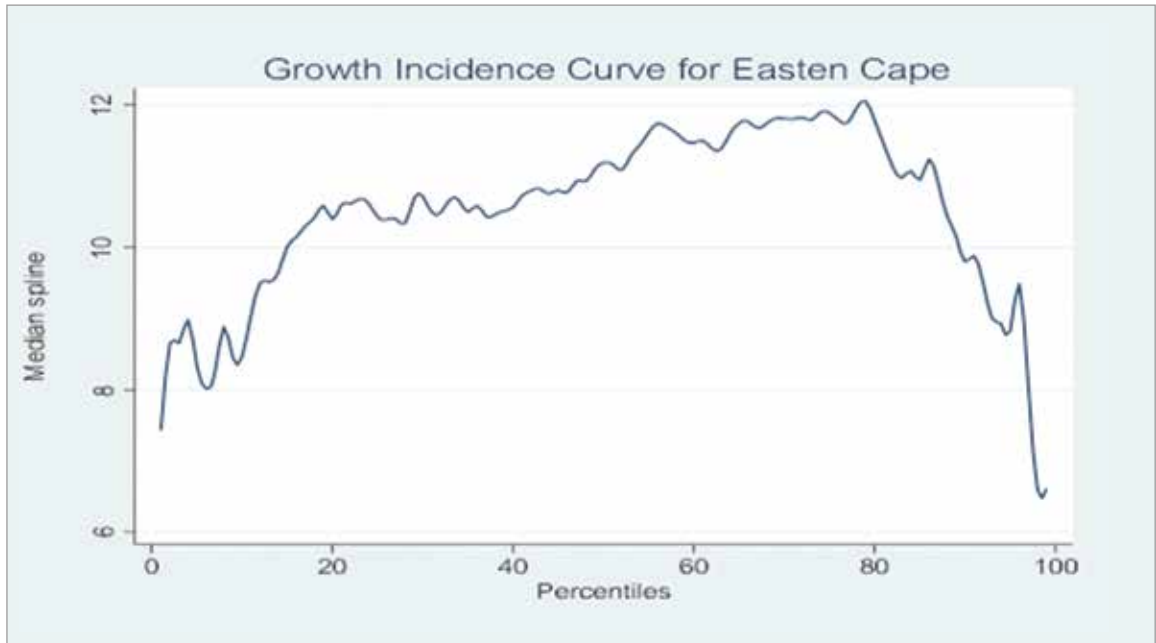
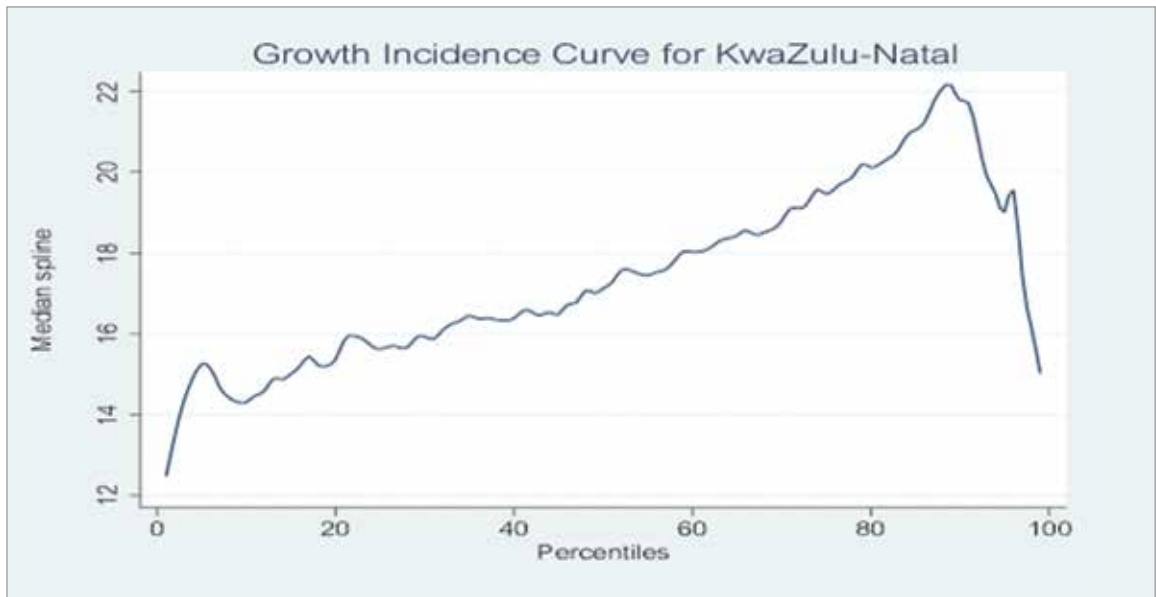


Figure 21: Growth incidence curve: KwaZulu-Natal ⁴⁶



⁴⁵ Source: computed from IES, 2005 and 2010.

⁴⁶ Source: computed from IES, 2005 and 2010.

Figure 22: Growth incidence curve: Limpopo ⁴⁷

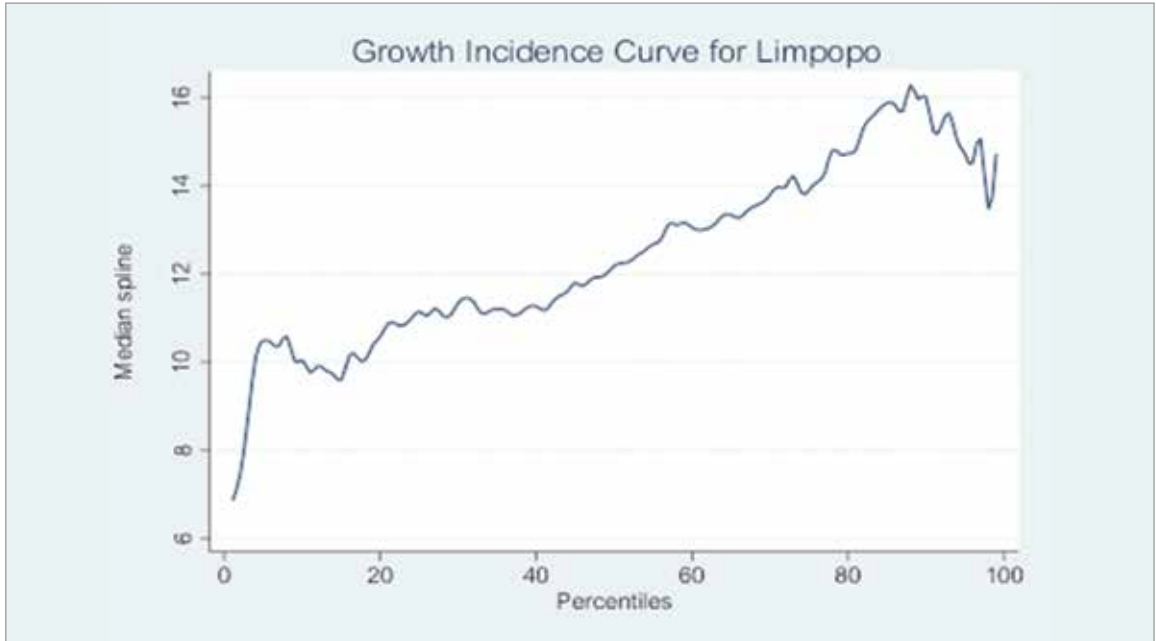
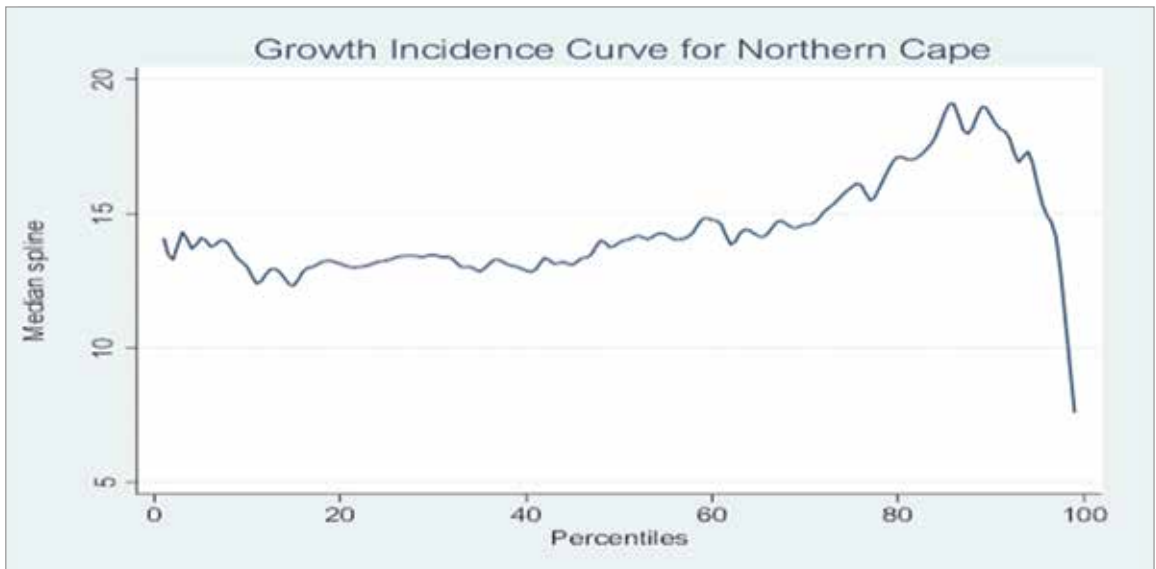


Figure 23: Growth incidence curve: Northern Cape ⁴⁸



⁴⁷ Source: computed from IES, 2005 and 2010.

⁴⁸ Source: computed from IES, 2005 and 2010.

Changes in Socio-professional categories

The key issue of different dimensions of welfare, especially education and health is how they relate to labour market access. In the absence of data that combines incomes with the dimensions of employment status, we rather analyse the structure of the labour market in terms of the sectors that contribute to employment in the different provinces. The analysis starts with levels of unemployment followed by the proportion of informal employment and the different sectors of employment categories.

Unemployment

Table 9 shows levels of unemployment in the respective provinces of interest. One immediately notices that unemployment, though high in the

poorest provinces, dropped between 2005 and 2010. On the contrary, unemployment is low in the richest provinces but has mildly risen. Possibly, migration from poorer to richer provinces may be driving this trend in unemployment. The gender dimension of unemployment is mixed. In Eastern Cape, male unemployment was 38%, and female 34.2%, in 2005. This dropped to 36.1% and 31% respectively. EC is the only province where male unemployment is higher than that of female. In KZN, male/female unemployment levels are also equal, being 34.9% and 35.7% for 2005 and 24.1% and 22.9% for 2010. The balance tipped in favour of females between 2005 and 2010. All the other provinces, both rich and poor have significantly higher female unemployment than male.

Table 9: Unemployment, by sex ⁴⁹

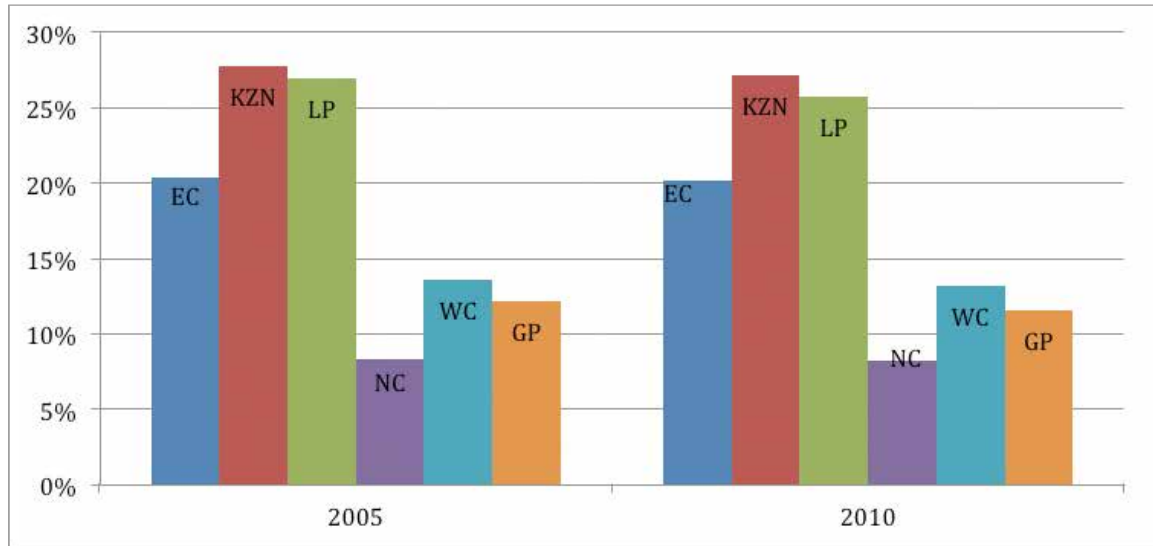
		EC	KZN	LP	NC	GP	WC
2005	Male	38.0%	34.9%	23.4%	26.6%	17.8%	15.9%
	Female	34.2%	35.7%	33.1%	39.2%	24.4%	19.0%
	Total	36.0%	35.3%	28.3%	32.2%	21.0%	17.4%
2010	Male	36.1%	24.1%	20.2%	27.6%	21.3%	20.3%
	Female	31.0%	22.9%	27.6%	36.8%	26.8%	21.3%
	Total	33.6%	23.5%	23.8%	31.5%	23.8%	20.8%

Employment structure

The structural analysis of employment starts with the proportion of informal employment in relation to total employment for the six provinces under consideration. Clearly, the poorest provinces rely mainly on informal employment (Figure 24). In 2005, KZN and Limpopo topped the list, with informal employment contributing

to more than 25% of total employment. EC comes next, with just above 20%. Northern Cape compares more with the rich provinces, at below 15%. The shares remain relatively stable between 2005 and 2010. By implication, policies have to adequately address informality in the poorest provinces and lift up their proportion of formal employment.

⁴⁹ Source: Constructed from Global Insight, February 2014

Figure 24: Share of informal employment in total⁵⁰

Following the analysis of formal/informal employment, we look at the contributions of the major economic sectors to overall employment in the provinces. The key sectors are financial, trade, manufacturing, agriculture, households and community service. Figure 25 presents the comparisons. The financial sector is the key employer in rich provinces, contributing 15% for WC and 20% for Gauteng in 2010. The figures were slightly lower in 2005. On the contrary, the sector contributes barely above 5% in poor provinces across both periods. KZN however, has a higher proportion, which was below 10% in 2005, but increased to about 11% in 2010.

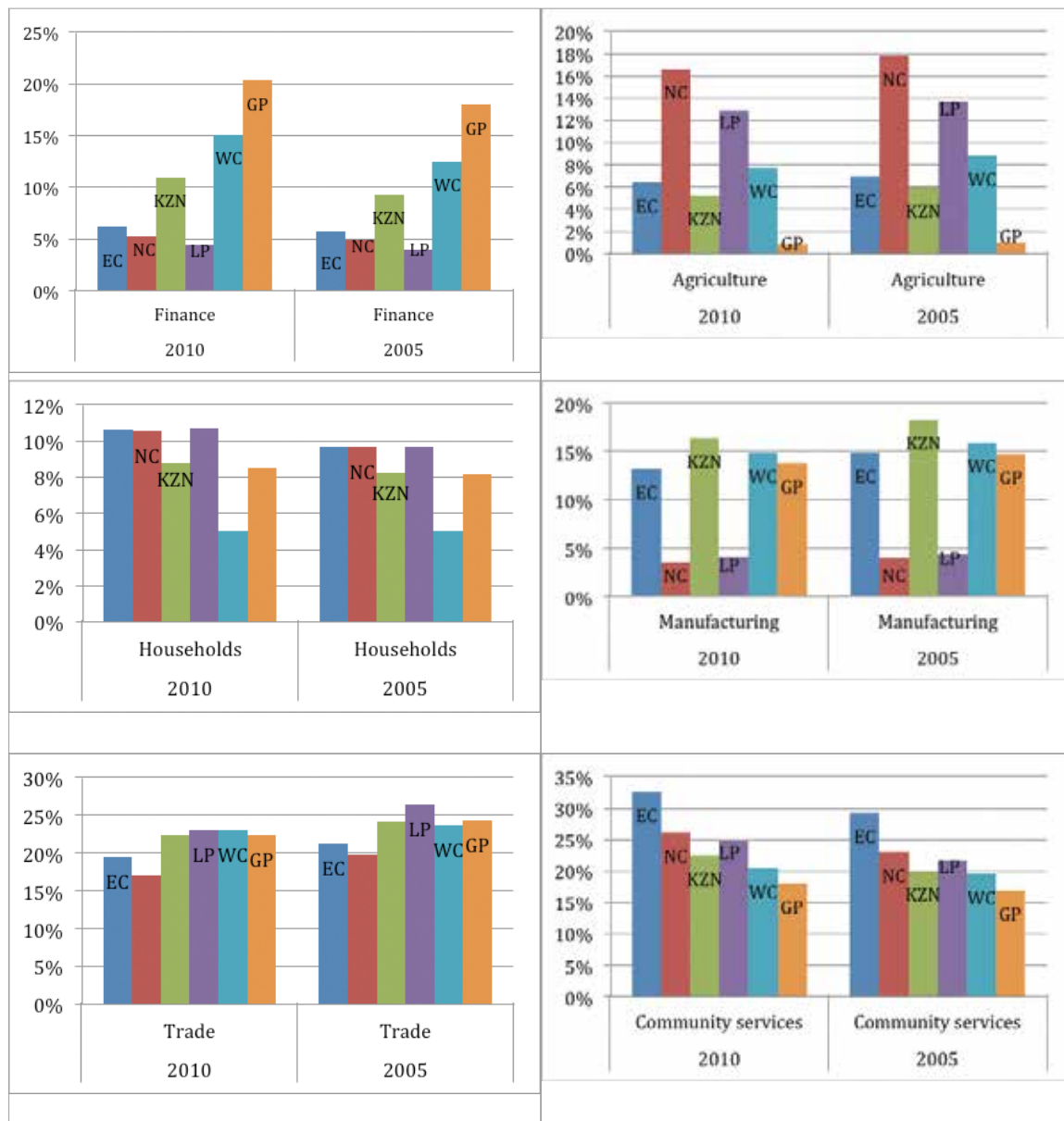
Manufacturing is also a key sector of employment in rich and some poor provinces. Manufacturing contributed 14% and above in both rich provinces in 2010, falling from about 15%. Among the poor provinces, manufacturing contributed to more than 16% of employment in KZN in 2010, falling from about 18% in 2005. Eastern Cape also has a significant contribution of manufacturing to employment (about 13% in 2010, from 15% in 2005). Limpopo and Northern Cape have the least share

of manufacturing, remaining consistently at below 5% for both periods. It may be inferred from this that manufacturing contributes to a great deal of inequality, given the high inequality in poor provinces with high manufacturing share (see Figure 25). The implication is that for Northern Cape and Limpopo, policies that enhance the creation of manufacturing firms should be considered while paying attention to labour supply disparities to prevent inequalities. For EC and KZN on the other hand, investment must be made on the poor's ability to access manufacturing employment.

The ratio of trade to employment is not too dissimilar between the poorest and the richest provinces. In all the provinces, the contribution is above 17%, being highest for Limpopo (26%), KZN, Western Cape and Gauteng (24%), and least for Eastern Cape and Northern Cape, but also above 20% in 2005. The proportion drops for EC and NC to below 20%, but above 15%. The key issue to consider here is that trade might be small-scale and more informal in poorer provinces than richer ones.

⁵⁰ Source: Constructed from Global Insight, February 2014

Figure 25: Share of informal employment in total ⁵¹



⁵¹ Source: Constructed from Global Insight, February 2014

Agricultural sector employs significantly in Northern Cape (16%) and Limpopo (12.4%) in 2010, although the shares were slightly higher for 2005. Gauteng has the least share of agricultural employment, followed by KZN, EC and WC. There is no clear indication here that belonging to the agricultural sector is associated with higher poverty. However, it is clear that the poor in agriculture may either be employees there or practise small-scale farming. Inferring from the analysis of land ownership and poverty, we have previously established that small-scale farming (on less than 10 hectares) may be associated with significantly high poverty.

Community services and households are sectors that contribute strongly to employment in poor provinces. The highest share of community employment in 2010 was in EC (32%), NC (26%), Limpopo (25%) and KZN (23%). The proportions for these provinces have increased slightly from 2005. The shares are consistently below 20% for Gauteng and Western Cape. Households also employ relatively highly in poor provinces (above 10%) in EC, NC, and Limpopo. KZN is about 9%, while the richest provinces are around 8% for Gauteng and 5% for WC. The picture has hardly changed between 2005 and 2010.

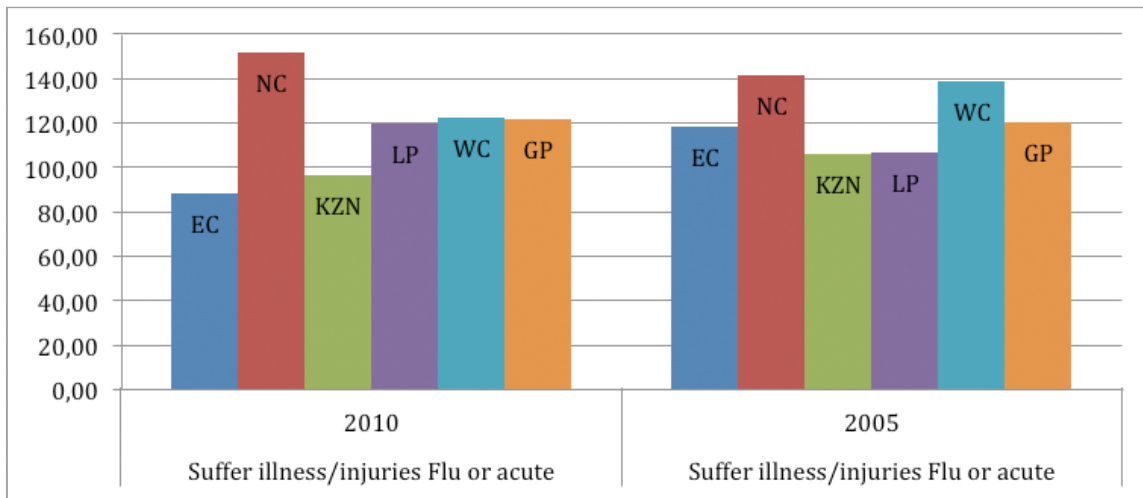
Clearly, there are policy implications that can be drawn from the employment structure analysis:

- dealing with informality in poor provinces
- upgrading and enhancing manufacturing investment in Limpopo and Northern Cape
- while improving access to manufacturing employment in KZN and Eastern Cape
- upgrading the poor to move from low paid employment (community service and households) to high paid ones (financial services, manufacturing)

Changes in Self-reported health indicators

We use self-reported health indicators obtained from 2005 and 2010 General Household Survey (GHS) to analyse the other leg of human capital – health. With the absence of adequate dataset that gives health indicators and income in one set, we are unable to compare poverty within different health categories. The analysis here is only a second-best approach. We first consider general illnesses as reported by the respondents surveyed. Following this, we look at two groups of diseases. The one is life-style related disease – diabetes and high or low blood pressure. The other comprises the diseases that may be closely related to living conditions – diarrhoea and TB or severe cough with blood.

Figure 26: Self-reported disease (per thousand)⁵²

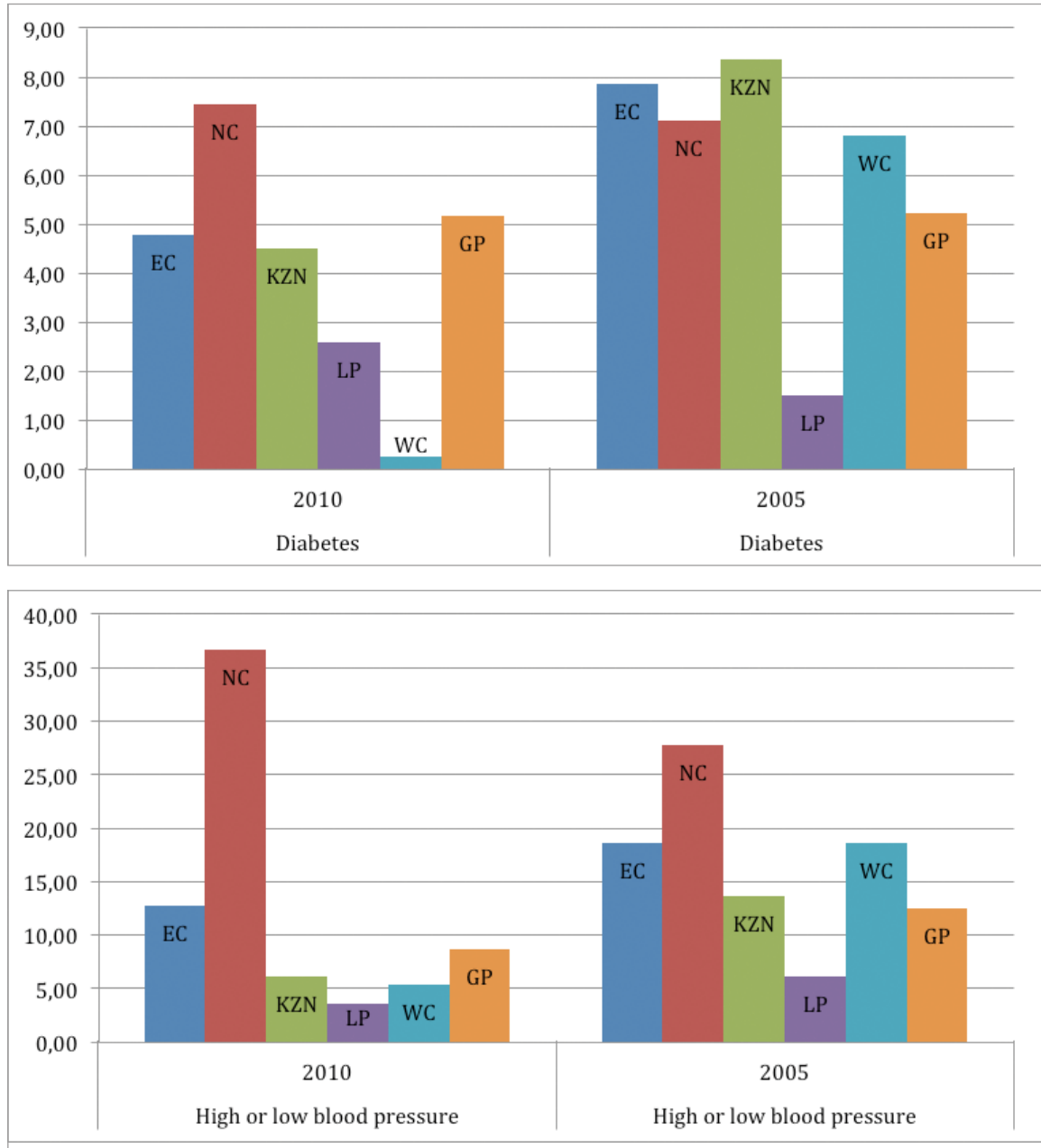


While self-reported disease levels have remained the same for Gauteng (120 per thousand) from 2005 to 2010, the level dropped for WC from 140 to 120 per thousand. Compared to the poorest provinces, similar drop can be noticed for EC (118 to 98 per thousand) and KZN (105 to 98 per thousand). For

Limpopo and Northern Cape, self-reported disease has actually risen (105 to 120 per thousand and 140 to 150 per thousand). Because of the mixed picture, one may only try to make sense of the structure of self-reported illnesses for specific diseases.

⁵² Source: Constructed from General Household Surveys (2005 and 2010)

Figure 27: Self-reported disease (per thousand) ⁵³



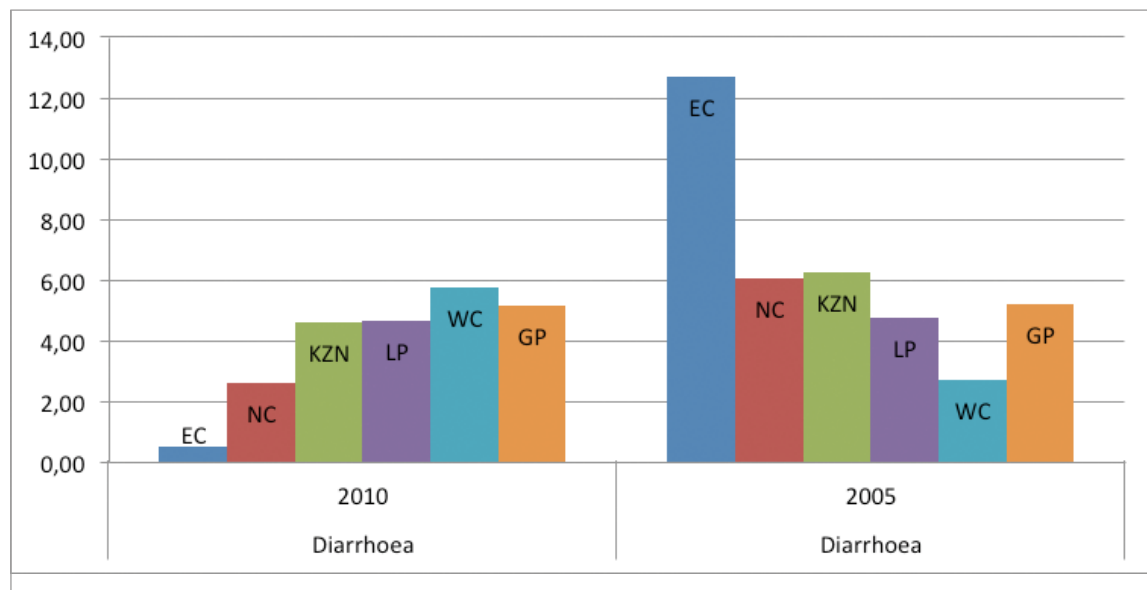
⁵³ Source: Constructed from General Household Surveys (2005 and 2010)

Figure 27 reports levels of self-reported life-style diseases in the different provinces of interest. In general, except for Limpopo, all provinces, poor and rich alike have been affected by diabetes. The level for Gauteng has remained low (5 persons per thousand) between 2005 and 2010. The level in WC has significantly dropped from 6.8 to near zero per thousand. The level in Limpopo has been low, but increasing, from 1.5 to 2.5 per thousand. EC and KZN have high relative general disease prevalence, with decreasing tendencies from 7-8 per thousand to about 4.5 per thousand between 2005 and 2010. The level has changed from 7 to 7.5 in the Northern Cape.

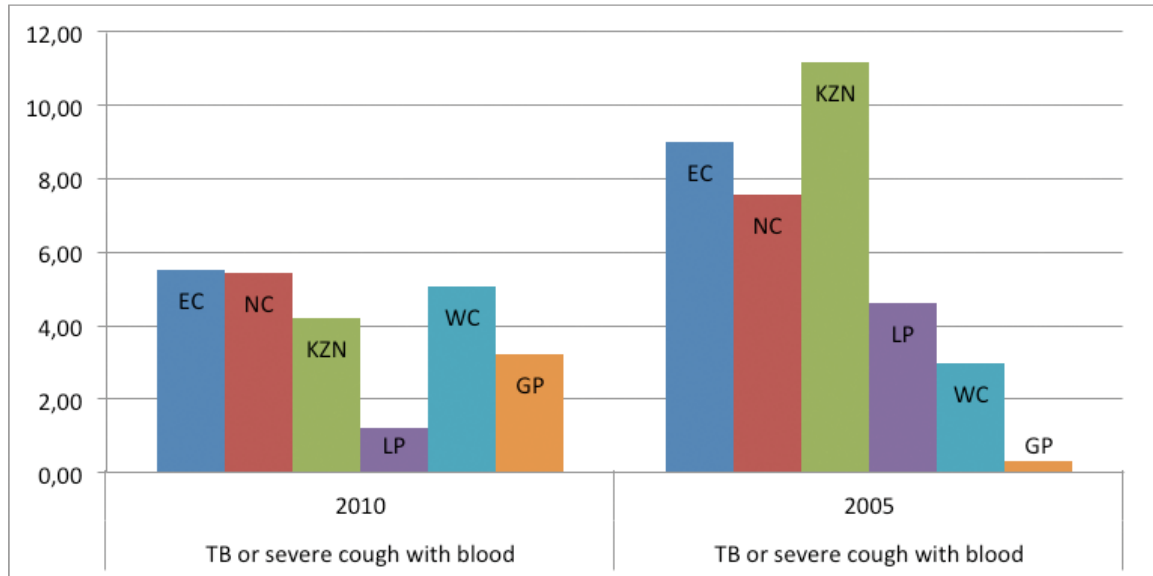
Clearly there is no discernible pattern that would separate poor provinces from rich ones. However, in terms of high/low blood pressure, WC and GP have recorded significant decreases from 18 and 12 to 5 and 8 per thousand respectively, between 2005 and 2010. Similar, but less pronounced decreases have been recorded for EC, KZN and Limpopo. The trend has been on the rise for Northern Cape.

Although all provinces battle with life style-related diseases, one can generally conclude that while the rich provinces are winning the battle, the poorest provinces are not recording similar levels of improvements.

Figure 28: Self-reported disease (per thousand) ⁵⁴



⁵⁴ Source: Constructed from General Household Surveys (2005 and 2010)

Figure 28: Self-reported disease (per thousand) ⁵⁵

Living conditions-related disease prevalence is reported in Figure 28. The figure clearly indicates that in 2005, the poorest provinces had relatively high proportion of self-reported diarrhoea and TB, ranging from 12 for EC and 5 for Limpopo, and 11 for KZN and 5 for Limpopo, respectively. For both diseases, Gauteng recorded 5 and 0.3 and WC 3 and 3 per thousand, respectively. However, while on average, the poorest provinces remain higher than the richest ones, they recorded significant improvements in the burden of these diseases between 2005 and 2010. In summary, one would conclude that levels of living conditions-related diseases have been falling faster for poorer provinces relative to the richer ones. This may imply that health policies are getting to the target, though gaps may still exist in terms of quality of health service delivery.

Policy perception by the poor

The purpose of the fieldwork was to help understand perception of policy from the perspective of the poor. It therefore makes sense to focus on the poor

themselves. Due to resource and time constraints, we could not undertake the field work in all the provinces in South Africa. We utilised a purposive sampling approach in selecting the three poorest provinces in South Africa based on criteria of poverty and inequality levels, namely Eastern Cape, KwaZulu-Natal and Limpopo Provinces.

For the selection of projects from which beneficiaries would be selected we requested the NDA to provide us with lists of all projects funded by the NDA in these provinces. The list was further disaggregated to highlight only projects which were spatially located in an urban informal settlement, a traditional authority settlement and a rural settlement. We further narrowed down the sample of projects to those NDA funded projects which were directly addressing income poverty and food insecurity interventions. Finally, based on this a short list of 3 projects per province were identified and 1 project from each site was randomly selected to ensure that we had an informal site, a rural site and a traditional authority site.

⁵⁵ Source: Constructed from General Household Surveys (2005 and 2010)

The three projects selected were:

- Vukuzenzele Weaving Project and the Zamokuphila Piggery Farming Cooperative in the Eastern Cape.
- Asisukume Msinga Agricultural Cooperative in KZN; and
- RASEKO Agricultural Cooperative in Limpopo.

In each project, 15 respondents were selected. In Eastern Cape, 6 respondents each came from Zamukhupila Piggery Cooperative and VukuZenzele weaving project and 3 from Emazizini Primary Cooperative. In KwaZulu-Natal, 5 respondents were selected from each of three sites of 53 food gardens in Asisukume Msinga Cooperative. In Limpopo province, 7 respondents came from Ramoshoane Primary Cooperative, 3 respondents from Seopa Primary Cooperative and 5 respondents from Kordon Primary Cooperative.

General perceptions and experiences of poverty

Almost all the respondents in the three provinces

linked the definition of poverty to unemployment, sources of income, lack of necessities and shortage of food in the household. Majority of the respondents in Limpopo province linked poverty to lack of necessities which included shortage of food and shelter, in defining poverty. In Eastern Cape and KwaZulu-Natal the respondent's defined poverty as a shortage of employment opportunities which could assist the household head generate income to provide sustenance to the household.

The respondents were asked as to whether they consider themselves poor, rich or non-poor. As reported in Table 9, most of the respondents in Eastern Cape (86%), considered themselves not poor and not rich, while only 13% considered themselves to be poor. In KwaZulu-Natal, 80% of the respondents considered themselves to be poor and only 20% considered themselves not poor or not rich. In Limpopo province, 73% of the respondents considered themselves poor while 26% of the respondents considered themselves not poor or rich. These responses are shown in Table 10.

Table 10: Respondents self-perception of level of poverty

Response	Eastern Cape (%)	KwaZulu-Natal (%)	Limpopo (%)
Poor	13.33	80	73.33
Not poor or not rich	86.67	20	26.67

At household Level, 52% of the respondents in Eastern Cape considered the situation in the household as being the same with the neighbouring households and 15% of respondent considered their household to be better off compared to other households. In KwaZulu-Natal, 75% of the respondents considered the situation in the households to be worse off compared to other households. About 28% of the respondents compared the situation in the household to be the same and only 15% indicated improvement

in the households. In Limpopo province, 69% of the respondents considered the situation in the household to have improved over the years compared to the neighbouring households and 19% considered the situation in the household to be the same with other households. About 25% of the respondents considered their household to be worse off compared to other households. Table 11; show the responses of the interviewed respondents in the three provinces.

Table 11: Respondents household compared to other households

Responses	Eastern Cape	KwaZulu-Natal	Limpopo
Better	15.38	14.29	60
About the same	84.62	42.86	26.67
Worse-off	0	42.86	13.33

The respondents mentioned a number of factors which lead to poverty in the communities. These factors are: absence of parents, disability and sickness, environmental factors, insufficient income, lack of qualifications, laziness and unemployment. Majority of the respondents viewed unemployment as one of the factors which exacerbates poverty in their communities. Those who mentioned lack of qualification emphasised that education serves as an entrance to wage employment. The NDA project beneficiaries also stated that laziness of members of the communities causes poverty in the households. Some of the respondents identified lack of clothes for their children as a factor which makes a household to be poor. Those who considered themselves not to be poor or rich, highlighted that education played a crucial role in lifting their households out of poverty because educated members of the households provide sustenance in the households.

Employment policy

The sources of income for Eastern Cape respondents who came from the communities of Efata, Rosedale and Tshandatsha include social grants, disability grants and old age pension. It should also be noted that some of the project participants were disabled. The respondents also mentioned that other community members rely completely on the projects and some on temporary employment. The respondents from communities in Mbono and Mabaso villages in KwaZulu-Natal mostly rely on farming during rainy season and social grants. Some of the community members rely on self-employment, which includes construction. In Limpopo province, the respondents came from the communities of Ramoshoane, Kordon and Seopa and they mostly depended on RASEKO agricultural project, old age pension and social grants. Some also depend

on wage employment in the cities.

The respondents in Eastern Cape reported that there is high level of unemployment in the communities and some of the educated members of the communities are also unemployed. One respondent said the employment level had decreased compared to previous years. In KwaZulu-Natal the respondents reported that the levels of unemployment are high because there are no employment opportunities in the cities. Majority of the respondents in Limpopo Province view levels of unemployment in the communities as high, relating it to the underlying reason for high poverty.

The respondents were also asked to compare the level of unemployment in the communities compared to five years ago. In Eastern Cape, 20% of the respondents said the level of unemployment in their communities had decreased, 60% reported that the level of unemployment had increased and 20% said the level of unemployment had not changed. These findings are supported by the respondents' view on the level of education, where about 40% said the members of the community are less educated. In KwaZulu-Natal about 46% of the respondents reported the level of unemployment decreased, 33% said the level of unemployment had increased and only about 20% of the respondents said the level of unemployment had remained unchanged. The levels of unemployment could have decreased because 73.3% of the respondents reported that more people are educated in KwaZulu-Natal province. 33% of members of the Raseko project in Limpopo province said that the level of unemployment in their communities had decreased, while 33% also said the level of unemployment increased and 33% also said the level of unemployment had not changed.

Table 12: Trends in levels of unemployment

Responses	Eastern Cape (%)	KwaZulu-Natal (%)	Limpopo (%)
Decreased	20	46.67	33.33
Increased	60	33.33	33.33
No change	20	20	33.33

Table 13 presents the type of employment which the community members in the provinces are involved in. In Eastern Cape, most of the respondents reported that the main types of employment in their communities are the project which absorbs the unemployed people on a temporary basis. Some of the members are involved in farming, domestic work and taxi industry. In KwaZulu-Natal, the respondents reported the majority of the community members do construction work. This construction work is either formal or informal. Formal construction work involved community members who are

working for registered construction companies and informal construction work involves those community members who are self-employed. The respondents also said the community members are involved in farming and security related work. Respondents in Limpopo Province said the community members mostly worked for Extended Public Works Programme (EPWP), however some of the community members, in particular women, do domestic work. The other types of employment which the respondents mentioned included nursing and teaching.

Table 13: Main types of employment in the provinces

Eastern Cape	KwaZulu-Natal	Limpopo
Farming	Construction	Construction (1)
Domestic work	Farming	Domestic work
Taxi industry	Security company	EPWP projects and other projects
Zenzele weaving project and other	Teaching	Teachers
		Piece jobs

The key problem limiting access to employment is both on the demand- and supply-side. Most people reported fewer available jobs coupled with skills and educational requirements which most don't have. However, in general, the respondents reported that it is easier to get employment in the projects, domestic work and construction because they don't want qualifications.

Educational policy

All the respondents in Eastern Cape linked poverty to education, saying that education reduces poverty in the communities. In KwaZulu-Natal, 93% of

the respondents agreed that education reduces poverty in the communities while about 6% of the respondents disagreed. In Limpopo province 93% of the respondents concurred with the view that education reduces poverty. In all the provinces the respondents viewed education as important because it provides skills, which can enable the educated person to acquire decent employment. One of the respondents in Limpopo province said educated people have high chances of getting employment although it was noted that there are those who are educated but unemployed.

Table 14: Perceptions of link between education and poverty

Responses	Eastern cape (%)	KwaZulu-Natal (%)	Limpopo (%)
Yes	100	93.33	93.33
No	0	6.67	4.75

Table 15 shows perceptions of the respondents about the level of education compared to five years ago. In the Eastern Cape, 14% of the respondents said members of the communities are more educated and 66% said they are less educated, while 40% of the respondent realised that the numbers of educated people have not changed. The majority of the respondents said people dropped out of high school. Adult basic education and training (ABET) was also recognised by some of the respondents as playing an important role in advancing education of adult people in the communities. In KwaZulu-Natal, 40% of the respondents said members of the community are more educated while 16% of the respondents said members of the communities

are less educated while 60% said the number of people who are educated compared to five years ago has not changed. The respondents who realised an improvement in the number of community members who are educated said the number of people who had matriculated the past five years had increased. Their concerns however, were that substance abuse disrupted learners' efforts. In Limpopo province, 44% of the respondents noticed that, compared to five years ago members of the community are more educated and only 14% of the respondents said they are less educated. More people are graduating from the universities and some are attending colleges.

Table 15: Educational Levels compared to five years ago

Responses	Eastern Cape (%)	KwaZulu-Natal (%)	Limpopo (%)
More	40	73.33	92.31
Less	40	6.67	7.69
No change	20	20.00	0

The respondents reported that there are crèche/day care, primary schools and high schools in their communities. Majority of the respondents said the children are able to attend school, both primary and high school, however, some of the household are not able to take their children to crèche/day care because they cannot afford to pay the fees. The same also applies in Eastern Cape where in the communities the respondents have crèche/day care, primary schools and high schools. The respondents said primary and high school facilities are easily accessible.

Health policy

All respondents noted the link between health and poverty. Majority of the respondents said poor people

are vulnerable to diseases and poverty makes lives of the poor people difficult. Some of the respondents said that when the head of the household is unhealthy, it comes at a cost to the household because of the loss of income to the household. When poverty strikes a household it in turn worsens the health condition of the sick person.

The respondents in Eastern Cape mentioned that community members are affected by diseases such as HIV/AIDS and high blood pressure. However, access to health institutions is also a challenge because the respondents reside in remote areas. Majority of the respondents in KwaZulu-Natal said they do not have clinics in their communities and

that they travel long distances to the nearest health care facilities. One of the respondents in Limpopo province mentioned that sometimes they do not have medication in the health institutions and that there are not enough ambulances.

Table 16 below shows that 62.5% of the respondents in Eastern Cape said health services in their communities had decreased while 37% reported no change. The respondents said there had been no new clinic and hospital established in the past five years, thus they have not seen an improvement. However, mobile clinics system which had been introduced brought a slight change. Mobile clinics do not visit the communities every day. Majority of the respondents (46%) in KwaZulu-Natal said health services in their communities had decreased, while 40% said there is no change in the health services provided by

the institutions. Only 13% of the respondents said health services had increased. In Limpopo, 40% of the respondents said health services in their communities decreased, 50% of the respondents said it has increased, while 25% of the respondents said the health services health services had not changed. The respondents said health services had decreased because sometimes there is no medicine in the hospitals. Those reporting that health services had increased did so largely due to their ability to access a mobile clinic. Most of the respondents in Eastern Cape and Limpopo Province said the biggest challenge faced by the communities to access the health care facilities is the distance that people had to travel to the facilities. This means that the community members in these provinces incur high transport cost to the facilities.

Table 16: Access to health services compared to five years ago

Responses	Eastern Cape (%)	KwaZulu-Natal (%)	Limpopo (%)
Decreased	62.50	46.67	61.54
Increased	0	13.33	15.38
Not changed	37.50	40	33.33

Other poverty-related policies

Water and sanitation

The respondents were asked how they perceive the link between water, sanitation and poverty in their communities. The majority of the respondents in all

provinces mentioned that they do not have access to water and that water scarcity contributed to poverty. Some respondents reported that scarcity of water can cause diseases and that if there is no water people cannot survive.

Table 17: Link between poverty and water and sanitation

Response	Eastern Cape (%)	KwaZulu-Natal (%)	Limpopo (%)
Yes	50	86.67	100
No	50	13.33	0

Table 17 above, shows that 50% of the respondents in Eastern Cape reported that water and sanitation challenges, which include long distances travelled to access water in the communities, affected both men and women equally. In KwaZulu-Natal 86.67% of the respondents said that water and sanitation challenges affect both men and women, while 13% thought otherwise. All the respondents (100%) in Limpopo Provinces reported all the challenges of water and sanitation in the province affect both men and women equally.

Table 18 shows that 16.7% of the respondents in Eastern Cape said that access to water and sanitation in their communities had decreased and 33% said the access to water, compared to five years ago, had not changed while 50% said it has increased. Most of the respondents reported that government had in the past constructed boreholes

and that every household has a tap but the taps are dry. The responses reflected the disappointment of community members with government. In KwaZulu-Natal, 40% of the respondents said access to water and sanitation had decreased and 60 % said it has not changed. Few respondents reported that they had taps in their household and used to access piped water but currently there was no water in the area. The respondents also mentioned that due to climate changes they had experienced a shortage of rainfall. In Limpopo province, 30% of the respondents reported that access to water and sanitation had improved. Most of the respondents said that government was able to install boreholes in the communities. About 23% said the supply of water had decreased in the communities and also reported that the toilets used are not of good quality. 46% said there is no change.

Table 18: Trends in water and sanitation

Response	Eastern Cape (%)	KwaZulu-Natal (%)	Limpopo (%)
Decreased	16.67	40	23.08
Increased	50	0	30.77
No change	33.33	60	46.15

The respondents in Limpopo province reported that the water service providers are local government. The municipalities contract a private company to install boreholes in the communities. In Eastern Cape some of the respondents believe that Department of Water Affairs is the service provider of water in the community. In Limpopo the challenges in accessing water included distance to travel as the boreholes are scattered, in Eastern Cape the respondents said the taps had run dry.

Land

The majority of the respondents reported that access to land is important in the communities, mainly for poor households because they can practice farming on the land to provide food for their households. One

respondent added that a household with a large land parcel can even produce for market. Some of the respondents understood the importance of land in the communities, however; they reported that even if people had access to land they often did not use it productively because they are lazy. One respondent mentioned that land is important to women, not men, because men are mainly employed in off-farm employment.

The respondents related the land access problems in their communities. In Eastern Cape, the communities reported that it is difficult to acquire land because the community members cannot afford to buy the land from the traditional councils. These respondents also mentioned that acquiring land involves processes which discourage the community members.

Community members in KwaZulu-Natal did not report any challenges with access to land. The respondents mentioned that laziness and lack of farming inputs

affect agricultural production. In Limpopo province the community members are affected by lack of money and knowledge to acquire the land.

Table 19: Access to land compared to five years ago

Responses	Eastern Cape (%)	KwaZulu-Natal	Limpopo
Decreased	22.22	13.33	30.77
Increased	33.33	80.60	46.15
No change	44.44	6.67	23.08

Table 19 above shows the respondents perception of communities access to land over the past years. 22% of the respondents in Eastern Cape perceive access to land by the community members to have decreased and 33% perceive it to have increased. 44% of the respondents said access to land compared to five years ago had not changed. In KwaZulu-Natal, 13% of the respondents perceived land access to have decreased while 80% deemed it to have increased. These finding shows that access to land in KwaZulu-Natal is easier compared to Eastern Cape and Limpopo province. 30% of the respondents in Limpopo said access to land in their communities had decreased and 46% said it has increased.

Finance

Those respondents who considered themselves as poor said most of the community members (80%) rely

on credit from spaza shops⁵⁶ and those who are non-poor said only about 47% of the community members relied on Spaza shops for their food purchases. The non-poor respondents also said that some of the community members might be using registered micro lenders. Both the poor and non-poor respondents said community members relied on informal unregistered micro-credit lenders (referred to as Loan sharks). The responses are shown in Table 20.

The most preferable source of credit by both groups is the Stokvel⁵⁷ because the community members will not have to pay hefty amounts of interest when returning the money. In the stokvel the participants rotate money or food stamps among the members of the stokvel on a monthly or annual basis. The community members rely on this practice because they are able to buy food and other household necessities.

Table 20: Saving and lending practices

Credits	Poor	Not rich not poor
Stokvel	52.38	47.62
Spaza Shops	80.00	20
Loan sharks	50	50
Registered Micro lenders	0	100
Banks	50	50

⁵⁶ A spaza shop is an informal retail shop, usually run from home.

⁵⁷ A stokvel is a saving scheme or credit club in South Africa, where members contribute a fixed amount monthly.

The respondents mentioned various challenges in respect to accessing credit facilities and loans. Most people also reported their preference for borrowing goods from spaza shops rather than getting money from loan sharks. However, because some of the goods they need are not always available in the spaza shops, they are then forced to borrow money

from the loan sharks. Loan sharks were expensive as they charge high interest rates. If the community members are unable to pay, the loan sharks confiscate the lenders property. The loan sharks target pensioners. One of the challenges with the stokvel is that it could lead to conflicts amongst community members.

Table 21: Trend in access of credit

Responses	Eastern Cape (%)	KwaZulu-Natal (%)	Limpopo (%)
Decreased	0	13.33	8.33
Increased	83.33	40	58.33
No change	16.67	46.67	33.33

Table 21 above reflects trends in access to microcredit over the past five years. The respondents in Eastern Cape reported that access to microcredit levels in their communities had increased, while 16% said it has not changed. In KwaZulu-Natal, 13% of the respondents reported that access to microcredit levels in their communities had decreased and 40% said it has increased while 46.67% said it has not changed compared to five years ago. In Limpopo about 8% of the respondent said access to microcredit in their communities had decreased while 58% said it had increased. Only 33% said it has not changed.

Access to poverty alleviation programmes

In order to gain understanding of the level of involvement of the locals in certain poverty-reduction related programmes, we selected some NDA-funded projects in our sample provinces. The NDA funded poverty alleviation projects which were selected for the study by the HSRC research teams in three provinces, namely Eastern Cape, KwaZulu-Natal and Limpopo Provinces. These projects are Vukuzenzele Weaving Project, Asisukume Msinga Agricultural Cooperative and RASEKO Agricultural Cooperative.

Asisukume Msinga Agricultural Cooperative in KwaZulu-Natal Province

The cooperative is involved in crop and livestock

farming at Mawele Location, Othame, Msinga top, Msinga Local Municipality in Umzinyathi District. It comprises five members of the board of directors, 8 core members, 10 shareholders and 640 beneficiaries. The co-operative started with 416 members who were direct beneficiaries and communally owning 52 arable units. Since its inception the cooperative has captured an interest of many community members and to date its membership has risen from 416 to 640 members. The cooperative started with maize production, and later extended its farming activities to beans production and broiler production.

The research team interviewed 15 members of the Asisukume agricultural cooperative. Few of the respondents who perceived themselves to be poor, reported that the project assisted them to provide food for the households and one respondent mentioned that his/her family is delighted that he is a member of the project. However, some of the respondents are not happy about the progress of the project because they have not received income from the project. This is shown on table 22 below, where 71% of the respondents in KwaZulu-Natal said that participation in the project had not increased their access to income. At community level the respondents reported that the project had contributed to reduced poverty. This is shown in table 23.

VukuZenzele Weaving Project in Eastern Cape Province

The project is led by disabled people who are involved in making floor-mats, chair backs, cushion covers, door-mats, place-mats, wall hanging mats, bathroom sets, twill material and beaded tradition. The objective of the project is to create job opportunities for people with disabilities and for the non-disabled impoverished having interest in working with people living with a disability.

The research team interviewed 15 members of the projects. The non-poor respondents reported that their participation in the project played an important role in provision of income to buy food for their households. In table 21, 92% of the participants in the projects said the project had helped increase income in the household and 7% said the project had not increased income. In table 22, all the respondents reported that the project reduced poverty in the households. The research team reported that some of the respondents in Eastern Cape could not be captured because the respondents were blind / deaf.

RASEKO Agricultural Cooperative in Limpopo province

The RASEKO agricultural cooperative project is situated in the village called Ga-Ramoshoane and it is a secondary cooperative which represents three communities. These are Ramoshoane, Seopa and Kordon communities. Ramoshoane was established in 2006, Seopa was established in 2006 and Kordon was established in 1997. RASEKO is the name which was initiated by combining the first two letters of the names of the three communities. The community

members were concerned about the high levels of unemployment and poverty prevailing in the area and accordingly approached NDA with a view to responding to this challenge.

The RASEKO agricultural cooperative project consists of 35 beneficiaries from the three primary cooperatives. Ramoshoane, which serves as the Central Service Unit of the cooperative has 14 members. Seopa has 8 members and Kordon cooperative has 13 members. The beneficiaries of this cooperative includes males, females and disabled people. The research team in Limpopo province interviewed 15 respondents of RASEKO agricultural project, mostly from the Kordon and Seopa communities. Majority of the respondents said that the project did not add value to their lives because they did not get any source of income from the project. Despite having been established as long back as 1997 and 2006, these cooperatives have not managed to be sustainable although they have received substantial support from government institutions since 1998. Raseko Agricultural Cooperative still relies on grants from different government departments and other institutions to buy stock and feed annually. The cooperative expects more support from the state in order to provide the members with monthly stipends. Some of the infrastructure on the project site was incomplete or not installed and / or constructed properly. For example, the installation of the egg sorting and packing machine is not yet completed and the cooperative members don't know when that will be done as they don't have the money as the grant for that was already finished. In addition, the stock feed tanks were incorrectly installed and cannot be used.

Table 22: Project Increased Income

Responses	Eastern Cape (%)	KwaZulu-Natal (%)	Limpopo (%)
Yes	92.31	28.57	53.85
No	7.69	71.43	46.15

Table 23: Project reduced poverty

Responses	Eastern Cape (%)	KwaZulu-Natal (%)	Limpopo (%)
Yes	100	66.67	76.92
No	0	33.33	23.08

Policy commitment: budget shares

The analysis of the commitment of government to policies is done along budgetary lines. Budget share of different programmes will give some indication about the priority placed on those programmes. Although analysis is at the provincial level, the budgets are municipal level aggregates for the respective provinces. There are two categories of municipal expenses. One relates to operational expenditure, which is the category that covers the cost of running the municipality. The other relates to capital expenditure, which covers the budgetary commitment to programme executions. We started by comparing the proportion of operational spending with capital spending, followed by an analysis of the respective components of each spending category.

We did this for four provinces, the three poorest (Eastern Cape, KwaZulu-Natal and Limpopo) and Northern Cape, which was selected due to high youth poverty levels noticed earlier. We compared these provinces with the two richest provinces (Gauteng and Western Cape).

Operational versus capital expenditure

In terms of operational versus capital expenditure, there is no significant difference between the poorest and the richest provinces. Table 24 shows that operational expenditure is significantly higher than capital expenditures for all provinces. Therefore nothing significant can be inferred from the difference between operational and capital spending in relation to poverty reduction programming.

Table 24: Comparison of Capital and Operational Expenditures⁵⁸

		2006	2007	2008	2009
EC	Opex	77%	78%	76%	77%
	Capex	23%	22%	24%	23%
KZN	Opex	81%	75%	75%	76%
	Capex	19%	25%	25%	24%
LP	Opex	80%	69%	66%	68%
	Capex	20%	31%	34%	32%
NC	Opex	83%	83%	84%	84%
	Capex	17%	17%	16%	16%
GP	Opex	85%	84%	80%	85%
	Capex	15%	16%	20%	15%
WC	Opex	82%	78%	73%	77%
	Capex	18%	22%	27%	23%

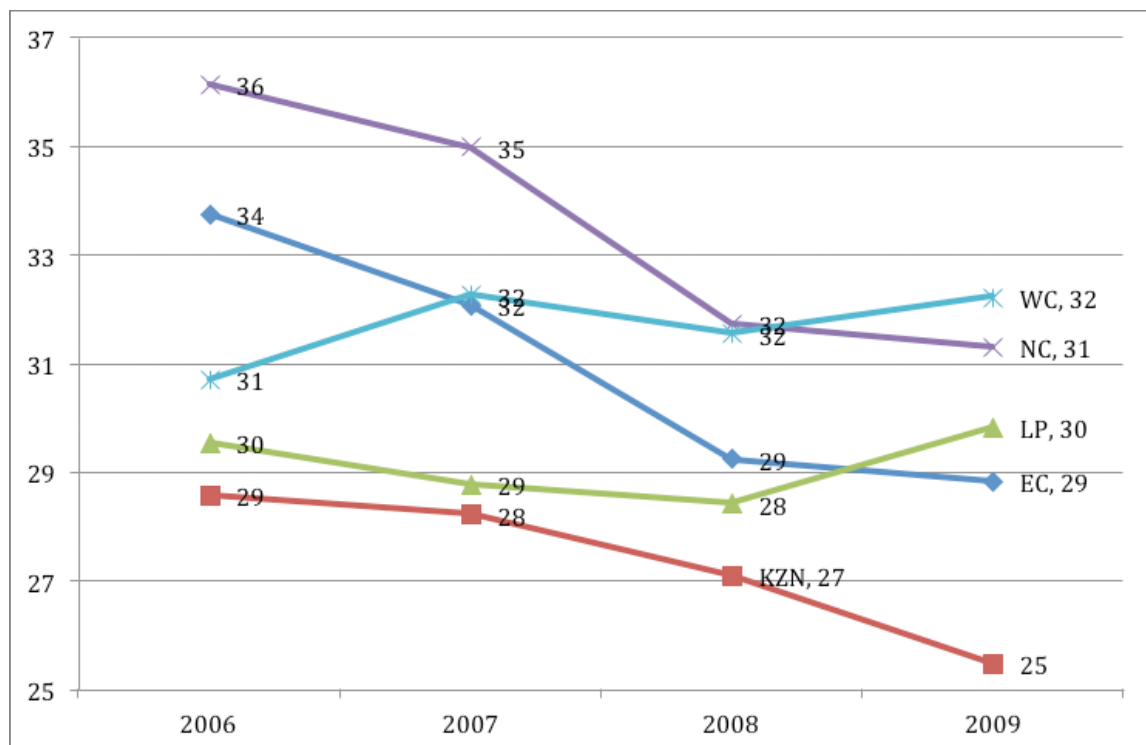
⁵⁸ Source: Constructed from Local Governments Revenue Database, 2006 to 2009

Composition of operational expenditure

Operational expenditure is mainly composed of employee costs, remuneration of councillors, repairs and maintenance cost, depreciation and

amortisation, financial charges, material and bulk purchases, grants and subsidies and other expenditures. We pay attention on the shares of employee costs and remuneration of councillors, comparing poorest provinces with the richest ones.

Figure 29: Percentage share of employee costs ⁵⁹

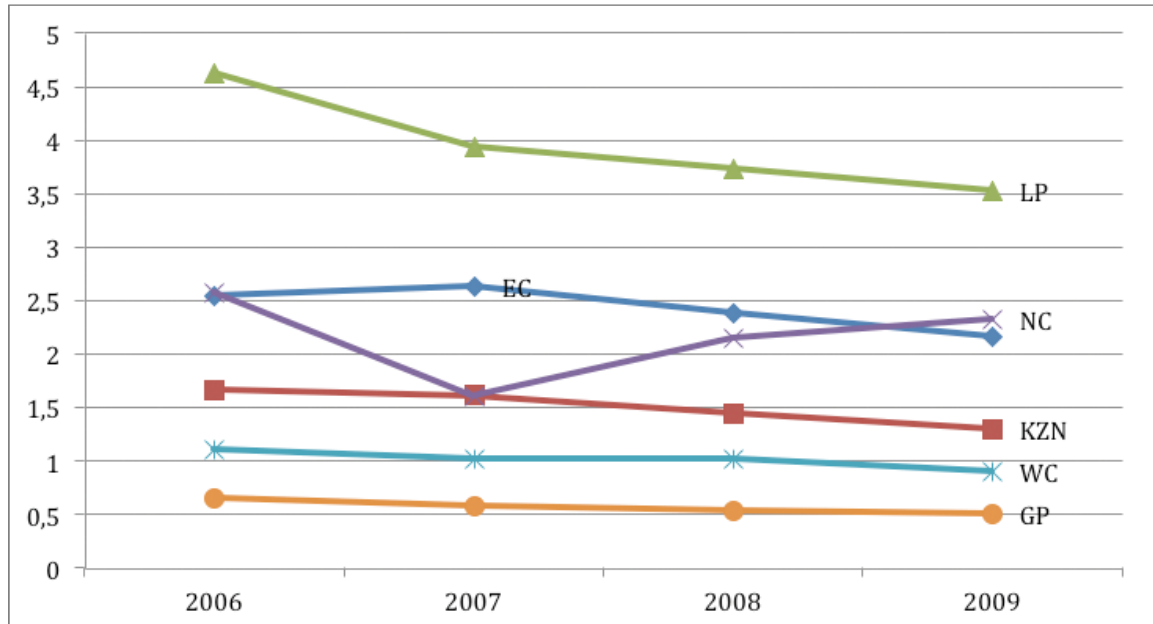


Figures 29 and 30 respectively, show the proportion of employee costs and remuneration of councillors. Except for Northern Cape, all the poorest provinces have relatively low proportion of employee costs as a share of their operational budget. While the share of employee cost has increased between 2006 and 2009 from 31% to 32% for Western Cape, the proportion for all the other provinces, in addition being low has decreased for the poorest provinces in the same time period. However, the contrary is true for

remuneration of councillors. The proportions for the poorest provinces have remained high above those of the two richest provinces. Although the proportion has declined slightly for Limpopo, it remains the highest, between 3.5% and 4.5%.

This seems to imply that the poorest provinces may not be allocating staff budget to increasingly fill key operational positions in the municipality. Rather, while the proportion of employment budget has been dropping, that of councillors have remained stable.

⁵⁹ Source: Constructed from Local Governments Revenue Database, 2006 to 2009

Figure 30: Percentage share of remuneration of councillors⁶⁰

Composition of capital expenditure

Capital expenditure is comprised of water and sanitation, electricity, housing, roads and storm water and other. All the other capital spending categories are at similar level across all the provinces, except housing, electricity, water and sanitation. Roads and storm water shares of capital spending range from 26% to 34% for the richest provinces in 2009. In the poorest provinces, it ranges from 21% to 34%. Only Northern Cape falls far below the richest provinces with 11%.

Electricity share ranges from 12% to 19% for richest provinces. The poorest provinces all, on average, fall below the richest provinces with electricity spending shares ranging from 5% for Limpopo to 10% for KZN. Northern Cape's share of 14% is in line with those of the richest provinces. Given the key role of electricity in income generation, especially in small and medium-size enterprises, but also in the facilitation of effective functioning of health systems and respiratory disease prevention in households, it

is important for these poor provinces to pay attention to this category of spending.

Water and sanitation share is 15% for the richest provinces. This share is significantly high for the poorest provinces (EC, 27%; KZN, 34%; NC, 27%). However, Limpopo lags behind in this important category of spending, with a share of only 13%. Given the important role of water and sanitation in the building of health human capital, the low share of this component for Limpopo is an issue of concern.

One of the key areas of capital spending with the lowest proportion among the poorest provinces, is housing. The share of spending on housing is at 5% and 8% for Western and Gauteng provinces. This share is at 2% for KZN, 1% for Northern Cape and Eastern Cape, and 0% for Limpopo in 2009. Given the significant proportion of household spending that the poor often devote to housing, one may conclude that these key services are not prioritised in spending decisions of poor provinces.

⁶⁰ Source: Constructed from Local Governments Revenue Database, 2006 to 2009

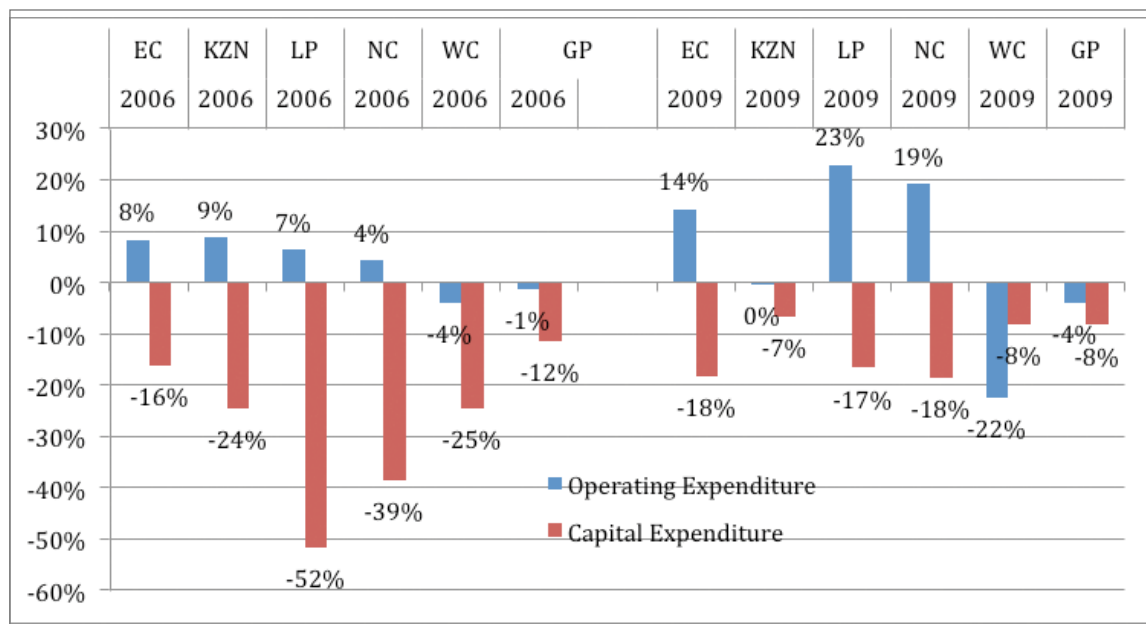
Policy effectiveness: spending variations

In assessing policy effectiveness, we rather evaluate how the different provinces keep to committed budgetary allocations. We do so by looking at the difference between actual and budgeted expenditures of the different categories. First, a noteworthy fact is that variations within operational spending are negative for both the richest provinces, while positive for all the poorest provinces. This implies that there is always over-spending in this category for the poorest provinces, but an under-spending for the richest provinces. The over-spending significantly increased for the poorest provinces between 2006 and 2009. For example, EC increased from 8% to 14%, Limpopo increased from 7% to 23%, while Gauteng decreased from -1% to -4%, and Western Cape decreased from -4% to -22%. The key component accounting

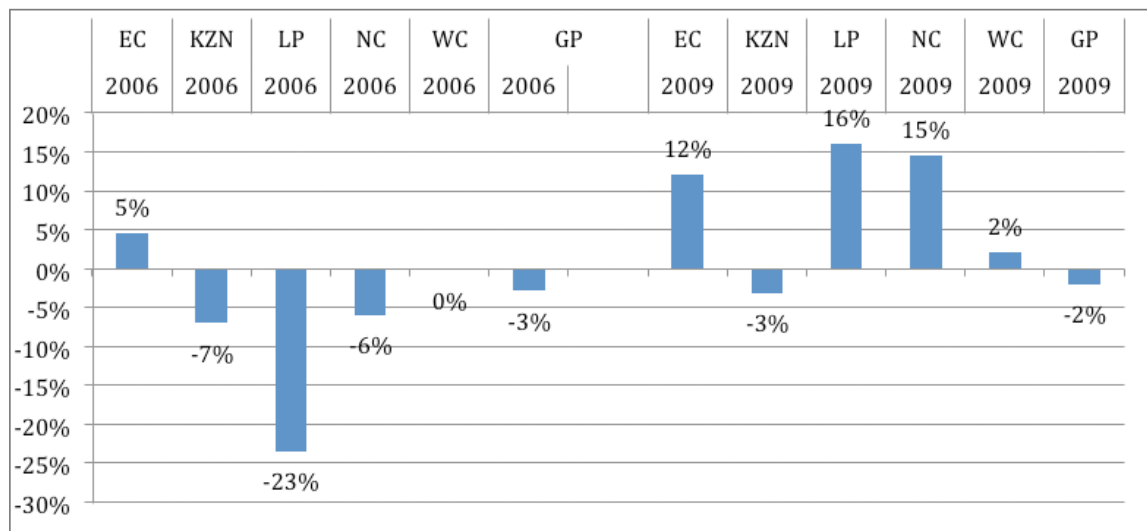
for high over-spending seems to be remuneration of councillors, with variations of more than 3000% for Eastern Cape and more than 2000% for KZN (see Table 25). However, there is under-spending in the category of employee cost. This implies that the poorest provinces under-spend on employee remunerations compared to rich provinces.

On capital spending, Figure 31 shows that the poorest provinces incur significant spending deficits compared to the richest provinces. Limpopo had up to -52% spending deficit in 2006 and -17% in 2009. Eastern Cape had -16% and -18%, respectively. With these significant spending deficits coupled with high deficits on employee costs, the effectiveness of the poorest provinces in delivering on anti-poverty programmes is strongly questionable.

Figure 31: Variations in Capital and Operational Expenditures ⁶¹



⁶¹ Source: Constructed from Local Governments Revenue Database, 2006 to 2009

Figure 32: Variations in employee costs ⁶²Table 25: Variations in other operational spending categories ⁶³

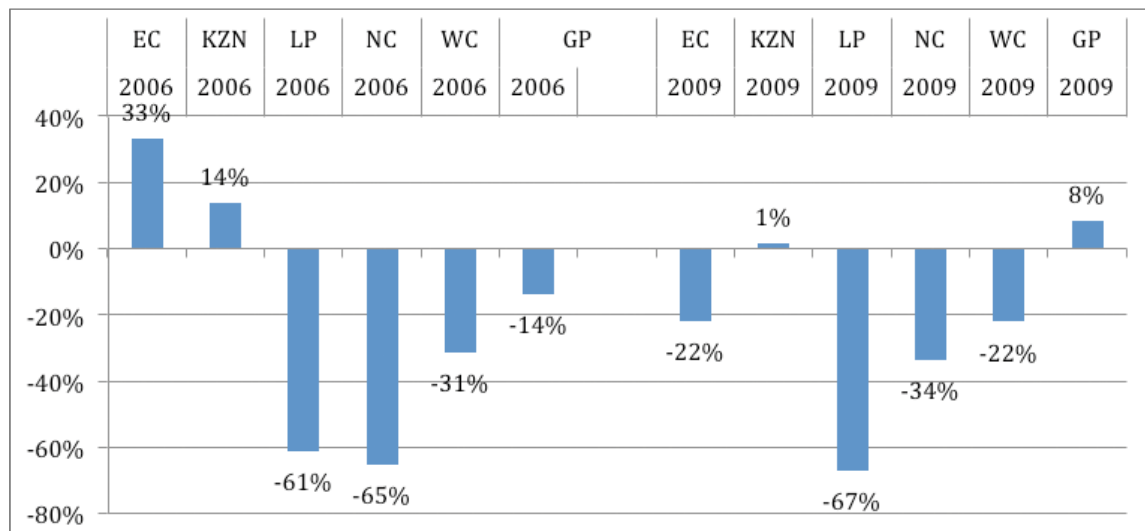
	EC	KZN	LP	NC	WC	GP	EC	KZN	LP	NC	WC	GP
	2006						2009					
Employee costs	5%	-7%	-23%	-6%	0%	-3%	12%	-3%	16%	15%	2%	-2%
Remuneration of Councillors	3735%	2630%	-	-	27%	134%	-	7207%	-	-	-	-
Repairs and maintenance	-1%	-22%	-12%	-23%	3%	-30%	-	9938%	-	3115%	-	-
Depreciation and amortisation	-	4330%	-	-	55%	18%	-	-	-	-	-	-
Finance charges	-3%	-27%	-53%	-69%	21%	-5%	21%	-28%	-7%	-32%	2%	6%
Materials and bulk purchases	-1%	2%	-3%	-6%	1%	4%	6%	1%	32%	10%	0%	-5%
Grants and subsidies	192%	26502%	-	-	-30%	11%	-	1282%	-	-	-	-

With respect to capital spending that depicts the actual programmes on poverty alleviation service delivery, the poorest provinces also show worse and deteriorating performance. In water and sanitation category for example, Limpopo had an under spending of -61% in 2006, which persisted in 2009

(-67%). A similar picture was obtained for Northern Cape. Whereas Eastern Cape and KZN were better off in spending effectiveness in 2006 (33% and 14% overspending), the situation deteriorated over the years to a 22% under spending for EC in 2009, and 1% overspending for KZN in 2009.

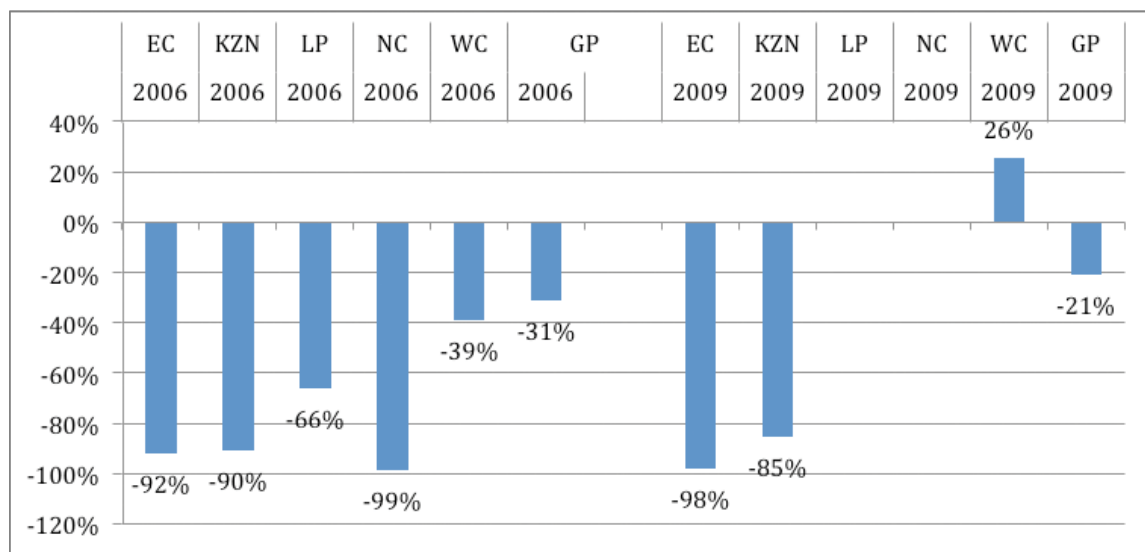
⁶² Source: Constructed from Local Governments Revenue Database, 2006 to 2009

⁶³ Source: Constructed from Local Governments Revenue Database, 2006 to 2009

Figure 33: Variations in water and sanitation spending


In the housing category, the poorest provinces also accumulated significant under-spending. Eastern Cape had an under-spending of -92%, which deteriorated to -98% in 2009. There was a similar picture for KZN (-90% and -85% respectively). Comparing these to the very dismal and, at times

zero share of spending on housing in the poorest provinces, we can conclude that the capacity for poor provinces to deliver on housing is almost non-existent. The picture is similar for the electricity, and roads and storm water spending categories, leading to similar service delivery conclusions.

Figure 34: Variations in housing spending ⁶⁴


⁶⁴ Source: Constructed from Local Governments Revenue Database, 2006 to 2009

Figure 35: Variations in electricity spending ⁶⁵

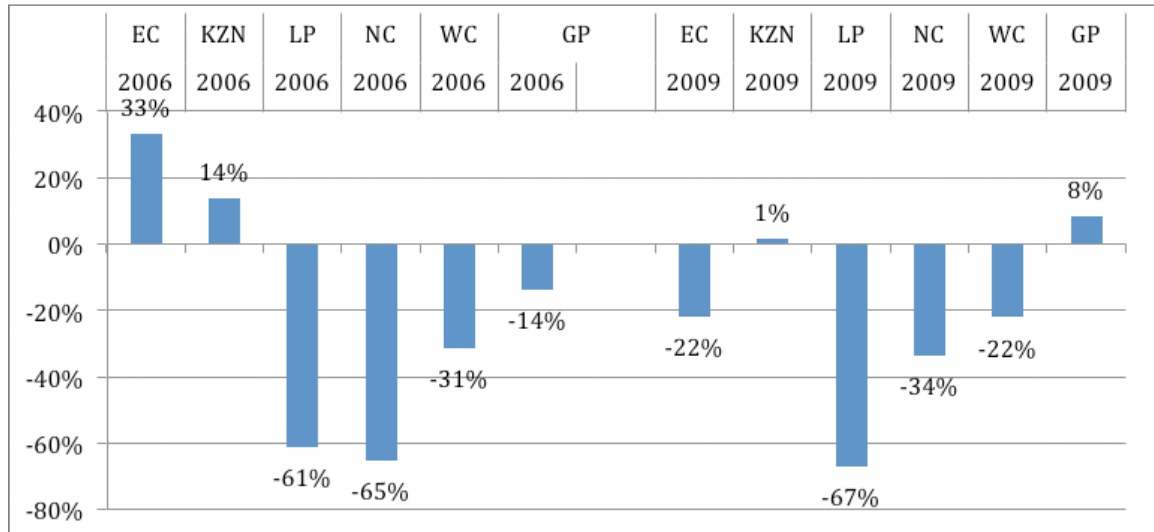
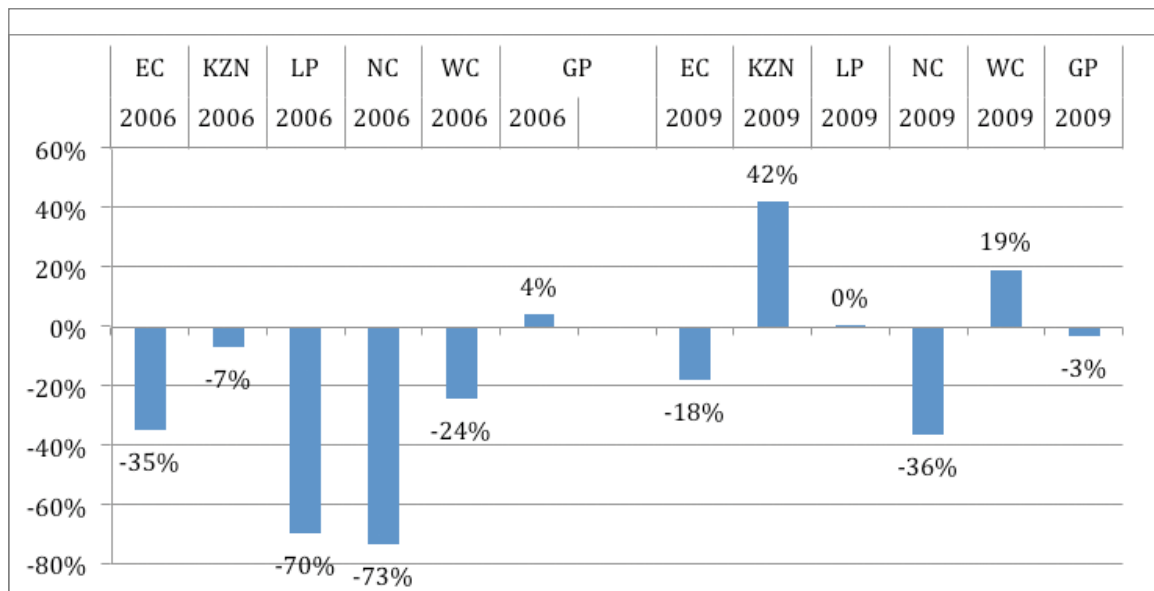


Figure 36: Variations in roads and storm water spending



⁶⁵ Source: Constructed from Local Governments Revenue Database, 2006 to 2009

Capacity to deliver

In assessing the capacity of provinces to deliver on anti-poverty programmes, we look at the aggregate municipal staff profile in the province. Lack of data on the skills profile of municipal staff could not allow us to assess capacity in terms of qualification. However, given the very small shares of employee cost and employee spending deficits, the ability of poor provinces to attract and retain qualified high-skilled staff may be questionable. Table 26 analyses municipal staff profiles in terms of vacancy rates.

The proportion of filled vacancies does not deviate much from that of Western Cape (44%), although Limpopo has the lowest (41%). The low levels of spending on employee cost are depicted in Table 26 by the relatively lower proportion of funded positions in the poorest provinces. Eastern Cape has the lowest funded positions with 31%, followed by KZN and Limpopo (45% and 55% respectively). The proportion for Western Cape is 66%. Only Northern Cape comes before Western Cape with 73% funded positions.

Table 26: Provincial aggregates of municipal staff profile ⁶⁶

	Employed	Approved positions	Proportion filled	Funded	Un-funded	Proportion funded	Appointments to non-existent positions
Eastern Cape	16370	20408	45%	3298	7181	31%	6441
KwaZulu-Natal	18110	21264	46%	3186	3825	45%	3857
Limpopo	8780	12833	41%	2429	1951	55%	327
Northern Cape	6602	7487	47%	1470	537	73%	1121
Western Cape	15566	19644	44%	4666	2425	66%	3013

This analysis suggests that the poorest provinces grapple with (skilled) staff attraction and retention. The key problem seems to be that staffing is not sufficiently prioritised in municipal spending decisions. This in turn jeopardises the effectiveness of spending on key poverty reduction programmes.

Conclusions and recommendations

This work constitutes an effort to profile poverty in the nine provinces of South Africa. It is a follow-up of an earlier (2008) assessment. The overriding question with which the assessment was undertaken relates to active participation of the poor in the economic growth process.

This work does not only adopt quantitative measures of consumption-based poverty (in line with studies of this kind), but also analyses issues from the other

dimensions of wellbeing, mainly health, education, employment, access to services. We then examined the seriousness and distribution of poverty across space, gender and racial profile, followed by the characteristics of the poor, the changes in poverty and the associated factors over time. The changes were then linked to the policy context and the other dimensions identified in literature.

The policy intent of the government of South Africa is contained in the Medium Term Strategic Framework (MTSF) from which the different national and provincial departments draw their strategic plans and budgets. At the centre of the MTSF policy framework is the role of economic growth and development, including decent work and investment in education and skills development.

⁶⁶ Source: Constructed from Local Governments Revenue Database, 2006 to 2009

The post-apartheid government has highlighted the importance of education in the national budget. The MTSF policy strategy emphasises strong skills and human resources base.

The first element is to create a culture of achievement, with the improvement of learners' outcomes. The second is to enhance participation and quality of Early Childhood Development (ECD) services. The third is to expand access to and capacity of secondary education. Other strategies towards education and skills development relate to educational infrastructure, safe and supporting environment for children and the development of a teaching profession with high ethical and professional standards for high quality education.

The key health policy direction is to transform the public health system in order to reduce inequality in the health system, improve quality of care and public facilities, boost human resources in the health system and enhance the fight against HIV and AIDS, TB and other communicable lifestyle diseases.

Although adequate human capital can contribute in improving labour market access by the poor, it largely addresses labour supply side-issues. The South African government is aware of this and has incorporated two broad areas of policy interventions to address the issues of labour demand. The one is addressing economic structural problems in order to speed up economic growth and transform the economy to create decent work and sustainable livelihoods. The other is an intervention for a massive public works programmes to build economic and social infrastructure.

In the poverty profiling exercise, we started by establishing the robustness of our poverty comparisons by performing sensitivity checks with a number of poverty lines. Ultimately, for the rest of the exercise, we used the upper bound poverty line of ZAR 577. Only Gauteng, Western Cape and Free State have poverty incidence below the national average for all the poverty lines. By poverty

and inequality standards, the poorest provinces are Limpopo, Eastern Cape and KwaZulu Natal (KZN). These are the provinces of emphasis in further analysis.

In general, households headed by females tend to be poorer than those headed by males. KZN, Mpumalanga and Free State have the greatest gender disparity on poverty, bias against females. More pronounced disparities exist for extreme poverty in Mpumalanga, KZN and Gauteng. Limpopo shows less gender inequality amongst the poor. Of the three poorest provinces, the figures suggest more marginalisation of women among the poor in KZN than the other provinces.

- Poverty reduction policies should be strongly pro-female.

One of the most serious problems in the poorest provinces of South Africa is the high proportion of child-headed households. The three poorest provinces account for up to 67% of all the child-headed households. Child-headed households exhibit the highest poverty. For all the poorest provinces, poverty starts high among households with youngest household heads (15-24 age group). It drops to the age group of 25-34 and rises steadily thereafter. After the age group of 25-34, the older the household head, the poorer the household. In contrast, for the richest provinces (Western Cape and Gauteng), poverty appears to be relatively constant across the different age groups. Northern Cape has 35% of youth poverty (15-24 age group), the highest of all the provinces.

- Therefore antipoverty interventions should pay particular attention to children, youth and the elderly.

Poverty still remains a racial issue in South Africa. Black South Africans account for the highest poverty in South Africa and in the poorest provinces, followed by the coloureds. Poverty does not seem to be an issue among the Indians and the whites.

- Policy attention should still focus on the Blacks and the coloureds.

Most of the poverty is in traditional (39%), urban informal (28%) and rural (26%) settlements. Highest poverty in KZN is among the traditional dwellers (46%), followed by urban informal (35%) and rural (29%). In the Eastern Cape, poverty is also higher among the traditional settlements (39%), followed by urban informal (36%).

An interesting pattern to note is that poverty among urban informal, traditional and rural populations is significantly high across all provinces, including even the richest provinces.

- Classification of poverty by settlement type shows great diversity across provinces. Therefore poverty reduction programmes in the different provinces will have to emphasise different settlement types according to provincial specificities in poverty distribution.

While in all other provinces, there is 2-3% poverty among university graduates, there is up to 5% poverty among graduates in Limpopo. In the richest provinces (Gauteng and Western Cape), there is no poverty among people with university degree. This may seem to suggest acute labour demand side-issues that may be addressed by job creation interventions in Limpopo. There is significant poverty among households with grade 12 and above, but no university degree in Limpopo (up to 28%), KZN (24%), and Eastern Cape (20%). The richest provinces have less than 10% poverty among this category. Again, this seems to suggest labour demand side-issues.

- Education and skills development should therefore be accompanied by programmes to create employment that can absorb the skills.

The three poorest provinces have the highest proportion of household heads with less than grade 12 attainment (above 70%). Across all provinces,

no education and any education below grade 12 certificate are associated with significantly higher poverty. Even in the richest provinces, the poor are concentrated among these categories. These are the categories that are unable to take advantage of the opportunities that are being generated for lack of educational human capital.

- Skills development interventions should therefore lay emphasis on those below grade 12 across all provinces.
- Interventions that aim at creating employment should focus on the poorest provinces while skills development and educational upliftment, should be present in all provinces (the poorest provinces may be emphasised) where there are pockets of poverty, particularly in the urban informal residents for the richest provinces, traditional and rural for the poorest provinces.

Those with highest poverty in the poorest provinces do not have a clear source of income. In this category, poverty ranges from 37% to 38% for the three poorest provinces (KZN, Eastern Cape and Limpopo). For the two richest provinces (Western Cape and Gauteng), poverty incidence within this category is 12% and 16% respectively.

The second most popular source of household income is labour. The poorest provinces (Limpopo, Eastern Cape and KZN) have the least percentage of household income (13%, 15%, and 17% respectively) depending on labour. More than 30% of household in the richest provinces depend on labour income,

Gauteng and Western Cape respectively, have 9% and 11% poverty among households depending on labour income. Limpopo, Eastern Cape and KZN respectively, have 28%, 26% and 25% poverty in this category.

- It may be deduced from this that selling labour yields higher returns in provinces with more economic activities than others.

- The poor clearly have constraints in accessing the labour market in the poorest provinces.

Dependency on grants, allowances and remittances as main income is highest in the poorest provinces (22%, 20% and 17% for Limpopo, Eastern Cape and KZN). KZN, Eastern Cape and Limpopo record the highest poverty (53%, 52% and 52%, respectively). The least poverty in this category is recorded in the richest provinces, Gauteng and Western Cape (27% and 26%, respectively).

The two richest provinces also have the highest share of financial capital, physical capital and entrepreneurial returns as main source of income, while the poorest provinces depend on these the least. Overall, these are also the categories with the least poverty. Poverty among households depending mainly on financial capital ranges from 14% (Limpopo and Northern Cape) to 1% (Western Cape).

- Clearly, access to financial capital and financial investment is a significant way of poverty reduction.

Physical capital is associated with low poverty only in the richest provinces (3% in Gauteng and 11% in Western Cape), where assets can yield high returns.

Without economic opportunities, physical capital has low returns and therefore associated with higher poverty in the poorest provinces (56% in Limpopo, 53% in the Eastern Cape, 31% in the Northern Cape and 21% in KZN). Similar logic applies for households depending on entrepreneurial income. Economic development comes with the inter-sectoral linkages that make entrepreneurial activities more rewarding. Consequently, the richest provinces have the lowest poverty among households depending on entrepreneurial income (9% for Gauteng and 11% for Western Cape). By the same token, there is relatively higher poverty for this category of income in the poorest provinces, 28%, 26% and 25% for Limpopo, Eastern Cape and KZN, respectively.

Some of the poorest provinces contribute significantly to national GDP, and have economic growth rate close to or above the national average. This implies that existing economic activities are not pro-poor, or the poor lack the capability to capture significant portions of the economic growth to be able to come out of poverty. The richest provinces belong to high growth medium inequality such as Gauteng and high growth low inequality such as KZN. Two of the poorest provinces (KZN and Eastern Cape) are in high growth-high inequality zones, while the other (Limpopo) is in low growth-low inequality Zone. Northern Cape, which has shown high youth poverty, also belongs to this zone. In KZN and Eastern Cape, poverty is not so much a problem of absence of economic opportunities but rather lack of investment in the poor to access opportunities. On the contrary, in Limpopo and the Northern Cape, there are fewer economic activities.

- Therefore antipoverty activities in Limpopo and Northern Cape should emphasise both expansion of economic activities together with investment in the skills of the poor.
- For KZN and Eastern Cape, the priority should be investment in the skills of, and access to opportunities by the poor.

Analysis of growth incidence curves show that while in rich provinces, growth predominantly goes to the middle class, in the poor provinces, the growth is clearly pro-rich. KZN, Limpopo and Northern Cape have a high risk of increasing inequality if growth is pursued without addressing the skewedness in the distribution of growth. Although Limpopo currently has low inequality, with strong growth, inequality will quickly increase given the shape of the GIC.

Access and ownership of land as a productive resource is important in determining income levels and poverty outcomes. The puzzling outcome relating to land and poverty is that there is higher poverty (about 50%) among those who have access to land than those who do not have access (32%).

This means that access to land per say does not automatically lead to poverty reduction. Rather, two key factors that affect whether land contributes to poverty reduction are the size of land accessed and ownership of the land.

Analysis of the structure of sectors of employment suggests that the key employers in the rich provinces are financial and manufacturing. Household, community services and to some extent trade and agriculture, are key sectors of employment in poor provinces.

Manufacturing may contribute to a great deal of inequality given the high inequality in poor provinces with high manufacturing share. The implication is that for Northern Cape and Limpopo, policies that enhance the creation of manufacturing firms should be considered while paying attention to labour supply disparities to prevent inequalities. For EC and KZN on the other hand, investment must be made on the poor's ability to access manufacturing employment.

Key policy implications that can be drawn from the employment structure analysis are:

- dealing with informality in poor provinces
- upgrading and enhancing manufacturing investment in Limpopo and Northern Cape
- while improving access to manufacturing employment in KZN and Eastern Cape
- upgrading the poor to move from low paid employment (community service and households) to high paid ones (financial services, manufacturing)

Analysis of levels and changes in self-reported health concludes that levels of living conditions-related diseases have been falling faster for poorer provinces relative to the richer ones. This may imply that health policies are getting to the target, though gaps may still exist in terms of quality of health service delivery.

From the poor's own perspective through the interviews conducted, the key determinant of poverty is education, which links to employment status. All other concerns come secondary.

A diagnostic analysis of policy commitment and effectiveness at capacity to deliver, of municipalities within the different provinces was carried out. The outcome is that the poorest provinces may not be allocating staff budget to increasingly fill key operational positions in the municipality. Rather, while the proportion of employment budget has been dropping, that of councillors has remained stable.

In terms of pro-poor programming, poor provinces have generally fallen short of spending targets in key areas with strong links to poverty reduction. The result is that the outcomes of these service categories are also dismal. Poor provinces paid less attention to the delivery of key services related to housing, electricity and sanitation. Given the key role of electricity in income generation, especially in small and medium-size enterprises, but also in the facilitation of effective functioning of health systems and respiratory disease prevention in households, it is important for these poor provinces to pay attention to this category of spending.

Given the important role of water and sanitation in the building of healthy human capital, the low share of this component for Limpopo is an issue of concern. Given the significant proportion of household spending that the poor often devote to housing, one may conclude that these key services are not prioritised in spending decisions of poor provinces.

This analysis suggests that the poorest provinces grapple with (skilled) staff attraction and retention. The key problem seems to be that staffing is not sufficiently prioritised in municipal spending decisions. This in turn jeopardises the effectiveness of spending on key poverty reduction programmes.

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CHAPTER 3:

CHALLENGES FACING CIVIL SOCIETY ORGANISATIONS IN SOUTH AFRICA

*Co-operative for Research and Education: Phiroshaw Camay, Florence Thinane.
National Development Agency: Thami Ngwenya, Bongani Magongo.*

Introduction and background

Previous studies on South Africa's civil society indicate that several elements have contributed to the current state of civil society in the country.⁶⁷ Somehow, these same elements still contribute to the dynamics of civil society and persistently affect its transformation. It is paramount to have a deeper understanding of these factors if one needs to have a current view of South Africa's civil society regarding its structure, space, values and impact.

Survival and solidarity strategies constitute some of the ways through which indigenous people around Southern Africa shouldered responsibilities among themselves. Some of the ethical conducts and practices performed by many civil society organisations currently are being informed by what was initiated by indigenous people in the past. Examples of such practices include: petitioning of authorities, providing welfare support and resolving disputes, etc. The need to provide for their basic material and spiritual animation paved the way for the emergence of many civil society organisations within communities in South Africa. Community based self-helped initiatives were formed based on the spirit of Ubuntu.⁶⁸ While some of the organisations adopted protest oriented focus based on concrete issues pertaining to their economic and political discrimination (for example, housing, food prices, political freedom etc.), others maintained their status quo as informal organisations in order to prevent subjugation from the state. Nevertheless, some civil society organisations have managed to witness the democratic era and others have disbanded.

The question of racial discrimination and segregation has been vital in shaping the evolution of South Africa's

civil society organisations from the 17th century. Racial disparities have separated communities and affected their relative economic, political and social power. It has also impacted on their relative capacity to handle community development issues. Racial discrimination did not only render black communities under-developed, it also reduced the political space for civil society organisations. Racism continues to be a crucial challenge to non-racial, nation-building efforts in democratic South Africa.

Class difference has also been a major concern regarding the accessibility to economic, political and social power. Class has manifested itself across racial divides in some instances, and in others it has entrenched existing repression by race. The relationship between employers and employees, management and ordinary workers was segmented and defined by economic class barriers. It was visible in the mines, wine farms and industries. Class segmentation created superior mentality amongst those possessing wealth and power to permanently keep the lower class dependent on them for livelihood.⁶⁹

The anti-apartheid struggle and the subsequent resistance organisations were indispensable to the survival of civil society today. Resistance movements from black communities constituted a mass of organisations that spearheaded social and political mobilisation in order to regain their rights. Other white-led and multi-racial organisations were formed. These organisations had different ideologies and strategies and the one which attracted the people more became the largest in terms of size and magnitude. Most active CSOs during the struggle adopted a secretive mode of operation. This mode of operation led to some organisations to have inadequate governance

⁶⁷ See particularly Camay and Gordon, (2000). Study on the Non-Profit Sector in South Africa, unpublished manuscript, February 2000.

⁶⁸ Ubuntu is a term that describes a life-style of oneness and love among people in the same community.

⁶⁹ Camay P & Gordon A (2000), Race, Repression and Resistance: A Brief History of South African Civil Society to 1994. Published by the Co-operative for Research and Education (CORE), Johannesburg.

systems, deficiency in accountability mechanisms and a reluctance to share information. Accordingly, this led to an amazing temperament of passiveness on the one hand, and on the other hand created a series of challenges for organisations in the post-apartheid era. Some organisations that resisted the oppressive regime have transformed and assumed new roles as co-drivers of development in a democratic state, others have disappeared and some new organisations emerged to meet new development needs.⁷⁰

The non-profit sector was influenced by colonialist tendencies and white dominance. This was particularly exemplified in the area of welfare. The euro-centric model of civil society was hierarchical with top-down approaches to development. Many welfare and civil society organisations received dictates of working methods and styles from European experiences. Another arena where euro-centric models were apparent was in churches and their worldview of operating in Africa.

The advent of autonomous African churches was a direct reaction against the conception of European based mission churches. These African churches emerged as a result of a scheme to disband traditional life and methods of worship. Opportunities for African spiritual leaders became apparent and spaces for meaningful participation formerly denied by European religious hierarchies were made possible.

The resistance to opposition against the colonial and apartheid regimes was reinforced by missionary education of the African elite. Missionary education under the British colonial and apartheid governments of the African elite ushered in some avenues for further education in and out of South Africa. In some ways, missionary education infused early African leaders to be less adversarial in their endeavours to safeguard the rights of their people.

On a separate note, Afrikaner civil society organisations expanded their network which broadly aimed at safeguarding their culture and maintaining harmony amongst themselves. This inspiration emerged as a countermeasure to British colonialism and attempts to anglicise or dominate other cultures in South African society at the time. It is worthwhile to note that these organisations have contributed much and persist in view of the current realities facing civil society organisations in South Africa.

Different Roles Played by SA Civil Society Organisations

Civil society organisations play many essential roles in South Africa. According to Camay and Gordon⁷¹, CSOs play amongst others the following key roles:

Relief: CSOs provide humanitarian assistance to victims of famine and other natural disasters as well as wars and other conflicts. These are organisations which emerge spontaneously at the time of a specific disaster or have as a key function disaster management as their key objective. They may be community-based or geographically oriented or emerge out of a faith-based organisation. Some organisations may be country-specific chapters of a larger international organisation such as the Red Cross or Green Crescent. Others may be national organisations which also may have an international perspective such as the Gift of the Givers which has in recent times provided relief to the victims of the tsunami in East Asia, or to victims of conflict in Syria.

Welfare: CSOs which provide basic services (health, education, housing, etc.) to children, or adults and/or communities in need. There are many such organisations which exist in South Africa operating at the local or regional level with specific mandates to care for children, the aged or the disabled. Some may operate

⁷⁰ Habib, A. (2003) "State-Civil Society Relations in Post-Apartheid South Africa," In State of the Nation 2004 – John, D., Habib, A., and Southall, R. (Eds) pp. 227-241, Published by Human Science Research Council Press-Pretoria.

⁷¹ Camay, P. and Gordon, A.J (1997). Principles of NGO Management. Cooperative for Research and Education (CORE). CORE, Johannesburg.

on the basis of elimination of specific diseases such as Tuberculosis, HIV/AIDS, or Alzheimer's. They often work in partnership with local, provincial or national government. They draw their sources of funding from government, corporate, or individual donations. They play a major advocacy role in protecting and promoting the interests of their beneficiaries. They may also celebrate specific days in the calendar to build awareness of their work and to build community consciousness to avoid such diseases.

Service provision: CSOs created to provide training and technical assistance to other CSOs or community organisations. These organisations see as their key function the efficient and effective operation of civil society in a democracy. They therefore work in the areas of organisational and/or financial management, supply of relevant staff, providing assistance with staff appraisals and performance management systems. They may also assist other organisations in their strategic management and/or fundraising efforts. Some may also provide assistance regarding labour law matters. They draw their funding primarily from fees-for-services and/or donor assisted training programmes. Some of their training may be South African Qualifications Authority (SAQA) accredited or may be certified by other local or foreign training institutions.

Technical innovation: CSOs that operate their own projects to pioneer new or improved approaches to problems. These organisations may work across a spectrum of fields from Information Technology (IT) to efficient waste disposal. Many of these organisations operate in communities not readily serviced by commercial providers e.g.: computer training in rural areas. Others operate in urban centres addressing specific needs. For example, Collect-A-Can has successfully operated in urban environments for the past twenty years. It has taken care of an urban environmental problem but also has been able to create employment opportunities and through the sale of cans has virtually become self-funding. Various organisations have established food gardens

in urban or rural areas and have provided technical assistance to communities or individuals. Such organisations have also in recent times adopted their original objective to include urban food security and improved nutrition to their beneficiaries. They have sourced funding mainly from commercial supplier companies and often have partnership agreements of an exchange nature. For example, a computer company might provide hardware or software to CSOs providing IT training.

Traditional community based: CSOs such as burial societies, savings groups, etc. this remains a largely unexplored and under-researched aspect of South African civil society. Burial societies or stokvels have operated in urban and rural areas for over a century now. They have adopted the principles of credit unions and are mainly self-regulated with internal governing structures unencumbered by any enabling legislation. In 2011 the Financial Mail estimated that there were over 800 000 stokvels/burial societies in South Africa. A conservative estimate of the value was R30 million with 23% of all stokvels in Gauteng, and 20% in the Limpopo province. The majority of stokvel members were deemed to be women, with at least 8, 25 million of South Africans engaged in some or other stokvel scheme. Membership numbers range from 12 to 27 and the average age of members is estimated at between 25 and 50 years. Most of these have bank accounts, whilst some funds are managed by the members directly. The commercial banks have estimated that at least 41% of stokvels members are "unbanked".

Co-operatives or other non-profit but income producing: Such CSOs are formed at the local level to collect resources from group members to invest jointly in a specific economic activity. In the past, legislation only provided for agricultural cooperatives. However, the democratic government passed comprehensive legislation to accommodate amongst others, primary, secondary and apex cooperative structures in various fields such as, production, housing, manufacturing, taxi and agriculture. The legislation is currently being reviewed. However, much needs

to be done by various stakeholders to enhance the credibility and sustainability of cooperatives in South Africa. The Department of Trade and Industry currently manages cooperatives and may not be the best placed department to provide the many services required by members of cooperatives. Monthly, many registered cooperatives are de-registered for failure to comply with the regulations. This is an enormous loss of investment.

Religious/faith-based: CSOs created by religious organisations, often with the emphasis on providing welfare services, sometimes combined with religious preaching. Historically, these organisations have provided education, welfare and anti-apartheid services to communities in which they have operated. In recent times, these organisations have also played a formidable role in integrating political exiles into the fabric of South African society. They have also provided welfare and legal services to many refugees from various parts of Africa. They have also been at the forefront of the campaigns against HIV/AIDS, adopting many activities aimed at reducing the spread of the disease. They often provide the moral argument for improved social government services. They are mainly self-funded, or funded through support organisations in other countries. In recent times, given the reduction of donor aid as well as the democratisation of Eastern Europe and the economic crisis, financial support has been reduced quite dramatically. In the post-democratic era, they have also provided assistance in democracy education and practice.

Economic interest associations: CSOs which group people with a similar economic interest such as ratepayers associations or professional associations, and labour unions.

Ratepayers Associations: Since the establishment of a new framework of local government, South Africa witnessed a growth in Ratepayers Associations which have established themselves to improve their liaison and communication with local authorities, in

order to pursue a diverse range of interests not often commensurate with the functioning of local councils. They have campaigned on matters such as local rates, road closures, building regulations, parks, water and electricity charges etc. They are mainly funded through membership dues and sometimes provide local crime prevention or security services.

Professional Associations: Whilst the number of professional associations has historically existed in South Africa, almost all of them have had to develop transformational measures to accommodate the conditions of the new democratic Constitution. New professional associations have also been established as the government has instituted new legislation or regulations. Accommodation of new professionals in these associations has led to many public debates and the formation of some splinter organisations. As these associations are based on membership fees, economic necessity will force them to realign themselves into national representative bodies representing the interests of their profession and membership.

Labour Unions: For over 150 years, South Africa has had experience with labour unions. Historically, since 1924 African workers were not permitted to join unions within the framework of the Industrial Conciliation Act. Post-1979 and following the labour legislation changes made after the Wiehahn Commission Report, South Africa witnessed a growth of unions and has made remarkable achievements in organising workers and achieving collective bargaining agreements at factory or industry-sectoral levels. South African unions have consolidated themselves into various federations, prime amongst which is the Congress of South African Trade Unions (COSATU). On the continent of Africa, South African unions are the best organised and financially most secure. On the international scene these unions have also played major roles in organising efforts, specific campaigns, and human rights protection. Individual union membership dues have risen quite sharply, but have provided a means to entrench the sustainability of these organisations. Whilst some unions have

embarked on using members provident or pension funds to establish union investment companies, not all of these have been successful.

Human rights promotion/protection: CSOs formed to monitor abuses of human rights, to lobby against such abuses, and to protect and assist victims of abuse. As foreign donor funding has diminished in this sector many of these have had to rely on government supported initiatives to source their funding. In some instances, intermediary agencies have been established, such as the Foundation for Human Rights through the Justice Department, which has received European Union (EU) funding. Immigration issues and xenophobic attacks have in recent years caused some of these organisations to change part of their focus.

Civic/democracy education: CSOs which concentrate on public education with regard to civic rights and responsibilities, especially in countries which are newly democratised. South Africa has not been any different. The dawn of democracy has seen the birth of a number of these organisations initially working within South Africa, but more recently in other parts of Africa as well. These organisations have not been able to sustain themselves as they have witnessed decreasing amounts of funding in the recent past.

Community development: CSOs formed at community level sometimes with links to a wider association of such CSOs, aimed at promoting the development of their community through service provision, savings clubs, etc. South Africa has a rich inheritance in this sector and many organisations have worked in rural and urban settings with much success. In recent times, government has supported the creation of specific community development organisations in some municipalities to deal with the historical apartheid deprivation.

Advocacy: CSOs that often have no field projects, but that form alliances with other CSOs to educate and lobby on specific policy issues. Since the advent of democracy many civil society organisations have

influenced government through their advocacy campaigns, at the level of Parliament, officials, and politicians. Many of these have been successful. Successful examples which spring to mind are the passage of the Basic Income Grant, the Children's Act, and the Anti-Retroviral Campaign. In other instances, civil society has adopted an oppositional role to measures promoted by government such as the Information Bill and E-tolling. A key consideration in the future will be how local organisations sustain themselves whilst pursuing their advocacy campaigns. These organisations would also need to consider declaring their funding sources so as to bring transparency and accountability to their advocacy campaigns.

Networks: CSOs that provide information and education services to other CSOs, including newsletters, seminars, etc. Prior to the advent of democracy in 1994, a number of organisations established networks to pursue their sectoral interests. Forums were established to discuss and negotiate the needs of a non-racial society in pursuing common objectives in sectors such as education, health, water, local government, land, sanitation, urban development etc. A number of these networks survived and negotiated agreements with new government departments to provide a civil society function in specific sectors. The National Welfare Forum is one such successful example. The National Land Committee is an example of an unsuccessful network. Donor networks such as the South African Grantmakers Association (SAGA) established in this period, have also not survived. More research needs to be undertaken to understand the characteristics of successful networks and also to understand why so many networks fail.

Post-democratic civil society funding in South Africa

There is a plethora of funding resources available to CSOs in South Africa. However, since 1994, a proliferation of CSOs has led to additional organisations competing for ever-dwindling funds

from international and local development agencies. South African CSOs have relied far too heavily on historical resources for their funding. A feeling of entitlement, and the accompanying false sense of financial security it brings, has seen many CSOs fail in sustaining themselves in the long term.

Corporate Social Investment (CSI) funding in South Africa

The private sector development funding, includes giving by individuals and companies. It is important for the ideals of this report to disburse information on CSI. Meaning that private sector contribution to civil society must be notarised and must be seen within the context of South Africa's developing state. This is required so as to demystify CSI and understand its contribution toward development as a whole in SA's civil society.

Certain companies within South Africa's private sector have a history of being involved with less fortunate communities. Examples of such captains of industry would be the Oppenheimer family; Raymond Ackerman and Donald Gordon. More recently, individuals such as Patrice Motsepe; Tokyo Sexwale and Cyril Ramaphosa have also entered this sphere. However the charitable side of many private companies was not well-documented, nor was it regulated, formalised, monitored and evaluated. The advent of the term Corporate Social Investment (CSI) in South Africa brought with it the ability for welfare, private and any interested party for that matter, to evaluate the size, scope and impact of private sector donations to less fortunate people. CSI was lauded as the vehicle with which funds would be delivered to the CSO sector in South Africa.

Table 1: Rand Value of CSI Expenditure in South Africa between 2000 and 2012*

Sector	Arts and culture	Community and rural development	Education	Environment	Health	Housing	Job creation	Safety and security	Social development	Sports development	Training	Food security	Enterprise development	Other	Overall Total CSI Budget
2000	73,6m	92m	699,2m	73,6m	165,6m	55,2m	184m	55,2m	128,8m	110,4m	202,4m	-	-	-	1,84b
2001	81,6m	102m	775,2m	81,6m	183,6m	61,2m	200,4m	61,2m	142,8m	122,4m	224,4m	-	-	-	2,04b
2002	66,0m	154m	36m	88m	286m	22m	242m	44m	220m	88m	220m	-	-	-	2,2b
2003	23,5m	117m	916,5m	94m	352,5m	47m	329m	47m	235m	94m	235m	-	-	-	2,35b
2004	96m	168m	936m	96m	36m	24m	240m	72m	168m	72m	168m	-	-	-	2,4b
2005	106m	-	980,5m	79,5m	450,5m	26,5m	212m	26,5m	397,5m	106m	265m	-	-	-	2,65b
2006	86,4m	-	950,4m	86,4m	518,4m	28,8m	345,6m	57,6m	432m	115,2m	345,6m	-	-	-	2,88b
2007	123m	-	1,271b	246m	451m	41m	533m	82m	656m	164m	533m	-	-	-	4,1b
2008	153m	-	1,581b	306m	969m	51m	663m	102m	816m	306m	306m	-	-	-	5,1b
2009	162m	-	2,052b	324m	918m	54m	378m	108m	486m	216m	702m	-	-	-	5,4b
2010	200m	-	2,782b	324m	918m	54m	432m	108m	956m	516m	648m	-	-	-	6,2b
2011	224m	-	2,432b	288m	1,056b	16m	-	108,8m	1,088b	217,6m	-	281,6m	275,2m	288m	6,4b
2012	200,1m	-	2,967b	310,5m	800,4m	117,3m	-	151,8m	1,055b	172,5m	-	476,1m	365,7m	96,6m	6,9b

Tracking CSI spend between 2001 and 2012 is central to this research. However, the reporting undertaken by Trialogue does not afford a direct comparison between the sectors that are funded. Table 1 above provides a comparison of the rand spend in the key development sectors between 2000 and 2012. Table 1 clearly shows a steady increase of funds disbursed by CSI and is a testament to their goals of achieving sustainable development in South Africa. CSOs have received billions over the last twelve years from CSI, yet this is only ONE source of funding. This begs the following two questions: Is their poor financial management by CSOs presently facing funding crises? Are there too many CSOs in critical sectors duplicating each other's work thereby making it seem as if CSI expenditure is not enough?

An INTERFUND/SANGOCO study of the South African CSO sector in 2001 reported that the sector is relatively well-resourced, employing just over half a million people and generating income in excess of R10 billion per year. Despite perceived tough times, more than half of the responding CSOs experienced an increase in their budget over the last financial year, 16% experienced a slight decline in foreign and/or local funding, and for some, finding that works on government projects were more costly than anticipated.⁷²

However the 2012 Trialogue Survey of the CSO sector showed mixed fortunes. When asked, whether their income had decreased or increased over the past year, more NPOs had experienced a decrease (38%) than an increase (33%), with 30% reporting that income had stayed the same. But the report notes that if inflation is taken into account, this income

increase represents a real net decline. Therefore it can be concluded that all CSOs experienced a real net decline in revenue in 2012.⁷³

The data shows that over the past twelve years, three vital sectors of the CSO sector, (education, social development and health), have received billions of rands from CSI alone. Even with the annual CSI spend, the public education system is struggling to cope, now more so than it has been in the past twelve years. With millions of learners receiving an inadequate public education, and adding to the unemployment burden in South Africa, it begs two questions: How have CSOs working in these three sectors managed their funds? Why are corporate entities not holding the CSOs they fund to account?

In 2001, the CSO sector received R2,04 billion. In 2012 the CSO sector received R6,9 billion. Over a twelve year period, funding to the CSO sector by business alone has trebled. Furthermore, according to Trialogue 2000, many NPOs responded to the survey by looking at long-term financing options such as income-generating activities, mobilising resources, and forging partnerships with the commercial sector. Most NPOs surveyed however, feel that they could not survive solely on this self-generated income. The very nature of development work does not enable all organisations to generate a high level of their own income.⁷⁴ Comparatively, development practitioners with limited resources to properly evaluate programmes will, according to Trialogue⁷⁵ in 2012, find it difficult to measure their progress. Others felt they cannot afford to invest financial resources in communication or developing skills in this area.

⁷² Ibid

⁷³ The Corporate Social Investment Handbook, 15th ed. (2012), A comprehensive reference guide to corporate social investment in South Africa. Cape Town: Trialogue Publications.

⁷⁴ Ibid

⁷⁵ The Corporate Social Investment Handbook, 15th ed. (2012), A comprehensive reference guide to corporate social investment in South Africa. Cape Town: Trialogue Publications.

In the 2001 Trialogue Survey, of the 75 NPOs surveyed, 30% have 1 to 5 donors, while 9% have more than 15 donors. Increasing the number of donors an NPO has, creates a donor pool which then reduces the chances of NPOs not facing a donor crisis.⁷⁶ Comparatively, according to Trialogue⁷⁷ in 2012, a higher number of donor relationships leads to funding stability through diversity, although it is likely to take more effort to service these relationships. On average the NPO's surveyed had relationships with 13 corporate, compared to 6 trusts/foundations and 3 South African government entities.

The NPOs surveyed by Trialogue in 2001, acknowledged that it is extremely important to provide recognition to donors for their involvement in projects and almost 40% of NPOs acknowledged that corporate grant-makers are not getting sufficient recognition for their CSI-related activities. These are the bigger and more sophisticated organisations, so it is likely that as a general rule corporate are not getting the recognition they deserve.⁷⁸ Comparatively, according to Trialogue⁷⁹ in 2012, NPOs and corporate were asked to list up to 3 companies that are perceived to be achieving the most developmental

impact through their CSI programmes. Out of 236 NPO responses, a total of 117 companies were named. Those companies mentioned most often by NPOs were Anglo American, Nedbank and Old Mutual. The companies mentioned most frequently by the 99 corporates surveyed, were Anglo American, South African Breweries, Nedbank and Vodacom.

Trialogue in 2001 noted that the 100 corporate grant-makers researched are contributing R1 billion to community development in South Africa. The reality is that only 5% of the leading companies are contributing 30% of the total sample budget.⁸⁰ On the other end of the spectrum three-quarters of the sample of 100 corporate grant-makers are contributing less than a quarter of the budget. Comparatively, according to Trialogue⁸¹ in 2012, the top 100 companies accounted for R4.78 billion. Just 32 companies accounted for more than R3.45 billion, which is 49% of total CSI expenditure for 2012.

The CSI budget percentage is relevant to the research as it gives an indication as to what the business sector feels the CSO sector should be focusing on. Table 2 shows what corporates spend their CSI budgets on over a twelve year period.

⁷⁶ Ibid

⁷⁷ The Corporate Social Investment Handbook, 15thed. (2012), A comprehensive reference guide to corporate social investment in South Africa. Cape Town: Trialogue Publications.

⁷⁸ Ibid

⁷⁹ The Corporate Social Investment Handbook, 15thed. (2012), A comprehensive reference guide to corporate social investment in South Africa. Cape Town: Trialogue Publications.

⁸⁰ Ibid

⁸¹ The Corporate Social Investment Handbook, 15thed.(2012), A comprehensive reference guide to corporate social investment in South Africa. Cape Town: Trialogue Publications.

Table 2: Percentage of CSI budgets disbursed to development sectors between 2000 and 2012

Sector	Arts and culture	Community and rural development	Education	Environment	Health	Housing	Job creation	Safety and security	Social development	Sports development	Training	Food security	Enterprise development	Other
2000	4	5	38	4	9	3	10	3	7	6	11	-	-	-
2001	4	5	38	4	9	3	10	3	7	6	11	-	-	-
2002	3	7	36	4	13	1	11	2	10	4	10	-	-	-
2003	1	5	39	4	15	2	14	2	10	4	10	-	-	-
2004	4	7	39	4	15	1	10	3	7	3	7	-	-	-
2005	4	-	37	3	17	1	8	1	15	4	10	-	-	-
2006	3	-	33	3	18	1	12	2	15	4	12	-	-	-
2007	3	-	31	6	11	1	13	2	16	4	13	-	-	-
2008	3	-	31	6	19	1	13	2	16	3	6	-	-	-
2009	3	-	38	6	17	1	7	2	9	4	13	-	-	-
2010	3	-	33	6	17	1	8	2	14	4	12	-	-	-
2011	3.5	-	38	4.5	16.5	2.5	-	1.5	17	3.4	-	4.4	4.3	4.5
2012	2.9	-	43	4.5	11.6	1.7	-	2.2	15.3	2.5	-	6.9	5.3	1.4
Ave.	2.9	5.8	36.4	4.5	14.4	1.5	10.5	2.1	12.1	3.9	8.6	5.6	4.8	2.9

Consistently, an average of 36,4% of CSI spend has been on the education sector. In 2007/8, the spend dropped to 31%, but spiked to 43% in 2012. In the health sector, the average spend was 14,4% from a low base of 9% in 2000. It increased to 17% in 2009 and 2010. The social development sector witnessed a slightly lower average spend of 12,1% but peaked to 16% in 2007 and 2008. Consistently, an average of 8,6% has been spent on training between 2000 and 2010. In 2011 and 2012 no such spend was recorded. Since 2011, three further categories of measurement have been developed by Trialogue.

These are: food security, enterprise development and a miscellaneous category of other. The average spend in these categories over the two years has been 4,4%. The other categories covered include the following: arts and culture; community and rural development; environment; housing; job creation; safety and security; and sports development.

The data in Table 2 clearly shows that CSI has done excellent work over 12 years. On average, corporates have provided more than 50% of their CSI budgets to two vital development sectors: Education and Health. As a resource for NGO funding, CSI funds make a

vital contribution to civil society in eighteen different sectors. This is a laudable contribution in the context of a middle-income country and indicates that corporate social responsibility is well-developed in South Africa.

Tracking CSI expenditure over the last 12 years clearly shows the shifts in focus by corporate. Education and Training stood out above all other development sectors in terms of corporate spending. Tax deductibility of donations to formal education institutions as well as the direct needs of the business sector dominated thinking. During the mid to late 1990s there was an increased diversification into other sectors such as job creation, and more recently health and welfare.⁸² However, in recent years as can be seen in Table 2, some corporate have changed priorities and re-focused their giving into other sectors.

The complexities of the CSI-CSO interface in South Africa

A deeper understanding by the business sector of the CSO sector is required moving forward. An associated concern of good corporate citizenship is the debt being incurred by poorer communities. Evans argues that:⁸³ "While the private sector gives with one hand, too often it is busy taking back with another. This is especially true when it comes to unrealistic debt levels, which are encouraged in poor communities but counteract any good achieved by CSI and companies in general. Good corporate citizenship includes businesses respecting individuals, communities and their environment in ways that are reflected in their product offerings. Credit opportunities and the marketing of these should be responsible, and not trap the poor in debt. South Africa's future security relies heavily on job creation. However, if salaries are continually being sucked into debt repayments on consumables (as opposed to assets), then the poverty trap remains and there will be nothing left for personal

and familial investment into future generations through education or asset acquisition. As CSI practitioners move into more strategic positions in companies, it is to be hoped that their efforts are not undermined by some of their very own colleagues."

The manner in which credit is given to poorer people should be responsible as well as thoroughly and transparently explained to the potential borrower. The launch of the Consumer Protection Act in 2011 has re-examined the way in which debtors borrow to credit-seekers, especially from poorer communities.

CSI can do more to protect poorer communities from the credit trap, by not luring poorer, uneducated consumers into a false sense of financial security. This merely exacerbates cycles of poverty in these communities, and nullifies contributions made toward these communities through CSI initiatives. Business should assist poorer communities through skills and knowledge transfers which are tangible and relevant in a globalising world. The nation needs to move away from being passive bystanders, to proactive information and skill-sharers so as to lift the poor out of poverty and develop the nation in a harmonious and sustainable manner. Hornby contends that:⁸⁴ "Development is an interesting concept and development is actually about human growth, about supporting and transforming people as they evolve into caring citizens, able to participate in the economy and contribute meaningfully to shaping our new society. The increasing poverty levels should offend us, and galvanise us into asking the hard questions about our approach to community development. There are people in communities across our country that has strengths, skills and expertise – yet these remain largely untapped or underestimated. The traditional needs-based approach has not served the poor well and there is growing interest in an asset-

⁸² Ibid

⁸³ Evans, B (2011). How debt undermines good corporate citizenship. CSI The Human Face of Business: A Showcase of South African Corporate Social Investment. Johannesburg. Creative Space Media.

⁸⁴ Hornby, D. (2011). Let people use their assets. CSI: The Human Face of Business. A Showcase of South African Corporate Social Investment. Johannesburg: Creative Spaces Media.

based approach that recognises that communities do have capabilities, knowledge and expertise that has been suppressed by hardship. Once communities are conscious of their assets, they have value and it leads them to investing in projects that are worth defending and caring for. The most sustainable community projects are those where communities have invested their own resources. Being empowered as a partner makes a different relationship possible between development agencies and communities, and the asset-based approach recognises that individuals have inherent power and resources."

A massive role is played by communities in lifting themselves out of poverty and sustaining such a feat. It is a tough task, and there are many mitigating factors, however with an understanding and flexible donor, the beneficiaries may soon be able to thrive without donor assistance if projects are well-planned and have foresight. This is where a transfer of good business sense and wherewithal may provide the key to breaking the cycles of poverty which continue to plague South Africa.

CSI initiatives must be better documented and corporates must begin opening up the channels of communication between themselves and CSOs, in order to better scrutinise stakeholders in the CSO-CSI interface. Prangley argues that:⁸⁵ "Business leaders and CSI departments are culpable in a charade when they position the company as a non-social entity with a small charitable arm. This line of debate is captured by the statement, "The business of business is business", where creating shareholder wealth is the goal. If business leaders position their organisation this way then they significantly limit the potential of business to make a contribution to our society. Business needs to see itself as the provider of goods and services that society needs. These goods and services, the wages paid to employees

and the building of a skilled workforce are the core areas in which business makes a contribution to the social good. Michael Porter recently suggested that companies should move from corporate social responsibility (CSR) to corporate shared value. He sees the CSR agenda as a zero-sum game, where no value is created. With corporate shared value, the business sees its role as creating innovation in the social sector and encouraging efficiencies and greater impact. He suggests the debate on the role of business in society has been poorly constructed. CSI is important but needs to be strategic to the performance of the firm over the long term. Too often CSI is delinked from firm performance and is run out of a side office. CSI professionals see themselves as "do-gooders" immune from the pressures that face the rest of the business. Where CSI is linked to corporate strategy it can be further leveraged for greater impact."

CSOs and Business sectors need to work more harmoniously together in order to contribute in a valuable way toward social development as a whole in South Africa. The CSI-CSO interface needs better regulation, better reporting, and consistent monitoring and evaluation. Such suggestions may improve the accountability within this interface, and encourage all stakeholders to be more transparent and responsible within the CSI-CSO landscape.

Major funders of civil society organisations in South Africa

The National Development Agency

The establishment of the NDA was an outcome of social dialogue between the government, civil society, business and funding agencies to ensure that a formal facilitative platform is created to support a development paradigm whose centrepiece is people driven in partnership with government.⁸⁶

⁸⁵ Prangley, A. (2011). Why business must be more than business. CSI: The Human Face of Business. A Showcase of South African Corporate Social Investment. Johannesburg: Creative Spaces Media.

The aims of the NDA are:

- Funding: to provide financial support to programmes and projects that will continue directly for the enhancement of the asset-base of the poor.
- Capacity Building: to build the leadership, technical expertise and management capabilities of civil society organisations that help to eradicate poverty
- Fundraising: to build relationships and income streams with significant donors that work to eradicate poverty and its causes.
- Research and Policy: establish a broad and reliable database of civil society organisations and poverty eradication institutions and organisations for the purpose of developing partnerships and sharing them with the state and other stakeholders
- Policy Dialogue: to promote dialogue between government, intergovernmental organisations and government departments at all levels to influence policy change and development action. Document and conduct regular seminars, conferences and policy forums on poverty eradication to guide policy discussions and policy formulation in government and civil society partnerships.
- Impact assessment: vigorously conduct impact assessments on programme activities of the NDA.⁸⁷

Table 3: Grant Disbursement to Projects approved by the NDA in Rand terms from 2000 to 2011*

Year	Total number of projects approved	Total Grant Commitment per year in Rands
2000/01	–	196 016 437
2001/02	–	77 685 076
2002/03	–	40 686 172
2003/04	–	104 772 958
2004/05	74	92 643 000
2005/06	104	68 700 000
2006/07	95	110 969 560
2007/08	78	89 886 109
2008/09	79	85 811 686
2009/10	77	95 003 148
2010/11	43	42 954 009
Total	78.5	1 005 128 155

Source: These figures are extracted from various NDA Annual Reports.⁸⁸

The NDA seeks to alleviate poverty and to sustainably develop poorer sectors of society through projects and programmes run by CSOs. However, a major constraint on the NDA is the availability of funding

provided by Treasury, the credibility of the NDA grant-making processes, past fraudulent activities, and the lack of board governance continuity and institutional memory.

⁸⁶ National Development Agency (2003), Outlining the NDA Disbursement and Performance since inception 200 – 2003. National Development Agency. Johannesburg: NDA

⁸⁷ Ibid

⁸⁸ National Development Agency (2011), Annual Report 2010/11. Johannesburg: NDA Publication.

National Lottery Distribution Trust Fund (NLDTF)

The National Lotteries Board (NLB) uses the NLDTF as a distribution agent for its disbursement of funds to the CSO sector. The National Lotteries Board (NLB) was established in terms of the Lotteries Act (No 57 of 1997) to regulate the National Lottery as well as other lotteries, including society lotteries to raise funds and promotional competitions. The NLB also advises the Minister of Trade and Industry on policy matters relating to the National Lottery and other lotteries. Members of the NLB are appointed by the Minister of Trade and Industry and hold office for a period of five years, after which they may be reappointed. NLB members are also trustees of the National Lottery Distribution Trust Fund (NLDTF), into which National Lottery proceeds that are intended for allocation to good causes are deposited. The NLB does not adjudicate applications for funding or make allocations to organisations. This is done by committees known as distributing agencies which

are also appointed by the Minister of Trade and Industry, in conjunction with other relevant Ministers, after a process of public nomination.

The NLB provides administrative support to the distributing agencies.⁸⁹ The National Lotteries Board (NLB) disburses funds from proceeds of National Lottery ticket sales. The NLB in turn set up the NLDTF to disburse the surplus of funds to CSOs within South Africa.

The NLDTF has recently released a 10 year analysis on the funding which it disburses. Non-profit organisations within these sectors benefitted from the NLDTF's efforts: Arts and Culture and National Heritage Sector; Sports and Recreation Sector; and Charities Sectors. The release of this 10 year analysis is to allow any interested party to become aware of monies which have flowed into and through CSOs or NPOs in South Africa per annum since the NLDTF's inception. The following table details the Rand value in millions of this disbursement:

Table 4: Payments to the beneficiaries of NLDTF Funding (in Rand terms) ⁹⁰

Year	Arts, Culture and National Heritage	Charities	Sport and Recreation	Miscellaneous Purposes
2000/2001	–	–	–	4,102,000
2001/2002	25 421 318	69 529 474	21 615 127	–
2002/2003	40 183 385	174 512 912	62 590 876	9 600 000
2003/2004	140 316 712	305 819 513	149 483 493	17 420 370
2004/2005	190 672 331	631 744 840	226 903 596	633 000
2005/2006	176 292 907	526 842 745	304 949 519	9 250 000
2006/2007	82 321 519	409 435 518	291 831 712	4 539 351
2007/2008	96 397 943	326 567 923	211 207 395	–
2008/2009	168 480 623	480 878 351	298 268 994	950 000
2009/2010	468 011 398	1 102 259 612	371 547 062	–
2010/2011	875 411 305	1 802 794 774	710 577 734	169 007 938
Total	2 263 509 441	5 830 385 668	2 648 975 508	215 502 659

⁸⁹ www.nlb.org.za/ourmandate accessed on 25/04/13

⁹⁰ National Lotteries Board. (2011). Aligning NLDTF to Development Needs of our Country. Cumulative Payments to NLDTF Beneficiaries. Johannesburg: NLDTF.

Total payments made from the NLDTF to CSOs: R10 958 373 276.

According to the NLB Stakeholder Indaba 2013, the following resolutions were put forward by delegates as preferred mandates from the CSOs:⁹¹

- Accelerate decentralisation of operations to all provinces to ensure better access to services
- Strengthen partnerships with organisations that enhance capacity building of beneficiaries
- Audit all the infrastructure and beneficiaries' assets acquired through the NLDTF-funded projects
- Develop and implement norms and standards for grant funding
- Endorse and align NLDTF-funding with the National Development Plan with focus on poverty alleviation and job creation
- Facilitate a process of mentoring and coaching of new organisations established by old ones
- Absorb about 1000 graduates through projects funded by the NLDTF.

Independent Development Trust (IDT)

The vision, mission and purpose of the IDT are stated respectively as follows:⁹² To be the leading knowledge-based development agency. The IDT, together with strategic partners, will enable poor communities to

access resources, recognise and unlock their own potential and continuously improve their quality of life. The principal purpose of the IDT is to operate as an anti-poverty and redistributive agency, which invests in finding innovative ways of meeting the core challenges of poverty and inequality and expends its capital base in pursuit of workable strategies and programmes that can be shared and replicated.

The IDT's Annual Report⁹³ for 2007/2008 on page 37 reports: The IDT's core business is focused on supporting government in the delivery of its development programmes. The organisation has extensive expertise in the delivery of basic social infrastructure using labour intensive methodologies. As such it thus offers its clients, provincial and national departments, a model which simultaneously addresses their mandate to reduce infrastructure backlogs as well as their mandate to be responsive to the national social policy objectives such as reducing poverty; increasing employment levels by promoting small, medium and micro-sized enterprises; promoting BEE; and increasing access to basic services. Our model of social infrastructure delivery is an example of balancing output with outcomes targets as reflected in the table below:⁹⁴

Table 5: IDT's Social Infrastructure Delivery for 2007/08

	2007/08 Targets	2007/08 Delivery
Turnover	R1.4 Billion	R1.4 Billion
Value of programme spend	R1 billion	R1.167 billion
Number of classrooms constructed	908	1589
Number of community-based facilities constructed	1126	3012
BEE spend as a % of Programme Budget spend	50%	57% of target (R662.4m)
Women spend as a % of Programmes Budget spend	10%	10.5% (R121m)
% of women contractors engaged in IDT managed projects	10%	8%
Number of women's organisations/initiatives supported	400	849

⁹¹ National Lotteries Board (NLB) (2013). Newsletter to Stakeholders. April 23 2013, Johannesburg.

⁹² Independent Development Trust (IDT) (2013). www.idt.org.za/our_vision accessed 25/04/13

Impressive progress has been made by the IDT in assisting government in pushing the frontiers of poverty and making lives of the ordinary South African that much better. The highlights of the IDT achievements in 2012 are:

- Programme management spend of R1,157 billion, largely on social infrastructure
- R481 million spent on local labour and contractors
- R121 million spent on women contractors
- 532 000 jobs created
- Over 2000 co-operatives and enterprises supported under the Jobs for Growth Programme
- Eight Local Area Plans (LAPs) completed in eight municipalities
- Leveraging of a R2,7 billion allocation by national treasury for the eradication of the mud schools and undesirable structures over 2008/09-2010/11 MTEF period pursuant to the R150 million investments in the eradication of mud schools programme by the IDT
- Signing of a Programme Implementation Agreement with Department of Justice and Constitutional Development for a portfolio of over

R1 billion over a two to three year period

- The increased delivery of social infrastructure realised in 2007/08 will without doubt, make a visible dent in the service delivery backlogs that beset many areas in our country
- An increased trust in the capabilities of the IDT to deliver social infrastructure programmes has resulted in it being given the responsibility to construct social infrastructure programmes worth over R4 billion over the next two years.

High Net Worth Individuals (HNWI) giving to CSOs in South Africa in 2010

There are grave misconceptions regarding HNWIs in South Africa. These being, that they are perceived by middle and lower income earners as bourgeois; too arrogant and unapproachable. Perhaps these misconceptions may be argued to a certain degree; however, one cannot argue that HNWIs are giving toward the charities of their choice through their companies' funds/trusts or through family/personal funds/trust funds. Some of the major findings from BoE's The Giving Report ⁹⁵ are as follows:

Table 6: Total income of respondents in 2010 (n = 400)*

Total income in 2010	Percentage of respondents
<R 1, 5 m	31, 7
R1, 5 m – R5, 0 m	58, 0
R5, 0m – R10, 0 m	7, 0
R10, 0 m >	1, 8
Met criteria but refused to disclose	1, 5

Source: Table from the BoE Giving Report 2011.

⁹³ Independent Development Trust.(2008). Annual Report 2008.Midrand: IDT Publications.

⁹⁴ Ibid

⁹⁵ The Giving Report (2011), A survey on the Philanthropy practice of high net worth individuals I South Africa. BoE Johannesburg: BoE Publications.

Table 7: Demographics of respondents: (n = 400)*

Race of Respondents	Percentage of Respondents
Asian/Indian	8, 5
Black	12, 5
Coloured	1, 8
White	77, 2

Source: Table from the BoE Giving Report 2011.

The dominant race involved in giving is indeed the white race at a staggering 77, 2%. However, interesting to note that out of the previously marginalised groups

black people are giving more back to CSOs than coloureds and Indians combined, as their incomes improve.

Table 8: Approximate Rand value of cash giving: (n = 374)*

Value of Rand (s) disbursed	Percentage of the Respondents
No cash given	4
R1 – R25, 000	53, 1
R25, 000 – R50, 000	19, 9
R50, 000 – R75, 000	11, 3
R75, 000 – R100, 000	5, 4
R100, 000 – R250, 000	4, 0
R250, 000 – R500, 000	0, 8
R500, 000 – R1m	0, 5
R1m – R3m	0, 5
Refused to disclose	0, 5

Source: Table from the BoE Giving Report 2011.

This data shows the reader that almost 75% of HNWI gave back to CSOs, amounts ranging from R1 to R50, 000 in the 2010 year.

Table 9: The reason or motivation for giving: (n = 374)

Motivation Reasoning of Respondents	Percentage of Respondents
Want to make a difference	43
Care about the cause	30
Want to give back to my community	29
Religious beliefs	19
Family tradition of giving	9
Want to set an example for my family or children	7
To remedy issues affecting me or someone close to me	7
To contribute to organisations I am involved in	6
Ideological beliefs	4
Asked by a friend or family or a business associate	2

Source: Table from the BoE Giving Report 2011

South Africa has an eclectic spread of funding resources, from the corporate world to state agencies, government departments, as well as individuals. This is further supplemented by the European Union, foreign philanthropic organisations, embassies, and various international civil society organisations present in South Africa. The United Nations and its various agencies have also become fairly active in South Africa since 1994. Given the different accounting periods as well as inconsistent reporting, it is not possible to estimate the total sums of money being generated for the sector and/or the different components of such funding. Save to say that certain areas of funding have diminished, such as human rights and governance while others have increased, such as health, and HIV/AIDS. New sectors have emerged such as environmental protection. No national study exists of the amount of funding being disbursed or its impact in South Africa. Similarly, pockets of monitoring and evaluation exist, however this too is not combined together to present a holistic picture. It would be beneficial for

the sector if state agencies such as NDA, with the sector, were able to record the sources, amounts and beneficiary numbers in a reporting structure as exists in other countries. There is some urgency that this is undertaken as a national priority so that a comprehensive picture can emerge of the funding and its impact.

Research findings on CSO funding

South African CSOs have been a part of the DNA of this democracy since 1994. The subsequent transformation of government in this country has been praised and commended the world over. That transformation was a combination of good work by the incumbent government membership; civil society; and the outgoing government membership.

The Concise Oxford dictionary defines “constraint” as: “To restrict severely”. “To restrain or confine forcibly.”⁹⁶ Another popular definition of “constraint” is: “Constraint is the element factor or subsystem that works as a bottleneck. It restricts an entity, project or system (such as a decision-making process) from

⁹⁶ The Concise Oxford Dictionary. 1995 9th Edition, Clarendon Press, Oxford.

achieving its potential with reference to its goal. It can also refer to optimising goals by specifying relevant restrictions and solutions".⁹⁷

The Oxford dictionary defines "challenge" as: "An invitation to prove or justify something."⁹⁸ To dispute or deny something." A popular definition of "challenge" is: "A challenge is a general term referring to things that are imbued with a sense of difficulty and victory. It may also refer to a difficult task, especially one that the person making the attempt finds more enjoyable because of that difficulty. Finally, a challenge may be seen as that which encourages someone to do something they would not otherwise do."⁹⁹

A comparison of 2001 and 2011/12 surveys

In 2001, the Cooperative for Research and Education undertook a survey on behalf of the South African Non-Governmental Organisations Coalition (SANGOCO). This study was a product of a major co-operative effort. According to the report "Two Commas and a Full Stop":¹⁰⁰ "The Civil Society Index was conceptualised as an international comparative project by CIVICUS, the World Alliance for Citizen Participation. Countries in every major region of the world were identified to test the proposed methodology in a series of pilot projects, including South Africa. The South African Non-Governmental Organisation Coalition (SANGOCO) was selected as the national lead organisation for the project, and they in turn, through a competitive process, decided to commission the Cooperative for Research and Education (CORE) as well as the Institute for Democracy in South Africa (IDASA), to jointly implement the project. This review of the

post-1994 experience has provided CSOs with an impetus to consolidate present gains, recognise existing weaknesses, and set goals for strengthening our organisations and maximising positive impact on people's lives in the future. The study results provide an important baseline against which to measure civil society's progress."

The survey sought to explore whether sources of funding remained the same, were different, which were yielding positive results and which were not. Not surprisingly, the survey shows that there was a slight growth (6%) in CSOs' providing services to other CSOs. The fees-for-services from government as well as business fell by 10%. Similarly, the percentage of income from national provincial or local grants also fell. Membership dues and bequests also fell and so did subscriptions for publications or products. Much of this decline can be explained by the fact that the euphoria of a democratic dividend has diminished significantly. The fact that real poverty and unemployment has increased substantially and that disposable household income has also not increased may be explanations for this decline.

International, private and governmental donors have also rapidly diminished. A small increase (12%) was experienced from inter-governmental organisations. When the original survey was undertaken in 2001, seven years into a new democracy, many of these inter-governmental organisations had yet not established offices in South Africa and were still exploring modalities of grant-making. Subsequently, a number of them have established offices and procured funding to be able to provide assistance to the South African government as well as civil society.

⁹⁷ <http://en.wikipedia.org/wiki/constraints> accessed 25/04/13.

⁹⁸ Ibid

⁹⁹ Ibid

¹⁰⁰ Cooperative for Research and Education (CORE), Institute for Democracy South Africa (IDASA) (2001). *Two Commas and a Full Stop*. South African Non-Governmental Organisations Coalition (SANGOCO), Johannesburg 2001.

Perceptions of levels of financial sustainability

Table 10: The perception of the level of financial sustainability among CSOs in 2001 and 2012

Perceptions	2001	2012
Permanently sustainable (e.g. with an endowment)	2%	10%
Good prospects for long-term sustainability (e.g. with good balance of fees for service and diversified donor base)	22%	14%
Average prospects for medium-term sustainability (with some income generating activity and likely donor support for at least five years)	20%	15%
Fair prospects for short-term sustainability (with donor funding for up to three years but uncertain beyond)	27%	12%
Existing from hand to mouth, i.e. from short-term contributions; on the verge of closing	22%	44%

CSOs canvassed in 2012 claim a higher degree or permanent degree of sustainability however, there are dramatic declines in confidence in the belief that CSOs have good prospects for long-term, medium, or short-term financial sustainability. If compared to the Business Confidence Index (BCI) in South Africa this is not surprising at all. The global climate for giving has diminished dramatically and South Africa is no exception. A bleak picture emerges that civil society will operate in the future on increasingly limited support. The novelty of partnership agreements between business and civil society will blur the boundaries between business and civil society. This may lead to a diminished independence of civil society or in a worst case scenario, even the capture of the independence of civil society by corporate.

The phenomenal growth in the number of CSOs operating on the margins of short-term contributions is a reflection of current developments and it's not expected to improve in the short term. As both

business and government re-align priorities and decide on what activities they will undertake directly will undermine the contributions they will make to development funding.

If civil society organisations continue to provide services in this climate, it will prove their resilience and independent ethic. This is vital to an emerging democracy and therefore all stakeholders involved need to agree that a vibrant independent civil society must be encouraged. Whilst many civil society organisations have reached a desperation pitch and have often had to make internal arrangements of working on short time or providing only part-time work, many of these arrangements are being made outside of the formal employment contract and bypasses labour legislation. Should this become a permanent feature of civil society life, this can only add to unhealthy competition and unsustainable contractual obligations, which will only increase poverty in the sector as an employment forum.

Length of funding agreements

Table 11: The average length of funding agreements between the listed sources and CSOs in 2001 and 2012

Source	None		Length in Months				Length in Years					
			1-6		7-12		1-2		3-5		6 >	
	2001	2012	2001	2012	2001	2012	2001	2012	2001	2012	2001	2012
Government	47	87	6	0	20	13	10	0	4	0	7	0
Business	63	87	14	0	7	0	3	13	2	0	2	0
S.A Donors	38	87	7	0	24	0	16	0	6	13	1	0
International Donors	31	61	5	0	9	13	23	13	22	13	3	0
Other NGOs	70	74	7	0	6	13	5	13	3	0	1	0

The CSOs have become short-term intermediate service providers to the behest of government or donor agencies. This is not a pragmatic solution and will lead to manifest corruption, short-termism, and delivery in spasms, rather than in a sustainable fashion. This short term situation cannot build certainty or sustainability of funding agreements and as such, life-spans of service-delivery-oriented CSOs are cut short to the detriment of South Africans.

This will also create staff uncertainty and change the employment relationship from one of permanent employment to the casualisation of labour and all its attendant problems. This will also mean that employment benefits will be diminished or curtailed such that labour and pension benefits will not be provided. Workers in the sector will therefore find they experience greater stress levels as they are no longer able to make long-term domestic financial arrangements.

Gross Revenue of Surveyed CSOs

Table 12: Comparison of gross revenues of sampled CSOs between 1997 and 2011

Range (R)	Gross Revenue (%)					
	1997/8	1998/9	2000	2009	2010	2011
Up to R250, 000	11	20	20	64	56	58
R250,000 to R499,999	11	6	4	-	2	5
R500,000 to R999,999	16	11	14	-	15	5
R1,000,000 to R1,999,999	23	20	20	8	5	4
R2,000,000 to R4,999,999	39	43	6	2	2	4
R5,000,000 to R9,999,999	-	-	-	6	2	-
More than 10,000,000	-	-	-	4	2	-
Do not know	-	-	-	16	14	-

Whilst previously civil society organisations were experiencing a healthy growth rate and increasing funding levels, year-on-year, this has significantly diminished in the past three years of the current survey. Of the civil society organisations surveyed none reported a gross revenue exceeding R5 million per annum. With gross revenue of under R5 million civil society organisations will be constrained to

provide greater services, expand their services and/or employ larger numbers of staff. They would need to curtail their fixed operating costs and not be able to keep up with technological changes in the marketplace. Whilst many would aspire to use social media most others would be constrained in providing an adequate service through this method.

Approximate Size of Annual Budgets

Table 13: Comparison of Annual Budgets between 2001 and 2012

Range (R)	Annual Budgets	
	2001	2012
Up to R250, 000	11	20
R250,000 to R499,999	11	6
R500,000 to R999,999	16	11
R1,000,000 to R1,999,999	23	20
R2,000,000 to R4,999,999	39	43
R5,000,000 to R9,999,999	-	-
More than 10,000,000	-	-
Do not know	-	-

It is clear from the statistics that whilst CSOs might aspire to larger budgets, there is a reality check of what can be offered as services against what income can be generated. This displays pragmatism, but indicates that civil society organisations are not able to expand their services or their outreach. If they continue in this fashion they will jeopardise their long-term sustainability. To survive, civil society organisations will have to consider down-sizing their operations, making staff redundant, merging with like-minded organisations, or changing their focus and/or mission. Given that most middle or lower-level staff in civil society organisations are semi-skilled workers with a limited formal education, the opportunity for them to find new areas of employment in the sector, in government or in the corporate environment is very limited.

An online survey using its database of over 1 700 organisations was conducted by CORE in 2012. The following four main areas were included in the survey of the civil society respondents: Legislative regulatory framework, resource mobilisation, CSO challenges and requested participants to express their views and provide information on any other matters of interest or concern to them.

Legislative regulatory framework

The findings in this area were: NPOs reported that the NPO Directorate is not timeously responsive, often loses documents and delays are encountered in obtaining responses from designated officials. It was also reported that there are inconsistent responses between officials at the provincial and national level.

The NPOs reported that there is limited contact with the NPO Directorate after receiving the NPO Certificate. Where an NPO registration application is rejected, no suggestions are made to remedy the declined applications. Provincial officials are not able to assist constructively. Lawyers charge high fees for registration processes and these are not affordable by newly emerging CSOs. There is also said they don't know how to appeal when applications are rejected.

In some locations, NPOs are confronted by registered cooperatives providing duplicate services often for a fee. This duplication causes conflict and affects the credibility of all organisations concerned.

NPOs Boards functionality

Many Board members are enthusiastic initially when appointed, but do not retain interest once they realise that their functions are voluntary and without remuneration. Boards have policy-making functions and if they do not meet regularly or make timeous decisions they render the organisation impotent or dysfunctional. They do not support the CEOs/Managers and often there is no clear demarcation of roles between the Board and Management, leading to confusion and conflict. Blurring of roles and conflicts leads to disenchantment, lack of motivation, defiance and often resignation from both management and Board members. It was suggested that the NPO Directorate provide clarification on the distinction between the responsibilities of Boards and Management and that the NDA provide guidelines and training on this. In some instances there is mismanagement of donor funds by Board members and/or senior managers and neither Board members nor management have any recourse within the NPO Act to deal with these matters. State mechanisms such as recourse to the criminal courts, the police, the Prosecutors, or the Public Protector are often inadequate and do not provide requisite resolution within specific timeframes.

Reporting Requirements to NPO Directorate and SARS

Many complaints were recorded that filing of documents are tedious, lengthy and not user-friendly. Many CSOs do not have access to state-of-the-art computers and programmes and therefore are not able to provide online filing of documents. Often the documents are not clear and are not accompanied by user notes. The compliance requirements are not clear. Often when enquiries are made, these compliance requirements are often misinterpreted by officials. Lengthy forms are a challenge to most CSOs and more so to Community Based Organisations (CBOs) which have lesser capacity and resources and are often at great distance from provincial offices.

SARS requirements are also complex and often require very strict reporting conditions. Where SARS assists with the completion of documents, it is very time-consuming and requires hours of attendance.

Compliance issues such as submitting reports on time, misinterpretation of compliance requirements, and lengthy forms are a challenge to most NPOs.

Annual reporting to Department of Trade and Industry (DTI), the DSD and SARS is very costly and especially more so when donors require that they comply with auditing provisions in terms of their grant-making contracts.

Respondents appealed that there should be a universal accounting procedure that would be simple and cheap which would comply with the conditions and principles of transparency and accountability. It was also pointed out that the recent changes to the CIPIC Reporting requirements have become very onerous and inaccessible. Often Board members resign or leave an organisation, without completing the necessary legal requirements and when changes have to be made to the CIPIC registration, these are virtually impossible to comply with. This creates an additional reporting burden on CSOs and leads to

many disputes with donors seeking compliance with the legislation.

It was also suggested that DTI, DSD and SARS come together and devise a universal reporting system in which they assist CSOs with their compliance requirements.

It was also observed that CSOs are expected to be sustainable and yet they are not able to retain surpluses for the future. Some careful consideration needs to be made between the different departments as to what is a realistic amount that CSOs can retain to remain sustainable. The present rules of thumb vary from individuals and departments, and perhaps it should be regulated that at least 75% of a CSO's annual budget should be retained at all times without incurring taxation.

Some CSOs also noted in the Survey that municipal by-laws and requirements were often confusing and were changed without consultation leading to confusion and frustration when attempting to register Early Learning Centres, Shelters and Hospices.

Lack of Capacity Building

This was a constant refrain in the Survey, that government departments, state agencies and donors were not providing capacity building for civil society activists. Often services which are provided by CSO and/or commercial consultancies were beyond the reach of most CSOs. It was argued that SETAs should provide this type of capacity building training through their different grant mechanisms. The content of such training needed to be relevant to the participants and be provided at an entry-, intermediate and advanced level. This type of assistance should also be spread throughout the provinces and not be confined to metropolitan areas. The training also needed to be of an in-depth nature, as there were many complaints of superficial high-cost training which did not satisfy participant's requirements. Some also suggested that such training needed to be certificated to provide career-pathing to participants. Training should be

provided on how to develop policies, norms and standards for NPOs to become more efficient allowing for far less duplication.

CSOs also boldly suggested that they were not often compliant with labour legislation, DSD regulations and/or donor requirements. They suggested therefore that guidelines be developed to provide policies, norms and standards for NPOs to become compliant and efficient in their practices. This would assist them to act within the provisions of various legislations, regulations and local municipal requirements.

PFMA requirements

It was noted that CSOs are unfamiliar and lack training in terms of the application of the policies surrounding the PFMA. It was suggested that there should be an improved sharing of resources and provision of skills to the CSOs to apply the PFMA in such a way that its original intentions are realised.

CSO Staff Remuneration

There was a universal and plaintive cry that CSOs were not able to retain staff and that staff turnover was caused primarily by poor remuneration. It was also argued that many staff gained experience in CSOs and were then poached by local provincial or national departments. Similarly, many staff members were also attracted to work in international NGOs operating in South Africa, or sought occupation with various corporate or foreign private or government donor agencies. This lack of retention was also further exacerbated by the fact that, in terms of cutting costs, few if any CSOs are able to provide medical or pension benefits to their staff. Housing loans provided by government departments are also a cause for defection. Many South Africans have also found new career and employment opportunities in international agencies such as the Commonwealth and United Nations, due to their improved remuneration and benefit conditions.

It was recommended that staff remuneration should be improved to retain skills. It was further suggested

that the issue of salary parity needed to be pursued, finalised and implemented in various job categories in various sectors.

Resource mobilisation

Numerous complaints were recorded in this section of the Survey. It would appear that civil society organisations need a current database of sector-specific donor funding. Whilst a number of commercial directories exist, it would appear that CSOs require a current electronic database which would provide information on conditions for funding in the various sectors. It was also recorded that, due to the difficulties experienced in raising funds from local and international sources, NGOs were no longer sustainable.

Better education and training should be provided to NPOs to encourage alternate fundraising approaches

Whilst this was a constant refrain, within the scope of the present Study, it is not possible to see who should undertake this activity and provide leadership on it. It is incumbent on each successive generation of CSO staff to find new fundraising methods and avenues.

Board members to assist with fundraising

It appears that there is a limited appreciation of Board members in assisting with fundraising efforts. This needs to be corrected. Board member induction and training should provide clear guidelines on the engagement of Board members to assist in fundraising.

Criteria for applications for funding

Some respondents also complained that various corporates have different methods and approaches to receiving funding proposals. This often led to a dissonance between the CSI programme and the recipient agency. Whilst the individual needs of corporates can be accommodated it is not possible to imagine that a universal application system could prevail given the diversity of funding sources, agencies, staff and personal interests. Included in this section, several remarks were made that little

to no provision could be made for capital costs or maintenance costs of buildings, equipment, vehicles or machinery.

Late payments to NPOs cause service delivery delays

Due to late payments by donors, including corporates, state agencies and government departments, many civil society organisations were experiencing cash flow problems. This leads to uncertainty within the organisation and personal stress to the employees. Many volunteers also experienced disenchantment as they received a stipend instead of a full salary and are discouraged by the inconsistency of such payments. A lack of timeous communication with regard to the donor system of disbursing funds as well as adhering to the contract conditions and unilateral decisions about the quantum of funds being provided were also cited as frustrations. A further complaint was that there was no standardisation between provinces with regard to funding criteria, either through provincial authorities and/or national agencies which provided funds.

Monitoring and Evaluation

Several CSOs complained that there were various monitoring and evaluation requirements between DSD, state agencies like the Lotto and the NDA and corporate donors. They desired a universal system which would allow them to monitor systematically and report universally to all the stakeholders. This would also assist in providing annual reports as part of their accountability requirements. A further complaint made by respondents was that practical monitoring and evaluation tools are not accurately communicated at the start of a project to the recipient organisation. This often leads to confusion, anger and frustration and a perceived non-realisation of the project objectives.

It was suggested that the monitoring and evaluation capacity of CSOs improve through further training and skills development.

Challenges experienced by CSOs

SLAs are unfairly skewed toward government departments.

It was observed that CSOs are contracted by government departments and donor agencies to provide specific services contained in contracts or Service Level Agreements (SLAs). It was agreed that these were unfairly skewed with little or no input from CSOs being appreciated by the contractor. It was also observed that agencies do not share sufficient information, resulting in haphazard and fragmented services.

Pressure relating to service delivery

Many respondents reported that CSOs were under enormous pressure relating to deliver on behalf of donors. They reported that these donors however, were very slow in responding to crucial matters affecting CSOs. This often resulted in confusion and frustration amongst all stakeholders and in turn negatively affected service delivery. Many challenges faced by CSOs such as offices, equipment, staff, transport and working conditions were not acknowledged by donors, nor was there an attempt in assisting NGOs in the challenges they faced.

Communication

A basic refrain was that there was poor communication between parties in terms of general requests and confirming deadlines. Accountability between and amongst staff members was also poor.

Cost of De-registration

Several organisations reported that insufficient communication was received from state agencies regarding their registration status and, as a consequence, funding for re-registration to comply with legislation was a costly, unbudgeted endeavour.

Insufficient Funding

It was reported that CSOs did not receive sufficient funding or funding was exhausted before programmes were fully implemented. Unilateral decisions by provincial DSD and/or the NLDTF as to who they would fund for what periods and in what sectors, was also problematic. It provided no clear strategy, was disruptive and did not take into cognisance the vital basic services which needed to be provided in certain sectors such as child welfare, the old age sector, or the disability sector. It was also argued that the artificial distinction made between rural and urban projects and programmes was not a well thought out strategy as the majority of the South African population lived in key metropolitan provinces. A further complaint was that an improper distinction was made in the health, education and welfare sectors that assistance should only be provided to bona fide South Africans. This has led to two unintended consequences: first, that services are not provided to migrant populations requiring those services and second, an unhealthy illegal trade in false Identity Documents.

Key constraints facing civil society

Table 14: Comparison of Survey Results on Sources of Funding between 2001 and 2012

Sources	None		1-25%		26-50%		51-100%	
	2001	2012	2001	2012	2001	2012	2001	2012
a. Fees for service provision to other NGOs	52	62	32	38	60	0	2	0
b. Fees for service provision to government	51	74	23	13	11	13	3	0
c. Fees for service provision to business	60	87	23	13	4	0	2	0
d. Government (National, Provincial and Local) grants	47	87	24	13	10	0	5	0
e. Membership dues from individuals and/or organisations	56	74	30	13	4	13	1	0
f. Private individual donations, bequests	48	74	34	13	8	13	2	0
g. Subscriptions for publications or products	67	74	25	0	2	0	0	13
h. South African donors (e.g. business, trusts, foundations)	31	87	33	13	13	0	9	0
i. International private donors	39	87	19	13	13	0	13	0
j. International governmental donors	50	87	17	0	15	13	8	0
k. Inter-governmental organisations	74	74	10	13	4	13	2	0

From the Survey results, it is clear that the following are amongst the key challenges facing civil society currently in South Africa.

Inadequate Board Governance

Effective board governance is central to enhancing the capacity of civil society organisations. The Non-Profit Organisation Act (Act No. 71 of 1997) was decreed as part of the government's effort to create a regulatory dispensation in conjunction with a self-regulatory structure that pose enormous tasks to all those interested in a strong civil society in South Africa. Accountability and good governance are of extreme importance to any regulatory system. The issue at stake is the degree of commitment exerted by various boards governing South African civil society organisations. Are they really accountable to the constituency they serve? Do they have the requisite

skills to drive the vision of the organisations they represent? Are they operating within the adequate standards of governance – with accountability, transparency and codes of ethical practices taken into consideration? The question of compliance with the basic requirements of good governance in terms of the NPO Act is another source of worry. In a research that was conducted by the Department of Social Development on Impact Assessment for NPO Act in 2005, it was revealed that there was a general lack of capacity within NPOs to manage their affairs including upholding good governance practices for the organisations. Board governance structures within civil society organisations need to possess not only the required expertise, but also the drive to commit themselves to the tremendous challenges facing the sector.¹⁰¹

¹⁰¹ Department of Social Development (2009). Developing Good Governance Practices within the South African NPO Sector: Benchmark Study Report.

Lack of Adequate Management Skills

There is a huge concern regarding the issue of management in particular and leadership in general within South African civil society organisations. Individuals equipped with the capacity to manage requisite resources (human and financial) are lacking within the non-profit sector. Existing literature has elaborated more on the switch of personnel from civil society organisations to take up positions in government following the demise of apartheid. More ideas and propositions on how to improve managerial capacity within the non-profit sector still need to be done. Management and leadership are like two sides of the same coin. A good management strategy will obviously lead to a well synchronised leadership setting enriched with skilful staff. It is important to note that effective management is only possible with adequate financial and human resources.

The shortage or lack of either of these elements might affect the upholding of good managerial standards. This might be detrimental to the entire leadership structure in the sense that when managers lack requisite human capacity, certain loopholes (such as service delivery gaps) within organisations becomes more apparent. This in itself affects the full working structure of organisations within the third sector. The vibrancy of civil society organisations within such conditions remains questionable. There have been concerted moves in a number of countries on strengthening capacity and building a more vibrant civil society cadre. One way of doing this is possibly through the development of a code of conduct for chief executives within NPO sector.¹⁰²

Another possible channel is by enabling organisational staffs or the available human resource to understand organisational behaviour and functioning. This can be implemented through a variety of ways including:

- educating staffs on managing organisations through planning;
- implementing and monitoring activities strategically;
- improving staff performance; build effective management systems;
- policies and plans to improve long term sustainability and
- resource mobilisation.¹⁰³

Deficiency in Budgeting

Lack of managerial capacity will consequently affect the way budgets are being designed and used. Poor budgeting is one of the major problems faced by the South African NPO sector. Another possible constraint that may arise from inadequate budgeting is limited levels of narrative and financial reporting skills within organisations. A general difficulty in meeting the appropriate financial reporting requirements standards will seemingly affect the cash flow. Budgeting is something that also requires technical knowledge on how it is designed. The priorities set forth by any organisation are somehow determined and attained by an effective budget plan. If an organisation lacks the necessary financial management skills and the capacity to draw up a concrete budget plan and does not know how to effectively implement it to suit the desired ends of the organisation – what follows is either over or under expenditure.

¹⁰² Swilling M & Russell B (2002), A Study on the size and scope of the Non-profit sector in South Africa. Graduate School of Public and Development Management (P&DM), University of the Witwatersrand and the Centre for Civil Society, University of Kwazulu Natal.

¹⁰³ How we are perpetuating our own skill shortage? Available at: <http://www.askinyathelo.org.za>, accessed on 05-04-2012.

This might obviously affect performance in certain departments while other areas might be on a good footing.¹⁰⁴ Procurement policy for the NPO sector is also an important aspect that managers should take into consideration. The purchase of goods and services is necessary for the smooth running of every organisation. The aim of an internal control system for the supply of goods and services is to ensure that orders are handled by individuals who possess the requisite skills to evaluate what purchases are required from suppliers to ensure purchases made do not exceed the budget provided, as well as ensuring that they correspond with the quantity and price specified in the order. Handling such tasks need some form of training and skills, which apparently is what many civil society organisations are lacking, and they need funds to start training their staff on how to properly balance their budgets to enable them to attain their stated objectives.¹⁰⁵

Lack of Staff Capacity

Many organisations within the NPO sector in South Africa are experiencing a shortage of funds. Lack of adequate funding affects the smooth running of organisations, particularly if it has reached a point where staff can no longer get remunerations for the services they render. The level of performance is obviously going to be affected under such circumstances. Good performance leads to organisational growth and, this can only be backed by financial incentives that keep the staff motivated in discharging their responsibilities. Many organisations are reducing the size of their staff while others are shutting their doors due to the lack of funds to manage the activities and programmes. Such circumstances do not seem to be encouraging

for a vibrant civil society. A vibrant civil society requires a more informed citizenry, especially citizens that are informed about policy related strategies that can be effectively implemented to improve the lives of grassroots people.

One of the reasons why there is a skills shortage in South African NPOs is the failure to attract people with the required skills and experience and to pay what the position is really worth. The reality is that there are currently not enough individuals with key knowledge, skills and competencies to staff all of the South Africa's non-profit organisations. This in effect, implies that many organisations are staffed with individuals who are not qualified to perform their jobs effectively. The quality of service delivered to disadvantaged communities will normally be affected, and millions of Rands in donor funds are utilised inefficiently in the process.¹⁰⁶

The situation seems to be precarious as the South African non-profit sector is almost conceived by many as a waste ground for people with insignificant skills and education who will accept outrageously low salaries. Such a category of people will realistically not be expected to perform their tasks to the extent that their positions warrant them to. Some non-profit organisations are partly held responsible for this trend. This is because they start by underestimating the very skills that are necessary for certain positions. Another area of concern is that organisations also accept low salaries for certain positions from donors. This is because they are afraid of losing that particular source of funding. When this happens, organisations also tend to reduce pay cheques on the positions they advertise to the public. This cyclical funding crisis leads to nothing short of poor

¹⁰⁴ Norton, A & Elson D (2002). What's Behind the Budget? Politics, rights, and accountability in the budget process. Overseas Development Institute 2002. Available at: <http://www.odi.org.uk/resource/docs/2422.pdf>, accessed on 05/04/2012.

¹⁰⁵ Organisation for Economic Cooperation and Development (OECD). (1996). Budgeting and Policy-Making. SIGMA Papers No. 9, OECD/GD (96) 110, Available at: www.oecd.org/puma - accessed on: 05 – 04 – 2012.

¹⁰⁶ Unspecified Author (2012). How is we perpetuating our own skill shortage? Available at: <http://www.inyathelo.org.za> accessed on 05/04/2012.

service delivery due to the recruitment of people with virtually no skills and education required to shoulder their responsibilities and ascribed roles in non-profit organisations.¹⁰⁷

Lack of medium-term sustained funding

There is a lack of coherence in policy analysis as to what constitutes medium-term sustainable funding for civil society organisations. Many organisations have emerged out of an apartheid scenario where funding was limited and not retained for future activities. In a post-apartheid democratic era, this area of policy-making has not received the necessary attention or advocacy from the various stakeholders involved. It is acknowledged that not all civil society organisations need to exist for all time. However, there are certain sectors in our society that will always need attention and support, such as the children's sector, the disability sector, the poor, and the aged. It goes without saying therefore that, government and civil society will need to provide assistance on an on-going basis. It is also accepted that once a civil society organisation has accomplished its mission objectives, it no longer needs to exist.

However, the legislative and tax framework has to be reviewed to ensure the medium-term sustainability of funding. Unilateral decisions cannot be made by staff in various agencies, public or private, that will unilaterally without consultation and agreement withdraw funds from a particular sector or disadvantaged group. It is this dialogue that is urgently required in South Africa to align the notion of a developmental state and the achievement of the National Development Plan (NDP).

Ensuring sustainability of civil society

In response to the question: "What do you personally believe should be done to ensure the sustainability of civil society organisations?" the following responses were obtained:

Funding

Consistent funding from a reliable donor can sustain civil society organisations for longer periods of time therefore delivering more services to our beneficiaries. A rational, coherent, sustained form of funding that offers constant monitoring and support – and that is multi-year in scope from government. (3 – 10 years) is required. Bigger government funding agencies should assist us more often. Corporate funding should assist us further. Diverse streams of funding should take place within NGOs as funding makes civil society sustainable. If we understand the needs of the funder, and fundraising skills improve within our CSOs, this will certainly improve the funding framework/model within CSOs sector-wide. We need to improve ways of funding and improve our services. Rather than a donor making a once-off donation, a phased funding approach over three years with monitoring mechanisms in place will be far more sustainable to our CSOs than any other funding model. Funding to assist with overheads and expenditures rather than focusing on salaries and workshops. We believe micro insurance and savings alternatives for rural producers/micro producers (safety nets) must be introduced in our rural CSOs. A mental shift towards income generation and diversifying our donor landscape is sorely needed. New funding agencies with better practices and especially monitoring practices are lacking in the sector. Remove perceived competition for funds which would possibly lead to removal of perceived control by funders.

Staff development

We need a better building of leadership capacity within the administration, management and board of directors as this is hampering our delivery of services to paying beneficiaries. Building capacity amongst our staff must be better utilised, for example, within the financial management division of our CSO. We need capacity building programmes that are sustainable

¹⁰⁷ Ibid

and that lead to qualification/competency for example: business planning, financial management, accounting practices, leadership and management training programmes, marketing/branding packages will all lead to a smoother running organisation. Mentorship/incubator programmes are needed to constantly train and build our staff so that they are not stagnant in their growth within the organisation. Ensure capacity building: political education and literacy education allow staff to do their jobs better, resulting in a better working environment.

If, within the framework of the developmental state and the National Development Plan (NDP), room can be found for the notion that a democratic state also constitutes a developmental society, policy makers in South Africa need to accept that academic and further education and training, both formally and informally, needs to be provided at institutions of higher learning. To this end, it is necessary that all stakeholders engage in a dialogue to ensure that a curriculum is developed at key institutions to provide education in the sector such that the sector is a recognised occupation and merits recognition in our society.

Strategic development

Better communication needs to take place within our sector amongst the various stakeholders. This will improve our legitimacy to beneficiaries and donors alike. Building of leadership schools could possibly be a solution to the lack of skilled people in the CSO sector. A change of basic values must take place within our sector, for example: focusing on what communities can do to increase their own value rather than what others can contribute in terms of wealth (and even opportunities). Collaborated structures that encourage integration of programmes of CSOs needs to be better utilised. Collaborative banking services between CSOs might enable better usage of funds. A collaborative fund to enable enhanced delivery and impact will create a better quality of services delivered. CSOs need to be very critical about their agenda and work towards being more

focused in their own work. Educate more councillors and organisations which will go a long way in ensuring co-ordination and partnership building. Facilitate CSO forums that can lobby/advocate jointly – at local/provincial and national levels. Funding and support of the grassroots servant leader (non-political) over the long term is a good idea. NDA must obtain better research about the functioning of the organisations to which they donate funds. We must have an umbrella body for civil society incorporating national, provincial and regional levels in order to provide necessary coordination. The structure must be registered and project training must be provided on all skills levels. The NDA should take into consideration the environmental factors, dynamics of individual research and offer some training, as there is a need for skills development training.

Accountability

Accountability is lacking within the sector. It is necessary to have self determination to achieve all intended goals surrounding accountability. Consolidation of the CSO sector is sorely required. Enforcing compliance to governance principles through a national summit needs to take place so we as CSOs can improve service delivery to our beneficiaries.

Conclusions

It is evident that South Africa has a vibrant, diverse, articulate civil society, which is the envy of many democracies. It has migrated successfully from an oppressive apartheid era, to a progressive democratic period accommodating the vast transformational needs South African society has demanded. By and large, the sector has retained the welfare services demanded of it, and has integrated such services without great difficulty. It has also met the challenges provided by the democratic Constitution in broadening and deepening democratic rights of all who live in South Africa. It has met the scourge of HIV/AIDS head-on and evidence is now emerging that South Africa has provided a sterling contribution in this regard. Civil

society has also provided a capacity in new areas of engagement such as protection of the environment, upgrading ITC skills and knowledge, established new local networks and participated in international forums.

Presently, the size and scope of the sector cannot be established with any accuracy. The last study conducted with limited resources is almost 20 years old. No accurate data exists within state departments such as the Department of Social Development and Department of Trade and Industry. There is little cooperation and contribution between state agencies such as the NDA, IDT and the NLDTF to present even a recipient profile of organisations currently operating in South Africa. This is further exacerbated by international non-governmental organisations which operate in South Africa under the aegis of registration conditions in their own countries. A number of informal organisations have also emerged in recent times in migrant communities, protecting their communal human rights and/or commercial interests. The size and scope of this phenomenon, whilst recognised, is not measured. The influence of fundamentalist faith groups emerging in South Africa is also unrecorded and unregulated.

In overthrowing the vestiges of apartheid, the democratic government embarked on a number of new legislative initiatives that has witnessed the emergence of the non-profit sector as provided for in the Non-Profit Organisation Act, Amendments to the Companies Act, as well as changes to the Income Tax Act, which has seen the creation of Public Benefit Organisations (PBOs). The Independent Development Trust Act was amended, the NDA Act was promulgated and fundraising for civil society organisations was accommodated through the enactment of the NLDTF. In pursuance of these changes, appropriate regulation and staffing was provided in the relevant government departments and agencies.

The progressive debate about creating a new society free of race and class has witnessed first the

emergence of the Reconstruction and Development Programme, to the present New Growth Path. Parallel to this engagement, state policy has also evolved to the acceptance of the developmental state and local government. The internationally accepted Millennium Development Goals have also been accepted into the fabric of government policy. In the past two years, through a commission established by the President, the National Planning Commission has produced the National Development Plan. All of these are part of a tapestry to create a society which can deal with the issues of poverty, unemployment and inequality. All recognise the centrality of civil society in addressing these issues.

This Survey has shown that a number of sources of funding exist in South Africa, making a bold contribution to government plans and intentions. It also supports the notion of an independent civil society sector making a meaningful contribution to strengthening democracy. This Report has only in a very limited fashion, examined the contribution that the corporate sector, government agencies and High Net Worth Individuals make to the sustainability of civil society and the contribution CSOs make to the country. In a society where increasing levels of poverty are experienced, and many remain unemployed, the contribution per capita is astonishing.

Participant responses to the Survey conducted indicate that there is a great diversity of funding available in various sectors and whilst funding has declined in some sectors it has increased in other new sectors. Fees-for-services as a source of income has increased. Government grants at local, provincial and national levels have increased dramatically. However, subscriptions for publications or products have not kept pace. Short-term international private grants have increased, especially insofar as inter-governmental organisations are concerned.

Despite the economic recession, short-term corporate funding has provided much-needed assistance. A key concern remains however, that

there is little coordination in the sector between stakeholders as to who is being funded for what. Amongst civil society organisations, there is also an increasing despondency as to their financial sustainability. A number of factors are identified which require immediate and urgent attention. They are: board capacity and volunteer contribution, staff retention and capacity and a lack of career-pathing in the sector. The average length of funding has dramatically declined from multi-year funding to single-year funding, creating uncertainty and a lack of long-term planning. Annual budgets have declined and so have gross revenues.

Recommendations

Twenty years into a new democracy, it is time that South African policy makers and legislators in conjunction with civil society, establish a permanent review panel to investigate and report on the enabling legislative and regulatory framework. Such a panel should ideally be located in the National Development Plan as it transcends various government departments and agencies.

Promises have been made by various Ministers to amend various pieces of legislation in the future. These suggested amendments must be dealt with, with some seriousness and alacrity, to ensure a sound enabling legislative environment. Policy makers and practitioners have acquired a reasonable insight into what works and where the bottlenecks exist.

The size and scope of the sector is not known. The number of workers involved in the sector as well as the financial contributions made to the sector remains unknown. Statistics South Africa should be charged with measuring, in its Annual October Household Surveys, the number of individuals employed in the non-profit sector and the contribution each household makes to charity. In addition, SARS needs to set up a database to measure the contribution made by individual taxpayers as well as the corporates to the sector. It is necessary, without being alarmist, that the contribution the sector receives must be

recorded in a central database. All stakeholders must be encouraged to voluntarily contribute to this database. Similarly, both DTI and the NPO Directorate must individually or collectively set up a recording system which will measure the sources of funding and three or four broad categories of expenditure which will have to be identified.

The idea of a database of all stakeholders involved is a value-adding idea as it will strengthen the legitimacy of the sector as a whole, therefore benefitting all involved. Transparency; accountability; good governance and monitoring and evaluation clauses need to be upheld within all sectors of society at all times. However, within the CSO sector all the more, as the sector directly benefits and influences the people which require the assistance the most.

The database of the NPO Directorate within the DSD is a good example of government's attempt at a database of the CSO sector. However, as the public and CSOs have come to learn, the wheels of government grind slowly and sporadically. Therefore, a joint venture, preferably a public private partnership should be sought to share information and maintain the database on a regular basis. As the database may contain donor information; government information; corporate's information and CSO information it should be handled by an independent body so as to strengthen the transparency; accountability; good governance and monitoring and evaluation of the entire sector. Such a database will be useful to the public; media; watchdogs; opposition political parties; and potential foreign donors and invaluable to the local CSO sector and its partners.

The benefits of the sector are also guessed at and not measured. It should be incumbent upon civil society organisations to report in formats which can easily identify their geographical areas and the number of beneficiaries receiving assistance. In addition, such an aggregation should also report on the gender of the beneficiaries. Whilst many naysayers will attack this recommendation as another feature of government control, in many countries such measures

are already applied and many nefarious activities are arrested by such disclosure. Each stakeholder party in community development should be encouraged to voluntarily disclose this type of information.

Whilst the CIPIC provides some information on Board members, it is not exhaustive. A cooperative effort must be launched between the NPO Directorate and DTI to be able to establish a comprehensive database of such members. Where members receive remuneration as Board fees, this too should be declared and where required, be taxed. Conflicts of interest must be pursued vigorously and exposed such that such practices cease in the sector.

Executive Manager's capacity in the sector must be strengthened and enhanced through progressive training and skills development. The interface between Board Chairperson and the CEO must be developed such that trust and accountability is enhanced. In keeping with practice in other countries, a blacklist of flagrant breaches of trust and honesty must be developed so that repeat offenders do not assume powers as Board members or as CEOs.

Donor grant-making capacity must be enhanced and encouraged through self-regulation. Over the years, the South African Institute of Fundraising has developed and refined its Code of Conduct. It should be incumbent upon all staff that enter this terrain of grant making that they voluntarily accede to signature of such or a similar code. Whilst the South African Grant makers Association may at that time have been a premature development, given the need for transparency and accountability in an increasingly shrinking world of capital exchange, it perhaps now requires revival. No comprehensive directory exists, or exchange of information formally or informally is practiced, to ensure that double-dipping is curtailed.

Staff capacity must be increased such that career-pathing in the sector is enhanced. University-based

certification programmes must be established and lifelong learning encouraged so that full realisation and participation is achieved. Over time, remuneration patterns should be reviewed such that the gap between corporate, government and civil society sectors, become marginal.

Civil society organisations should also be encouraged to merge and work together in networks such that economies of scale can be achieved and learning between and amongst sectors is encouraged. In the absence of an apex civil society organisation, local authorities and provincial governments should encourage sector-based networks of organisations to voluntarily come together in pursuing common interests and perspectives. It is only through such an organic growth that apex organisations will emerge in South Africa.

BEE legislation should also be amended to create an advantage for the civil society sector to compete against for profit organisations bidding for work. Similarly, international NGOs operating in South Africa should be encouraged to partner with same and similar-minded organisations such that transfer of skills is achieved as well as establishing international funding streams to encourage the sustainability of specific sectoral organisations.

Civil society organisations are evolutionary in their making. They will emerge when a need is expressed and when that need is satisfied they need to be dissolved. They cannot exist in perpetuity. South African civil society organisations need to accept this reality. This Report has sought to establish that neither the constraints nor the challenges are insurmountable. If the political will exists amongst all the stakeholders involved in the sector, these like other historical challenges can be overcome. Pragmatism must dictate future action. Parochial personality-based solutions will not assist in overcoming these perceived problems.

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CHAPTER 4:

CIVIL SOCIETY ORGANISATIONS AND PARTICIPATION IN THE MILLENNIUM DEVELOPMENT GOALS PROCESSES IN SOUTH AFRICA

Human Sciences Research Council: Margaret Chitiga-Mabugu, Yvonne Gwenhure, Mimi Ndokweni, Shirin Motala, Charles Nhemachena, Selma Karuaihe, Nthabiseng Tsoanamatsie, Lebogang Mashile. NDA: Thami Ngwenya.

Introduction

The MDGs, adopted by 189 member states of the United Nations (UN), emerged from a UN Summit held in September 2000 in New York. Known as the Millennium Development Goals Declaration, these goals reflect the outcomes of a series of global conferences held in the 1990s aimed at building consensus on development priorities for the 21st century and serve as global framework by which development progress can be monitored (Hulme, 2009).

Galbraith (1979) and Myrdal (1970) argued that the idea of formulating international development goals as a systematic attempt to eradicate or dramatically reduce global poverty and address inequality has antecedents that go back to the founding of the UN; the Universal Declaration of Human Rights; the stalled Development Decade of the 1960s; as well as the many UN Summits of the second half of the twentieth century. However, the 1980s saw the stalling of global summitry and goal-setting and a dramatic change in the global intellectual environment. During this decade the World Bank (WB) and International Monetary Fund's (IMF) influence increased as they imposed structural adjustment policies on the increasing numbers of poor countries seeking loans from these institutions. Liberalisation, privatisation and reduced government intervention policies were advocated for as conditions for loans. Towards the late 1980s evidence emerged of the damaging impacts of structural adjustment and the associated conditions imposed on education, health and other essential services which at the same time were failing to deliver on the promise of growth and prosperity as a result of the fiscal restraint measures which they advocated, (Cornia, Jolly, & Stewart, 1987).

Hulme (2007) advances that against the backdrop of the end of the Cold War; the 1990s saw the arrival of the World Development Report 1990 and the first of the UNDP's Human Development Reports, with the World Bank recognising the need for economic

reform to be accompanied by social policies. Hulme (2009) suggests that the processes leading to the development of MDGs can be traced to the 1990 Children's Summit held in New York which articulated specific goals for mobilising public support and generating political commitment through setting concrete targets to improve the prospects for the world's children. Similarly the 1992 Earth Summit in Rio, the World Conference on Human Rights of 1993 in Vienna and the International Conference on Population and Development held in Cairo in 1994 reaffirmed the principles that were to underpin the MDGs, particularly in advancing the recognition of the rights of women and in creating awareness of the linkages between the environment and poverty. Equally significant for the process of MDG evolution was the 1995 World Summit on Social Development in Copenhagen and the UN Fourth World Conference on Women held in Beijing six months later. All these goal setting forums produced global consensus that poverty reduction was the priority goal for development (United Nations Development Programme, 1997).

Following these various summits, an "economic well-being" list of priorities was drawn up by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development's (OECD). This list focused on global goals of income poverty reduction, 'social development' and environmental sustainability. International Development Goals (IDGs) were then articulated from this list. The IDGs were short lived as they appeared to focus mainly on developed countries whilst having little regard for the developing countries. In 2000 in preparation for the Millennium Summit the then UN Secretary General, Kofi Annan, produced a report titled "We the Peoples: Role of the United Nations in the 21st Century" (UN, 2000) which outlined the global issues which the international community had to address. These were clustered around three themes namely:

- freedom from want;

- freedom from fear; and
- freedom of future generations to sustain their lives on the planet.

The “We the Peoples” publication was very different from the DAC’s documents in that goals which had disappeared from international priorities such as gender equality, reproductive health and health were included in the Millennium document (Hulme, 2007).

Understanding the Millennium Development Goals

The Millennium Declaration identified 18 targets to be reached by 2015. These were grouped into 8 major goals (now popularly referred to as the MDGs), with 48 indicators to measure progress (Vandermoortele, 2011). A summary of the 8 MDGs indicating the goals and targets for each from the Millennium Declaration is provided in Table 1 below.

Interestingly, Vandermoortele (2011) posits that the choice of these 8 goals and the 18 targets was informed by high level political decisions that only targets which had agreed indicators and available data would be included in the declaration, hence the exclusion of targets pertaining to quality of education, human rights and affordability of water, among others. The 2015 benchmark was identified because 1990 was identified as the baseline for most

of the MDG targets and as the twenty five year period from 1990 to 2015 was the period associated with one generation.

More recently, the concept of MDG Plus has entered into the discourse, advanced by those who have complained of the MDGs not covering their specific focus, namely infrastructure, governance, human rights, etc. One frequently touted example is that of Thailand, which achieved most of its MDG targets in advance of the 2015 deadline (UNDP, n.d). In response Thailand adapted and localised the MDGs towards a much more ambitious agenda, including reducing poverty to 4% by 2009 and introduced other goals such as increasing to 30% the share of recycled municipal waste and doubling the proportion of women in parliament.

Fukuda-Parr (2004) and Vandermoortele (2011) advance a number of reasons why MDGs are important to set global development targets, namely that they:

- Are aimed at promoting human well-being;
- Provide a guide for aligning national priorities with MDGs;
- Provide a framework for accountability and are not just set targets;
- Go beyond stating ideals to defining concrete goals that can be monitored.

Table 1 Summary of MDG goals and targets

#	MDG goal	Target(s)
1.	Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> • Reduce by half, between 1990 and 2015, the proportion of people whose income is less than \$1 a day; • Achieve full and productive employment and decent work for all, including women and young people; • Reduce by half, between 1990 and 2015, the proportion of people who suffer from hunger.
2.	Achieve universal primary education	<ul style="list-style-type: none"> • Ensure that by 2015, all boys and girls complete a full course of primary schooling
3.	Promote gender equality and empower women	<ul style="list-style-type: none"> • Eliminate gender disparity in primary and secondary education preferably by 2005, and in all levels of education no later than 2015
4.	Reduce child mortality	<ul style="list-style-type: none"> • Reduce by two thirds the mortality of children under five by 2015
5.	Improve maternal health	<ul style="list-style-type: none"> • Reduce maternal mortality by three quarters by 2015 • Achieve universal access to reproductive health
6.	Combat HIV/AIDS, malaria and other diseases	<ul style="list-style-type: none"> • Halt and reverse the spread of HIV/AIDS • Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it
7.	Ensure environmental sustainability	<ul style="list-style-type: none"> • Integrate principles of sustainable development into country policies and programmes; reverse the loss of environmental resources • Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss • Halve the proportion of people without access to safe drinking water and basic sanitation • Improve the lives of at least 100 million slum dwellers by 2020
8.	Develop a global partnership for development	<ul style="list-style-type: none"> • Develop further an open, rule-based, predictable, non-discriminatory trading and financial system; • Address special needs of the least developed countries, landlocked countries and small island developing States; • Deal comprehensively with developing countries' debt; • In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries; • In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technologies

Source: Brinkerhoff, 2004

Enabling Civil Society engagement with Millennium development goals

The UNDP 2000, defines Civil Society Organisations (CSOs) as the multitude of associations around which society voluntarily organises itself and which can represent a wide range of interests and ties. These can range from ethnicity, religion, shared professional, developmental and leisure pursuits, and environmental protection or human rights. According to the World Bank (1990) CSOs include non-governmental organisations (NGOs), trade unions, faith-based organisations, indigenous people's movements, foundations and other non-profit making organisations. Governments interact with a range of CSOs who critically monitor the governments work and engage the government in policy discussions.

For the purposes of this report, CSOs will be described as per UNDP definition as those organisations whose activity is not associated with major institutional systems such as government and administration, but exist as grass-root organisations that are non-profit entities which complement government and business. Throughout the report, the word CSOs has been interchangeably used with NGOs and other types of CSOs mentioned above.

Historical context for CSOs engagement with MDGs

According to Bissio (2003) CSOs played almost no role in the formulation of the MDGs. The UN General Assembly, where the Millennium Declaration was adopted, is essentially a structure involving Heads of States. In the preparation for summits the UN has often hosted preparatory meetings which have in some instances included CSOs. In respect of the MDGs a single parallel process was hosted several months before the declaration was adopted. Not much is known about the outcome of that meeting except that Bissio (2003) concluded that, as a result of this exclusion, CSOs did not have the same level of ownership of MDGs as they had with other development processes such as the Earth Summit.

The Declaration itself specifically indicated the importance of CSO involvement in the MDGs at all levels.

According to the UNDP (2001) a reinvigorated partnership with CSOs is central to delivering on the promises of the Millennium Declaration within the context of the increasingly uneven distribution of costs and benefits associated with rapid global economic integration. Reasons advanced for the importance of CSO engagement with global and national priority setting includes the critical role that CSOs play articulating the needs and aspirations of the poor. In developing countries it is recognised that governments cannot on their own fulfil all the tasks required for sustainable human development and therefore the active participation and partnership of citizens and their organisations is needed. CSOs have vital roles to play as participants, legitimisers and endorsers of government policy and action, as watchdogs of the behaviour of regimes and public agencies, and as collaborators in the national development effort (UNDP, 2001).

Other values associated with the involvement of CSOs include the argument put forward by the United Nations Development Programme (2007) that CSOs can play an important role in providing critical data on outcomes that can serve as proxy indicators in countries with weak data environments. CSOs can serve as independent brokers where national institutions are weak, popularly discredited or politically contentious.

Prewitt (2006) advances that CSOs contribute to public policy and decision-making by mobilising vulnerable constituents to participate in public affairs as well as in contributing through research and provision of alternative policy applications. CSOs are therefore important in adapting the MDGs to the local context to ensure that MDGs remain relevant. CSOs also promote transparency and information dissemination through publications/seminars on legal provisions, public expenditure allocations, and other matters of public

interest that the government or traditional media outlets may be reluctant to share. CSOs can thus directly contribute to the enhancement of state performance and support public authorities in shaping, financing and delivering social (and other) services.

According to Bissio (2003), Clause 30 of the Millennium Declaration commits governments “to develop strong partnerships with the private sector and with civil society organisations in pursuit of development and poverty eradication” and “to give greater opportunities to the private sector, non-governmental organisations and civil society, in general, to contribute to the realization of the Organisation’s goals and programmes.”

Besides that stipulation, there does not appear to be any other prescriptions about the nature and extent of civil society input. The UN Guidance Notes on Country Reporting on MDGs (2001 & 2009) articulated the importance of civil society involvement in the preparation of country reports although it did not specify the nature of this engagement. Hence it is possible for reports to be prepared without any civil society input and be considered by the General Assembly without CSOs being able to participate even as observers.

This is contrast to the reporting mechanisms in respect of the United Convention on the Rights of the Child which involves much wider stakeholder engagement. Country reports are submitted to a Committee on Children’s Rights, comprised of a panel of independent experts who are elected by state parties and serve a four year term of office. In terms of article 45(a) of the UNCR Convention, the Committee may invite specialised agencies, UNICEF and other “competent bodies” to provide expert advice. This Convention is one of the few international human rights instruments which provides explicitly for non-governmental organisations (NGOs) to monitor its implementation (Save the Children International, 1998) and provision is made for NGOs to submit “alternate reports” or provide additional information to that provided by state parties.

Fox et al (2002) in Brinkerhoff (2004) identified five roles for government which could contribute to an enabling environment being fostered for civil society organisations to participate effectively namely: mandating, facilitating, resourcing, partnering and endorsing. Each of these is elaborated on briefly below:

- Mandating refers to the legal and regulatory environment within which CSOs operate.
- Facilitating role is where government incentivises CSOs as service providers or provides information easily and in an acceptable format.
- Resourcing refers to the direct funding of CSO work.
- Partnering is where both parties gain mutual benefit through collaboration etc. An example of this is the South African National Aids Council which includes strong civil society membership and which collectively developed the national five year Strategic Plan for HIV, AIDS, TB and Malaria for the period 2012 to 2016.
- Endorsing refers to actions by government which recognise the contribution of CSOs, one such example is the work of the NDA in supporting CSO through grant funding, training and capacity building.

There are many definitions of “an enabling environment” with the following by Thindwa (2001:3), cited in Brinkerhoff, (2004, p3) being the most appropriate: “*An enabling environment is a set of interrelated conditions—such as legal, bureaucratic, fiscal, informational, political, and cultural—that impact on the capacity of ...development actors to engage in development processes in a sustained and effective manner*”.

Table 2 below illustrates the agreed features of the enabling environment using five crucial categories: economic, political, administrative, socio-cultural and resources.

Table 2: Key features of the enabling environment category

Category of Environmental Factors	Key Enabling Features	Illustrative Government Enabling Actions
Economic	<ul style="list-style-type: none"> • Non-distortionary policy framework. • Encouragement of free markets & open competition. • Supportive of investment (including physical security). 	<ul style="list-style-type: none"> • Reducing red tape & unnecessary regulation. • Managing macro-economic policy to control inflation, deficit spending, & assure stability. • Reducing tariffs, barriers to investment (“level playing field”). • Investing in physical infrastructure (roads, transportation, etc.). • Controlling criminality (e.g. mafias) & violence.
Political	<ul style="list-style-type: none"> • Democratic system that supports pluralism, accountability, transparency, & responsiveness. • Processes that encourage participation, social contract, & state legitimacy. • Rule of law, contract enforcement, respect for human rights & property rights. 	<ul style="list-style-type: none"> • Conducting free & fair elections. • Making information widely available, promoting free media. • Devolving power & resources to sub national levels of government. • Limiting power & influence of interest groups. • Supporting civil society. • Assuring judicial independence.
Administrative	<ul style="list-style-type: none"> • Efficient service delivery capacity. • Low levels of corruption. • Institutional checks & balances. • Decentralization. • Civil service meritocracy. 	<ul style="list-style-type: none"> • Curbing abuse & corruption. • Creating incentives for performance. • Separating service provision from financing. • Building cross-sectoral partnerships. • Establishing monitoring & evaluation systems. • Improving coordination across agencies & sectors.
Socio-cultural	<ul style="list-style-type: none"> • Presence of social capital & trust. • Tolerance of diversity. • Norms of inclusiveness, equity, & fairness. • Belief in the value & efficacy of individual effort 	<ul style="list-style-type: none"> • Supporting marginalised & disadvantaged societal groups—pro-poor affirmative action, need-based subsidies, safety nets, etc. • Encouraging civic dialogue, social compacts, & consensus building. • Discouraging ethnic-based politics & policies. • Controlling violence (e.g., ethnic cleansing).
Resources	<ul style="list-style-type: none"> • Policies & investments in health, education, workforce development, information technology, science & research. • Adequate funding & institutional capacity. 	<ul style="list-style-type: none"> • Setting policies & incentives that encourage private investment & corporate social responsibility. • Allocating public resources to assure maximization of social & economic potential

Source: Brinkerhoff, 2004.

Funding is an important channel through which CSO engagement in MDGs can be facilitated. One such fund is the MDG Fund established in 2007 between the Government of Spain and United Nations. The fund is committed to eradicating poverty and inequality and changing people's lives around the world by working together with and in support of citizens and their organisations as well as governments to implement programmes that help advance the MDGs worldwide. The MDG-Fund has financed 130 joint programmes in eight programmatic areas in 50 countries around the world including programmes that focus on nutrition, youth and employment, gender equality, environment, culture, conflict resolution and peace building as well as water resources management (<http://www.mdgfund.org/>).

A number of governments also provide financial support to enable CSO engagement with MDGs such as the United Kingdom's Department for International Development (DFID). Through its Programme Partnership Arrangements (PPAs), it has allocated grants ranging from £151,000 to £11 million in 2011 to 2014, funding approximately 41 civil society organisations globally (DFID, 2013).

The United Nations Development Programme (UNDP) South Africa has a Small Grants Programme (SGP) as part of the Global Environment Facility (GEF) which is managed by the UNDP country office. This facility provides opportunities and financial support for South African Civil Society Organisations to participate in environmental projects that contribute significantly to national and global environmental and development imperatives. The SGP mainly supports interventions by Non-Governmental Organisations (NGOs) and Community Based Organisations (CBOs) working to achieve global environmental benefits through rural community initiatives. Grant funding up to a maximum of \$50 000 is available per project focusing on biodiversity conservation; reduction of climate change effects; prevention of land degradation; protection of international waters and elimination of persistent organic pollutants (UNDP, n.d).

The establishment of the MDG Fund as well as the provision of training for CSOs recognises that significant challenges exist in keeping CSOs engaged in MDG processes and aims to assist in overcoming these challenges. This speaks to the critical role that governments can play in creating an enabling environment for CSO engagement.

It is important to note that access to funding for provision of services linked to the MDGs, particularly in respect of the social services sector, is extremely limited even in the context where civil society organisations are often the main or only service provider.

Another form of support for CSO engagement in MDGs is the training and capacity building interventions being implemented by various stakeholders including UN agencies. The UNDP has produced a training manual and runs training courses for UN country teams and development partners on how to engage civil society organisations in every step of the MDG process from problem assessment, goal setting, programme design to implementation and monitoring and evaluation (UNDP, 2007).

Government's role in mandating civil society is illustrated by the promulgation of South Africa's Non Profit Organisations Act (NPO Act No. 71 of 1997). The Act provides a regulatory and legal framework, outlining fiduciary responsibilities of NPOs, encouraging accountability and transparency and outlining democratic governance guidelines under which NPOs should operate.

International trends in CSOs engagement with MDGs

A number of country MDG reports provide examples of international experience of CSO engagement in MDGs. CSOs function as catalysts in the achievement of MDG goals in both developed, emerging and developing countries. This section will examine key lessons that can be adopted from the international community on the country specific policy and enabling environment as well as institutional arrangements to facilitate CSO engagement in MDGs.

A number of civil society organisations have emerged, some of whom work closely with the UN, whose specific focus is to promote awareness. NetAid, a non-profit organisation funded by an information technology company engages extensively in using the internet and social media to create awareness of MDGs. Between 2002 and 2003 it successfully mobilised 1,8 million people globally to sign a petition in support of the “access to education for all” project. NetAid was entered into the Guinness Book of Records as the largest lesson ever presented through hosting a global classroom on the campaign. NetAid also runs an MDG quiz and an MDG essay competition (OECD, n.d) to generate interest and awareness of MDGs among school children.

In a working paper by Chowdhury et al (2006) the case of CSOs in Mozambique was highlighted. Following cooperation between 200 NGOs, churches and academics, the Land Campaign was established in all villages of Mozambique proclaiming that all male and female rural dwellers had rights to land through occupation. The law on the redistribution of the land stipulated that the rights of poor people would be acknowledged even in the absence of any title in their name. Land would be accepted as security for investment and a single system for land owned by families or private sector would be put in place, resulting in an end to dualism. The results of this more equitable redistribution of land were seen in a 9% increase per year in agricultural productivity, increased domestic and international investment, and a dramatic decrease in the number of landless people in Mozambique. The study showed that proactive policy engagement helped to institutionalise a culture of collaboration with the government that was dynamic, equitable and participative.

In Gambia, CSOs have been extensively involved in implementing programmes to advance the MDGs. Gambian CSOs mainly comprise of NGOs, Community Based Organisations (CBOs) and faith based organisations (FBOs) who have contributed to poverty reduction. Two examples cited are that of the

Chamen Village Development Committee which deals with food security and poverty alleviation interventions and the Institute for Social Reformation and Action which is involved with Women Garden Projects in the Kombo East region of Gambia.

Similarly a Ugandan National NGO forum held in December 2012 produced a report which found that CSOs were mainly involved in the actual implementation of MDGs, whilst their knowledge of MDGs was limited (Uganda National NGO Forum, 2012).

Another exemplary case of CSO engagement in MDGs is seen through Zambia’s proven experience of civil society participation in the Poverty Reduction Strategy Paper (PRSP) process (Economic Commission of Southern Africa, 2002). In July 2002, the government of Zambia invited CSOs to participate in the preparation of the PRSP. These organisations then formed the Civil Society for Poverty Reduction (CSPR) whose involvement with the PRSP process was at two levels; firstly, within Government’s Working Groups and in the Government’s teams that undertook provincial consultations in May 2001 and secondly, within its own consultative group meeting and provincial hearings. The CSPR identified 10 themes which were centred on Governance; Industry, Employment and Sustainable Livelihoods; Agriculture and Food Security; Tourism; Macroeconomics; Mining; Health and HIV/AIDS; Gender; Education, Child and Youth; and the Environment. Each of these themes had a respective consultative group that would provide a forum for consultations among the concerned CSOs on that theme. CSOs from different parts of the country were involved in the first draft of the PRSP and were provided an opportunity to give feedback at a plenary session at the National Summit on Poverty Reduction. Although initially there was doubt about how effective and meaningful the government-civil society interaction would be, the consultative process progressed and in fact turned out to be a process of learning and mature appreciation of each other’s’ views .

The Commonwealth Foundation report on Malawi’s

experience of engagement with MDGs (2013) found that direct service delivery was the largest contribution Malawian civil society was making towards the attainment of the MDGs. This was through work in health, including maternal and child health, education, food security and nutrition, the environment and poverty reduction, through micro finance and public works programmes. As a reference, the next major provider of health care in Malawi, after the Ministry of Health, is the Christian Hospitals Association (CHAM), which owns 26 per cent of healthcare facilities (AHWO,2009) and employs 21.5 per cent of professional nurses and midwives (Nove, 2011).

In the formulation of Lesotho's Poverty Reduction Strategy, a more open dialogue was facilitated between government and parts of civil society, donors and the private sector and there was a realisation of the increasing importance of CSOs as key stakeholders in Lesotho's development. This improved relationship was evidenced by the discussions the Lesotho Council of NGOs (LCN) had with its constituent members following the release of its very first draft which they titled "the zero-zero draft" PRSP in November 2002. These discussions led to the formulation of a memorandum which was submitted to the government and was reviewed and incorporated into the draft Poverty Reduction paper. However, despite undeniable progress made in respect of the relationship between the stakeholders involved in the PRSP process at a national level, some concerns were raised. Amongst them was the issue that CSO representation (within the LCN) was a minority and there needed to be more participation beyond the LCN. To redress this situation, this then led to the formation of the Civil Society Poverty Reduction Facility (CSPRF), a laudable initiative that was transitory in nature and did not seem to build momentum (ECA, 2003).

In a meeting of Asian CSOs on civil society mobilisation on MDGs, the changing role of civil society in international development was noted, particularly in Indonesia where CSOs played a key role in achieving the MDGs through action campaigns and participatory monitoring and evaluation. One

participatory methodology utilised was that of a Citizen Report Card on the MDGs, developed as a monitoring and evaluation tool (United Nations, 2010). A number of UNDP supported civil society activities to advance the MDGs in the Philippines were also cited such as the "Stand Up and Take Action" and "I vote for MDG" campaigns (United Nations, 2010) which demonstrated people's power to influence the authorities on policy, budget and implementation matters.

One of the key achievements of the MDGs is the significant extent to which they have aided in mobilising of public and political support for development. This new trend can largely be seen by the increase in aid pledges from donor countries since 2005 and significant growth in broader campaigns such as "Make Poverty History" which have been calling for changes in global trade rules, debt relief and as well as an increase in aid for developing countries (Melamed & Scott, 2011). It is suggested that the MDG framework played a critical role in resource mobilisation for development by stipulating the amount of aid needed to reach MDG targets (Vandemoortele & Delamonica, 2010).

In developing countries, the MDGs have played a role in ensuring that priority is given to poverty reduction within national policies. A survey conducted with a sample of 100 civil society actors across the developing world noted that development had become a higher priority because of the MDGs (Pollard et al., 2010 as cited in Melamed & Scott, 2011). Millennium campaign activists argue that the MDGs have helped bring a more unified movement against poverty in many countries (Melamed & Scott, 2011).

The main criticism of the MDG programme is that it is a donor led initiative and pays little attention to the local environment (Sumner, 2009; Shepherd, 2008) as cited in Melamed & Scott (2011). It is proposed that MDGs should be tailored to specific national circumstances (Melamed & Scott, 2011).

Vandemoortele and Delamonica (2010) note that it has been argued that the MDGs have excluded many

crucial aspects of development such as climate change, the quality of education, human rights, economic growth, infrastructure, good governance and security and thus through initiatives such as MDG Plus, these can be extended. However, they note a caution about extending the list of MDG targets which could weaken its implementation. Instead it is suggested that the current MDGs provide a sufficiently large canvass onto which all other development priorities can be linked (Vandemoortele and Delamonica, 2010). Monitoring of the MDGs is based on average progress at national or global level and by measuring progress this way there is a risk that some people may fall through the cracks. According to Save the Children (1998), in some countries MDG progress may look impressive, while the situation for the very poorest may actually be worse (Melamed & Scott, 2011). In addition it was noted that only two measures among the MDGs focus on the gender-disaggregated measures of progress. Therefore many measures fail to understand the gender specific nature of most poverty problems and this may serve as a hindrance to achieving the target (Holmes and Jones, 2010, cited in Melamed & Scott, 2011).

Challenges in engagement of CSOs in MDGs

Some of the programmes implemented by CSOs are still far from being sustainable given the capacity challenges, limited funding and lack of vision on how to mobilise resources for the future. One of the gaps in CSO involvement in the implementation of programmes aimed at advancing MDGs is that of funding. Civil society organisations that are better organised and have stronger links to government and international organisations are generally more successful in competing for the limited resources despite the fact that similar problems prevail in other regions.

The lack of reliable and accessible data to evaluate and track civil society engagement in MDGs poses a challenge in meeting the MDG targets. The lack of an effective, outcome based monitoring and evaluation system carries both operational and reputational risks of under achieving the MDGs. There is a lack

of contribution of CSOs in the MDGs monitoring process through data collection, dissemination of results and capacity building programmes for youth on MDGs themes. The 2010 MDGs report for Sudan for example, mentions only one recommendation: that is to improve the statistical capacity of the CSOs. Yet, the absence of the role of the NGOs specifically in the monitoring of the MDGs can be one of the reasons for weak reporting about the MDGs.

The final example is provided by the case of CSOs in Malawi. They have identified reasons for their slow progress in engagement in MDGs as mainly due to the fall in official development assistance (ODA), insufficient commitment of resources, lack of visibility in the national budget, poor public service delivery, inadequate political will and limited public awareness of the MDGs. Other challenges identified included the lack of a law to regulate access to public information, unreliable data and their perception that many of the interventions introduced by government were short-term and clearly linked to electoral cycles (Commonwealth Foundation, 2013).

International lessons on strengthening CSOs engagement with MDGs

In 2004 a global survey of over 270 diverse CSOs mainly operating in the global south made a number of key observations relating to the manner in which governments were implementing MDG processes (WFUNA et al, 2004). These observations, summarised below, remain valid today as they did almost a decade ago.

- The study found that more than three quarters of CSOs surveyed were involved in activities aimed at promoting or achieving MDGs;
- The need for scaling up resources to effectively address MDG targets is urgently required;
- Lack of political will for forging effective partnerships is a barrier to governments honouring MDG commitments;
- Most participants believed that, with greater partnerships, collaboration and consultation

between government and civil society, achieving MDG targets could be improved;

- It was suggested that a more “inclusive and participatory decision making process will greatly increase the prospects that (the MDGs) will reflect the real needs of each country” (WFUNA et al, 2004, p 30).

The former Secretary General of Civicus¹⁰⁸, Kumi Naidoo, noted that MDGs provide political legitimacy for CSOs to drive the development agenda, and that despite the undefined role of CSOs, it provides enormous opportunities for CSOs to mobilize and advocate for development (WFUNA et al, 2004).

Cornwall and Brock (2005) present a critical view on the manner in which buzz words such as participation and empowerment have been appropriated in MDG processes as symbols of moral authority and legitimacy. To give real meaning to these terms requires more intensive engagement with MDGs and this must start with raising of awareness.

The African CSO Handbook provides another example in identifying several obstacles to CSO engagement with MDGs (Osodo et al, 2003) of which three are outlined here. Firstly the authors contend that the low levels of understanding of MDGs among CSOs results in them affording MDG processes lower priorities. Many national CSOs in South Africa have been at the forefront of campaigns directly linked to MDG campaigns such as addressing hunger, access to quality education, prevention of mother to child transmission and advancing gender rights. At the community level, it is not clear what the level of awareness of MDGs is and how this is linked to the attainment of human and constitutional rights. Secondly, the handbook suggests that MDG processes do not hold high priority within government planning processes and that this presents an advocacy opportunity for CSOs for more targeted and purposeful integration of MDGs in government plans.

Thirdly, the lack of capacity within CSOs to engage with MDGs at a strategic level is also noted. The CSO Handbook noted concerns about the role of UN country teams in providing support and capacity building to all stakeholders. Some of the suggested ways they could assist with would be in supporting the development of user friendly campaign materials, supporting CSO efforts to monitor and also strengthening reporting processes. There is a need to recognise that governments may be reluctant to encourage CSOs to monitor progress because monitoring is less of a technical issue and much more a political one. Building CSO capacity to report and monitor is a key contribution to advancing MDG campaigns and interventions.

South African experiences with MDGs

South African National Government priorities have embraced the MDGs and nationalised them into the country's current development planning. In a presentation to Parliament on South Africa's progress towards MDG achievement in 2011, government pointed out that the MDGs had been integrated into the Medium Term Strategic Framework (MTSF) 2009-2014, leading to the translation of the five development objectives of the ruling party into ten strategic priorities for Government (DPSA, 2011). The five development objectives are:

- halving poverty and unemployment by 2014;
- ensuring a more equitable distribution of the benefits of economic growth and reducing inequality;
- improving the nation's health profile and skills base and ensuring universal access to basic services;
- building a nation that is free of all forms of racism, sexism, tribalism and xenophobia; and
- improving the safety of citizens by reducing incidences of crime and corruption.

Table 3 below is a schematic layout that maps the alignment of MDGs onto the South African National priorities.

¹⁰⁸ Civicus: World Alliance for Citizen Participation is an international alliance established in 1993 by civil society leaders globally and with its global headquarters Johannesburg, South Africa. Its membership is comprised of over 150 organisational and individual members who represent members from over 100 countries globally across sectoral and geographical divides (www.civicus.org).

Table 3: Links between South Africa's national priorities and the MDGs

Linkage between South Africa's national development planning and the MDGs		
	MTSF Strategic Elements	Relevant MDGs
1	Strategic Priority 1: Speeding up growth and transforming the economy to create decent work and sustainable livelihoods	MDG1; MDG2; MDG3; MDG8
2	Strategic Priority 2: Massive programme to build economic and social infrastructure	MDG1; MDG3; MDG8
3	Strategic Priority 3: Comprehensive rural development strategy linked to land and agrarian reform and food security	MDG1; MDG2; MDG7
4	Strategic Priority 4: Strengthen the skills and human resource base	MDG2
5	Strategic Priority 5: Improve the health profile of all South Africans	MDG4; MDG5; MDG6
6	Strategic Priority 6: Intensify the fight against crime and corruption	MDG2; MDG3
7	Strategic Priority 7: Build cohesive, caring and sustainable communities	MDG2; MDG3; MDG7
8	Strategic Priority 8: Pursuing African advancement and enhanced international cooperation	MDG8
9	Strategic Priority 9: Sustainable resource management and use	MDG2; MDG3; MDG7
10	Strategic Priority 10: Building a developmental state, including improvement of public services and strengthening democratic institutions	MDG1; MDG2; MDG3; MDG8

Source: RSA, 2010, p17

It is important to note that South Africa was always a willing signatory to the MDGs because it aligned itself seamlessly with our Vision 2030 as it is espoused in our National Development Plan (NDP): "By 2030, we seek to eliminate poverty and reduce inequality. We seek a country wherein all citizens have the capabilities to grasp the ever-broadening opportunities available. Our plan is to change the life chances of millions of our people, especially the youth; life chances that remain stunted by our apartheid history." (NDP, p5).

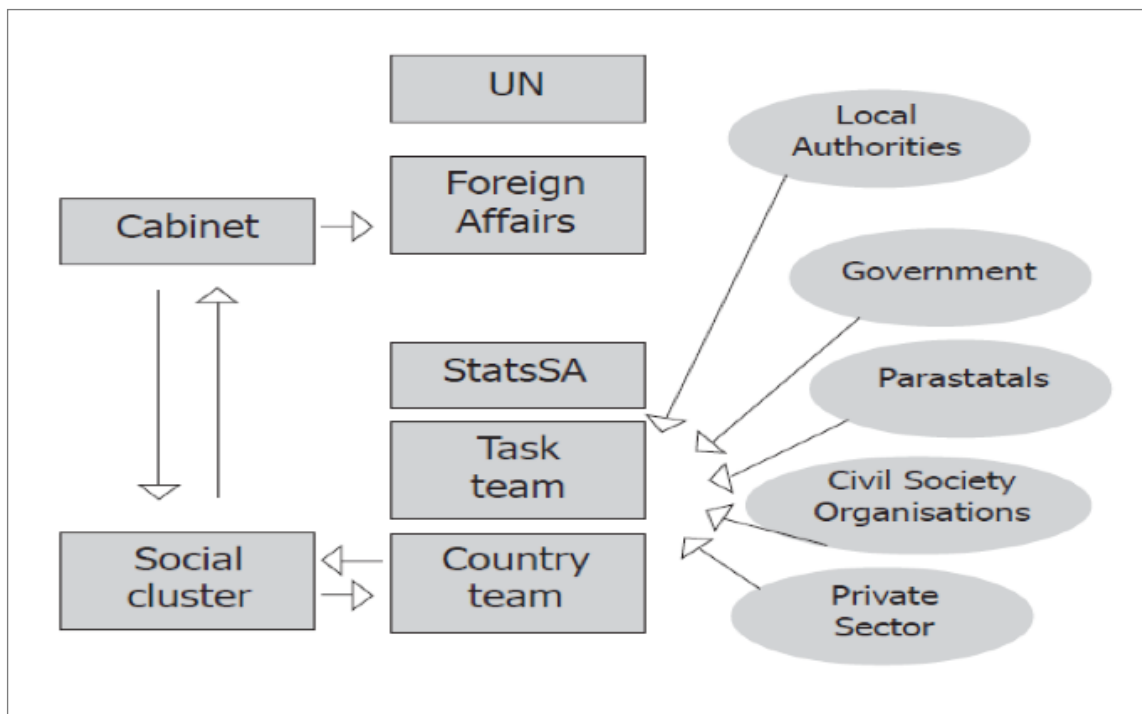
This clearly shows that South Africa is committed to the MDG goals and the achievement thereof. Notwithstanding uneven development experienced in the country, South Africans have mobilised behind Vision 2030 as outlined in the NDP to address and

redress the continued imbalances and the stubborn persistence of unemployment, inequality and poverty.

Government processes for coordinating MDGs implementation in South Africa

In South Africa responsibility for the implementation of MDGs lies with the Department of International Development (previously known as the Department of Foreign Affairs), which in turn has identified STATSSA as the body charged with MDG coordination. The figure below outlines the envisaged process employed by STATSSA to coordinate MDG activities, including the drafting of country reports. The MDGs secretariat in STATSSA is located within the National Statistics Systems Division of STATSSA (RSA, 2013).

Figure 1: MDG Coordinating Process in South Africa



Source: EMG, 2005

Following a Cabinet directive to STATSSA in 2010 to institutionalise participation in MDG reporting processes, a number of new structures were created to strengthen existing initiatives. Prior to this the three structures which were responsible for drafting the MDG country report were the National Coordinating Committee (NCC), the Technical Working Group (TWG) and the Sectoral Working Groups. The new structures which were introduced came as a result of feedback from CSOs on the need to strengthen participation. The two structures were the Report Drafting Team (RDT) and the Expanded Report

Drafting Team (ERDT) which was largely comprised of civil society representatives (RSA, 2013).

Government reporting on MDGs

There have been a number of interventions implemented by the South African government in respect of the 8 MDGs and these are reported on in country reports such as the MDG 2010 Report (RSA, 2010).

For the preparation of this MDG 2010 report the process flow is broadly outlined below in Figure 2.

Figure 2 Process flow – 2010 MDG report



(Source: RSA, 2010)

The drafting process included a national methodology workshop held to adjust MDG indicators to local context; this was followed by methodology workshops in 4 provinces but including all nine provinces. In KZN it was reported that the Premier's office lead the initiative. Subsequently a validation workshop was held to enable critical review of the draft report by sector working groups. A national coordinating committee for the report was established and met several times before the report was validated. Interestingly, the report was presented to Cabinet in August 2010 followed by a presentation to CSOs shortly after (RSA, 2010).

The 2010 Report noted that while the process of drafting the report had been designed to be widely consultative and transparent, the draft country report was predominantly a government report as participation of CSOs in the process had been irregular. Noting this serious limitation and arising from consultation between government and civil society stakeholders, the final country report incorporated resolutions and recommendations from an MDG Summit convened in Cape Town by

CSOs in August 2010 (RSA, 2010).

A report of the CSO Black Sash et al, 2010, on the MDG Summit noted with concern the quality of the civil society engagement in the development of the South African Report on MDGs, 2010. This summit which was attended by over 55 organisations, made a recommendation that South Africa establish a streamlined MDG monitoring process and that essential to this was the need to improve communication, consultation and engagement between civil society and government.

These concerns were endorsed by President Zuma following a briefing from CSOs. In a press statement released by the Presidency (RSA, Presidency, 2010, p1) wherein he noted "Equally important should be an emphasis on the need to form a strong partnership between government and civil society in order to ensure that South Africa succeeds in meeting the MDGs," ... "We cannot achieve these goals working alone, that is why we met today and have agreed to meet again regularly in future. As South Africa tables its report to the UN later this month, we are optimistic that the report will show substantial progress indeed."

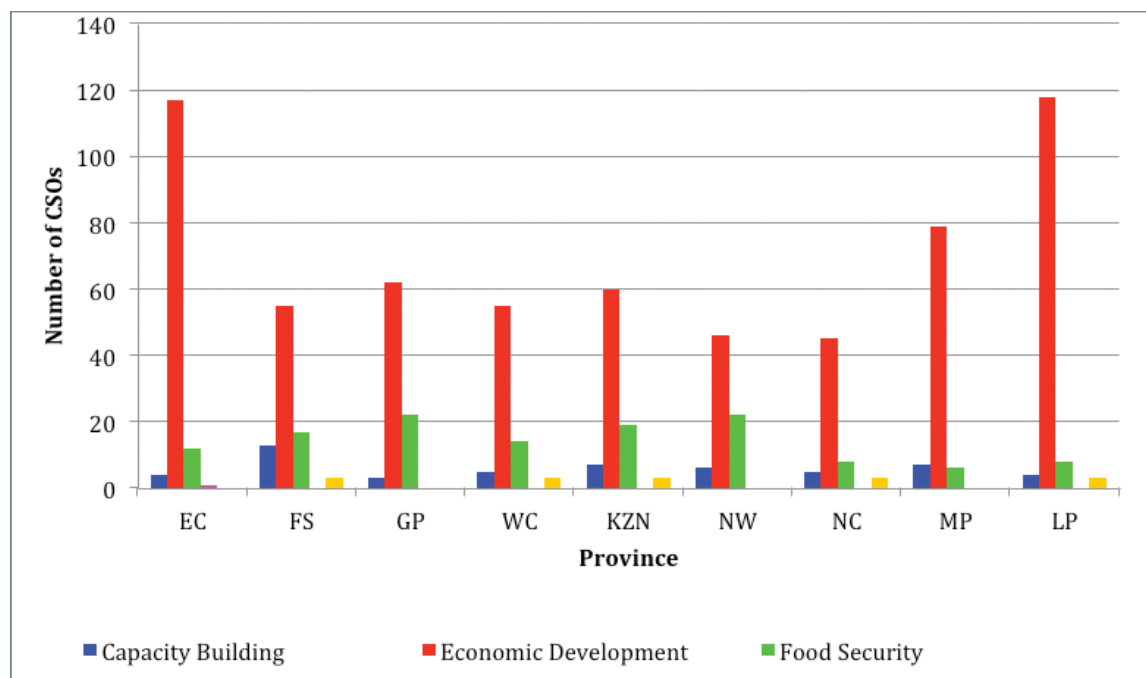
National Development Agency supported CSOs engagement MDGs in South Africa

The National Development Agency (NDA) is a government entity whose aim is to contribute towards the eradication of poverty and its causes by granting funds to civil society organisations. The funds are for the purposes of implementing development projects in poor communities and strengthening the institutional capacity of other civil society organisations that provide services to poor communities. The NDA also promotes consultation, dialogue and sharing of development experience between civil society organisations and relevant organs of state. The NDA

provides development grant funding to civil society organisations in the focus areas of early childhood development, food security, income generation, capacity building and support of vulnerable groups (National Development Agency, 2011).

Over 800 Civil Society Organisations have received grant support through the NDA since inception to undertake various projects many of which contribute to the progressive realisation of the Millennium Development Goals. The figure below illustrates the scale, nature and distribution of NDA support to CSOs in South Africa.

Figure 3: Scale and nature of NDA support to CSOs in South Africa



Source: NDA database on CSOs

From Figure 3 above, it is clear that most of the CSOs supported by the NDA are clustered within the economic development sector (addressing skills development and income generation) contributing to the MDG goal of halving extreme poverty

and addressing unemployment, mainly through implementing programmes to address MDGs. As shown by the graph, very few CSOs supported by the NDA are engaged in the advocacy and lobbying sector and early Childhood Development.

NDA funded CSO engagement in MDGs

Profiled in this section are some examples of the CSO projects funded by the NDA which are contributing to MDG targets. While the projects are not explicitly developed with the MDG as their goal, they are directly or indirectly contributing to the realisation of the MDG goals. All the projects profiled are engaged in direct implementation of an MDG target.

In the Free State the NDA funded an emerging sheep farming project, Thaba Noka Cooperative (located in the town of Luckhoff in the Xhariep district in the Free State) to the value of R1 129 680 (National Development Agency, 2012). The cooperative is a product of farm workers seeking to empower themselves and create employment. Through the NDA fund, the farm workers were able to advance their skills in farming and management and were able to buy 205 Dorper sheep to breed and sell. The cooperative is recorded as making a profit from sales of sheep and has since expanded to cattle production. Given that farm workers remain amongst the most marginalised workers in the labour market in South Africa this initiative is directly addressing poverty eradication and food security.

The Umsobombvu Development Cooperative, another project funded by the NDA, was established in 2001 in the Chris Hani district municipality of the Eastern Cape by three unemployed women who had some skills in spinning, weaving and sewing. The cooperative now involves some 17 members who manufacture wall hangings, floor rugs, woven blankets, mohair scarves, woven curtains, place mats, school uniforms and traditional attire (Open Africa, 2013). The cooperative is also involved in community gardening, the products of which are sold in the local market. The Umsobombvu Development Cooperative members strive to operate as a successful and sustainable Wool and Mohair Textile and Clothing Cooperative with a reputation for quality products locally and internationally, with the endeavour of creating even more jobs towards the

social and economic development of their community as a whole. The MDG target being addressed here is gender empowerment and addressing hunger.

An example of CSO engagement aimed at promoting gender equality and women empowerment is the Campbell Women's Ostrich project located in the Siyancuma Municipality in the Northern Cape. This project which was funded to a total amount of R773, 084.00 by the NDA, involves 16 self-employed women who raise ostrich chicks to mature birds ready for the market. The chicks are purchased from a dedicated supplier for R300 each and then resold as mature birds back to the same supplier for R960 (National Development Agency, 2012).

Other CSO Engagements with MDGs

Three examples of civil society involvement in MDGs are provided below. All three of these examples profile MDG work in respect of advancing development through piloting innovations in income generation, gender empowerment and food security.

The Gubevu Community Project (Heifer, 2013) is exemplary of a CSO engaged in the eradication of extreme poverty and hunger in the Eastern Cape. The project aims to reduce poverty through food production and income generation by the improved, productive keeping of livestock. The Eastern Cape is one of South Africa's least developed, most poverty-stricken provinces. The rural areas are particularly affected by their physical remoteness from significant commerce and the concurrent lack of local employment opportunities. Communities such as Gubevu experience unemployment rates greater than 70%, and families are highly dependent on agriculture for basic survival. As there is little access to agricultural technologies and resources, food insecurity and malnutrition are rife. Heifer International-South Africa works to improve food security in resource-poor rural communities by providing multi-level training and livestock to support improved nutrition and health, income generation and overall sustainable community development.

In Kwa-Zulu Natal, Africa! Ignite (2013) a non-profit organisation (NPO), is involved in the eradication of extreme poverty as well as promoting women empowerment through rural development initiatives. The NPO focuses on Kwa-Zulu Natal's rural citizens, particularly its women and youth, through strong rural partnerships and access to an extensive footprint of rural development nodes and a network of trained youths and adults across the province. These include rural youth trained as researchers; youth development workers; water and sanitation outreach workers and journalists, photographers and storytellers. Through the programmes offered by the organisation, youths, mothers and grandmothers are able to earn a decent living; develop useful skills; make their voices heard; improve their health and quality of life, and market their products and services. The effective implementation of programmes is largely due to the strong support of like-minded funding and implementing partners such as the NDA (www.africaignite.co.za).

The Millennium Development goal of ensuring environmental sustainability involves integrating the principles of sustainable development into county policies and programmes and reversing the loss of environment resources as well as reducing biodiversity loss. The West Coast Environmental Cooperative is a cooperative whose vision is to contribute to the integrated development of poor communities through facilitating income-generating environmental projects at the local level that are driven by local communities. The primary objective of the Co-operative is to clear the entire West Coast and secondary areas of invasive exotic plants to infestation levels of less than 0.1% within the next 20 years. This will ensure optimum sustainable water supply and indigenous Coastal Fynbos growth. This project involves unemployed individuals or SMMEs registered as contractors, which is also in line with productive employment opportunities of the MDGs (Capebiosphere, 2013).

Understanding of MDGs in the context of national development priorities in South Africa

This question elicited mixed reactions. On the one hand, some CSOs seemed to understand the MDGs to be independent of the NDP priorities while others perceived MDGs and the NDP priorities to be interlinked. Another respondent articulated how the two are interlinked by putting forward the following explanation:

“We need to see the MDGs in a kind of nested approach. We need to ask ourselves: where do we want to be by say 10-25 years down the line? We need to set the aspirations for society similar to the long-term vision exercise for the country (that was undertaken) with the NDP2030. The visions contained within the MDGs must be the visions contained within the NDP2030. It has got to be an aligned process and they (the two) must be linked up otherwise the MDG agenda falls flat. For example, in Namibia, they took MDG goal 1, which is to halve poverty and they decided they were going to go beyond that and create an ambitious target and not just halve poverty but do more. Like our own NDP2030, for a highly unequal society like South Africa, we need to adapt our MDGs, to make sure that everyone has access to health services, education, etc.”, (HSRC, CSO interview, 2013).

Respondents appeared to understand the MDGs as a broad framework that had to be cascaded down to all levels of society, right down to where the CSOs are most active – at the community level. Many examples were given to demonstrate an understanding of how this could be done practically. A few examples are cited below:

“On a national level, malaria is not an issue in South Africa but there are certain parts of Mpumalanga where that is a concern.”(HSRC, CSO interview, 2013).

“Localising the MDGs and how you interpret them in a macro way is one approach, the other one is unique statistics beyond the national average, e.g. bucket toilets and sanitation are not a national issue, but there are certain pockets in the South African society where they are widespread so that national averages can be very misleading.”, (HSRC, CSO interview, 2013).

“Countries are not all the same. There are areas where we are doing well as a country and the MDGs are not relevant to South Africa in those areas. However, within the country as well, Gauteng is not the same as the Eastern Cape. MDGs therefore are important to localise in those critical areas. For example, education in South Africa is not such a critical issue, where access to primary education is at 99%. Issues of drop-outs and the quality of education however, are another story. Also important to note with localisation is that the geography and history of a particular country matters and differs in terms of context. For example, in South Africa we come from a history of apartheid. Localising the MDGs therefore means going down globally, even to the level of provinces and districts and local municipalities.”(HSRC, CSO interview, 2013).

An interesting aspect of the localisation of MDGs was provided by one respondent:

“All MDGs are linked and require support at the international level. These are international negotiations with an international relations perspective to them. The role of civil society becomes important in creating global partnerships, no matter what the theme is. For example, HIV/AIDS is related to malaria (MDG 6) and malaria is related to climate change (falls under MDG 7). MDGs are meant to measure the state of development in a country. It is important for all countries to set targets to be achieved in

order to improve the lives of the citizens of that country. If the targets are not achieved, it is still important for these to be measurable. The more the country meets MDG targets, the better will be the social and economic life of the people. This will also change the way the people view their government but equally, the process will directly and indirectly force government to execute its primary constitutional obligation, which is to change and better the lives of the people.”, (HSRC, CSO interview, 2013).

Another view point expressed on the importance of localising MDGs articulated the following:

“Countries must be free to change the target of the MDG and that must be considered in terms of localising the broad national target. These MDGs were designed to guide countries, and for monitoring progress towards them. They were commonly agreed upon but can be adapted. Hence, in relation to the concerns about the post 2015 agenda and having missed the boat, these are unfounded because once you have achieved something within that region, you can set a new (and even more) ambitious target. Countries can add and supplement pre-existing targets with new ones. So for our education targets, for example, instead of universal access, we need to put in a new target for quality as well, textbooks, teacher-pupil ratios, distance to school, etc. and start adding to the original target. We missed the initial MDG phase (from 1990s when the initial South African process began¹⁰⁹) but this is correctable for the post-2015 agenda.”(HSRC, CSO interview, 2013).

Indeed, most CSOs interviewed for the study demonstrated a clear understanding of MDGs in the context of national development priorities. There was a clear understanding of why MDGs were developed and why some of the key themes were selected,

¹⁰⁹ The initial MGD targets were set in 1990 however the South African baseline was only established in 1994 (key study informant interview).

namely education and gender. Study respondents generally understood that the UN sets the broad framework for these MDGs, and countries then need to adapt these to suit their particular contexts, particularly at community level.

Stakeholder engagement in MDG processes

The main institutions or stakeholders that were identified by respondents as being responsible for driving the realisation of MDGs in South Africa were national, provincial and local government institutions with a particular mention of the Department of Social Development, Department of Health as well as Non-Governmental Organisations (NGOs) and the international community at large, particularly the United Nations and International donor agencies.

“Government Departments, State Owned Entities, Parastatals and Chapter Nine (9) institutions are expected to play a leading role in realization of the goals. The private sector also has that responsibility. Statistics South Africa is one of the committed institutions in realising the MDGs including proper coordination of the programme.” (HSRC, CSO interview, 2013).

It was noted by a few respondents that in South Africa government appeared to be driving the prioritisation of the MDGs and that while it actively engaged with the international donor agencies, it seemed to exclude any substantial engagement with civil society.

According to a key respondent, Government’s approach to implementation of the MDGs has been issue focused with specific goals being championed by specific government ministries such as education issues relating to the MDG being led by the Department of Education. It was further noted by this respondent that CSOs have been involved at the conceptualisation stages of MDG policy as well as implementation through their direct work with vulnerable groups such as children. It was suggested that policy tended to guide the state in identifying CSOs that can and should be supported in meeting the MDGs.

“For example policy will say we would like to see a situation where children are not being institutionalised but exposed as much as possible to a family environment. So we will then support those CSOs that make sure that if they will receive vulnerable children in an institution, that child should get foster care – that’s why we (government) would then support organisations that support foster care.” (HSRC, Key informant interview, 2013).

Another key informant noted the challenges for the state in enabling active engagement with Civil Society Organisations mainly because CSOs are not a homogenous group and this means that government has to ensure inclusivity of CSOs in the process.

The majority of respondents confirmed the critical role that CSOs play in contributing to the realisation of the MDGs. A selection of responses emphasised this as follows:

“CSO are on the ground; they are implementers; hence, they fill the gaps that Government cannot reach. There should be a variety of roles from training to teaching to implementation.” (HSRC, Key informant interview, 2013).

“It is important for CSOs to be engaged with MDGs because often they are working on the ground closely with the community and often they have developed a long term relationship with members of the community. This is significant because whilst government departments often work with many different groups and communities it is often in a more over-arching way.

Also CSOs are currently filling gaps that the government is struggling to. There is massive need out there and CSOs are providing a great deal of support. There are major problems relating to drug and alcohol abuse, violence, gang warfare, abuse, health, etc. The government is unable to manage this on their own therefore CSOs could partake in a coordinated response to the problems if government and the CSOs

could collaborate and work together.”(HSRC, Key informant interview, 2013).

In response to a question about the NDA's role in strengthening CSO engagement with MDGs the following response was captured:

“The NDA and other state agencies and civil society voices have a key role to play in promoting understanding of the MDGs. The NDA could also help with playing an advocacy role and not to be unidirectional. They need to facilitate space to engage. The NDA can also help play an advocacy role, and in supporting the localisation of MDGs in terms of helping set common developmental targets at a more local level. They can assist in facilitating recognition of credible CSOs, and not just playing a facilitating role in terms of periodic reporting.”(HSRC, Key informant interview, 2013).

An interesting and slightly different take of the stakeholder engagement process was articulated by one respondent:

“There should be children's involvement as their voices are not captured. These should be captured in the decision-making processes. Other vulnerable groups should also be included such as the elderly and those living with HIV/AIDS. These should be organised and mobilised. Children's parliament committees should be formed, as should be churches (faith-based) organisations and business/corporate. With corporates, they could be channelled into, for example, health education in a strategy that will ensure that all their corporate social responsibility (CSI) efforts take place in a coordinated manner. Now the way things are is that other people get to benefit twice.” (HSRC, Key informant interview, 2013).

On the issue of who should be involved with MDGs, one respondent elaborated on the need for different stakeholders to be involved in each of the MDGs:

“You should have a specialisation for each MDG goal. For example, government departments could deal with MDG 1 – extreme hunger and

poverty. Departments such as: Rural Development and Land Reform, Public Works and NGOs such as the NDA, World Vision, Oxfam and Save the Children could be also involved in this same goal. For MDG2, you could have the Department of Education involved, as well as NGOs such as World Vision, the Nelson Mandela Foundation, etc. Corporates should also not be left out and those that can participate in this goal would be, for example, Nedbank, Old Mutual, ABSA (to construct laboratories in schools, etc.). This they can do as part of their corporate social investment programmes (CSI).”(HSRC, Key informant interview, 2013).

Indeed, the involvement of many stakeholders in the MDG processes in South Africa was a sentiment echoed by many of the study respondents.

A caution about romanticising CSO participation was advanced by another respondent “it should be noted that CSOs should be vetted as not all of them are doing good work and some are in fact disempowering people. Therefore the quality of CSOs is important.” (HSRC, Key informant interview, 2013).

However, the lack of coordination of multi-stakeholder MDG process was broadly lamented. This role it was suggested could be a key role played by the NDA.

CSO Experience with MDG processes in South Africa

The study respondents were asked to share their experiences with MDG processes in South Africa. The activities CSOs were involved in with respect to MDGs included understanding and awareness raising of the MDGs, involvement in participatory planning processes, integration of MDGs into local development plans and in the coordination of responses to a greater degree.

Only one CSO interviewed, reported having been involved with influencing policy through writing policy briefs and also participation in the drafting of local municipal Integrated Development Plans (IDPs).

Two of the CSOs interviewed, reported involvement with monitoring and evaluating progress towards the MDGs. This included participation in the drafting of alternate reports. One of the CSOs indicated that they had reported on their MDG work to their funders, the other CSO had channelled the work they did on MDGs to STATSSA, who subsequently engaged them in the writing of the UN country report.

It is clear that involvement in MDG processes was not limited to the writing of the country reports, although this appeared to be where the greatest effort has been expended in terms of garnering CSO participation in MDG processes. The report writing process was coordinated by STATSSA and this had been facilitated through MDG consultations and provincial road shows. General consensus was that the manner in which the report writing process unfolded did not lend itself to meaningful civil society deliberation and engagement and consultation on the MDGs.

A key informant explained that because civil society can be sometimes highly critical and radical in their responses, the state is sometimes hesitant to involve them. There was a tendency to de-politicise development by government. However, it was noted that some of the goals are highly contested and civil society is often seen as challenging the state on its progress or lack thereof. For example, it was noted that with regard to the MDG on primary education, that while government may focus on the issue of access, Section 27¹¹⁰ would be concerned less with issues of access to education and more with the quality of education being delivered.

“The 2005 country report submitted by government to the UN was rejected by South African NGOs and its credibility challenged arising from the non-participation of CSOs, who instead provided their own shadow report

which was highly critical of government’s report. Government then realised that they must engage civil society. We were invited to participate after that as a member of a national alliance to ensure the participation of civil society.” (HSRC, Key informant interview, 2013).

Exploring the extent to which CSOs had formed collaborative partnerships in respect of MDG-work one respondent reported:

“Yes indeed. We have collaborations with The Africa Monitor, Oxfam, the Department of Foreign Affairs and the Department of Environmental Affairs, to name a few. We have received a lot of international support from the UK, Germany, Brazil, and India – the BRICS countries. We also have informal working relations with local NGOs. With international organisations, we have formal relationships.”(HSRC, Key informant interview, 2013).

This was clearly the exception as the majority of interviewees seemed to work independently and in the few instances where there had been some collaboration with other CSOs, this was not marked by a formal agreement or Memorandum of Understanding (MoU).

One issue that the study sought to unravel was in relation to the process employed by government in selecting South Africa CSO representatives who were included in the SA delegation to the UN MDG summit held in New York in 2013. One of the CSOs that attended this year’s event provided the following narrative:

“I form(ed) part of the CSO MDG committee which was chosen to go to New York. We requested STATSSA that civil society must have a delegation included in the President’s delegation to New York. This is because STATSSA is at the centre in facilitating the MDGs in the country so their task is to ensure that all stakeholders participate, including civil society at large.

¹¹⁰ Section 27 is a South African public interest CSO seeking to influence, develop and use the law to protect, promote and advance human rights in South Africa.

Provinces had to elect their own (one) structure in each and every province after which all those provincial structures had to come to Pretoria to discern how to come up with a national structure, of which the three CSOs that went to NY were elected. Forty people were elected; there were 9 representatives, one from each province, plus two others who were independently elected – a national coordinator and a provincial convenor. This is how the national committee of the civil society MDGs was established.”(HSRC, Key informant interview, 2013).

Other viewpoints expressed regarding the composition of the CSO delegation to the UN included:

“The National Planning Commission is the one that is responsible for coordinating this process. We wrote to (Minister) Trevor (Manuel) and asked to be given space as a national structure to go to New York. The NDA was not involved. We wrote to the NDA and asked them to increase this number (from the three participating CSOs), as well as funding for other activities when we got to NY so could choose which gatherings to attend. The NDA rejected our request and we were so disappointed.”(HSRC, Key informant interview, 2013).

Furthermore one respondent noted:

“We had to report back to our structures when we got back (from New York) although the report drafting process still going on. This process did not happen effectively selecting only three civil society organisations. CSOs are diverse; some have high educational levels and some in civil society are not highly trained so there must be a programme for the illiterate. Moreover, the MDG goals after 2015 have to be increased because there are more challenges now.”(HSRC, Key informant interview, 2013).

The importance of alternate perspectives being considered was emphasised by one of the key informants in the study.

“The objective of the MDGs is to create space for reflection and representation of progress and from a foreign affairs or international relations perspective; obviously you want to put the country in the best foot forward. Shadow reports from civil society are necessary if civil society feels increasingly that they are never going to effectively articulate and have its position reflected to a certain degree. There needs to be scope for shadow reports, in a process similar to the state of the nation address (SONA) and the shadow reports that come out around budget time. CSOs have a duty to relating their voice in relation to government’s progress reports. The coordinators of the MDG reports could then draw on these reports in all the stages of the drafting process for the UN country report.”(HSRC, Key informant interview, 2013).

Support for CSO participation in MDGs

In the current economic climate the civil society sector in South Africa has been experiencing financial sustainability challenges and it is within this context that the study sought to understand the extent to which support had been provided.

One of the CSOs interviewed noted the following:

“No support was provided except when performing Sector Working Group (SWG) work as part of the Extended Report Drafting Teams that were responsible for writing goals reports. I was also part of the team involved in the drafting of the country MDG Report.”(HSRC, CSO interview, 2013).

The interviewee noted that while support had been provided to cover travel and accommodation costs for attending meetings, it did not cover the time spent.

Summary of key findings

This section summarises the key findings from both the literature review and the qualitative survey conducted and presents a few key recommendations to the NDA on strengthening CSOs’ participation in MDGs.

There is overarching agreement that MDGs cannot be realised by governments alone and that CSOs can and do play a critical role in enabling the achievement of MDGs targets. It is widely recognised in the MDGs discourse that CSOs add value in relation to the role they play in articulating the needs and aspirations of the poor; in filling crucial service delivery gaps and in modelling and innovating good practices. Importantly, article 30 of the MDG Declaration specifically enjoins on government a commitment to strong partnerships with civil society and the private sector towards the realisation of the MDGs targets (Bissio, 2003).

South Africa's CSOs MDGs consultation and engagement processes can draw significant lessons from international experience of CSO involvement in MDGs beyond contributing to the writing of periodic progress reports. The *Zambian Civil Society for Poverty Reduction (CSPR)* model of engaging multi-stakeholders (including CSOs) stands out as a model for replication both in terms of enabling multiple and diverse voices to be captured and in creating a space for debate and contestation.

The *Zambian* example also demonstrated that an effective consultative process is not episodic but rather a continuous process of engagement by the Government of civil society and all other stakeholders. Consultation must be an interactive and iterative process of deliberation between the Government and the civil society. It is only then that major public policy decisions can be truly transparent and accountable.

The study confirmed that CSOs' engagement with MDGs processes in South Africa was generally poorly coordinated with the expectation that government would have led such a process. Where there had been significant CSO participation in MDGs it appeared to have been largely driven by the CSOs themselves.

An equally important lesson is that there is no "one size fits all" approach to supporting CSOs' engagement with MDGs processes. In some country experiences CSOs formed part of the core drafting teams from

the outset while in other instances they were invited to provide briefings to the drafters of the report. The manner in which the state engages civil society in the drafting of reports is equally important. It was noted that more often the process that unfolded was a top-down approach, mainly aimed at ensuring that CSOs were notified of the process but not encouraged or enabled to directly participate.

The importance of establishing a coordination body which would promote stakeholder engagement on MDGs was identified as key to enabling effective participation. In South Africa this responsibility is held with *Statistic South Africa*. It is not known what capacity the institution has to manage this coordination function.

Given the diversity and scale of CSOs participation it would be essential for civil society to be organised under an umbrella body which must be representative of all civil society voices and must ensure accountability. Although a structure was established to coordinate CSOs' input into the MDGs report and for representation in the MDG delegation to the Summit in 2013, it is not clear how the structure was established, how representative it is of civil society in South Africa nor what mechanisms are in place for ensuring and facilitating report back, communication and accountability of representatives to the stakeholders in the sector.

The monitoring role of civil society is not limited to contributions to the periodic progress reporting processes. Importantly, the option of civil society producing a shadow report should be considered where civil society organisations feel the country report does not present a true situation on progress in respect of MDG goals.

Stakeholders were in consensus that it is important to establish common national goals that could be localised to deal with area-specific developmental problems. Indeed, the literature review study revealed that in comparison to some international experiences with MDG processes, South Africa still has some way to go before this process is well functioning. The *Civil Society for Poverty Reduction*

(CSPR) model in Zambia on civil society engagement which had multiple stakeholder participation is submitted as a best practice.

The study found that in South Africa and globally CSOs appeared to be engaged in predominantly service provision interventions directly addressing one or other of the MDG targets. The need to facilitate active involvement in policy advocacy and monitoring activities remains. This could have much to do with the lack of awareness of the importance and relevance of MDGs in enabling the country to meet its development priorities.

The NDA did not appear to be playing an active role in enabling CSOs to participating in MDG processes or in enhancing levels of knowledge and understanding of MDGs. This was a lost opportunity for the NDA and CSOs to use the MDGs platform to cement a common purpose in influencing government assessment of its achievements and engagement with the United Nations.

Conclusion

While it is clearly acknowledged that governments have to take the lead in MDGs processes, it is also evident that other stakeholders including civil society and the private sector have distinct and equally important roles to play.

The experience of the past years with CSOs and MDGs in South Africa has illustrated the importance of adapting the goal targets to suit our country specific development challenges. This is more important now as we are about to embark on the next phase in the post 2015 agenda. Given the fragmented nature of engagement of CSOs in the past as evidenced by the findings contained in

this report, it will be opportune to implement the recommendations in order to transcend the issues confronting the country before.

Given the diversity of the country, and to reflect the different challenges in the different regions (e.g. provinces); one pertinent recommendation will be to cascade the country reports and produce provincial MDGs reports. These provincial reports could precede the national reports, which is where current engagement with CSOs and MDGs is focused at. All this while taking cognisance of the diversity of CSOs in South Africa and understanding that different CSOs will contribute in different ways towards the realization of MDGs. This engagement therefore needs to allow for other forms of participation, such as advocacy and monitoring and evaluation. Employing a 'one size fits all' engagement strategy, as has previously been done, will constrain rather than enable effective CSOs' engagements with MDGs.

Bissio (2003, p8) contends that "the vibrant mobilisation of civil society around a strategy that is inspirational and viable is an asset that may be too difficult to measure, but essential for real changes".

Strengthening CSO engagement with MDGs requires the political will of government. CSOs have the capacity to serve multiple and often contradictory roles including undertaking service delivery interventions on the one hand while engaging in policy advocacy to pressure for government for change. This is a challenge particularly when the relationship between government and CSOs is complex and often adversarial and with the recognition of the vast differentials in power that exist between the state and CSOs.

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CHAPTER 5:

FRAMEWORK FOR THE DEVELOPMENT OF AN ANNUAL STATE OF DEVELOPMENT REPORT

Human Sciences Research Council: Margaret Chitiga-Mabugu, Nthabiseng Tsoanamatsie, Shirin Motala, Siyanda Jonas, Lebogang Mashile, Charles Nhemachena, Selma Karuaihe, Maria Molokomme. NDA: Thami Ngwenya.

“Human development is a process of enlarging people’s choices. The most critical ones are to lead to a long and healthy life, to be educated and to enjoy a decent standard of living. Additional choices include political freedom, guaranteed human rights and self-respect...” UNDP (1990:10).

Introduction

It is widely accepted that for development planning, goal setting, monitoring and evaluation, access to information on the state of development is critical. Development reports often provide key sources of information on the state of human development, whether it is across the globe, for different regions or for specific countries. South Africa has a rich resource base of data on development generated through national surveys, such as the Census data, General Household Survey and the Labour Force Survey and reports reflecting on the state of development in South Africa, such as the Development Indicators report produced annually by the Presidency (DPME, 2011, 2012), amongst others. In addition, its institutional architecture is well developed for the generation, management and dissemination of information through statutory bodies, such as Statistics South Africa. Importantly, a number of parastatals and non-state institutions produce development information which contributes to development thinking. These include the National Income Dynamics Survey (NIDS), implemented by the University of Cape Town and the Human Sciences Research Council’s annual South African Social Attitudes Survey, and various quality of life studies implemented by academic institutions.

Despite this richness, South Africa lacks a national recurring state of development report that informs and advises all players on critical development issues and which includes both quantitative and qualitative data. It is posited, that in order to facilitate effective development planning, institutions working in the development terrain need relevant, timeous and appropriate information on the state of the country’s development, as well as on the best ways of going about achieving the country’s development priorities.

Statutory institutions whose function is to promote the country’s development have been established by government, one of which is the NDA. The NDA is an important structure whose duty is to fight against poverty in South Africa. Although the organ’s primary mandate is to contribute towards poverty eradication and its causes via the funding of CSOs, the NDA also has other secondary objectives that are part of its mandate. These comprise promotion of consultation; dialogue and developmental experiences with civil society, national and local government entities; promotion of debate and to develop and influence development policies; and to undertake research and publications that form the basis for development policy. The NDA does all this mainly through working in two areas: undertaking projects aimed at meeting the developmental needs of poor communities and strengthening the institutional capacity of CSOs that provide services to poor communities.

International trends in development reports

In 1990 the United Nations Development Programme (UNDP) launched what has become undoubtedly the most prominent development report worldwide – the Human Development Report (HDR), the purpose of which, according to the UNDP, was “Putting people back at the centre of the development process in terms of economic debate, policy and advocacy” UNDP (n.d. (a)). The HDR has since become an annual global review of human development progress. Sagar and Najam (1998) revived the debate on the measurement of development in noting that the first HDR appropriately recognised that ‘development is much more than just the expansion of income and wealth’ and that human development was defined as ‘the process of enlarging people’s choices’ (Sagar and Najam, 1998: 250). They noted that the HDR report emphasised that choices available to people are unlimited and evolve over time and that the three

most important choices were to enable people to lead a healthy long life, to acquire knowledge and to have a decent standard of living through the access of resources.

Gaye and Jha (2010) point out that over 700 National and Regional Human Development Reports (NHDRs and RHDRs) have been produced since 1992. They noted that (<http://hdr.undp.org/en/reports/>) these NHDRs and RHDRs cover a wide range of topics on human development. Other international development reports include those produced by the World Economic Forum, which publishes a comprehensive series of reports on global issues, including focusing on the state of human development.

At a national level there are many examples of national development reports, including India's National Human Development Reports, produced by its Planning Commission in 2002 and 2011; the Australian National Development Index (ANDI) launched in 2010 and the Canadian Index of Wellbeing (CIW), which was released in 2012 (ANDI, 2010, CIW, 2012 and Planning Commission, Government of India, 2002, 2011).

Jolly and Ray (2007) found that country reports were typically, but not exclusively, produced in countries which:

- had recently emerged out of conflict;
- were dealing with lingering but major elements of national (or regional) insecurity as a result of military causes; and
- were countries in the middle of fundamental socio-political and economic transition.

United Nations Development Programme Human Development Report

The United Nations Development Programme is mandated with advancing development in countries around the world. The UNDP and other United Nations programmes work in coordination to fulfil their mandate of advancing development. The UNDP Global Human Development Report, first published in 1990, was a breakthrough report which introduced the concept of a Human Development Index (HDI). The index brought together a range of dimensions highlighted in the report as being basic to human development, i.e. health and longevity, knowledge and standards of living embodied in the level of income. Since that first report, the HDI for countries across the globe are reported (and ranked) annually in all of the UNDP's HDR (UNDP, <http://hdr.undp.org/en/>). Sagar and Najam (1998) argue that the UNDP, in its first HDR, provided a critical, if preliminary, framework for the measurement of performance of the human development dimensions through the HDI, which remains a keystone of the UNDP annual report series.

The HDI is calculated by making use of data from international data agencies, whose mandates require them to collect national data on specific indicators. Najam and Sagar (1998) outlined how the three dimensions were utilised in the calculation of the HDI. The index score ranges from 0 to 1 (corresponding to a minimum and maximum respectively) and is computed for each of the three dimensions. The overall HDI is then calculated by taking an arithmetic average of the three indices scored. Countries are then ranked in a descending order, starting with countries with the highest index to those with the lowest.

Table 1: Indicators and data sources used in the calculation of the 2013 HDR

Variables	Main Data Sources
HDI	
Life expectancy at birth	<ul style="list-style-type: none"> United Nations Department of Economic and Social Affairs (UNDESA)
Mean years of schooling	<ul style="list-style-type: none"> Barro and Lee dataset (2011)
	<ul style="list-style-type: none"> Human Development Report Office (HDRO) updates based on educational attainment from the United Nations Educational, Scientific and Cultural Organisation (UNESCO) Institute of Statistics
	<ul style="list-style-type: none"> Methodology from Barro and Lee (2010)
Expected years of schooling	<ul style="list-style-type: none"> UNESCO Institute of Statistics
Gross National Income (GNI) per capita	<ul style="list-style-type: none"> HDRO calculations based on data from World Bank, International Monetary Fund (IMF) and United Nations Statistics Division (UNSD)

Source: UNDP, 2013

The table below provides the HDI ranking of the first 5 countries globally, as well as South Africa's HDI ranking and the ranking of the three countries with the lowest HDI ranking globally.

Table 2: Selected HDI ranking by the UNDP in the 2013 HDR

Country and HDI Ranking	HDI value
1. Norway	0.955
2. Australia	0.938
3. United States	0.937
4. Netherlands	0.921
5. Germany	0.920
121. South Africa	0.629
183. Burkina Faso	0.343
184. Chad	0.340
185. Mozambique	0.327

Source: UNDP, 2013

The UNDP's HDR also reports on other human development indicators besides the HDI. For example, in the 2013 HDR titled *The Rise of the South: Human Progress in a Diverse World* (UNDP, <http://hdr.undp.org/en/>), data is provided on a Gender Inequality Index, Multidimensional Poverty Index, as well as indicators relating to command

over resources, health, education, social integration, international trade flows of goods and services, international capital flows and migration, innovation and technology, environment and population trends. The table below gives an overview of some of the indicators and the data used to assess them.

Table 3: Selected indicators and statistics used in the 2013 UNDP HDR

Indicator	Statistics Used
Gender Inequality Index	<ul style="list-style-type: none"> • Maternal mortality ratio - Adolescent fertility rate - Seats in national parliament - Population with at least secondary education - Labour force participation rate
Multi-dimensional Poverty Index	<ul style="list-style-type: none"> • Population in multidimensional poverty - Headcount - Intensity of deprivation (%) - Population vulnerable to poverty (%) - Population in severe poverty (%) - Contribution of deprivation to overall poverty (%) (Health, education, standards of living) - Population below income poverty line (%)
Command over resources	<ul style="list-style-type: none"> • ECONOMY - Gross Domestic Product (GDP) - GDP per capita - Gross fixed capital formation - Consumer Price Index - General government final consumption expenditure • PUBLIC SPENDING - Health - Education - Military
Health	<ul style="list-style-type: none"> • Immunisation coverage - Underweight children (moderate and severe) - HIV prevalence - Mortality rates - Health care quality
Education	<ul style="list-style-type: none"> • EDUCATIONAL ATTAINMENT - Adult literacy rate - Population with at least secondary education
	<ul style="list-style-type: none"> • GROSS ENROLMENT RATIO - Primary - Secondary - Tertiary
	<ul style="list-style-type: none"> • EDUCATION QUALITY - Primary school teachers trained to teach - Performance of 15-year-old students (test scores) - Satisfaction with education quality - Primary school dropout rate

Social integration	<ul style="list-style-type: none"> • EMPLOYMENT, VULNERABILITY AND EQUITY <ul style="list-style-type: none"> - Employment to population ratio - Youth unemployment - Child labour - Overall loss in Human Development Index due to inequality
	<ul style="list-style-type: none"> • PERCEPTIONS OF INDIVIDUAL WELL-BEING <ul style="list-style-type: none"> - Overall life satisfaction - Satisfaction with freedom of choice - Satisfaction with job
	<ul style="list-style-type: none"> • PERCEPTIONS OF SOCIETY <ul style="list-style-type: none"> Trust in people Satisfaction with community Trust in national government
	<ul style="list-style-type: none"> • HUMAN SAFETY <ul style="list-style-type: none"> - Perception of safety - Homicide rate - Suicide rate (per 100,000 people)
Environment	<ul style="list-style-type: none"> • PRIMARY ENERGY SUPPLY <ul style="list-style-type: none"> - Fossil fuels - Renewables • EMISSIONS <ul style="list-style-type: none"> - Carbon dioxide - Greenhouse gas
	<ul style="list-style-type: none"> • NATURAL RESOURCES <ul style="list-style-type: none"> - Natural resource depletion - Forest areas - Fresh water withdrawals - Endangered species - Agricultural land • IMPACTS <ul style="list-style-type: none"> - Number of deaths due to natural disasters - Population living on degraded land
Population trends	<ul style="list-style-type: none"> • Population <ul style="list-style-type: none"> - Total - Annual growth - Urban - Median age - Total dependency ratio - Total fertility rate - Sex ratio at birth

Source: UNDP, 2013

Most of the UNDP's global annual HDRs have revolved around a central thematic focus. In 1991, the focus was on financing of human development; in 1995, the theme was gender and human development; in 2000, it was human rights and development; in 2005, the focus was on International Cooperation and in 2010 the focus was on pathways to human development. The UNDP also produces country specific reports, such as the three HD reports produced for South Africa namely, the 1998 HIV/AIDS and Human Development Report, focusing on the effects of HIV/AIDS in the country and its negative impact on human development gains; the 2000 report titled Transformation for Human Development, focusing on the country's successes in the political sphere as a result of reform and adaptation of institutions in the public and private sectors; and the 2003 report on The Challenges of Sustainable Development, which focused on why sustainable development had not been reached in South Africa and looked at ways of 'unlocking' policy towards human development (UNDP, <http://hdr.undp.org/en/>).

Arab States Human Development Report

A review of national and regional development reports globally undertaken in 2010 (Gaye and Jha, 2010) found interesting innovations in respect of the conceptualisation and measurement of development. The Arab HDR brought together 22 Arab countries with the intention of encouraging debate and to offer insights into the most contentious issues facing the region.

Gaye and Jha (2010) cited the 2003 Arab States Report as being particularly innovative when measuring knowledge attainment. The innovation related to the development of an indicator for measuring knowledge, which considered not just the quantity, but also the quality, of education. Noting the criticism of using school enrolment as an effective indicator for measuring knowledge (which neglected the issue of quality of learning), the report focused on assessing knowledge capital, which it analysed

from three perspectives namely; production, diffusion and infrastructure for knowledge capital. The indicator incorporates a range of indicators drawing on both quantitative and qualitative data as listed below (Gaye and Jha, 2010: 4):

- Quality-adjusted mean years of schooling for population aged 15 years and older. The adjusted mean years of schooling is obtained by multiplying mean years of schooling by average text score.¹
- Daily newspapers (per 1000 people)
- Radios (per 100 people)
- TV sets (per 1000 people)
- Scientists and engineers (per million people)
- Patent applications filed (per million people)
- Book titles published (per million people)
- Telephone mainlines (per 1000 people)
- Cellular mobile subscribers (per 1000 people)
- Internet hosts (per 1000 people)

Gaye and Jha (2010) noted that the report was enriched by the resulting knowledge index, which allowed for a deeper analysis of economic, social, political and institutional factors that affect the production of knowledge and dissemination processes.

The UNDP tracked the impact of this report and noted that, as a direct result, Bahrain had undertaken to upgrade the technology skills of primary school teachers, while Jordan had initiated a review of the gap between higher education outcomes and labour market demands. While not clear if this was a direct outcome of the development report, it was also reported that an Arab Science and Policy Research Centre had been launched. In terms of knowledge dissemination, it was noted that a number of universities were making use of the report in their curricula.

Bosnia and Herzegovina Human Development Report

Sen (1999) in Gaye and Jha (2010) argued that approaches used in the evaluation of human

well-being have a bearing on the quality of the assessment. They argued that focusing on income inequality exclusively would reveal only part of the story and would most likely ignore issues such as social divisions and inter-class inequalities of freedoms and well-being. In their review of the 2007 Bosnia and Herzegovina HDR, Gaye and Jha (2010) noted that the report analysed social exclusion as a multidimensional concept within the context of post conflict environments and showed how a shift from a socialist to a capitalist market addressed some of these issues. The report constructed a number of indices, one of which was a 'general human social exclusion index' (HSEI), which had the following five dimensions:

- Living standards -measured by long-term unemployment and percentage of population below the poverty line;
- Health - measured by percentage of the population without health insurance;
- Education - measured by percentage of the population aged more than 15 years, who did not complete primary education;
- Participation in society - measured by percentage of eligible voters, who did not vote in elections and percentage of the population not participating in activities of social organisation.
- Access to services - measured by proportion of dwellings without a telephone.

Indian Human Development Report

The Indian Planning Commission (IPC) has produced two Human Development Reports, the first released in 2002 and the second more recently in 2011. The IPC (2002) acknowledged that, for any developmental framework to be significant and effective in guiding public programmes and policies, it has to be entrenched in a social context and be reflective of society's values and development priorities.

The 2001 Indian National Human Development Report was applauded by the IPC for breaking fresh ground, in that it put together an extensive database of over 70 different social indicators on wide-ranging

aspects of people's well-being and quality of life and in terms of rural-urban and gender dimensions. The report highlighted inequalities by estimating both a 'Rural Gap' and a 'Gender Gap' across all indicators where the relevant data was available. The report also constructed and presented composite indices such as the Human Development Index, the Human Poverty Index and the Gender Equality Index for the whole country, as well as for regional states within India (Planning Commission, Government of India, 2002).

The research for the Indian human development report was carried out by India's Institute of Applied Manpower Research, a research institute that falls under the IPC. The report drafting was the collective effort of a team of researchers along with the Institute's administrative staff. It involved close consultation with domain experts at the national and international level of all stages. Feedback from national and international external experts was sought for every chapter, and revisions were made accordingly. As a result, the drafting of the report took about two years. The UNDP provided assistance and support in the development of the report by providing consultants to assist with the report drafting and editing. The Indian Planning Commission indicated its intention for the report to be used to direct public policy and programmes and was targeted at policy planners and administrators, academia and researchers involved in the development of the country (Planning Commission, Government of India (2002; 2011).

Canadian Index of Wellbeing

A Canadian Index of Wellbeing (CIW) comprising national quality of life indicators was developed in 2001 by the Atkinson Charitable Foundation (ACF), a Canadian civil society organisation that aims to promote social and economic justice, along with the Canadian Policy Research Network (CPRN). Since then there have been several iterations of the CIW with new editions of the index being released in 2011 and 2012.

The CIW incorporates eight domains of life identified as having an effect and contribution to Canadians' wellbeing, namely:

- Community Vitality
- Democracy Engagement
- Education
- Environment
- Healthy Populations
- Leisure and Culture
- Living Standards
- Time Use

In addition, a total of 64 indicators were incorporated into a single measure of wellbeing, known as the Canadian Index of Wellbeing Composite Index, CIW (2012). The CIW, whose motto is 'It's about our wellbeing, not just our economy', states that throughout the development process of the CIW, the focus was to make sure that each and every Canadian

saw themselves and their situations reflected in the CIW. The index was also created through a collective of national leaders and organisations, research experts, community groups, indicator users, and the Canadian public.

The table below outlines the timelines and processes which were utilised in development of the CIW (Canadian Index of Wellbeing, 2012, <https://uwaterloo.ca/canadian-index-wellbeing/about-canadian-index-wellbeing>). Key lessons to be drawn from the process embarked on in Canada include the incremental approach to development of indicators, the extensive consultation process with experts, the establishment of research advisory groups, the engagement with community stakeholders through focus groups and individual interviews, as well as the wide-spread dissemination of findings of the research undertaken.

Table 4: Timeline of the development and processes of the Canadian Index of Wellbeing

Period	CIW Development Processes
2001	Working with CPRN, the ACF developed a prototype of quality of life national indicators.
2002	The ACF convened a cross-Canada roundtable of leading indicator experts and practitioners. Participants recognised the need to elevate the profile of wellbeing measurement from local, provincial, and regional levels, to a national platform.
2004	The ACF hosted a national working conference of over 60 indicator experts, practitioners and potential users from government, academia and community. Key participants later helped establish a Canadian Research Advisory Group (CRAG) committed to developing the CIW.
2005	CRAG began work on the first five domains of the CIW: Living Standards, Healthy Populations, Community Vitality, Education, and Time Use.
2006	With the assistance of local United Way of Canada/Centraide Canada agencies and CIW partners, EKOS Research Associates conducted 19 focus groups in 14 communities (approximately 250 participants) from Whitehorse, Yukon to St. John's, Newfoundland. The roundtables included diverse representation from government, business, media and local and national Non-Governmental Organisations (NGOs). They talked to Canadians in both official languages, conducted an Aboriginal People's Roundtable in Winnipeg and a Multi Faith Roundtable in Toronto. They also conducted 14 one-on-one interviews with 'opinion leaders', from senior editors at various newspapers to senior public officials, politicians, and business leaders. The purpose of these discussions was to pilot test the concept of the CIW, to engage key stakeholders, and to seed a community of users.
	The ACF invited leaders from prominent NGOs and government to participate in a CIW workshop to review and to provide feedback on the results to date. Members of the CRAG made presentations on the CIW framework, on the research results from the Living Standards and Healthy Populations domains, on preliminary work in several other domains and on two possible models of presenting results in a composite index.
2007	A second stage of roundtables was conducted across Canada by Capacity Strategic Networks. In total, 13 roundtables (approximately 185 participants) were conducted in Prince George, Vancouver, Calgary, Saskatoon, Winnipeg, Thunder Bay, Chatham-Kent, Toronto, Ottawa (one with government, one with NGOs and one with community groups), Halifax, and St. John's. The purpose of this round of consultations was to update local stakeholders on the development of the CIW, to receive feedback on the specific framework that had been developed, and to create a network of local champions.
2008	A third public and stakeholder consultation took place in Toronto. This workshop invited a small group of policy advisors and community leaders to comment on emerging stories from the Living Standards, Healthy Populations, and Community Vitality domain reports. In addition, the workshop introduced the preliminary findings from the domain reports for Democratic Engagement, Education, and Leisure and Culture. Finally, the workshop introduced a working prototype of the composite index, based on indicators from the available domains, and discussed and considered a variety of the technical issues underlying its creation and communication.

2009	Release of the Canadian Index of Wellbeing's first three domains on Living Standards, Healthy Populations, and Community Vitality (June).
	Release of special report "The Economic Crisis through the Lens of Economic Wellbeing" (July).
	Release of special report "How are Canadians Really Doing? A Closer Look at Select Groups "(December).
2010	Release of the Democratic Engagement (January), Time Use (June), Leisure and Culture (June), and Education (October) domain reports.
	Release of special report Caught in the Time Crunch: Time Use, Leisure and Culture in Canada (June).
2011	Release of the Environment domain report (April).
	Release of the first complete version of the CIW's signature product, the Canadian Index of Wellbeing composite index (October).
2012	Conducted first CIW Subjective Wellbeing Survey in the City of Guelph (June-July).
	Release of the second Canadian Index of Wellbeing composite report "How are Canadians Really doing?" (October).

Source: Canadian Index of Wellbeing, <https://uwaterloo.ca/canadian-index-wellbeing/>, (nd) accessed 23rd September 2013)

An important innovation introduced as part of the CIW, was the need to communicate the key wellbeing indicators in simple form, using graphics and illustrations, to a wide audience, as well as to illustrate the extent to which these indicators of wellbeing were being realised in Canada.

Azerbaijan Harnessing Technology for Human Development Report

This report was published in 2003 and according to the UNDP the impact was phenomenal. It was noted, that arising from the publication of the report, the Ministry of Communication underwent organisational development change and transformed itself into the Ministry of Communication and Information Technology. Furthermore, the first community organisation was registered in the country, known as the Human Development and Sustainable Income Generation Public Union (<http://hdr.undp.org/nhdr>). The Minister of Education was prompted by the report to publish a human development curriculum and this became an optional course of study in secondary schools in that country.

A very interesting development arising from a recommendation in the report was the establishment of a Human Development Centre by the Multinational Azerbaijan International Operating Company (a private sector company operated by British Petroleum), which would focus on research on private sector issues.

Since Turkey and Azerbaijan were preparing reports at the same time, the two report teams struck a unique agreement to research the same topics—given that the two countries shared some common cultural features. Joint reviews of their findings discovered common problems that both could collaborate on solving, such as insufficient legal frameworks and limited technical training. The results of this collaboration were summarised in a publication entitled Azerbaijan and Turkey NHDRs 2003: Neighbours Harnessing Technology and Promoting the Information Society (<http://hdr.undp.org/nhdr>).

Mongolia's Human Development Report – A Widening Rural-Urban Divide

The Mongolian HDR was produced in 2003, focusing on the growing rural-urban challenge facing the country. Mongolia's report is one of only a few HDRs to study how topography, climate and geography can lead to striking development inequalities. While not much else is known about the content of the report, the UNDP reported that the impact of the report was considerable, in that political parties used the report to prepare their action plans prior to the 2004 elections, calling for balanced social and economic policies that prioritise jobs, secure livelihoods and provide accessible services. The report also was the catalyst for the organisation of a National Human Development Network aimed at making continued contributions to the country's development. It was also reported that the state included information from the report in the development of its State Population Development Policy(<http://hdr.undp.org/nhdr/>).

This section provided an overview of examples of international country development reports. Each of the reports represented some type of innovation for their specific country. In terms of the measurement tools developed, India's "Rural Gap" and Bosnia's "Human Social Exclusion Index" are singled out. In terms of the different approaches adopted for reflecting the countries wellbeing status, Canada's "Index of Wellbeing" reflects a commitment to holistically measure wellbeing – beyond the traditional economic indicators. Reflecting on processes embarked on in the production of the reports, the exhaustive and inclusive process adopted by Canada stands out as an example to be emulated. Although not extensive, evidence was also provided on the impact that these reports have had on initiating responses from government and other stakeholders, as described for Azerbaijan and Mongolia. All these reports reflected a strong commitment to balancing quantitative data analysis with qualitative analysis.

Assessment of national development reports in South Africa

South Africa has made considerable progress towards addressing its developmental priorities, although it still faces significant developmental challenges. The diagnostic report produced by the National Planning Commission noted that "South Africa needs an informed discussion about the major issues confronting the nation. The diagnostic report serves to advance this discussion. If South Africa is to reach broad consensus on its principal national challenges, it will stand a better chance of coming up with sensible and achievable solutions" (The Presidency, 2011a, p5). Development reports will certainly make an immense contribution to understanding the challenges, and in measuring the progress made in order to contribute to shaping the priorities and the design of programmes to respond to development needs.

Development Indicators Report

In 2009 the Minister in the Presidency, National Planning Commission, released a publication titled Development Indicators for South Africa (The Presidency, 2010). The report covered ten thematic areas namely; economic growth and transformation, employment, poverty, inequality, household and community assets, social cohesion, health, education, safety and security, and international relations and good governance (The Presidency, 2010). The report provided data on over 80 indicators including GDP growth, government debt, employment, unemployment, poverty gap, per capita income, dwellings, sanitation, life expectancy, school enrolment rates, voter participation, property crimes and sustainable tourism audits among others. (Refer to Appendix 2 for a list of these thematic areas and indicators).

The Development Indicator Report (The Presidency, 2010) acknowledged the importance of articulating development indicators in order to measure

the effectiveness and impact of policies and interventions on societies and on the country at large. The production of the Development Indicator Report coincided with the adoption by the state of an outcome based methodology for measuring government performance.

The development indicator report drew extensively on quantitative data, utilising various data sources, including Statistics South Africa, government databases and statistics produced by various research institutions (Ibid). Some of the data sources utilised included the South African Reserve Bank (SARB), National Treasury, JP Morgan Emerging Market South African data and the Human Sciences Research Council, among others. The production of the report was undertaken by staff of the National Planning Commission Secretariat and the Department of Performance, Monitoring and Evaluation, together with some external role players. The targeted audience of the report was government, the private sector and the public. The Development Indicators Report is widely available electronically and is also available in print form from the Presidency.

South African Development Index, South African Institute of Race Relations

The South African Development Index is a quarterly publication of the South African Institute of Race Relation (SAIRR), which has been produced since February 2011 (SAIRR, 2011). The SAIRR is an independent institution producing research, policy critiques and risk analysis in South Africa. It was first established in 1929 as the only national multiracial organisation to conduct research on race relations. The institute has produced a number of reports for South Africa on varying issues such as crime, living conditions, etc.

The SA Development Index has been designed to track development trends in South Africa. Consequently, the targeted audience is government, private companies, research and development institutions, academics and civil society organisations. The report is accessed through a subscription system, although non-subscribers can purchase individual reports.

The index assesses South Africa's development performance across six thematic areas, namely Economy, Education, Health, Living Conditions, Gender and Crime (SAIRR, 2011), selected as they broadly represent a cross section of factors that contribute to development in South Africa. The Development Index focuses on 26 indicators, including economic growth (GDP), population literacy rate, life expectancy, access to formal dwelling, female labour force participation, murder rate, etc. The Development Index is produced by analysing secondary quantitative data obtained from Statistics South Africa data, Department of Trade and Industry, South African Reserve Bank, and Health Systems Trust. The approach used in the development index report weighs the indicators to a total score of 100; each time the indicator is updated the score will decrease or increase, an increase representing positive development and a decrease representing negative development (Ibid). The report is structured to provide a description of how the index works and is followed by analysis of that indicator. Table 5 below outlines the six thematic areas and the indicators per thematic area.

Table 5: The six areas of focus by the South African Development Index by the SAIRR

Economic	Education	Health	Living Conditions	Gender	Crime
GDP seasonally adjusted and annualised at constant 2005 prices	Proportion of population, aged 15+, with no difficulty	Life expectancy at birth	Households living in formal dwellings	Labour market participation rate of females	Total serious crimes per 100 000 people
GDP per capita	Reading	Life expectancy at birth	Households with access to piped water	Number of professional female employees	Murders per 100 000 people
Unemployment rate	Adults (aged 20+) with higher education	Infant mortality rate per 1 000	Households using electricity for heating		
Youth unemployment rate	Adults (aged 20+) with grade 12	Immunisation rate for children > 1 year	Access to flush lavatories		
	Pupils per teacher	Total number of HIV infections			
	Matric pass rate	Proportion of population with HIV			

SAIRR, 2011: Development Report 2011: Prospects for South Africa's Future: Development Bank of Southern Africa

The Development Bank of Southern Africa (DBSA) report titled Development Report 2011: Prospects for South Africa's Future (DBSA, 2011), outlines its purpose as that of providing a useful set of perspectives to inform and complement strategic planning processes undertaken by government leaders and policy makers, other development finance institutions, donor agencies and the private sector. The report also seeks to contribute to ongoing debates about South Africa's development path and is targeted at researchers, academic institutions, development institutions and the general public. The report is divided into five parts, with the first part focusing on identifying trends, constraints and challenges in order to set the country on a new, inclusive and sustainable growth

trajectory (DBSA, 2011, p8). Part Two "highlights challenges and opportunities with regard to energy and water security, looking at the measures that need to be taken to improve performance in future" (Ibid, p8). Part Three "assesses the factors that have prevented progress in improving the performance of the education system, from basic to further and higher education, and what can be done to turn the situation around. It also looks at challenges in the health sector and the main interventions required to address them" (Ibid, p8). Part Four begins with an outline of spatial projections up to 2025 and the implications for economic, environmental and spatial development in South Africa. Part Five "outlines the institutional factors that have influenced South Africa's

current development in terms of the state, as well as the relationship between the state and civil society. It then discusses ways to increase the performance and impact of key institutions in the state and civil society in the short term, while laying the foundation for longer-term institutional change” (Ibid.p8).

The approach utilised by the report is threefold. Firstly, it provides evidence-based projections of South Africa’s current development path and the implications of the path in terms of meeting government stated objectives, crafting both best and worst case scenarios. Secondly, the approach highlights areas that need to be addressed if a sustainable and inclusive development path is to be achieved. Lastly it suggests possible focus areas and associated programmes to usher a new development path. Moreover (DBSA, 2011) states that it draws from its own experience and those of its partners in putting forward a practical and workable solution that will have a significant impact on South Africa’s future trajectory. The development report is available on the website of DBSA.

Millennium Development Goals Report, Statistics South Africa

The Millennium Development Goals Country Report for South Africa, produced by Statistics South Africa, provides an assessment of the country’s progress towards the Millennium Development Goals (Stats SA, 2010). While the report was intended to be a joint effort of the government of South Africa, Civil Society Organisations (CSOs), private sector and the office of the United Nations Resident Representative of South Africa, government was the main driver of this report with limited engagement with CSOs. Evidence suggests that United Nations agencies including UNDP and UNICEF contributed to the report.

The report assesses the eight MDGs, namely:

- MDG 1: Eradicate Extreme Poverty and Hunger;
- MDG 2: Achieve Universal Primary Education;
- MDG 3: Promote Gender Equality and Empower Women;

- MDG 4: Reduce Child Mortality;
- MDG 5: Improve Maternal Health;
- MDG 6: Combat HIV/AIDS, Malaria and Other Diseases;
- MDG 7: Ensure Environmental Sustainability;
- MDG 8: Develop a Global Partnership for Development.

The report utilises quantitative data in all its thematic areas, drawing on nationally available data sources mainly from Statistics South Africa, including the Labour Force Survey, Income and Expenditure Survey, Non-Financial Census of Municipalities, and the General Household Survey, among others. According to the report, a number of the indicators have been domesticated, mainly to ensure that MDGs are relevant to the local context in South Africa. The targeted audience of the MDG progress report is government, United Nations, CSOs and the public in general. Access to this report is freely available on soft copy and is available in hard copy at Stats SA library and other libraries.

Children’s Gauge, Children’s Institute, University of Cape Town

The Children’s Institute, based at the University of Cape Town, has annually, over the past 10 years produced The South African Child Gauge (Children’s Institute, 2012). Its principal objective is to provide an annual snapshot of the state of wellbeing of children in South Africa and tracks SA’s progress in realising the rights of children (<http://www.ci.org.za/>). The report, which is disseminated without subscription online, as well as through paper-based copies, focuses on a specific theme each year and provides evidence-based narratives and child-focused statistical data on the situation of children in South Africa. It is targeted to a wide audience, including government decision makers, parastatals, human rights watch dog bodies, academics, media, and civil society. Some of the previous themes have covered poverty, HIV and AIDS, access to education, rights to social services and healthy children.

Each edition covers three sections, namely Children and Law Reform, Children and Inequality and Children Count. In the Children and Law Reform section the focus is on discussing the impact of recent legislative developments, while the second section, Children and Inequality, provides narrative essays on the situation of children and finally section three, Children Count, presents a set of key indicators on children's socio-economic rights and analyses this data.

Yeziqane Network HIV/AIDS Scorecard

A popular type of development progress monitoring, is a scorecard or barometer. One such example is the Yeziqane Networks Children's HIV/AIDS Scorecard, produced by a network of civil society organisations in South Africa, working in the field of children and HIV/AIDS (Yeziqane Network, 2011). A presentation on the Scorecard to an OECD conference in Cape Town in 2010, titled "Turning Statistics into Knowledge for Advocacy", spoke to the value of the scorecard for the civil society sector in monitoring the implementation of the National Strategic Plan on HIV/AIDS and Sexually Transmitted Infections: 2007-2011 (Giese, 2010). The scorecard focused on only 10 critical indicators and provided current available data for each indicator, together with a comparative analysis of the data over time and between provinces, in comparison with national targets and in relation to the appropriateness of targets.

Development reports contribution to national development planning, implementation and prioritisation

Development reports serve as a mirror for measuring progress by government in achieving its targets and priorities. The extent to which these reports are referenced by politicians, academics and development planners illustrates their importance and contribution to development planning, implementation and prioritisation.

It is suggested that, not only do these reports inform government about planning and prioritisation, but

they also influence the daily economic decisions of individuals and firms. For example, reporting a high government debt may have a deleterious impact on long-term growth, thereby affecting short-term consumption decisions and investment decisions for firms. Indeed, this shows that the importance of these reports transcends government usage and has an impact on the economy as a whole.

The National Planning Commission (NPC) produced the National Development Plan (NDP): Vision 2030, as a road map for South Africa (The Presidency, 2011b). The NDP draws largely on the data produced by Statistics South Africa (The Presidency, 2011), illustrating the important contribution of development data towards shaping development planning. Prior to the drafting of the NDP, the NPC produced a Diagnostic Report examining the critical issues confronting South Africa. To assist in producing this Diagnostic Report, the NPC commissioned over 40 thematic and sector related papers.

The recommendations and targets in the National Development Plan are based on these data sources. However, a major criticism from government and other stakeholders is concern over the quality of the data used to populate indicators that feed into the planning process, particularly for small area statistics. The other criticism that is levelled against some of these development reports, which draw on qualitative data, is the reliability and validity of these qualitative findings. It was argued that some of these qualitative studies fall victim to the temptation to advocate certain positions, thus failing to be impartial in their reporting. It is imperative that the reports are presented in such a way that eschews bias and prejudice.

Development information gaps

A key weakness noted, is that many of these reports relied on either quantitative or qualitative data with few combining such data to provide an illuminating understanding of the development path in South Africa. An example of this is a focus in education

on improving school attendance. This ignores the importance of addressing the need to improve educational outcomes, rather than just attendance.

An interesting development around access to development information was initiated by the Programme to Support Pro-Poor Development (PSPPD), a partnership between the Presidency, RSA and the European Union. In order to strengthen evidence-based policy making in South Africa, the PSPPD initiated a research project aimed at understanding whether there was a need for a dedicated poverty information service. In capacity building work carried out by the PSPPD, they identified a challenge of “where to find reliable and up to date information concerning poverty and inequality in South Africa (de Sagte, 2011). The study, undertaken in 2011, generated 31 completed survey responses from a diverse set of stakeholders, including government departments, CSOs, academic institutions, research bodies, and consultants, among others. It sought to find out what kind of information was required and the nature and form in which stakeholders would want to access this information.

The study findings indicated a clear need for a poverty information service that was regularly updated, accessible and that would be sustainable (de Sagte, 2011). The report made a strong case for the development of a poverty information service. More importantly, in explaining why people needed such a service, respondents indicated that they were overwhelmed by data and having a one-stop service would help to consolidate where to find data. The preferred delivery format for the data was electronic and web based and the type of information required was extensive across many of the core development indicators. Some of the content areas to be covered by the Poverty Information Service presented, in order of the importance identified by respondents (de Sagte, 2011), included:

- Livelihoods and vulnerability (75%)
- Income and wages (64%)
- Inequality (64%)

- Social policy (54%)
- Social protection (46%)

The national development priorities, as captured in both the New Growth Path (EDD 2009) and the National Development Plan: Vision 2030 (The Presidency, 2011b), indicates that South Africa has a long way to go in terms of development and in meeting a number of development milestones as contained in the documents. Unemployment (joblessness), poverty and inequality are stated as being the main targets of the NGP. Likewise, the NDP 2030 states that it seeks to eliminate poverty and reduce inequality. Hence, for proper and informed prioritisation (in terms of resource allocation) and policy implementation, government needs to have appropriate knowledge of the prevailing poverty and inequality situation across the country, as well as on the dynamics of these over time, especially to track the effectiveness of policy. The NDP 2030 goes further and lists a number of key development challenges facing the country, such as those related to education, health, public service, infrastructure, resource use, sustainability, etc. These are also all development issues that need to be documented in order for proper action to be taken for the development of the country and its citizens.

Access and availability of information

This section provided a snapshot of some of the development reports available in South Africa. It is evident that South Africa has a rich resource base of quantitative data reporting and analysis, some of which is reflected in this report. Much of this is produced by government institutions and departments such as Statistics South Africa and by line function departments through their management information systems. More recently, with the establishment of the Department of Performance Monitoring and Evaluation in the Presidency, progress review reports have also been produced.

At a qualitative level, there is equally a rich resource base of evidence being generated by academic

and research councils, funded by international development and donor agencies, by the private sector and by civil society organisations. Most of these are small-scale studies, often focusing on a specific thematic issue or on a key population group e.g. women or children. Some innovations in development reporting were found in the University of Cape Town's Children's Institute publication the South African Child Gauge, which serves as a key resource for those working in the children's sector. The Yezingane Network's 'Score Card' initiative reflected an innovation by civil society in presenting "a shadow report" on progress to date, in realising positive outcomes for children infected and affected by HIV and AIDS.

The value and contribution of these reports to development planning, prioritising and monitoring is undisputed. Two key gaps were identified through the literature review, namely the need for data analysis which integrates both quantitative and qualitative evidence and analysis and the second was the need to make data more accessible to different stakeholders.

Profiling the development contribution of South African civil society

Civil society in South Africa is recognised as playing a critical role in contributing to development. A concern noted, has been the lack of awareness of this role and the lack of recognition of the contributions of this sector to development work in South Africa. In this section of the report some of the studies profiling the sectors contributions are elaborated on.

Civics State of Civil Society in South Africa

Co-operative for Research and Education (CORE) and the Institute for Democracy in South Africa (IDASA), in cooperation with SANGOCO, compiled a CIVICUS report on the state of civil society of South Africa and outlined the methodology for the development of a civil society index. The CIVICUS index is aimed at assessing the status, roles and

functions of civil society in the post-apartheid period with a view to contributing towards strengthening civil society. (CORE, IDASA, n.d.).

The four indicators of the diamond CIVICUS index are:

- Structure, which focuses on estimates of established civil society organisations (CSOs) in SA;
- Space, which focuses on the regulatory environment for CSOs;
- Values, which focus on matters of accountability and transparency; and
- Impact of the CSO, which focuses on measurement of the impact of CSOs, either quantitatively or qualitatively

The study employed a range of methods, including conducting workshops with the relevant key stakeholders, researchers and academics who have studied various aspects of civil society in South Africa, secondary data analysis, a scan of relevant literature, as well as interviews with key informants. Media coverage of civil society and other stakeholders was assessed over the 15-month period from January 2000 to March 2001 (CORE, IDASA, n.d.)

Development Update

Development Update was a publication produced by Interfund, a South African development funding conduit in partnership with the SA Non-Governmental Coalition (SANGOCO). This publication ceased to exist after Interfund closed down many years ago.

According to the Development Update manifesto, the publication was striving to promote: "progressive, enlightened and non-sectarian ideas and practice about development and the role of the voluntary sector in transformation in South Africa; critical examination of the political, economic and social context of development; a keener understanding of development and issues relating to development; critical debate about development and the voluntary sector in South Africa; a more acute understanding of international development issues; a better

understanding of regional development dynamics in the sub-continent; and cross-sectoral debate in the voluntary sector” (SANGOCO and INTERFUND, 1998; Volume 2 No 1.p2).

The Development Update was produced as a quarterly report and the State of Civil Society in SA Review was produced annually. The quarterly and annual reports were thematically based, but predominantly centred on civil society organisations and the contribution they make to development in South Africa. Some of the titles of these quarterly journals included ‘The voluntary sector and development in South Africa’, ‘Does development have to be democratic: community, accountability and the voluntary sector in South Africa’ and ‘Community, research and public policy in South Africa’, respectively, reflecting themes covered by these journals.

Similarly the annual development reports were thematically focused with the 1993 report titled ‘An INTERFUND Briefing on Education and Training in South Africa in 1993’ and the 1994/5 report titled ‘An INTERFUND Briefing on Development, Education and Training in South Africa in 1994/5. An example of the way the reports were structured can be gleaned from the 1993 report focused on education, which was divided into three sections. Part One examined the state of formal education at the time, as well as the then proposed policies to restructure the system. Part Two provided an assessment of the players that had a stake in education reform, including NGOs involved in education, the corporate sector, parastatals and foreign donors. Part Three conducted a thorough analysis of the role of NGOs that had a stake in education reform, for example, reviewing the education sectors in which the NGOs were active in and exploring the extent to which the NGOs could influence reform, along with the threats and opportunities that faced them (SANGOCO and INTERFUND, 1993).

The thematic focuses for both the annual and quarterly reports were based on an ongoing scan

of news-cuttings from the South African press and the SouthScan newsletter, as well as organisational reports, relevant periodicals, and interviews with relevant stakeholders. The reports relied on both quantitative and qualitative data. For example, seven individuals were interviewed for the 1996/97 quarterly journal edition titled ‘The Voluntary Sector and Development in South Africa’. Included amongst the seven interviewed was a director of the Education Policy Unit at the University of the Witwatersrand, a deputy director at the National Land Committee and a gender advisor to INTERFUND and HIVOS. Similarly the approach to drafting the 1995/96 report ‘An INTERFUND Briefing on Development and the Voluntary Sector in South Africa in 1995/96’, comprised interviews with 16 organisations (SANGOCO and INTERFUND, 1996; 1997). Both the annual and the quarterly reports were written in essay-type format and the information contained in them is predominantly qualitative in nature.

The Development Update quarterly journals and annual report were the outcome of a partnership between the South African National NGO Coalition (SANGOCO) and INTERFUND, while the Development Update Briefings were produced by INTERFUND. The quarterly journal had two editors, one each from SANGOCO and INTERFUND. The editorial board was made up of a wide range of stakeholders including (but not limited to) members from donor organisations (e.g. the Ford Foundation), NGOs, media (e.g. journalists), and researchers.

Other Civil Society Studies

Habib (2005) documented a study on State-Civil Society Relations on Post-Apartheid South Africa, which looked at the role of civil society in the apartheid and post-apartheid era. He analysed how the regime change and globalisation had affected the transition to a democratic South Africa, particularly in relation to civil society. The study identified three different blocs within the civil society namely NGOs, survivalist agencies and social movements, that emerged in response to structural

factors such as democratisation, globalisation and neoliberal policies in South Africa (Habib, 2005).

Other studies referred to by Habib (2005) include the most comprehensive review of the size and the shape of this sector. This study was a joint collaboration between the School of Public and Development Management at the University of Witwatersrand and the Centre for Civil Society at John Hopkins University, USA. Morgan (2005), in an article titled 'The potential for an Independent Regulatory Authority for NGOs in South Africa', examined the regulatory environment in which the civil sector operates. A key finding of this study was that civil society organisations were more likely to thrive under an independent regulatory.

Morgan (2005) looks at how the regulatory environment may function given an independent regulatory body in South Africa. The author examines the registration process, compliance issues and responsible stakeholders, as well as the benefits and challenges for a regulatory body in South Africa for NGOs. The South African NGO sector, according to the study, may thrive under an independent regulatory body, but further discussions of the potential disadvantages and challenges are needed.

Hendrickse (2008) traced governance and the financial sustainability of South African non-governmental organisations (NGOs) for the period 1990 to 2002, with the intention of developing improved options for the future regarding the sustainability of the NGO sector in South Africa, especially with regard to financial management and governance. The study's research findings suggest that the long-term sustainability of the non-profit sector is linked to the legislative framework of the country in which NGOs operate. In South Africa, the Non-Profit Organisations Act (Act 71 of 1997) lays out a framework in great detail for the creation and operation of civil society organisations (Hendrickse, 2008).

The NDP Vision 2030 (Presidency, 2011b) recognised

the critical role that civil society organisations in South Africa play in contributing to development and called for a social compact involving all sectors of society to contribute to South Africa's development. This section has highlighted a gap in information available, which captures the contribution that this sector makes to development. This is a gap that needs to be filled.

Sources of Development Information

Respondents identified a range of sources that they typically consulted when looking for reliable and current development information. Those identified included reports from international organisations such as the United Nations institutions (UNDP, UNICEF) and the WHO. Particular reference was made to the Human Development Report and the African Gender Index. Another institution whose reports were valued was the Human Rights Watch, which provided independent information on the state of governance in developing countries. Reports published by Statistics South Africa, progress monitoring reports published by government such as the MDG reports, Development Indicators and midterm reviews were also noted as key sources of statistical information on a range of development indicators. The NDP website, which rapidly became a repository for a wealth of development information, was also cited as an important source of data. Development journals such as the Development Update and the Annual Review of the Voluntary Sector produced by Interfund were also noted as sources of information on civil society's contribution to development. Research reports produced by a range of stakeholders, including the Human Sciences Research Council, were also mentioned.

Importance of communicating information on the state of development in a country

Respondents were unanimous in articulating the view that information was critical to effective planning and for ensuring results. Use of development information for evidence-based policy making, programme

planning, prioritising of development needs and for reviewing and improving performance, were the main reasons provided.

One respondent summarised this as follows, “I strongly believe in evidence-based policy making. In order to address a set of challenges one needs to know the challenges first, which strategies that are being pursued actually having a tangible effect on the ground. The only way we can do this is by instilling very strongly a culture of evidence-based policy making, monitoring and evaluation in the country” (Civil society respondent, 2013).

It was suggested that the information needs of different stakeholders would differ, for example, government would need information to assess where the performance is good and areas which need immediate action or more support. Development targets are a signal of where the state intends to go and are useful for civil society organisations to monitor progress and assess the appropriateness of the solutions to the problem.

Development reports would also assist CSOs to profile the impact that the civil society sector is having on South African development and to provide information needed by development practitioners.

Assessing the need for an Annual State of Development Report for South Africa

Respondents provided divergent views on whether there was a need for such a report and what gap it would fill. One government respondent stated that there was already a plethora of data on development available in departmental reports on their programmes and hence there was not a need to generate more data, as this would be duplication. However, the respondent acknowledged that such reports, which are largely statistical, could be complemented by narrative reports on development performance which are often lacking. It was also suggested that there was a need for consolidated government reporting on progress made across

different sectors. A CSO respondent submitted that although there was a lot of statistical data on development in South Africa, there were not sufficient qualitative reports on the experiences of people whose lives are impacted by development or the lack thereof. Qualitative reports would provide deeper insights into the extent to which government is meeting its development priorities.

A civil society respondent, however, noted that there was a need to substantiate census information by analysing community’s experiences of a particular issue. Some respondents strongly articulated a need for reporting on civil society, as there was no clear and consistent source of information about a sector that made a considerable contribution to development in South Africa. A government respondent noted the lack of reporting on the monitoring and evaluation of programmes implemented by civil society. Several of the respondents referred to this as the need for more analysis of the so called “third sector”.

It was also noted, that in many of the reports produced by government reflecting on progress often prepared for submission to international bodies such as the UN, there was often an absence of a civil society perspective. To illustrate this point, it was noted that the 2010 MDG report, for example, reflects on access to primary education, but does not reflect on the more qualitative aspects of educational performance. An example of civil society engagement in government reporting on international treaties was the Irish Shadow Report, produced by civil society organisations in that country, which provided an alternate perspective on progress made by government. These kinds of shadow reports were a valuable source of verification of government reporting on progress made.

Finally, it was also suggested that few reports or studies were available that measured how people can graduate from poverty to self-reliance and whether this was actually happening.

In response to the question of whether there was a need to profile government's progress in meeting development priorities, there was consensus that this was unnecessary as government had instruments such as annual reports and progress reports made available to parliament, which did precisely this.

Process and approach to be followed in the development of such a report

It was evident from the responses that, the institution that leads the development of a report, which either profiles CSO work in South Africa or provides an alternate development perspective, needs to be independent, even if supported by a government institution. This independence would contribute to the report's credibility and to enabling active engagement by diverse stakeholders, including civil society organisations.

While the NDA's interest and initiative in commissioning this study was appreciated by all respondents, the above viewpoint held strongly, namely that the NDA should not be seen to be driving the process, rather it should play a facilitating role. Suggestions for which institutions could lead the drafting process included a recommendation from a government respondent that the HSRC or an academic institution could play this role effectively.

It was proposed that civil society organisations be involved in the drafting of such a report, especially where government is reporting on progress. However, if consensus cannot be reached, it was suggested that instead of a compromise position, the process should allow for shadow reporting by civil society instead. The process called for was to be inclusive and consultative in the gathering of information and its analysis.

Partners in collaboration in the development of the report

It was proposed that the editorial level should include a diverse stakeholder base, including

representatives from key government institutions, academics and research councils, as well as civil society representatives. It was argued that involvement of a broader group will ensure that the report holds up when tested against broader opinions. The example of the Development Update was cited, where the editorial board was comprised of the two lead institutions (Interfund and SANGOCO) and further included a donor sector representative, an academic representative and the NGO sector, representatives from the funding community, local government structures and representatives of different stakeholders in society, such as women's organisations etc.

An important point made by a CSO representative was the need for transparency in the manner in which the Editorial Board would be appointed, as this would engender confidence in, and integrity of, the product. An example cited is a recent initiative being supported by Atlantic Philanthropies¹¹¹, where an Editorial Board is being established. In order to ensure a transparent process of selection, an advert was placed for editorial board members in the media. A screening committee, involving a selected group of stakeholders including government representatives, was mandated to assess and identify the potential editorial board members.

The UNDP respondent was firm in stating that, not only was it important to have the right people involved, but that the team also had to be multi-skilled, yet compact. It was also important that the roles and responsibilities of the team are properly specified at the outset.

Target audience for the development report

The consensus view was that the reports should target a broad pool of users, namely the state (especially local government), civil society organisations, academic and research institutions,

¹¹¹ Atlantic Philanthropy is an international development funding organisation

parliamentary constituencies, the media, the public and the private sector.

It was however, suggested that not all these stakeholders would want to access the information in the same manner and that different approaches to disseminating findings must be developed to ensure that it effectively reaches these different audiences.

Dissemination of the report

The overarching response was that information dissemination needed to keep abreast of developments with respect to knowledge dissemination. Increasingly it was recognised that documents in print form were expensive to produce and had a limited reach arising from costs of distribution. More importantly, electronic versions of documents were more widely accessible to a national and global audience. Their reach could be expanded by links to other websites, as well as through posting the documents on key development archives. The development of policy briefs and short summaries of findings was also encouraged.

One respondent suggested that hosting launches of the report to different stakeholders is important for influencing policy. Using important international spaces such as African Union Forums, UN and NEPAD meetings would be strategic.

As a way of reaching grassroots communities, the use of radio and cell phone technology has been extensively utilised with success and, given the huge footprint of cell phones in South Africa, could be an important basis for communicating key messages about development priorities or progress towards achieving this.

Key findings

A brief summary of key findings emerging from both the literature review and the qualitative survey is presented below, which has resulted in the development of a framework for the development of An Annual State of

Development Report for South Africa.

- South Africa has a rich resource base of quantitative reporting on development produced by government and sources independent of government. To add to this resource base is unnecessary and wasteful.
- An Annual State of Development Report, which addresses specific gaps in development information, could definitely contribute to a better understanding of and lead to a more effective response to development planning and prioritising.
- The development information gaps that an Annual State of Development Report could fill would include:
 - The need to include qualitative narrative reports which provide more nuanced perspectives on the impact of development on communities and on vulnerable people;
 - Another gap noted was in profiling the work of civil society organisations' contributions to development, including monitoring and evaluating the sectors contributions;
 - A third gap highlighted the need for reports that critically reviewed government's assessment of progress, which were referred to as shadow/alternate reports.
- An independent institution, perceived as "neutral", is best placed to lead the process of developing such a report.
- Active participation of a range of stakeholders, including government, is recommended. Transparency in the appointment of those who will serve on an "editorial board" is important to ensure the reports' credibility and integrity.

Having affirmed the need for an Annual State of Development Report for South Africa, which addresses specific information gaps as outlined above, the framework presented in the next section

sets out guidelines for the NDA to consider in enabling this initiative to be implemented.

Conclusion

The UNDP presents a strong persuasive case for the production of human development reports at country level, identifying three key purposes that they serve, namely:

- As tools for policy analysis, particularly in reflecting people's priorities, engaging national partners, identifying inequities and measuring progress;
- As policy advocacy documents they promote national policy dialogues on critical challenges impacting development — not only through human development indicators and policy

recommendations, but also through the country-led and country-owned process of consultation, research and report writing.

- As an advocacy tool, in that such reports can spur public debates and mobilise support for action and change. (<http://hdr.undp.org/en/reports/about/>)

The study has identified the gaps in development reporting in South Africa and has made a compelling case for institutionalising the development of such a report, which addresses the gap in knowledge and understanding of the critical role played by civil society in advancing development in South Africa. The recommendation is for the NDA to play a leading role in the establishment of a body or institution that leads to the production of such a report.

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CHAPTER 6:

ENHANCING ACTIVE CITIZENRY ENGAGEMENT IN SOUTH AFRICA

Human Sciences Research Council: Shirin Motala, Stewart Ngandu, Siyanda Jonas, Yvonne Gwenhure, Annette Verryn, Kombi Sausi, Jeff Ogwang, Lineo Soakane, Mimi Ndokweni, Nthabiseng Tsoanamatsie, Steven Masvaure, Thami Ngwenya. NDA: Lucky Mkhonza, Lehlogonolo Ratlabyana

Background and context

The government of South Africa acknowledges that active citizen participation is a prerequisite for democracy and transformation. A core component of South Africa's Constitution is the commitment to ensure public participation in governance, aimed at giving effect to the principle of a representative and participatory democratic state, with Sections 59, 72 and 118 of the Constitution calling for public involvement in legislative processes. Central to the constitution are values of non-racialism, equality and protection of individual and societal rights. Significant evidence exists to suggest that there are substantial development gains to be achieved through enhancing active citizenship, foremost of which is its contribution to deepening democracy (Putnam, 2000; Sheedy, 2008).

South Africa has established a number of channels aimed at giving effect to enhancing citizen engagement in governance. These include legislated, statutory mechanisms such as ward committees, school governing bodies, and formalised avenues such as rural road transport forums and police forums, among others. These platforms are aimed at allowing citizens to shape institutions that determine their wellbeing. National, provincial and local spheres of government can enhance citizens' participation through a variety of two-way information gathering and sharing forums and platforms between citizens and government. While these platforms can enable government to inform, they also enable citizens to give feedback to government and to monitor performance. In addition, these channels will allow all development actors (the individual, communities, non-governmental organisations (NGOs), government and even the private sector) to use this information flow to develop strategies together, which enable citizens to best claim their rights and exercise their responsibilities as envisaged by the Constitution. Citizen participation therefore has an important role to play in bringing about transformation.

In this regard, significant benefits stand to be realised in terms of well-established mechanisms for redress, two-way communication flows between the state and its citizenry, the ability to hold state officials accountable to expected outcomes and the potential to better align policies to the needs of society. These benefits would help build higher levels of trust between the state, its institutions and the citizenry, enhance the role of ordinary South Africans in decisions that affect their lives and wellbeing and extend the democratic process beyond the ballot box. Despite the existence of these platforms government has acknowledged that the distance between the citizens of South Africa and the government keeps growing (NPC, 2012a).

Problem statement

The Fifteen Year Review commissioned by the Presidency in 2008, specifically noted that despite a progressive framework espoused by government for public participation, there was still an urgent need for strengthening innovative approaches to fostering participatory democracy. Twenty years into our democracy, many of these values have yet to be realised leading to great discontent among the citizenry as they feel that government has not adequately addressed their needs and concerns. This urgency is underlined by the increasing number of service delivery protests countrywide, both in intensity as well as in level of violence exhibited (DCoGTA, 2014), especially over the last decade. Although the reasons for protest action are complex they demonstrate a demand for accountability and responsiveness from government, which appears to be largely unmet within the confines and quality of existing participatory democratic systems (NPC, 2012a; Powell, 2012).

Chapter 15 of the National Development Plan 2030 suggests that the state should focus on engaging with people in their own forums rather than expecting citizens to engage with forums created by the state (NPC, 2012a). It notes that: "In many respects,

South Africa has an active and vocal citizenry, but an unintended outcome of government actions has been to reduce the incentive for citizens to be direct participants in their own development. To prevent this practice from being entrenched, the state must actively support and incentivise citizen engagement and citizens should:

- Actively seek opportunities for advancement, learning, experience and opportunity.
- Work together with others in the community to advance development, resolve problems and raise the concerns of the voiceless and marginalised.
- Hold government, business and all leaders in society accountable for their actions.

... The state cannot merely act on behalf of the people – it has to act with the people, working together with other institutions to provide opportunities for the advancement of all communities”. (NPC, 2012b: 27)

It is evident that active citizenry and public participation are both overburdened concepts in South Africa’s development lexicon.

Key concepts and understanding of active citizenry

Citizen engagement is essentially a process whereby citizens claim the right to participate in decisions that affect their lives and wellbeing. Citizen engagement entails the redistribution of power from the state to citizens as a core element

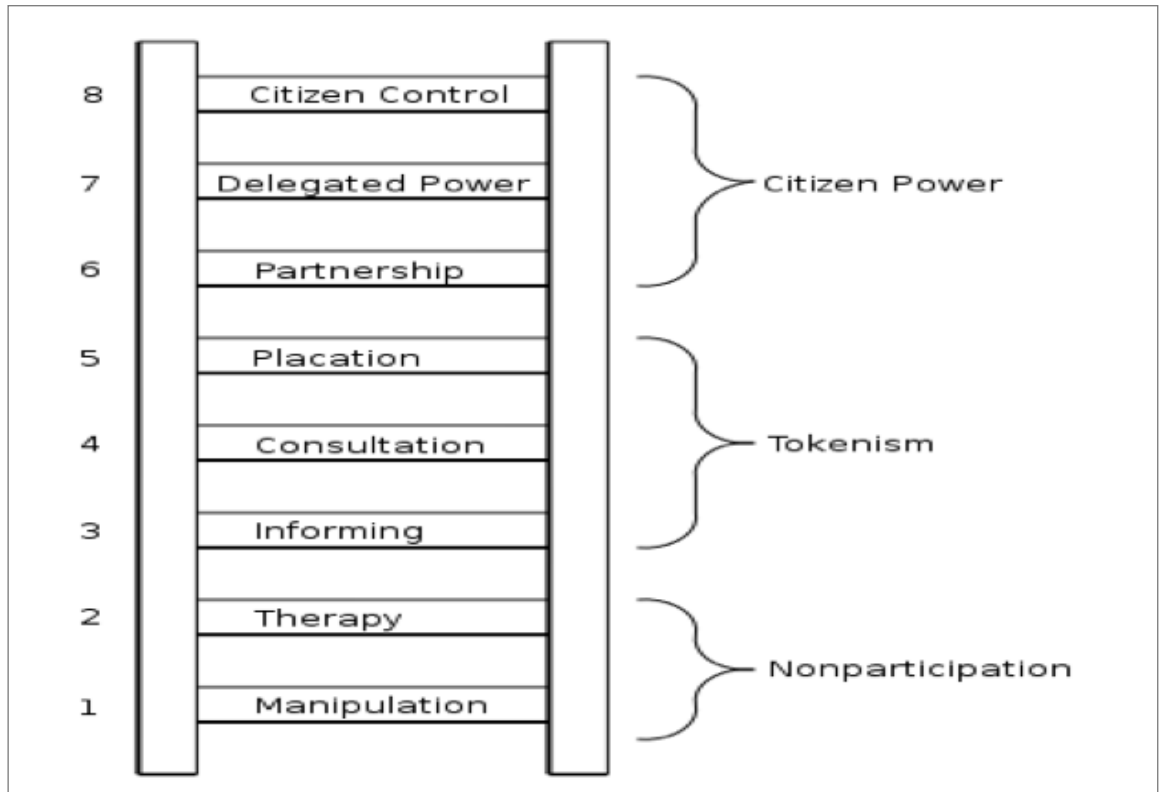
of a democratic governance system. While there does not appear to be a universal definition of citizen engagement, common themes running through many of the definitions are ‘political action, community activism, mutual respect, nonviolence, democracy in practice and the redistribution of power from the state to citizens as a core element of a democratic governance system’ (GGLN, 2013; Hoskins and Mascherini, 2009). Active citizenship is thus concerned with questions of what it means to be a member of society, how identities and loyalties are constructed, how citizens are supported and resourced as members of society (rights) and how citizens contribute to the improvement of society’s wellbeing (obligations and duties).

Nature and Quality of Public Participation

Participation alone is not a sufficient indicator of democratic practice. An important link is made between participation and democratic values with the assertion that unless participation adds value it will be neither democratic nor beneficial. The postulation is made that participation could be reduced to a mere empty and frustrating ritual, if not accompanied by a real distribution of power.

This preoccupation with the quality of participation emerged in the discourse on public participation in the late 1960’s, initially with Arnstein (1969) who sought to distinguish between ‘real participation’ and ‘manipulation’, using an eight-step ladder of participation.

Figure 1: Arnstein's ladder of Participation

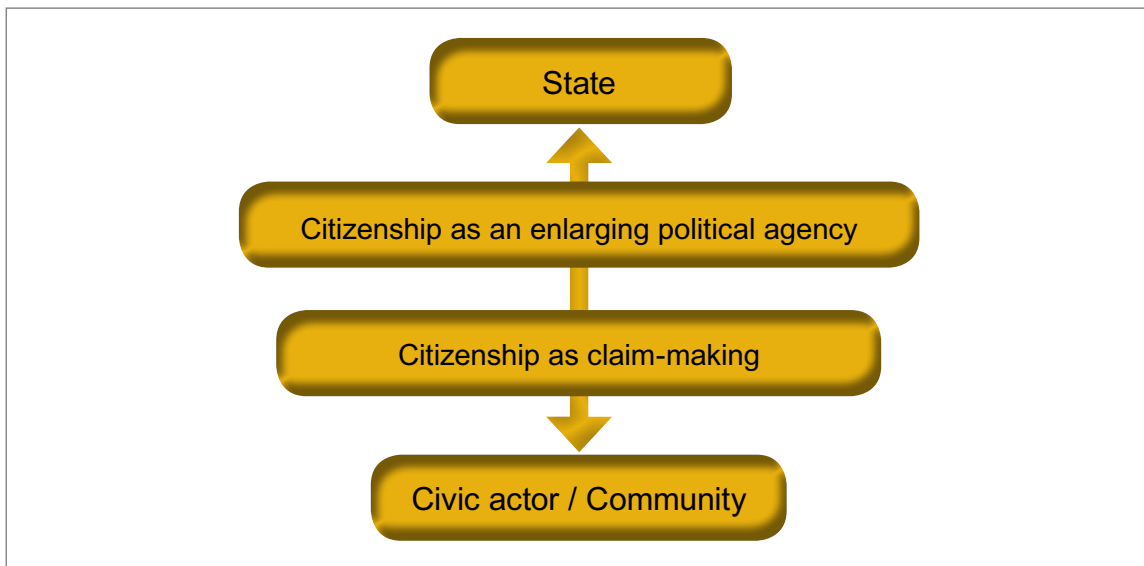


Source: Arnstein (1969)

The rungs on the ladder represent various degrees of the distribution of power, with the highest rung reflecting effective citizen control.

More recently Rowe and Frewer's typology of public engagement mechanisms defines participation as a two-way channel of communication, equivalent to rungs 7 and 8 of Arnstein's ladder (Rowe and Frewer, 2005) as illustrated in Figure 2 below:

Figure 2: Two way channel of communication



Source: Rowe and Frewer (2005)

Here the notion of active citizenship as a two-way process is clearly articulated, whereby on the one hand citizens claim the right to participate in decision-making processes with government, while on the other hand government is held accountable to the citizenry in terms of agreed milestones and expected outcomes. Well-established platforms of communication and information flow, in both directions, are required to ensure an effective and successful civic engagement in democratic governance processes.

Value of Promoting Active Citizenry

Substantial development gains stand to be achieved through enhancing active citizenship, foremost of which is its contribution to deepening democracy (Putnam, 2000; Sheedy, 2008).

Sheedy (2008) noted at least six potential benefits of strengthening citizen engagement namely:

- It enhances decision making as it suggests that ignoring public opinion is short sighted and

decision making arising thereof will be perceived as illegitimate.

- It improves policy decisions as it provides a broader basis on which to make informed decisions.
- It serves to overcome polarisation and reduces potential for conflict, as it helps to build trust.
- It strengthens citizen competencies in terms of enabling skills development and transfers in problem solving and strengthening their confidence to engage with government structures.
- It involves citizens in political life beyond the ballot box.
- It provides a platform for minority voices to be heard in decision making processes.

Putnam’s work on social capital is relevant here. Loosely defined, social capital refers to the connectedness between groups of people. Drawing on his seminal work on social capital formation in the USA in the 1990s, *Bowling Alone: The Collapse and Revival of American Community*, Putnam presented evidence which indicated that in communities where

social capital was high, there were positive benefits for both communities and individuals. Putnam's thesis about the value of social capital is closely aligned with the active citizenry benefits outlined by Sheedy (2008), namely that it contributes to collective problem solving, widens awareness of an issue by hearing from different perspectives and enables the building of trust between the state and the citizenry.

The need to build social capital through effective and functional mechanisms of civic engagement is of paramount importance in South Africa. This is due to the challenges to effective communication and dialogue between the state and the citizenry, evidenced by the frequency and violent nature of public protests in South Africa. Successful participation of the citizenry in processes of governance and the realisation of the goals and objectives of development and transformation in South Africa cannot be overemphasised. These benefits would help build higher levels of trust between the state, its institutions and the citizenry, enhance the role of ordinary South Africans in decisions that affect their lives and wellbeing and extend the democratic process beyond the ballot box. Effective mechanisms of civic engagement also improve the level of cordiality in the relationship between the state and the citizenry, which helps to mitigate political polarisation and conflict. These benefits are of utmost importance to the political and governance landscape of South Africa as intended in the 1996 Constitution.

Evolution of active citizenry in South Africa: pre- and post-apartheid

A study of the evolution of civic engagement in South Africa from the pre-democracy era to the present, provides interesting historical antecedents for active citizen participation. Government in South Africa pre-1990, provided little opportunity for community participation. The conditions during apartheid pushed most CSOs towards a common goal of defeating apartheid and seeking to transform

South African society. Citizen engagement during this period by the disenfranchised majority took place within the mass democratic struggle aimed at toppling the apartheid regime.

Interestingly, Perold et al. (2007) advances that during apartheid the context for citizen's activism embodied two different concepts of service. During apartheid, 'national service' was the term used to describe citizen engagement where young white men had to complete military service upon leaving school. Alongside this development the Mass Democratic Movement (MDM) played a leading role in facilitating social change in South Africa, and spawned a wide variety of organisations that provided services in communities suffering under apartheid, while also contributing to the goal of liberation. Alongside these organisations mushroomed a range of forums or public spaces for citizen engagement, including the emergence of civic structures such as housing action committees, youth forums in academic institutions who championed campaigns such as COSATU's living wage campaign and anti-eviction campaigns.

Post-Apartheid Citizenry Engagement in South Africa

The notions of a participatory democracy and an interactive state are rooted in the ancient African principles, '*morena ke morena ka batho and motho ke motho ka batho*', a principle espoused in the Freedom Charter through a well-known provision, '*the people shall govern*'.

Post transition to democracy, the Constitution sought to make the people of South Africa the provenance and recipients of development planning. This translated into the development of an increasingly institutionalised system of public engagement. Citizen involvement was reflected in legislative and policy commitments such as the development of the ward system in local government.

In president Thabo Mbeki's second term (2004–2008/9), systematic attention was given to the institutionalisation and improvement of the early

initiatives such as the Izimbizo (public consultation and feedback). The notions of citizen engagement and citizens assuming co-responsibility through specialist bodies (such as businesses) or with councils who represented sectoral interest (religion, culture and gender) gained prominence in an effort to establish participatory democracy and help bring forth effective governance. These initiatives enhanced prescriptive public participation, as directed by the Office of the Presidency (The Presidency, 2012).

In addition, there was a greater emphasis on co-governance with civil society, even if in theory more than practice. During this period, South Africa experienced a sustained contraction in public demonstrations (The Presidency, 2012). It did, however, see the emergence of, among others, campaigns and movements, such as the Treatment Action Campaign, the Peoples Budget Campaign and the Landless Peoples Movement 2000, advocating for fundamental changes to the delivery of healthcare, allocation of resources and land reform.

Contextualising Service Delivery Protests in the Governance Landscape of South Africa

Unfortunately, public protests over service delivery, labour strikes and unrest have been one of the most visible indicators of active citizenship 20 years after attainment of democracy in South Africa (Lefko-Everett, 2011). DCoGTA (2014) reported that there had been 155 protests nationally in 2013, the highest recorded protest-ridden year since 2004. The main drivers of protest action within South Africa have included poverty, high unemployment and socioeconomic exclusion, relative deprivation, inequality in informal urban areas and dissatisfaction about the provision of services such as electricity, water, sanitation, refuse removal, roads and housing (DCoGTA, 2014; Gould, 2012; Ngwane, 2011). Importantly Ngwane (2011) found that the decision to protest was often preceded by repeated attempts to engage the authorities with no success. Hence,

the issue of governance failure is important when considering the protests and appropriate civic engagement mechanisms aimed at mitigating such violent protests. These public protests, regardless of their repercussions, have been seen as being a more effective space to communicate with government than ward committee structures (Andani, 2012).

A deeper analysis of available evidence on service delivery protests reveals some interesting patterns (DCoGTA, 2014):

- The communities where protests took place are significantly poorer,
- Have higher rates of unemployment and have lower levels of access to services than the rest of the country;
- Unemployed, uneducated males participate more than females in protest actions.

While the evidence does not specifically identify the youth as key protagonists it stands to reason that, in the context of the disproportionate number of unemployed youth who are living in poverty and thus experience high levels of exclusion and marginalisation, the youth are more likely to turn to protesting to make their grievances visible. This finding resonates with Putnam's findings on the relationship between social capital and active citizenship in the USA as elaborated on earlier in this report.

A slightly contradictory pattern has emerged, which reveals that protest activity declined prior to both the 2000 local government elections and the 2014 national elections. Analysts suggest that this is in response to intense political engagement during the pre-election periods where politicians undertook to address local issues, whilst debating the broader progress made over the last 20 years (DCoGTA, 2014). It further serves as evidence that a deeper and effective level of engagement with the citizenry could yield positive results. However, the ability to implement well-stipulated policies and legislation that place citizen participation at the centre of governance processes still remains a challenge.

Despite the rights and freedoms bestowed on citizens in the wake of liberal democracy in 1994, many ordinary South Africans have still not bought fully into the notion of active citizenship. As South Africa crawls through adolescence and stumbles into adulthood, it is sad to observe that it doesn't matter how communities are approached or how many pamphlets are distributed, ordinary South African citizens are not interested in participating in governance, particularly if this does not address their immediate concerns (Gaidien, 2013).

This can be attributed to several factors. The transition from apartheid to liberal democracy is a new experience for many citizens, who are yet to understand and get used to its practices. This may explain why many people are unable and unwilling to seize opportunities to interact with government in an invited space. It is simply a case of lack of knowledge and awareness of democratic practices and the relevant legislations that govern the democratic state (Pieterse, 2013). This passive attitude towards democracy has in the past paved the way for government to work in isolation and, arguably, fuel the current state of disjuncture that exists between government and communities.

Institutions and frameworks for advancing active citizenship

There are many institutions, statutory, regulated and informal which promote opportunities in South Africa for active participation. In accordance with the mandate of the Constitution for public involvement in legislative processes, numerous institutions have been established to support constitutional democracy and importantly, to enable citizens' participation in public affairs. These include the six Chapter 9 institutions, namely the South African Human Rights Commission, the Commission for Gender Equality, the Office of the Public Protector, the Independent Electoral Commission, the Auditor General and the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (the CRL Commission).

These institutions were established to promote and defend people against rights violations, as well as government failure to advance rights, especially those pertaining to socioeconomic rights and safety (The Presidency, 2012). As independent institutions, the Constitution empowers these bodies to perform their functions without 'fear, favour or prejudice'.

In addition, various mechanisms and policy frameworks have been established to ensure that citizen's participation in governance extends beyond the ballot box. These include:

- The White Paper on Transforming Public Service Delivery, aimed at ensuring that government responds to the needs of the people (DPSA, 1997); and
- The Promotion of Access to Information Act of 2000 promulgated to provide access to state information and administrative justice for citizens. (The Presidency, DPME, 2014).

Both the above require government departments (across all spheres) to conduct their work in specific ways which promote active citizenship.

Role of Local Government in citizen participation

Globally, local government roles as a medium for citizen participation in governance has been recognised (Gaventa, 2002). In South Africa various policy documents emphasise the centrality of the role of local government in development, including the State of Local Government in South Africa 2009 (DCoGTA 2009b), South Africa's Twenty Year Review 1994–2014 (The Presidency, DPME, 2014) and the National Development Plan Vision for 2030 (NPC, 2011).

The Local Government Municipal Structures Act (No. 117 of 1998) requires the establishment of ward committees as a means to enhance participatory democratic processes down to ward level. Complementary to the ward committee system is community-based planning (CBP), a ward-based planning mechanism, aimed at breaking

down the Integrated Development Plans (IDPs) of the municipalities to the ward level and allowing citizens to influence the development of these plans (SALGA, 2011). Ngamlana and Poswayo (2013) posit that due to capacity constraints of local government, IDPs are generally compiled by planners, engineers and consultants who are qualified to focus on spatial and infrastructural issues, rather than process dynamics of community participation. The resulting effect being that community ownership of the IDPs is virtually non-existent and consultation with the community is simply to legitimise decision making.

Local governance in South Africa had been found to be the most dysfunctional sphere of government (DCoGTA, 2009a) and a turnaround strategy was developed, the main thrust of (DCoGTA, 2009a) which was to enhance public participation processes, including better facilitation of protest activity, for instance by promoting petition processes (DCoGTA, 2014).

Despite interventions encouraging active citizenry at local government level, wide gaps still remain. Paulus et al. (2013) found that citizens tend to participate more in systems that they are familiar with. While the service delivery protests may be seen as another form of active citizenry, the frequency with which they occur and their continuation serves as evidence that structures adopted by government for enabling citizen participation have poor community infiltration. This further suggests that there has been a significant breakdown in communication between government structures and the citizens (Heese and Allan, 2009).

Typologies of Citizen Engagement in South Africa

The literature review appraised the different forms of associational life in South Africa that provide spaces for citizen's voices to be heard, and specifically for facilitating public participation.

Below are identified examples of the spaces available for the practice of active citizenry:

- Elections – at national, provincial and local government level – participation through the ballot box.
- Public Hearings – these are generally formal processes initiated by government in respect of endorsement of emerging legislation or in response to a particular challenge being confronted. Parliamentary public hearings are an example here.
- Referendums and Surveys – these could take the form of telephonic polls, exit questionnaires and represent a direct form of feedback from citizens on a particular measure for approval or rejection.
- Izimbizos – spaces where citizens interact with political leadership in order for policy makers to hear citizen's needs (complaints) and to communicate plans that government has for a specific community.
- Help lines/Hotlines – telephonic channels of communication between government and citizens. Provide a space for citizens to communicate concerns to government. A key example here being the Presidential hotline.
- E-democracy/m democracy – innovative use of technology for active citizenry engagement, including social media for mobilising stakeholders. It represents mass mobilisation of person-to-person collaboration, a process which has been used effectively and globally such as with the "Arab Spring" and which has the potential to unleash citizen power in ways not yet fully understood.
- Ward Committee Structures – institutionalised at local government level and aimed at planning and oversight.
- Service Delivery Forums e.g. Rural Road Transport Forums, School Governing Boards, Community Policing Forums, Water Committees – established by the state to enable planning and implementation.
- Citizen Based Monitoring and Planning Structures – oversight role and advocacy

- Community Development Forums/Crisis Committees - “community/citizens” led or initiated.
- Local Community Development Foundations – combining philanthropy/resource mobilisation and local development objectives.

The inclusion of Community Development Foundations as a space for citizen engagement is slightly unusual in that the focus of such structures is primarily in relation to the community grant making role that they play in channelling critical resources required for facilitating people centred development. However their commitment to people centred and

community driven development has included an element of active citizen engagement. The inclusion of this type of forum has been informed specifically by the NDA, wishing to explore how such institutions can contribute to expanding the active spaces for citizen engagement, while at the same time helping to harness resources for development.

These different typologies of citizen’s engagement represent, according to the World Bank, (2004) two distinct ways through which citizens seek accountability from the state. The first is traditionally noted as the “long route of accountability” between state and the client. As Figure 3 below indicates:

Figure 3: Long Route Accountability



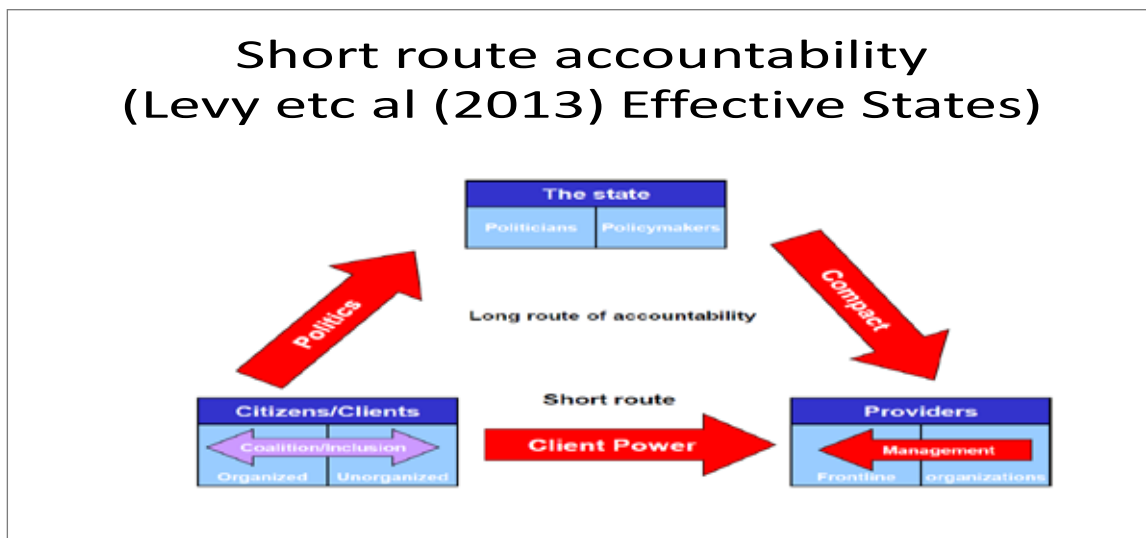
Source: World Bank (2004)

Here citizen’s voices are largely mediated through the ballot box by citizens exercising their power to political office bearers, who in turn hold policy makers and departmental operational staff accountable for service delivery. This form of accountability is represented through elections (at all levels), as well as through a range of other mechanisms indicated above e.g. referendums, imbizos and the highly regulated ward committee structures.

However there has been increasing recognition globally that the “long route” has been failing citizens in their ability to hold government accountable (Joshi,

2010) and there has been a crescendo of voices actively encouraging the exercise of the short route of accountability, where the client directly engages with front line service providers. Examples of these include, peaceful and non-peaceful protest actions against state parties, raising public awareness of state failures (drug stock outs at clinics), litigation against a state party for failure to deliver (school book delivery) and community engagement in planning and development prioritization at a local level (budget forums or community based planning processes for water or roads etc.).

Figure 4: Short route accountability



Source: Levy and Walton (2013)

While these two distinct types of engagements appear to represent a dichotomy, in reality this is not the case, as citizens will exercise multiple routes across both the short and long term to achieve outcomes. Two important issues must be noted, namely that social accountability measures (where citizens pressurize government) are increasingly recognised as significant for improving development outcomes and importantly, the focus is both on the process as well as on the outcomes of the engagement.

Levels of Public Participation

The above relates to Arnstein’s Ladder of Participation (1969) elaborated on earlier in this section, whereby the level of and nature of participation influences the quality of and the outcomes of citizen engagement. Citizen participation can be approached in many different ways and at varying levels. This is why the concept of active citizenship, as particularly

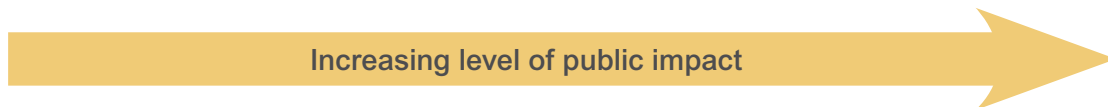
applied to the sphere of community development, encompasses such positive values as cooperation, cohesion, caring and neighbourliness, and evoking ideals of belonging and solidarity (Gaynor, 2011).

However there is no universally accepted approach to advancing active citizenry. Some authorities on the subject emphasise the conditions within which active citizenry could be encouraged. These include having an appropriate organisation, drawing attention to the benefits to be gained, the obligation and commitment to participate by all parties involved, the ideals of having better knowledge and being comfortable in the group, among other factors.

Sheedy (2008) postulates a five-step guideline to enhancing active citizenry, each with its own public participation goal. These five steps in chronological order are: Inform, Consult, Involve, Collaborate and Empower as illustrated in the figure below:

Figure 5: Sheedy's levels of public participation

Inform	Consult	Involve	Collaborate	Empower
To provide the public with balanced and objective information to assist them in understanding the problem, alternatives and opportunities and/or solutions	To obtain public feedback on analysis, alternatives and/or decisions	To work directly with the public throughout the process to ensure that the public concerns and aspirations are consistently understood and considered	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution	To place final decision-making in the hands of the public
Promise to the Public				
We will keep you informed	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision	We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible	We will implement what you decide



Source: International Association for Public Participation (2014)

These steps are chronological and are intended to move the nature of engagement up the Arnstein ladder towards increasing control and ownership.

International Experience in Active Citizen Engagement

International experience in promoting active citizenship has spawned a wealth of documented knowledge and experience informing good practice, in advancing citizen engagement. A range of such international frameworks for advancing active citizenry were reviewed and key lessons extracted.

Community development forums or foundations facilitate active citizenry and enable citizens to participate in bringing about change within their communities. Hodgson and Knight (2010) indicate

that the fundamental role of community forums is to ensure that links are created between different aspects of the community in order to build public trust. Several frameworks are used globally to actively engage the citizenry to achieve social change.

A framework is a conceptual model, which is meant to act as a support or guide for a set of objectives/goals, processes and activities/actions that allow for the expansion of a structure into an operational entity. A framework for effective and active citizen participation must take into consideration the following:

Citizen engagement goes beyond the structures and mechanisms established: The World Bank (2006) suggests that while these are important, the most critical issue, is to harness political will

and commitment to realising effective citizen participation.

Community members as active citizens versus practitioners as enablers and facilitators not leaders: A critical issue for an effective framework for active citizenry is the abandonment of the historical parachute approach to community development. Community-based development needs to be driven by the community and not practitioners, as community development works best when the community determines its own agenda.

Skills and knowledge to support active citizenry: The frameworks that were reviewed recognised the role of empowering members through well-designed learning programmes and approaches. This is because communities need a certain level of capacity to enable them to identify, articulate and actively participate in the planning and design, implementation, monitoring and evaluation of the right initiatives to address community needs.

Complex community challenges require acquisition of technical skills: Related to the previous point, is the issue of technical skills to deal with complex challenges. Technical skills are needed in situations where the issue at hand is fairly complex.

Active citizenry through local voluntary activists/champions: An active citizenry framework should also recognise the importance of voluntary activists who can create a pool of local experts that are closer to the community's developmental challenges than professional practitioners.

Leveraging indirect approaches for community development: In cases where it is difficult for communities to work together due to poor social cohesion, indirect approaches can be used to begin the process of bringing the community together; sport for development being one such example.

Design context specific interventions: Interventions are dependent on the context within which they are applied. Hence decisions about which mechanisms and what approaches to utilise must be firmly grounded in the reality of the current context. The World Bank suggests that adaptation is the key to success and must take into account who is involved and how (World Bank, 2006).

Monitoring and evaluation and dissemination: A framework for active citizenry should also outline its monitoring and evaluation (M&E) processes as a way of ensuring that not only the lessons for success but also reasons for failure, are understood and effectively disseminated to ensure the quality of community development.

CASE STUDIES: Catalysts for Citizen Engagement in South Africa

People are empowered to play a part in issues, decisions and processes that affect them as a society, particularly public policy and services. The study found that catalysts for the establishment of forums were a perceived need or threat, which the community faced as described in the examples below:

“The forum was established by a group of local women to protest against rape, domestic violence and woman abuse. The first case the forum responded to was a rape case of a 12 year old child, whose case was dropped out of court, because there was not enough evidence to prosecute the accused. The Police did not handle the case very well, this frustrated mothers and women in that community. A group of women organised a protest campaign to re-open the case, but it was realised that the state did not have a strong case, due to the lack of evidence from the police. It was then that this forum was established as a forum to educate women and children about domestic violence and child abuse, improve police services when dealing with rape cases, and importantly the police's attitude towards women and domestic violence cases. There were no proper procedures to

handle rape cases or victims, there was no unit established to counsel rape victims. As a result rape victims were not comfortable in reporting their cases to the police.”

Mining activities underground near school premises, brought the community together to address the problem, in consultation with the mines and the Department of Education, while at another site the proximity of drug dealing activities and taverns to local schools served as rallying point for citizen engagement.

Service delivery challenges and Batho Pele principles appear to be the overriding catalysts for the establishment of forums addressing a range of issues, including helping the elderly at pension collection points, responding to service delivery issues (water and sanitation, electricity, education, road), providing support to agricultural projects and programmes, responding to crime and drug abuse and to structures established to provide awareness raising, training and capacity development and legal advice. In one instance, the forum focused on voters' education during elections and in many instances forums acted as a link between communities and government institutions.

The example below illustrates how a crisis motivated a more radical form of community engagement. In a KZN community, which believed it was being deliberately isolated by the state over many years, dug up the road in protest against the silence on the part of government.

“Actually we have tried all avenues to engage government; we have had demonstrations, written letter to all three presidents. We have hosted ministers. All of them know about our request. Now people are cutting the road because the government is not responding. We have decided that we are not going to keep quiet until our voices are heard. We are saying that the citizens of “xxx” have been isolated by the state. All these demonstrations we are having are means to show government that there are citizen's here”.

Purpose for establishing a Forum

Although a forum may have been established in response to an incident or issue, respondents identified the following as the main purposes for which forums were established:

- “To improve the standard of living in the area”;
- “The forum is also here to teach the youth in the area not to be lazy and expect hand outs all the time”.
- “But if we do not participate, it means we would not be able to communicate the needs of the community”.

The Director of one forum indicated that while the original objective had been to address violence against women, over time and in response to a greater appreciation of the problem of gender based violence, the forum's objectives had been amended to include issues affecting men, poverty, unemployment and dependency.

Another example relates to the role of a tribal administration in championing the establishment of a forum. This is elaborated on in the quote below;

“The main reason for the forum to be established was that the tribal authority was concerned that there many NGO's that are being registered but when we visit then either you find them still running but many are dead they no longer there or operational, so they did not understand what was the challenge to cause this. So they commissioned a research study to find out which NGOS were providing what services to the community.... they found that there were NGOs and there was no one taking care of these NGO's.... Then they felt that there was a gap between these NGOs and the government because some of them needed training. So they decided to fill up this gap and have this forum and have a coordinator who will assist them throughout the way made sure that they are being trained, that the NGOs become sustainable and link them to possible funders”.

Nature of citizen engagement

Earlier in this report the typologies of engagement were elaborated on, namely the long route of accountability, largely through the ballot box and the short route of accountability where communities engaged directly with service providers. As indicated this report is mainly focused on the latter and this aspect was analysed in relation to the forums profiled in this study.

Particularly, in relation to service delivery, the types of engagements which have been identified in literature have included involvement with planning for services, co-creation and production in the delivery of services and oversight functions.

Planning for services-type engagements has included budget hearings, imbizos or community-based planning for a particular service. Co-creation and production have been focused on the establishment of services needs such as the establishment of CBO's or NGOs, to deliver a much-needed service and or oversight, where the community monitors and reports on failures and seeks redress. Co-production refers to citizen involvement in the decision-making and the delivery of a service.

For those forums, established since 2010, the study found three interesting features in respect of the type of citizen engagement. Here the forums appeared to be focused on engaging in self-reliance strategies, such as initiating projects dealing with food security, youth education, art and addressing unemployment through a focus on entrepreneurial skills development in communities, to name but a few. The second feature, appeared to be a focus on enhancing forums working relation with government institutions in order to facilitate a greater involvement in decision-making processes in respect of the manner and nature through which services were delivered to communities and even to deliver the service in partnership with government. Examples of these included establishing victim empowerment forums to enhance services to

victims of violence and in setting up home based care for the elderly and orphan children.

The third feature, was the increasing militancy of actions (violent protests) reflected by 5 forums as forms of citizen engagement, reflecting the service delivery frustration and the growing perception that "violence is the only language government understands" and would respond to. This relates to the oversight role of forums in seeking redress for rights violations.

Militant forms of citizen engagement

In all 5 groups the one recurring theme was that militant action had not been the first response and that years of effort and non-responsiveness had led to building up of anger and frustration and ultimately, to militant reactions. A focus group with members of one of these forums generated these responses, samples of which are shared below.

- "The only way for us to get the attention of the municipality and the government is for us to protest. We need them to tell us where we belong because everybody around us is being developed except us. They need to answer as to why they have forgotten us".
- "We have had almost all the government officials come and visit this area. Even Mandela knew of this problem. So all the people who have the power know about what is going on here but nobody wants to solve it. We have had numerous people come in and say that they will help. The last task team to come here was from the office of Collins Shabangu. He said that he is the messiah, that with his arrival, our problems would be solved, but that has not materialised."
- "We do not understand why this government is not listening to our cries. We do not know why the government is not helping us fight this fight. In other areas you hear of the government having evicted white farmers from land that is not theirs, but here with us, they do not want to do the same

thing. Every time we have to vote, all the political parties come here and sell us dreams which they never deliver on. It will be very sad when we refuse to vote, but it will come to that soon.”

- “If they do not do anything about it, we will carry on protesting until something happens.”

Importantly, what can be discerned from the above is that while the outcome of the engagement process is critical the process of engagement is equally important.

Leadership in the establishment of the forums

Overwhelmingly, across all the sites profiled, the study found that the main driver for the establishments of forums were concerned community members. Some forums only target the youth or women in that community, depending on the nature of the forum or its objectives, while others were more generic in focus and involved a wide spectrum of community members. Community members initiate forums to mobilize resources to address a common goal within their location and from the fieldwork it was evident that communities understand the importance of working in unison. Community members were largely defined as geographical communities, those sharing the same physical space.

However, a few examples emerged where the “community” was not spatial but rather around an issue. This is particularly true in respect of the social justice work of certain forums. One example of this is the “Claiming the Streets” projects, which are driven by social activists who have a strong research background and commitment to citizen engagement. Another example relates to the role of a tribal administration, as the leadership structure in that community which established the forum. This is elaborated on in the quote below:

“The main reason for the forum to be established was that the tribal authority was concerned that there many NGOS that are being registered but when we visit then either you find them still running but many are dead they no longer there or

operational, so they did not understand what was the challenge to cause this. So they commissioned a research study to find out which NGOs were providing what services to the community.... they found that there were NGOs and there was no one taking care of these NGOs.... Then they felt that there was a gap between these NGOs and the government because some of them needed training. So they decided to fill up this gap and have this forum and have a coordinator who will assist them throughout the way made sure that they are being trained, that the NGOs become sustainable and link them to possible funders”.

Visionary leaders are important for initiating development actions as we found in several sites:

- In one site a former government official had after years of working in government resigned, to set up a consultancy. As part of his commitment to the community he had set up a forum to respond to community needs;
- In another example, a young person who had returned from training from abroad helped to initiate a development intervention, targeting youth in the community;
- A senior development practitioner and gender activist established a women’s forum as a way of advancing gender rights in her community of origin.

Conclusions

The government of South Africa is advocating for active citizenry with the hope that active citizenry will assist in the attainment of development goals and objectives. The participation of the citizenry in local government has always been central to government’s development strategy in South Africa. Democracy is advanced through the increasing decentralisation of power. In order for meaningful active citizenry to be attained in South Africa, government clearly needs to show keenness to explore alternative spaces of engagement to complement existing legislated frameworks, such as the ward committee system.

This calls for a change of strategy by the state in its attempts to harness active citizenry in governance for development. In this regard, international best practices provide crucial benchmarks that South Africa could draw from.

A summary of the common themes that run through the different models of citizenry participation profiled in this document include:

- Awareness creation of processes and mechanisms for active citizenry: inform, consult, involve, collaborate and empower;
- Necessity of implementing capacity-building

initiatives for citizens to provide strategic support to enable them identify, articulate and participate in the design and implementation of programmes aimed at meeting the needs of society;

- Establishment of feedback, reporting mechanisms and processes for information dissemination;
- Mobilisation of financial resource to meet key community needs and challenges;
- Monitoring and evaluation of achievements against set goals and targets;
- Enabling networking among people in the community through the establishment of working groups and committees assigned to various tasks.

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CHAPTER 7:

CIVIL SOCIETY ORGANISATIONS' PARTICIPATION IN FOOD SECURITY ACTIVITIES IN SOUTH AFRICA

Human Sciences Research Council: Margaret Chitiga-Mabugu, Charles Nhemachena, Selma Karuaihe, Shirin Motala, Nthabiseng Tsoanatsie, Lebogang Mashile. NDA: Thami Ngwenya, Bongani Magongo.

Background and introduction

The World Food Summit in 1996 identified extreme poverty and food insecurity as key development priorities and called for a reduction by half of the number of the hungry, globally. This target was subsequently incorporated into the Millennium Development Goals as the first target (MDG 1) (Windfuhr et al., 2005). Rural and urban communities throughout the world face food insecurity challenges wherever access to food supplies is constrained by poverty. In 2009, at the height of the global economic crisis it was estimated that the number of hungry and malnourished people in the world, surpassed the 1 billion mark (IFPRI et al., 2010) Food insecurity leads to human suffering and contributes to degradation and depletion of natural resources, migration to urban areas and across borders and political and economic instability (Beddington et al., 2011).

Since the establishment of a democratic government in 1994, South African national policy has strived to address the legacy of Apartheid, including high levels of poverty combined with social inequality, high unemployment, and associated social ills. Various factors linked to poverty and inequalities are responsible for the food security vulnerability of large numbers of food insecure households in the country. While progress has been made in this regard, significant development challenges remain. There is high social inequality in the population of about 50 million people, as revealed by Gini coefficient of between 0.66 and 0.69; and several poverty and human development indices emphasise this (DEA 2011). For example, despite South Africa being a net exporter of food, an estimated 35% of the population is vulnerable to food insecurity and a quarter of children under the age of 6 years, suffer from malnutrition (HSRC, 2004). The South African government committed to halving poverty between 2004 and 2014 and achieving household food security is a critical component in meeting

that objective. Access to food and water is perhaps unlike other areas of delivery, since they are essential to well-being and human development. While South Africa may be food secure as a country, large numbers of households within the country are food insecure.

Food security cannot be understood in isolation from other developmental questions such as social protection, sources of income, rural and urban development, changing household structures, health, access to land, water and inputs, retail markets, or education and nutritional knowledge (Altman et al., 2009). To understand household food security status in this country, it is necessary to investigate how the workings of the food distribution system and resources of a household, determine its access to food. There are distributional and accessibility problems that need to be understood. Ideally, poverty and food insecurity would be addressed by expanding employment opportunities, thereby enhancing household incomes. Employment has expanded substantially since the mid-1990s, but not enough to meaningfully address income poverty. Income security is an essential ingredient to address food insecurity. The evidence shows that social grants have played an important role in improving household food security since 2001; but that improvements in employment status are also important (see Aliber 2009; Van der Berg 2006).

In the context of large scale poverty and unemployment, as well as the present economic downturn, it is probable that reliance on grants will continue, if not increase. In a highly unequal society with high unemployment, this redistribution through income transfers is essential. However, it makes poor households vulnerable to national policy choices and politics. It is essential that creative and meaningful solutions are found to draw marginalised work-seekers into economic participation as part of a long term poverty reduction and food security strategy.

Definitions of terms: approaches to and measurement of food security

Various concepts and terminology have been used in the literature to discuss food security and hunger concepts. These include: food and nutrition security, food insecurity, hunger, malnourishment/malnutrition, undernourishment/under-nutrition, the right to food and food sovereignty. The meanings of these concepts and terms have evolved over time since the 1970's, when the notion of food security was first mentioned in the build-up to the World Food Conference in 1974 (FAO, 2003). Since food security is defined differently in the literature, elaboration of these concepts is necessary to better understand them.

Defining food security

The Food and Agriculture Organisation of the United Nations defines food security as a condition which exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and health life (FAO, 2012). The definition was agreed to at the 1996 World Food Summit. (According to the Food and Agriculture Organisation (2006), food security exists in four dimensions, namely: availability, access, utilization and stability as discussed below. If any of the dimensions are weakened, then food insecurity will occur. Although these food security dimensions are interrelated, they can exist in isolation because food security on one dimension does not imply the same for all other dimensions.

- Food availability refers to the production and procurement of sufficient quantities of food available on a consistent basis. However, availability of food on its own does not ensure food security, as food surpluses can exist alongside hunger and malnutrition.
- Food access refers to the availability of sufficient resources to obtain appropriate food/s for a nutritious diet. This relates to promoting sustainable farming practises, enabling access to land for agricultural production and employment for income generation; promoting agriculture by

small scale farmers and subsistence farming and implementing social protection measures for the poor and vulnerable.

- Food utilisation refers to appropriate use of food, based on knowledge of basic nutrition and care, as well as adequate water and sanitation. Interventions focusing on maternal and child health, programmes to improve infant feeding and access to health care for the prevention and treatment of diseases all contribute to improved food utilisation.
- Stability of availability and access to food refers to sustained access to nutritious food despite suffering shocks such as conflict, droughts, or death or unemployment at household level.

This notion of food security draws on the work of Sen (1981), who introduced a broader concept of food security away from a focus only on availability of food supplies, to household's ability to access food. Sen focused on entitlements and capabilities in ensuring access to food. This was subsequently developed by Chambers (1989) and others in respect of the sustainable livelihoods framework. The latter defined livelihoods as comprising of capabilities, assets (material and social) and activities required to generate a means of living. Hall (2007) refers to the Livelihoods "pentagon" which depicts the interdependent relationship between the five dimensions of livelihoods:

- Human capital – education, skills, knowledge, ability to labour, good health and physical capabilities.
- Social capital – relationships and networks upon which people draw when pursuing different livelihood strategies.
- Natural capital – land, water, air
- Economic or financial capital – money, loans, savings, credit/debit and other economic assets
- Physical capital – infrastructure, equipment, technologies and other productive assets essential for the pursuit of livelihoods

The dimensions of livelihoods are key factors that affect households' ability to access and utilise food and nutrition. The lack of these capabilities,

assets (material and social) and activities required to generate a means of living, is usually associated with poverty that translates into food and nutrition insecurity for most households.

Food security is applied at the national level, community and household level (Anderson, 1990). At national level, food security refers to the country's ability to produce, import and retain sufficient food on a consistent basis to support minimum per capita nutritional needs of its citizens. This is determined by policies relating to food production, trade and economic growth. Community food security refers to the ability of the residents of a community to obtain nutrition while maximising self-reliance. Household food security is the application of the food security concept, as defined by FAO, to the family level, with individuals within household as the focus.

Devereaux (2006) argues that food insecurity must be understood as a continuum with chronic food insecurity and transitory food insecurity at both ends and cyclical or seasonal food security in the middle. Chronic food insecurity refers to long term and persistent food insecurity and which is linked to structural factors such as poverty and inequality, unemployment and underemployment and the lack of assets. Transitory food insecurity refers to sudden, short term, temporary periods of extreme food scarcity. These arise as a result of natural and other disasters, conflicts and the related displacement and economic crises. A third dimension or a sub-dimension of transitory food insecurity is seasonal or cyclical, where hunger is experienced, recurring generally prior to harvest and lasting about 2-3 months. During periods of cyclical or transitory food insecurity, poor and vulnerable households may consume accumulated assets, thereby depleting them and this could lead households into a situation of chronic poverty in the future.

The right to food is a fundamental human right enshrined in international law in a number of legal instruments, including the International Declaration of Human Rights (Article 25), International Covenant on Economic, Social and Cultural Rights (Article 11), the

Convention on Elimination of Discrimination against Women (CEDAW, Article 12) and UN Convention of the Rights of the Child (UNCRC, Articles 24 and 27) (Motala, 2010). The right enables individuals to hold government accountable for its acts and omissions related to food security. The right to food upholds respect for human dignity in the manner in which people access food. However, the right to food does not imply that government has to provide food for all, but that government has an obligation to ensure that people have access to resources and an enabling environment within which they can feed themselves. This right enjoins on government the obligation to respect, protect and fulfil the right to food. Respecting the right to food, include government not taking actions which would harm or diminish enjoyment of food. Protecting the right to food include actions, such as ensuring that standards are maintained in the handling of food to prevent food contamination. In addition, fulfilling the right to food could involve distribution of food in emergency situations. The right to food can be progressively realised by governments through the adoption and implementation of policies and programmes.

Food sovereignty is a political concept, while the right to food is based on legal precepts. The food sovereignty concept emerges from the advocacy work of La Via Campesina, a movement of farmers, peasants, fisher folk and indigenous communities in Latin America in 1996. The advocacy rose from the growing frustration with the manner in which global food systems and markets are being run by multi-national corporations who have little or no regard for the growing number of hungry in the world. The movement defined food sovereignty, as the right of peoples to define their own food and agriculture; to protect and regulate domestic agricultural production and trade in order to achieve sustainable development objectives; to determine the extent to which they want to be self-reliant; to restrict the dumping of products in their markets; and to provide local fisheries-based communities the priority in managing the use of and the rights to aquatic resources. Food sovereignty does not negate trade, but rather promotes the formulation of

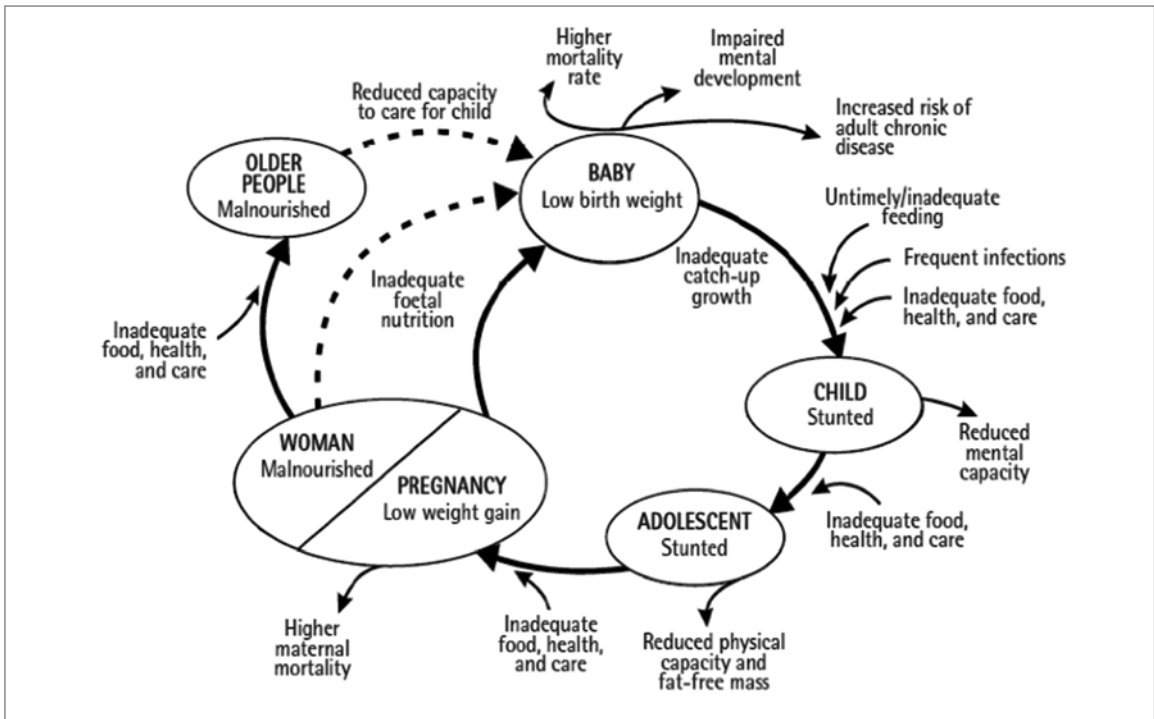
trade policies and practices that serve the rights of peoples to food and to safe, healthy and ecologically sustainable production (War on Want, 2011).

Defining nutrition security

Nutrition is critical across all stages in the life cycle and the burden of malnutrition can be perpetuated through the lifecycle and across generations (Figure 1). For example, a child born to an undernourished

mother is likely to be stunted, her development and growth milestones may falter, her cognitive abilities maybe impaired and thus diminish her potential for learning and also she maybe more susceptible to diseases and illness, and in this way the lifecycle is perpetuated across generations. This is an important issue to be taken into account in planning and targeting interventions in order to break out of a negative cycle.

Figure 1: Nutrition throughout the lifecycle

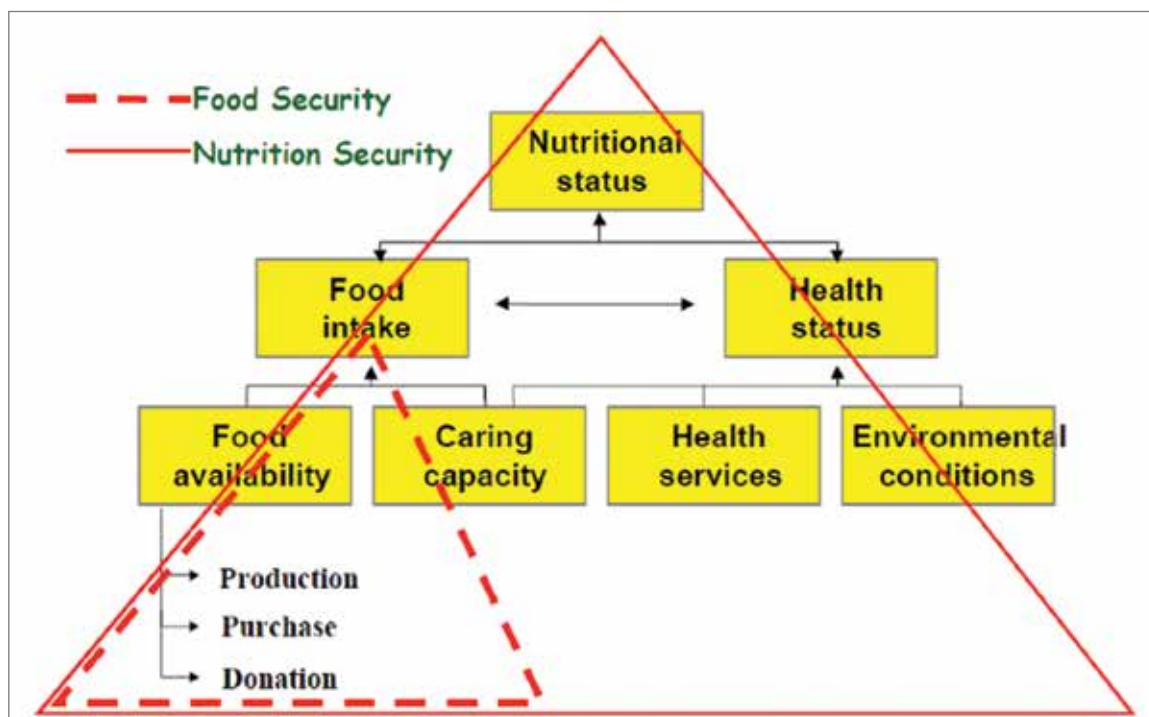


Source: Benson (2004)

The inclusion of nutrition in the conceptual understanding of food insecurity has evolved over time. Nutritional security is achieved when a household has sufficient and secure access to food, together with access to good health care, water, sanitation, knowledge and ability to ensure healthy life for family members. Nutrition security is concerned not only with access to food but also

with the utilization of the food within the household. It is focused on the individual's ability to reach their maximum potential. The framework below (Figure 2) emphasises the difference between food security and nutritional security. The framework offers a model for linking nutritional status with health status of the person.

Figure 2: Conceptual framework for nutritional status at household level



Source: Gross et al (2000)

The following section briefly defines various concepts of food security and hunger:

- **Undernourishment** relates to the lack of sufficient food.
- **Under-nutrition** is a description of the status of a person whose food intake regularly provides less than their minimum energy requirements and/or by poor utilization of nutrients due to disease. Referred to as the minimum dietary requirement

(MDER), the determination of the MDER level is context specific and varies from country to country and from year to year and is dependent on gender and age structure of the population. The MDER is based on a calculation of the amount of energy required for light physical activity and which will allow the body to maintain an acceptable weight to height ratio (FAO, 2010). Although hunger and under-nutrition arise from inadequate food intake, they differ markedly, in that hunger is associated

with not eating enough food, while under-nutrition refers to deficiencies in micronutrients such as vitamins and minerals. According to the Lancet Series on Maternal and Child Under-nutrition (2008) the effects of under-nutrition manifests in children in the form of stunting and underweight-low birth weight (low weight for age), stunting (low height for age), wasting (low weight for height) and less visible micro-nutrient deficiencies. Lancet series evidence suggests that the impact on children can be irreversible in terms of cognitive development, increased incidence of morbidity, impairment of immune systems, weak educational performance and even diminished economic potential.

- **Micronutrient deficiency** – relates to the lack of or insufficient amounts of minerals and vitamins obtained in the diet. It is also referred to as “hidden hunger”.
- **Malnutrition** of which under-nutrition is one form, is concerned with either consumption of insufficient food, too much food (obesity), referred as over-nutrition as well as the consumption of the wrong types of foods.
- **Secondary malnutrition** arises as a result of mal-absorption of nutrients or the inability to use nutrients properly due to disease and ill health (WHO).

Food and nutrition security in South Africa

Food security is enshrined in the Constitution of South Africa (1996) in articles 27 and 28, which indicate the right of every South African citizen to sufficient food, water and social security. It has been a key priority of all post-apartheid administrations since 1994 and is aligned to South Africa's Millennium Development Goal of halving the number of people who are hungry in South Africa between 1990 and 2015. The South African government has committed to halving poverty between 2004 and 2014 and achieving household food security is a critical component in meeting that objective (HSRC, 2009). In keeping with internationally accepted definitions of food security,

South Africa recognises the three dimensions of food security namely availability, access and utilisation as elaborated above (DAFF, 2011). The concept of food insecurity is seen as closely linked with levels of poverty, employment and unemployment.

The strategic framework for action to address food security was outlined in the Reconstruction and Development Plan for South Africa (RDP, 1994), in which food security was identified as a basic need. The framework recognised the difference between national food security and household level food security and gave priority to achieving household food security. The development of a National Food Security Policy for South Africa was inspired by the conflicting conceptual interpretations and definitions of food security in South Africa among key stakeholders, including government, researchers, international community and the civil society (DoA, 2002). The South African food security policy fully adopts the FAO definition: “the right to have access to and control over physical, social and economic means to ensure sufficient, safe and nutritious food at all times to meet the dietary food intake requirements for a healthy life by all South Africans” (DoA, 2002, p15). The policy further elaborates that food security has the following components:

- Ability to be self-sufficient in food production through own production
- Accessibility to markets and ability to purchase food
- Utilisation and consumption of safe and nutritious food
- Equitable provision of food to points of demand at the right time and place.

Key determinants in measuring food security

South Africa is considered food secure as a country. The country produces sufficient amounts of staple foods and has the ability to import foods where required to meet the nutritional needs of the population (FAO, 2008, du Toit, 2011). Evidence suggests however, that at the household level a large

number of households are food insecure, although the extent of food insecurity is unknown. This is due largely to the lack of good quality data, as well as the lack of an accepted measure of food security in South Africa (Altman, 2009; Hart, 2009). It is estimated that 14 million people are food insecure, representing 35% of the population and that 1.5 million children are stunted (Aliber, 2009).

South Africa lacks a national survey which assesses all dimensions of food insecurity, although it uses a number of instruments to measure household food security. Due to the many and complex dimensions for measuring food security, accurate measurement and policy targeting remains a challenge. Labadarios (2011) summarises the different measures for the dimensions of food security:

- **Food availability:** generally measured through assessing food availability in the household and through food expenditure shares of household spending.
- **Food access:** measured in terms of experience of hunger by an individual in a household and by the household's dietary diversity.
- **Food utilisation:** generally measured through anthropometric indicators such as weight and height, dietary intake and blood nutrient levels.

The national instruments used in South Africa to measure the dimensions of food and nutrition security are elaborated below:

- **October Household Survey:** this was implemented annually between 1994 and 1999. The survey included a question on the ability of the household to feed children as an assessment of food insecurity.
- **National Food Consumption Survey (NFCS):** This national survey was conducted twice, in 1999 and 2005. The focus of the survey was households with children between the ages of 1 and 9 years. The survey assessed food procurement, anthropometric indicators and food inventories of households. The sample population for this study

was drawn from the national census sampling framework. According to Hendricks (2005), the instruments used to assess nutritional status included the following:

- Socio-demographic household factors related to the environment in which the child lived.
 - A 24-hour recall of food consumption for the child.
 - A qualitative food frequency questionnaire for the past six months.
 - An inventory of food procurement and household food stocks.
 - A hunger scale questionnaire providing information on actual hunger experienced (or not) by the child.
- **Food insecurity Vulnerability Information and Mapping System (FIVIMS):** a regional study conducted in 2005 in selected areas (Mpumalanga and Limpopo) measured hunger in households.
 - **General Household Survey (GHS):** a large national study which asks general questions and which focuses on hunger over time. Between 2002 and 2008, the GHS asked households to indicate whether and how often adults and children went hungry because there was not enough food in the household. The question was discontinued in 2009 but reinstated in the 2010 questionnaire. Since 2009, the GHS questionnaire included a set of questions based on the Household Food Insecurity Access Scale (HFIAS) to determine households' access to food. These questions aim to measure household food access by asking households about modifications they made in their diet or eating patterns during the previous month because of limited sources to obtain food (Stats SA, 2012).
 - **Income and Expenditure Survey (IES):** explores the extent of poor households' expenditure on food. The IES provides information on the food spending and home food production patterns. This national survey collects information on

income levels and sources of households and expenditure patterns. In the 2005/6 survey the diary method was used for the first time together with the recall method. Households were requested to record in a diary provided, all the acquisitions of that household over a period of 4 weeks.

- Labour Force Survey (LFS): a household based survey which collects labour force activity information about individuals over the age of 15 to 64 years, who reside in South Africa. Information on employment and income levels are used to assess access to food.
- The Integrated Food Security Strategy (IFSS): the IFSS used adequacy of daily energy intake (set at 2000 kcal/day), based on the World Health Organisation (WHO), as the best direct measure of food insecurity. The IFSS estimated that 39% of the population did not meet their daily energy requirement (2000 kcal/day) (DoA, 2002). Also, the IFSS used income earning capacity of households to measure food insecurity. The IFSS used the average price of the food basket compared to household income and expenditure to assess food insecurity at household level.
- The South African Medical Research Council (MRC) measures food insecurity in relation to undernourishment. The MRC classifies someone as food insecure if they receive less than 2261kj per day. In monetary terms this is R211 per person based on prices in the year 2000.

A strong call for establishing a common food security target for South Africa has been made, with the motivation being, that a food security target will enable more effective policy response and will ensure efficiency in fiscal spending in relation to food security interventions (Jacobs, 2009). According to Jacobs the development of a food security target should take into account the following:

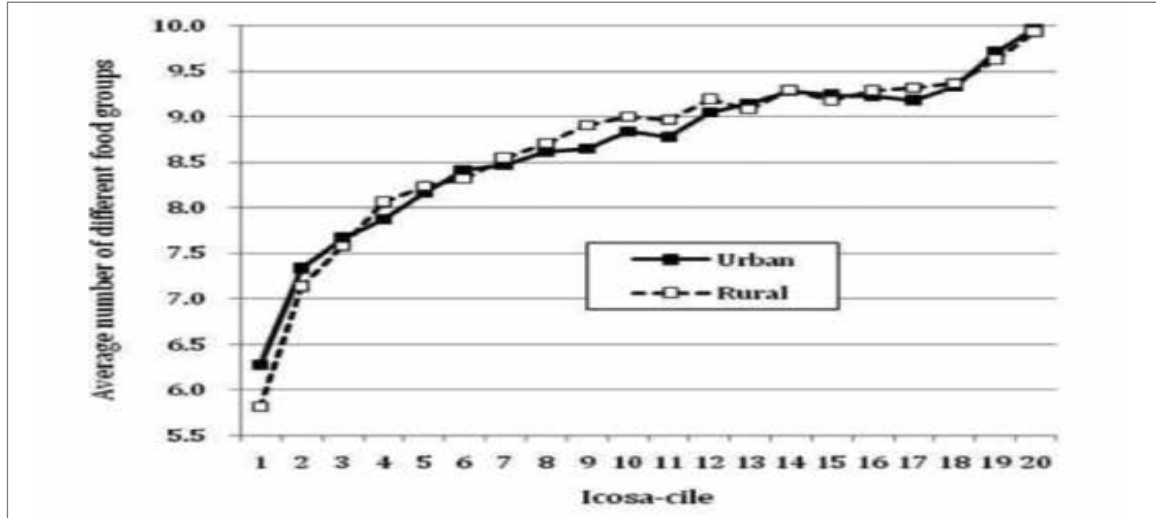
- Household composition: household size and the number of children (to account for economies of scale in consumption)
- Wealth and livelihood strategy: income and assets (land, livestock, labour etc.)
- Geography: rural/urban location and formal/informal settlements
- Institutions: markets, the state, social capital/networks
- Time: whether the food security condition is transitory or chronic
- Risk: shocks that are weather-related, health-related and so forth, commodity price movements

Composition of required food nutrition - the basket and composition of food available to the poor: both rural and urban

A nutritionally adequate basket of food requires dietary diversity which is measured in terms of food groups. The Income and Expenditure Survey identifies a number of categories of food: bread and cereals, meat, fish, dairy, fats and oils, fruit, vegetables, sugar (jam, chocolate etc.), tea & coffee and non-alcoholic beverages. Evidence suggests that only 1 in 5 households spend sufficiently for a nutritionally adequate food basket and that 1 in 10 rural households compared to 1 in 4 urban households, can afford this basket. The difference between urban and rural is linked to the type of foods consumed, with rural households spending more on grain, fruit and veg and less on meat in comparison with urban households in the same decile. Rural households also spent less on animal products such as milk and eggs (Aliber, 2009).

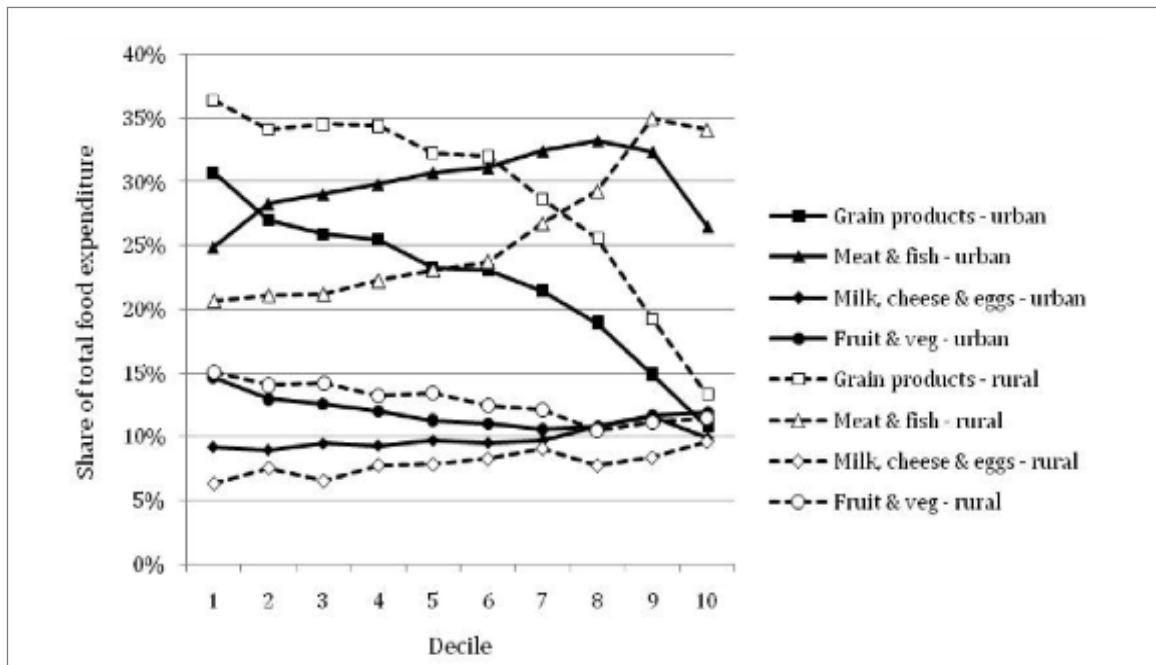
Figure 3 and Figure 4 provide clear evidence of the relationship between economic status and dietary diversity, with poorer households' diet being less diverse.

Figure 3: Dietary Diversity by food groups, across urban and rural households and by income deciles



Source: Aliber (2009)

Figure 4: Dietary Diversity by food groups across deciles in South Africa



Source: Aliber, 2009

Implications for civil society organisations

Civil society organisations have a key role to play in advocating for a clearly defined food security target to be established and for the state to establish a proper monitoring and evaluation system including, impact assessment of the programme which can then assist with learning. Furthermore, CSOs need to have a better understanding of the definitions and measurements of food security to facilitate local community communication with civil society. The importance of accurate data for planning cannot be sufficiently emphasised. Better understanding of these issues will also ensure that CSOs engage at the same levels with government and other stakeholders.

Dimensions of food security

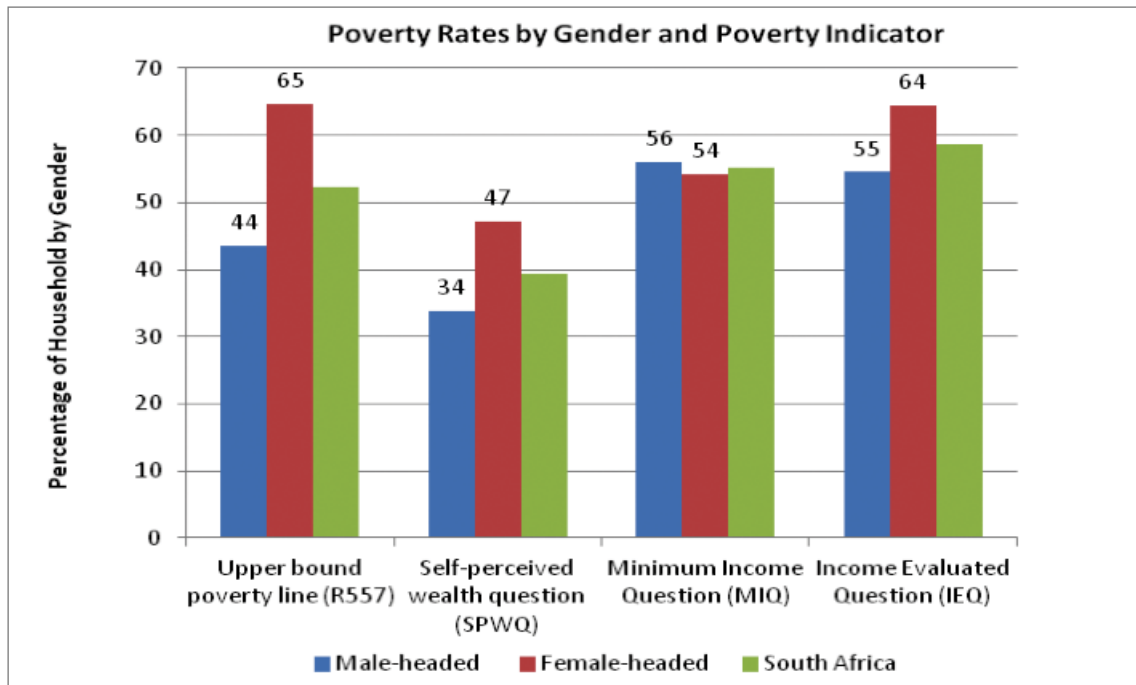
While the four dimensions are crucial to understand food security at the household or community level, the gendered dimension of food security needs to be highlighted as a cross cutting issue in all the dimensions, given the role played by women towards food security for their households. Women are key role players in the production of food and in ensuring that every individual in the household has access to food, consumes all the nutritious food required for a healthy lifestyle, as well as improving the food security status of any household.

According to FAO, women account for more than half the labour required to produce the food consumed in the developing world and as high as three quarters of the food consumed in Sub Saharan Africa. Despite their important contribution, women face many challenges in agricultural production including, unequal access to land, agricultural inputs, access to technology, extension support and finances for production (Quisimbing et al., 1995).

Traditionally, women have little or no say in the economic affairs of a household, such as food provision through farming, labour income or other sources, stemming from the male dominance as heads of households. Most men, particularly in the rural areas, are the decision makers on household economic affairs, while the women's responsibility is centred around preparing the food and caring for the vulnerable members of the family, especially children. For this reason, the roles of both women and men are analysed in terms of the four dimensions.

The need to focus on the gender dimension of food security is supported by findings from the literature that show relatively high proportions of both female headed and/or female-centred households being more vulnerable to poverty and, hence to food insecurity (AFSUN, 2009; Stats SA, 2009 and 2012, Reddy and Moletsane, 2011). The traditional survey approaches and those used for national statistics focus on the binary household typology of female-versus male-headed households, for poverty analysis, as reflected in Figure 5.

Figure 5: Poverty Rates by Gender and Poverty Indicators



Source: Constructed from Stats SA, 2012

Figure 5 above presents poverty rates by gender according to the objective and subjective measures or indicators of poverty defined by Statistics South Africa¹¹² (Stats SA, 2009). In the 2008/2009 Living Conditions Survey (LCS), the objective measures refer to monetary value¹¹³ in terms of monthly income (i.e. the upper bound poverty line of R557 per month) for a household to survive, while the subjective measures (e.g. SPWQ, MIQ, and IEQ) are based on households views of their poverty levels.

According to the upper bound poverty indicator of R557 per month, the results show that the poverty rates for individuals (both male and female) living in female headed households are much higher at 64.7% compared to 43.5% for male headed households.

On the other hand, the poverty profile of the female versus male headed households differs substantially according to the three subjective indicators of poverty, namely: the SPWQ, the MIQ and the IEQ as shown in Figure 49 above. Nevertheless, the high poverty rates for female headed households are consistent across all the poverty indicators. This clear incidence of poverty among female headed households is an indication of their vulnerability to food insecurity.

The traditional approach to food security study, of focusing on the binary typology of households along male- female headship, particularly in the rural areas, are now being expanded and replaced with a four-fold¹¹⁴ typology, that focus on female-centred households, especially in the urban areas (AFSUN,

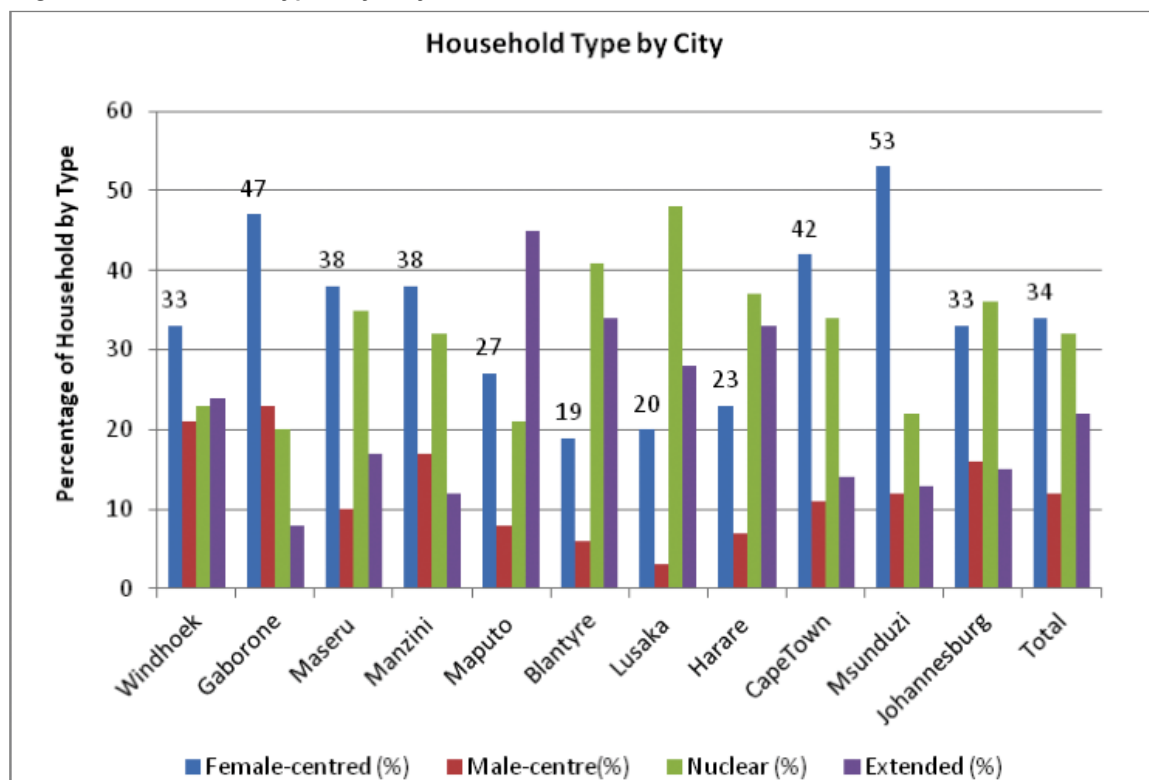
¹¹² These measures come from the results of a 2008/2009 Living Conditions Survey.

¹¹³ See Stats SA, 2012 for detailed definitions of the poverty indicators/measures.

2009). The distinction between the different types of households is necessary to show that the proportion of female centred households is relatively higher, an indication of single parenthood burdens of food security on women. This distinction of typology is also useful for the illustration of the gendered dimension of food insecurity, given the vulnerability of women in general. To illustrate the fact that

there are more women centred households in most Southern African cities, survey data collected from poor urban neighbourhoods in eleven cities by the African Food Security Urban Network (AFSUN¹¹⁵), show high incidence of female centred households, an indication of possible correlation between gender and poverty (Figure 6).

Figure 6: Household Types by City



Source: Constructed from AFSUN, 2009

¹¹⁴ The four-fold typology refer to: a) female centred households as those with no husband/male partner, but include relatives, children and friends; b) male-centred households as those with no wife/female partner, but include relatives, children and friends; c) a nuclear household have both husband/male and wife/female partners with or without children; d) extended families have both husband/male and wife/female partners and children and relatives.

¹¹⁵ The urban food security survey representing 6,453 households and 28,771 individuals was conducted simultaneously in late 2008 and early 2009 in eleven cities in nine countries: Blantyre (Malawi), Cape Town, Johannesburg & Msunduzi (South Africa), Gaborone Botswana), Harare (Zimbabwe), Lusaka (Zambia), Maputo (Mozambique), Manzini (Swaziland), Maseru (Lesotho), and Windhoek (Namibia). The surveyed cities represent a mix of large and small cities; cities in crisis, in transition and those on a strong developmental path; and a range of local governance structures and capacities as well as natural environments.

The high proportion of 34% for female-centred households followed by 32% of nuclear households (which include women), is a relevant finding for analysing the gendered dimension of food security in general, and in the urban areas in particular (AFSUN, 2009). Across all the nine cities surveyed, the ratio of female centred households is higher, with Msunduzi in South Africa recording the highest ratio of 53%, followed by Gaborone with 47% and Manzini and Maseru at 38%, respectively. On the contrary, the ratio of male centred households is less than 25% for all the cities (AFSUN, 2009), justifying the need for a gendered dimensional analysis of poverty and food insecurity.

Food security: availability, access, utilization and stability

Women become more and more vulnerable to food insecurity because they often have limited access and control of resources, which restricts them from producing their own food and acquiring the necessary resources in order to become self-sufficient. This compromises their food security status, making them more vulnerable to food insecurity.

The South African Constitution clearly esteems gender equality and emphasises the right to food that each and every individual is entitled to, which has been further elaborated in the national Integrated Food Security Strategy (IFSS) and other policy initiatives. However, women in South Africa are still faced with inequalities and oppressions with regard to resource acquisitions and income opportunities (South African Constitution, 1996; Reddy and Moletsane, 2011; AFSUN, 2009).

In 2002, the IFSS for South Africa, reported that close to a third of South African households that are headed by females are considerably poorer than the male-headed households and there are significantly higher percentages of female headed households that live below the poverty line. These findings concur with the 2009 LCS results presented in Figure 50 above. The IFSS further reported that in 1996, approximately 52% of female headed households spent less than

or could only afford to spend less than R1000 per month, as compared to only 32% of male headed households, who spent less than a R1000 per month in the same period (Department of Agriculture, 2002).

As mentioned earlier, FAO describes the interconnected dimensions of food security of availability, access, utilisation and stability. The availability dimension is compromised when woman are unable to access the sufficient quantities of food that they require for a nutritious lifestyle. Women often suffer this deprivation because some cultural norms do not allow woman to consume certain types of food which are believed to be for men, for example meat and eggs are usually reserved for men and boys (AFSUN, 2009; Reddy and Moletsane, 2011). Such cultural norms affect the food security status of females at all dimensions because even though the food is available, it is not accessible to woman and girls and they cannot consume the necessary food for an adequate nutritious diet.

Women's nutritional status is important in respect of child wellbeing and child nutrition as they are better able to care for their children and maternal health has a direct bearing on neonatal and infant mortality (Nelson, 2000). In addition, maternal nutrition also has a positive impact on agricultural production. A World Health Organisation (WHO) review of nationally representative surveys conducted between 1993 and 2005 found that 42% of pregnant women worldwide were anaemic, which would hinder physical productivity (Kramer and Zimmerman, 2007).

The stability dimension affects females more than males because in the case of a shock, it is only natural for the females to put the wellbeing of others before their own, by sacrificing their portions of food for children and other dependants in the event of limited food availabilities. Given their unreliable and unstable sources of income, women are likely to suffer more from food insecurity impacts arising from death of a male or husband bread winner (AFSUN, 2009), leading to more food instability.

The gendered aspect of food insecurity can be attributed to the multiple productive and reproductive roles that women face on a daily basis. Women, particularly in the rural areas usually have to wake up very early in the morning in order to prepare something to eat for the children and husband, so they fetch firewood, water as well as other essentials to make cooking possible in a rural area. They then spend the rest of their day in their gardens in order to produce a meal at dinner time. This is a time consuming role which contributes to the vulnerability of women because they often do not get the time to prepare nutritious meals for themselves, nor have meals on a regular basis.

Women in rural areas are often characterised by low levels of education and little or no information with regard to diseases that can infect young children, including knowledge about under or malnutrition and the importance of dietary diversity. On the other hand women in urban areas face different but detrimental obstacles. These include institutionalized marginalization through prejudiced regulations, such as exclusion from male-dominated occupations and livelihoods. Women often have no or limited power in decision making with regard to the use of household resources and they often have to face injustices with respect to income distribution and remuneration in the workplace. There are common misconceptions that women are weak and cannot do the same jobs as men, so they are usually underpaid as compared to their male counterparts with the same qualifications or skills. This affects their purchasing power and thus their food security status.

On the other hand, food security in urban areas is closely related to income, livelihood security and the absence of safety nets (AFSUN, 2009). Unlike the rural communities who could rely on agricultural production for food security, there is usually very limited food production in urban households, and most households obtain food through financial exchange supplemented by charity, food sharing; welfare provision or begging in the case of poor

households. According to AFSUN (2009), women in urban areas are usually faced with the responsibility of buying, cooking and serving the food and in addition to these roles they are also more involved in the production, preparation and trade of food in the commercial field, especially in the informal sector as a source of income. Further, women play a key role in achieving food security for the household and they often have to sacrifice their plate of food in order to provide for the children. Therefore, food security and food insecurity can exist in the same household with women being the most vulnerable to food insecurity.

Some women, especially in female headed households will go for days without food just to save the little that they have for their family. Since in most cases, women are usually the ones responsible for food allocation and in charge of ensuring and buying or acquiring food, their productivity at work is affected and thus they are less likely to sustain a job that requires manual labour. This will have a negative impact on their ability to make a living and, since most of the women are unskilled or have low levels of education, they resort to selling in informal markets to generate income for their household food security.

Most of the housing settlements in urban areas require monthly rentals and purchase of electricity and this affects the percentage of income that can be spent on food. As a coping strategy, the family might have to sacrifice some meals of the day and only eat once or twice daily and this will have a detrimental effect on the household food security status. The AFSUN 2009 survey for the nine cities shown earlier, indicated that female-centred households in urban areas are more economically precarious than any other household type and that most females are often involved in multiple income generating activities in order to make ends meet. The survey further showed that those female-centred households are significantly more likely to receive income from social grants in the form of child grants, pensions as well as other forms of state owned

welfare initiatives. Therefore, urban food security can be classified as one of the greatest humanitarian problems of the century (AFSUN, 2009).

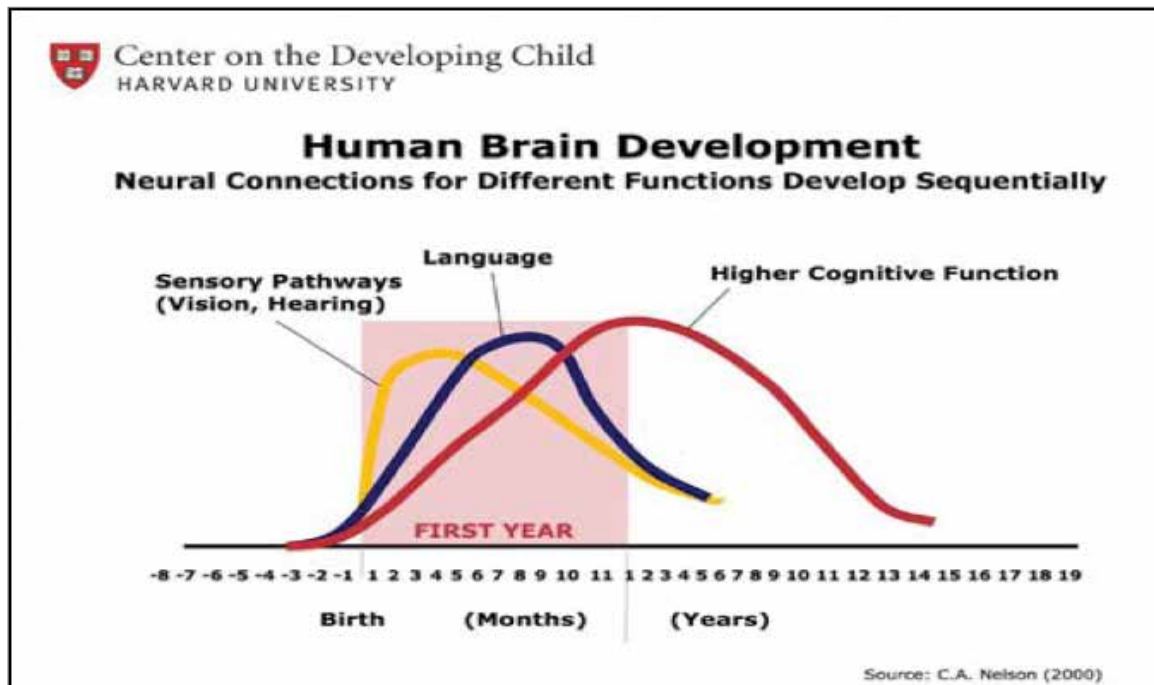
The impact of food security on marginalised groups - woman, children, youth and people with disabilities

A direct consequence of food insecurity is the shocking reality of the percentage of malnourished children, due to nutritional deficiencies. In South Africa there are approximately 14 million people who are vulnerable to food insecurity and 1.5 million children under the age of 6 years old are stunted by chronic malnutrition. Most poor households consume monotonous diets consistently and very

often they are not concerned much about the nutritional component of the food they consume, as long as they get something to eat. Their diet often consists of food with a low level of micro-nutrients and a high content of starch (Altman et al., 2009).

The 2007 Lancet Series on Maternal and Child Nutrition, highlighted the 1000 day window of opportunity from pregnancy to 23 months, as a critical period in the development of the child and noted that failure to address the needs of children during this period have an irreversible impact on the child's future wellbeing. Addressing food and nutrition security of children is critical to their development (Nelson, 2000) (Figure 7).

Figure 7: 1000 Day Window of Opportunity



Source: Nelson (2000)

The nutritional requirement of children below the age of five is high and there is a need for diversification of diets in order to ensure that they acquire all the necessary nutrients they need as they develop. In poor households or food insecure homes the children are more at risk of diseases that are attributed to a lack of micro nutrients and other essential nutrients, which foster growth. In some households there are structured periodic meal times and children often only eat when the adult is eating, and since children have a higher energy requirement, because they are more active than adults, they might suffer from nutritional deficiencies.

Some households are characterised by the presence of both under-nutrition and malnutrition because of the variation in the energy requirements of the different individuals in a household. Educational programmes that are directed at women (since they are key role players in preparing food for children) may be necessary in order to inform them on the different ways of improving the nutritional content of the food they eat. Children with nutritional deficiencies are mostly vulnerable to disabilities which could have been prevented if they had access to the right kind of food. The impact of food insecurity on young children carries over to the youth because it affects their ability to concentrate at school, their ability to learn and thus affecting the overall level of education. Poor levels of education affect the income that they will be able to earn in the future and this will result in a food insecurity cycle that is generational.

People with disabilities have a high nutritional requirement and most of them do not have people that are looking after them to ensure that their nutritional needs are met and this creates

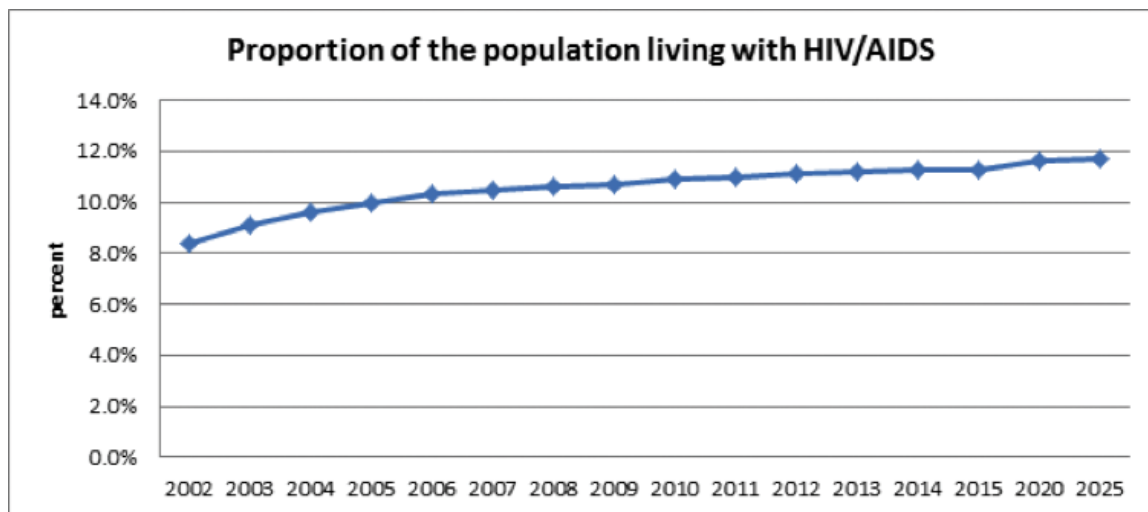
vulnerability to food insecurity. This also affects their productivity and learning ability, which makes them even more vulnerable to poverty and food insecurity. Another impact of food insecurity on people living with disabilities is that it creates more vulnerability to other forms of disease, such as organ malfunction or problems associated with mental utility. This will affect their ability to earn income and thus they become more vulnerable to poverty and food insecurity.

There is a serious call for interventions in the form of educational programmes, research and development and food aid programmes, in order to assist the more vulnerable members of the rural as well as urban households and individuals. Another technique that can be used to enhance food security, especially in urban areas, is job-creation and income generation strategies that are equitable to both men and women and the support of women's engagement in food production as well as marketing.

The impact of HIV/AIDS on food security and nutrition in South Africa

The impact of HIV/AIDS on food and nutrition security is a serious problem for South Africa. The situation is even worse for poor rural and urban communities characterised by poverty and high inequalities. Figure 8 shows the proportion of the South African population living with HIV/AIDS. Results show a gradual increase of the population living with HIV/AIDS from about 8% in 2002 to about 11% in 2013. Projections to 2025 show a continued slight increase to about 12%. A large proportion of the poor rural and urban households are at risk of food insecurity as the result of HIV/AIDS. More effort is required to improve the food security situation of the poor, especially those affected by HIV/AIDS.

Figure 8: Estimated HIV prevalence rates, 2002 - 2025



Source: South African Institute of Race Relations, Health and Welfare, 2010/2011

Table 1 below, summarises the impacts of HIV/AIDS impacts on food security and rural livelihoods (see Hosegood, Preston-Whyte, Busza, Moitse and Timaeus, 2007; HSRC, 2004; de Waal and Whiteside, 2003; Drimie, 2003, etc.). De Waal and Whiteside (2003) argue that the HIV/AIDS epidemic is the reason why households in southern Africa are experiencing food shortage. Household-level studies clearly show a decline in agricultural production as a result of the HIV/AIDS effect. Evidence from empirical studies show that households affected by HIV/AIDS morbidity and mortality, lose assets, income and skills. For example, households with a chronically-ill member/s experience an average reduction of their annual income of 30 to 35 percent (De Waal and Whiteside, 2003). HIV/AIDS forces households to alter their livelihoods strategies. For instance, households often resort to cultivating smaller areas of agricultural land and desert more high input, high output activities for those that require less labour. Empirical evidence shows a close correlation between access to food and household labour availability (De Waal and Whiteside, 2003).

Furthermore, the potential impact on agricultural

productivity of households affected by HIV/AIDS includes (HSRC, 2004: 21):

- A decrease in the area of land under cultivation at the household level (due to a lack of labour stemming from illness and death among household members).
- A decline in crop yields, due to delays in carrying out certain agricultural interventions such as weeding and other inter-cultivation measures, as well as cropping patterns.
- Declining yields may also result from the lack of sufficient inputs, e.g. fertiliser and seeds.
- A reduction in the range of crops produced at the household level.
- A loss of agricultural knowledge and farm management skills, due to the loss of key household members due to AIDS.
- Decline in livestock production for affected households as the need for cash and the loss of knowledge and skills may force some families to sell their animals.

Therefore, the interaction of the loss of household labour, assets, income etc. from HIV/AIDS related sickness and deaths, exacerbates the food and nutrition insecurity of most poor rural and urban households.

Table 1: Impacts of HIV/AIDS on food security and rural livelihoods Source: FAO HIV/AIDS Programme (2002) cited in HSRC (2004)

Impacts of HIV/AIDS on food security
Decrease in the agricultural labour force
Chronic illness or death of a household member
Change in household composition
Increase in the number of orphaned children
Change in household nutritional status
Acute decline in household income
Decrease in credit availability and use
Decrease in aggregate community income and assets
Loss of agricultural knowledge, practices and skills and their transmission from one generation to the next
Decrease in access to natural resources, especially land
Exacerbation of gender-based differences in access to resources
Change in social resources
Increase in social exclusion
Decrease in tangible household assets
Degradation in public services

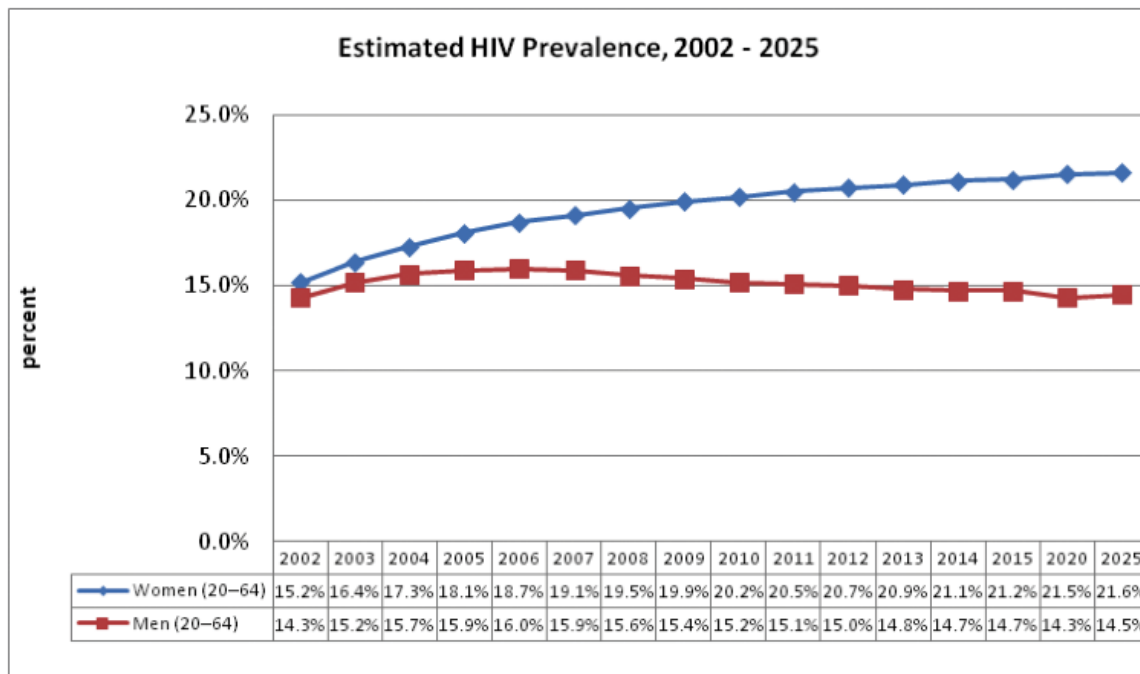
Source: FAO HIV/AIDS Programme (2002) cited in HSRC (2004)

Gendered dimension of HIV/AIDS in relation to food security

Figure 9 below presents the estimated prevalence of HIV/AIDS among men and women aged 20 to 64 for the period 2002 to 2025. Results show that in each year and for the same age group, there are more women infected with HIV/AIDS than men. For example, in 2012, the HIV/AIDS prevalence

was 5.7% higher for women compared to men. The results imply that women are more vulnerable to HIV/AIDS impacts on food security than men. For example, the food availability and access dimensions of household food and nutrition security would be severely affected when the affected are women, who have been ensuring food availability and access.

Figure 9: Estimated HIV prevalence in men and women aged 20 to 64, 2002 – 2025



Source: South African Institute of Race Relations, Health and Welfare, 2010/2011

The presence of HIV/AIDS raises the nutritional requirements of a household, as people living with the disease have a higher than normal nutritional requirement to support their compromised immune system (Reddy and Moletsane, 2009; de Waal and Whiteside, 2003). In addition, the nutritional requirements of pregnant women increase to support the development and growth of the baby. Therefore, HIV/AIDS through increased nutritional requirements, adversely impacts on food and nutrition security of many poor rural and urban households. The impacts are even worse for pregnant women affected by HIV/AIDS. For example, about 28% of pregnant women in 2007 were living with HIV/AIDS (Labadarios et al., 2009). It is evident that HIV/AIDS places a double burden of higher nutritional requirement on pregnant women, making them even more vulnerable to food insecurity.

High HIV/AIDS prevalence makes it difficult for people and households affected by the disease, especially women, to be food secure (Reddy and Moletsane, 2009). This is even worse in situations where women participate in household, agricultural production activities to ensure food availability and access. For example, when male household member/s become sick and later succumbs to AIDS, other family members, especially women, have to take care of the sick. This reduces the time and labour available to engage in agricultural production activities and combined with other factors, such as loss of assets, directly affects food availability and access of the household. However, if the woman household member falls sick and dies due to HIV/AIDS, males are usually not caregivers and male household labour is not affected. In some cases, the males are not involved in agricultural production

activities but even when their labour is not affected, the household will suffer from food insecurity as the main provider (the sick female member) won't be able to ensure provision of food for the household. Given that women take most of the burden of care in the context of HIV/AIDS, they are more negatively affected by food insecurity than other groups in households and communities (Reddy and Moletsane, 2009).

Implications for civil society organisations

There are a number of civil society organisations in South Africa involved in the fight against, the treatment of, and looking after those affected by HIV/AIDS. The Centre for AIDS Development, Research and Evaluation (CADRE) (2010) argues, that over at least the past decade there have been localized projects that have been emerging across South Africa to fill gaps in HIV/AIDS service provision in nearly all areas, including in impact mitigation through such activities as food-gardening and support for orphans and vulnerable children (which all go towards improving food security for those affected).

Challenges facing South African civil society organisations include inadequate and project oriented capacity building for civil society organisations to strengthen and better enable their capacity as HIV/AIDS response units. There is also limited information on the number and type of civil society organisations, actively involved in HIV/AIDS related activities, making it more difficult to assist them (CADRE, 2010). Profiling the CSOs involved in HIV/AIDS and food security related work would help planning and coordination of their work to facilitate co-operation and avoid duplication of activities.

Households' ability and access to secure nutritious food

The United Nations Expert Group on Poverty Statistics posits that there are three approaches to determine poverty lines:

- Absolute poverty line: the absolute poverty line is linked to a specific welfare level, either income or expenditure.
- Relative poverty line: the relative poverty line is based on a predetermined cut off point below which a percentage of the population can be located.
- Subjective poverty line: subjective lines are based on people's perceptions of what would constitute a minimum adequate household budget.

The absolute poverty line is the common approach used in countries like South Africa where poverty levels are extremely high. The absolute poverty line is determined through two components – food and non-food expenditure based on a “cost of basic needs” approach developed by Ravillion. The construction of the poverty line takes into account the food energy intake requirements for an individual at rest. Based on these calculations the average national energy requirement for South Africa is 2261 kcal per capita, per day. A “reference food basket” is defined to determine the cost. South Africa has a total of 31 items included in the “reference food basket” and the costs are estimated based on expenditure shares on these foods for deciles 2 to 4 (STATSSA, 2008) (Table 2).

Table 2: Reference Food Basket

Group	Food item
Beverages	Instant coffee
	Ceylon tea
	Rooibos & herbal tea
	Aerated cool drinks
Dairy products and Eggs	Fresh Milk
	Milk powder & whiteners
	Buttermilk, maas/sour milk
	Eggs
Fats and Oils	Margarine
	Cooking oils
Fish, Meat, Poultry and their products	Mutton
	Beef
	Chicken
	Boerewors
	Canned fish
Grain products	White bread
	Brown bread
	Cake flour
	Bread flour
	Rice
	Mealie-meal
	Samp
Fruits & Vegetables	Apples
	Bananas
	Oranges
	Onions
	Tomatoes
	Cabbage
	Fresh potatoes
Miscellaneous	White sugar
	Brown sugar
	Salt
	Soup powder

Based on the approach above, three poverty lines are defined (Table 3). Evidence suggests that the average South African adult requires a minimum of R9.55 per day or R286.5 per month to access

a healthy diet. Given the average household size of 4 members the required income to provide an adequate diet for the family, is R1 146 per month (Labadarios et al, 2011).

Table 3: Poverty lines

Types of	Value:	Value:	Total value:
Poverty line	Food component	Non-food component	Rand per-capita, per month (Sept 2000 prices)
Food poverty line	R148	None	R148
Lower poverty line	R148	R71	R219
Upper poverty line	R148	R175	R 323

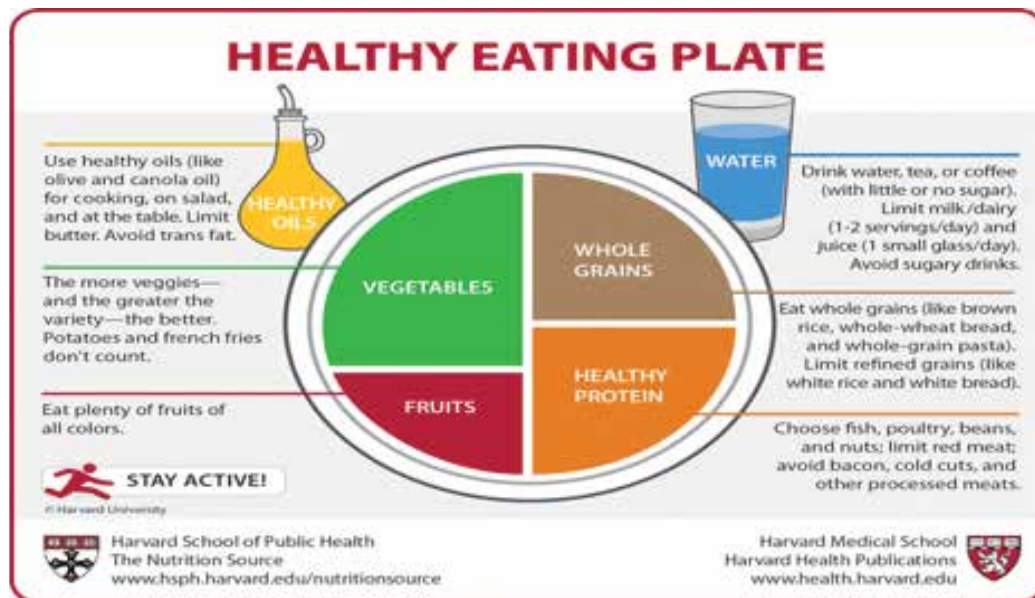
Source: STATSSA (2008)

Access of micro-nutrients that are critical for the proper functioning of the body

The quality of diet is central to addressing food and nutrition security. Micro nutrients which are found in natural, processed and fortified foods are essential for healthy and normal growth although they are only required in small quantities. Micro nutrients can

influence adult and child health outcomes, promote wound healing, develop and strengthen our immune systems and are necessary for production of blood and energy production (FAO, Micro nutrients Flip Chart, undated). Key micro nutrients include iron, iodine, vitamin A, vitamin B, zinc and calcium. A food pyramid or food plate has been widely used to indicate what makes up a healthy diet (Figure 10).

Figure 10: Healthy Food Plate



The World Health Organisation recommends regular intake of at least 400-500 grams of fresh fruit and vegetables daily to reduce nutrient induced illnesses. Micro nutrient deficiencies (also referred to as "hidden hunger") are widespread globally with higher levels of prevalence in developing countries and among subsistence farmers in particular. According to FAO, (2002) three micro nutrients deficiencies which have significant implications for public health are Vitamin A, iron and iodine. Vitamin A deficiencies, mostly found in young children can lead to blindness, while iron deficiencies which affect children and child bearing women can lead to anaemia, which is a strong factor in maternal and neonatal morbidity. Iodine deficiencies can lead to mental retardation and in its extreme form to cretinism (a form of arrested development both physical and mental with dystrophy of the bones), still births and birth defects. A dietary diversity score has been developed which measures the mean number of food groups consumed by a person over a prescribed period. The minimum score should be 5.1 out of 9 food groups.

Improper food storage, handling and preparation of fruit and vegetables can impact on the nutritional value of the food. Overcooking and holding food for a while before consuming can also lead to nutrient loss. These losses can be addressed through provision of nutritional education. Knowledge of essential components of diet is important for nutritional disease prevention and mitigation.

A number of civil society interventions are focused on making food accessible to poor and vulnerable households through providing support for smallholder farming, communal gardens and through distribution of food parcels to poor households and direct feeding in schools and crèches. Very little is known about the extent to which these practices are informed by the need to promote dietary diversity. A study undertaken by Motala and Jacobs (2011) pertaining to the rollout of the Community Work Programme, found little evidence in the food garden development work of

an appreciation for dietary diversity in the selection of crops to be grown. Similarly, the study found that crèches that provided nutrition for young children did not actively promote dietary diversity.

Possible interventions which CSO can promote include the following:

- Integrate nutrition counselling in all food security interventions - including through agricultural extension, particularly when women are counselled.
- Promote dietary diversity in crèche and school feeding menus to ensure that children receive all the essential nutrients is highlighted
- Encourage the introduction of micronutrient-rich crop varieties in agricultural production;
- Explore the potential for promoting animal food production to improve access to protein and dairy produce;
- Ensure that vulnerable household members consume the foods produced. Cultural and other factors need to be addressed in this regard.

Profile of households with ability and access to food security

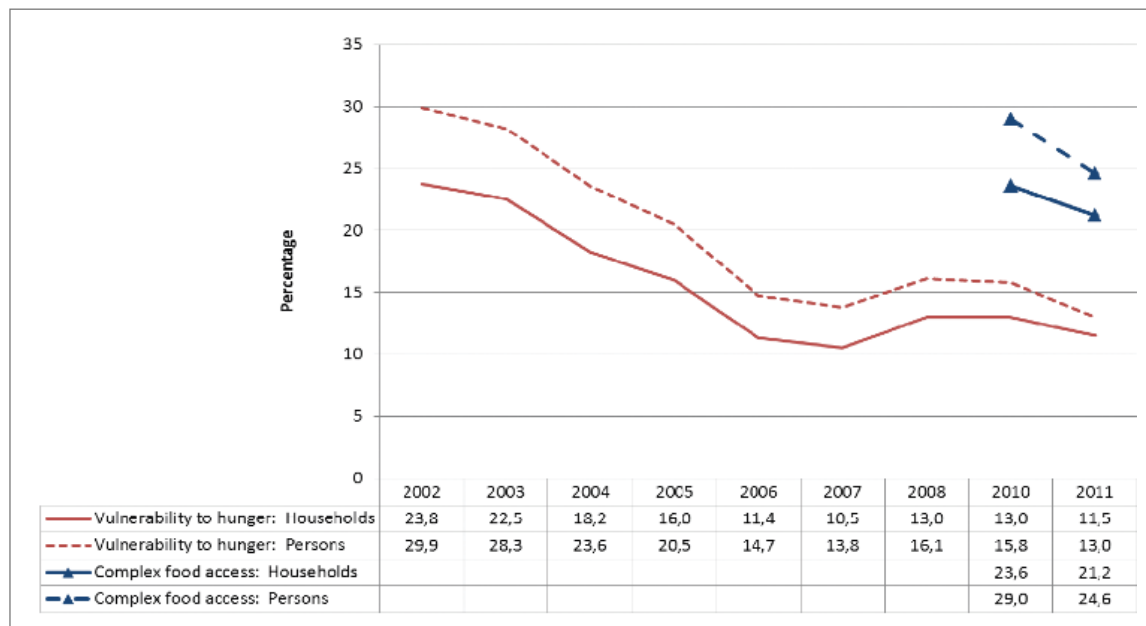
Food security encompasses components of food availability (production, distribution, and exchange), food access (affordability, allocation, and preference), and food utilisation (nutritional value, social value, and food safety) (De Klerk et al. 2004). Food security is achieved when food systems operate such that all people, at all times, have physical and economic access to sufficient, safe, and nutritious food to meet their dietary needs and food preferences for an active and healthy life. Despite an apparent status of being food-secure as a country (De Klerk et al. 2004), it has been estimated 2.9 million households (11.5 million individuals) are vulnerable to food insecurity and 72% of the vulnerable resides in rural areas (SA General Household Survey, 2010). South Africa still faces high degrees of socio-economic inequalities and this worsens poverty levels, hunger, morbidity linked to racial groups (DAFF, 2012). Food insecurity is directly linked to poverty, which is also

directly linked to income generation opportunities and ownership of capital assets. There are comparatively few individuals or households in the case of homestead or subsistence farmers who are totally self-reliant for food throughout the year (De Klerk et al. 2004; Gregory et al. 1999).

The GHS of 2011 shows that the percentage of people vulnerable to hunger declined from 29.9% in 2002 to 13% in 2011 (Figure 11). According to Vella (2012), despite many improvements in South Africa over the past two decades, food security and nutrition remain key obstacles to achieving national equality. The country still faces challenges of food insecurity as evidenced by some indicators of food insecurity, such as malnutrition rates among children, which has

not improved since independence. Furthermore, South African women are severely affected by lack of security in food with about a quarter of females in the country without adequate levels of nutrition and vitamins (ibid). Rising food prices are a significant threat to food security, especially among the poorest in South Africa. Recent years have seen food prices rising faster than the economy's consumer inflation level. For example, in 2011 annual inflation was 5%, within the reserve bank's target range, while food inflation was recorded at 10.3% in January 2012. Higher food prices erode the purchasing power of households, constraining purchase of food and alternative livelihood strategies aimed at achieving food security (ibid). Rising food prices lead to lack of affordability and render millions of poor South Africans food insecure.

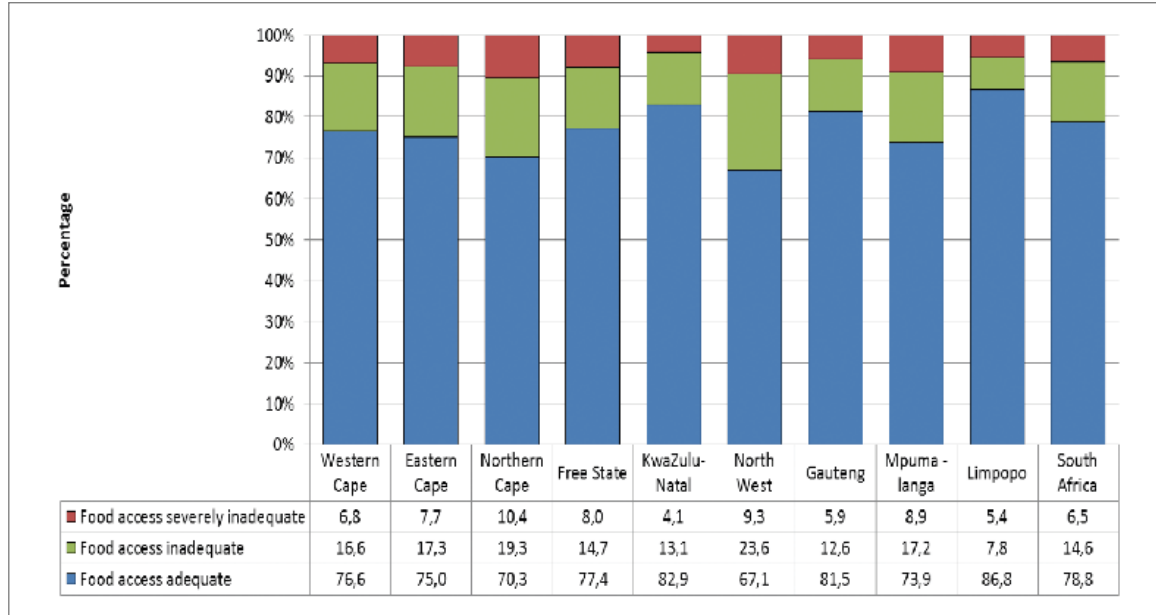
Figure 11: Vulnerability to hunger and access to food, 2002-2009; 2010-2011



Provincial analysis of food access from the 2011 GHS showed that the North West had more serious problems of food access, with 32.9% households with inadequate or severely inadequate access to food. The other provinces which experienced high inadequate food access include Northern Cape

(29.7%), Mpumalanga (26.1%), Eastern Cape (25%), Free State (22.6%) and Western Cape (22.4%). On the other hand Limpopo province had the highest food access with 86.8% of households having access to food, followed by KwaZulu-Natal (82.9%), and Gauteng (81.5%) (Figure 12).

Figure 12: Percentage of households experiencing food adequacy/inadequacy by province, 2011

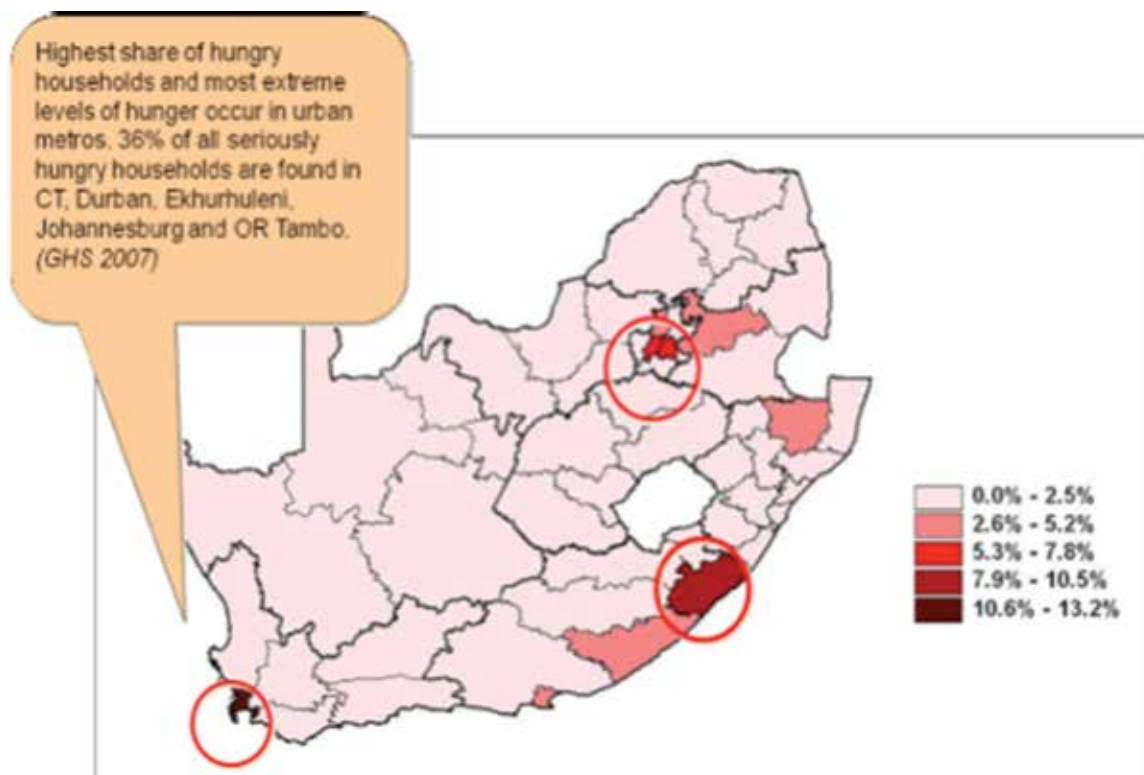


Urban and rural poverty dimensions

South Africa's population, like other developing countries, is rapidly urbanising (with 60% level of urbanisation currently). Although traditionally, food security has been viewed mainly as a rural problem, this is no longer the situation with evidence pointing to the growing levels of hunger and food insecurity in

urban, particularly metropolitan areas in South Africa (Aliber, 2009). Aliber (2009) explored the location of hunger within urban and rural municipal districts, and identified extreme hunger in urban informal settlements in Gauteng & Western Cape. Figure 13 shows the geographical spread of hunger based on the 2007 GHS (STATSSA, 2008).

Figure 13: Hunger in the Metros



Source: Aliber, 2009

From 2007 to 2008, 'hunger' in female-headed households in traditional huts, backyard shacks and squatter camps increased by about 5-7%, compared to a 3% national average. Due to the lack of sufficient data on food insecurity in urban areas, the Urban Food Security Baseline Survey was undertaken by the African Food Security Urban Network (AFSUN) in late 2008 which collected data

from approximately 6 500 households and 28 500 individuals in eleven cities, in nine Southern African Development Community (SADC) countries. The study found that poverty in urban areas is highly correlated with more than 70% of the households reporting experience of significant or severe food insecurity (Frayne et al, 2009).

The role of smallholder agriculture and impact of community based food production on improving food security

Smallholder farming forms an important part of the South African agricultural sector. An estimated four million people are engaged in smallholder agriculture (Baiphethi and Jacobs, 2009). The 2011 General Household Survey (GHS) (STATSSA, 2012) shows that in 2011, almost 23 percent of South African households were involved in agricultural production activities (Figure 14). About 90% of these

households created backyard gardens and only 9% cultivated farmland. According to Aliber and Hall (2012), smallholder farming is concentrated in a few districts countrywide: Vhembe District in Limpopo, OR Tambo District in the Eastern Cape; Ugu District in KwaZulu Natal; and Ehlanzeni District in Mpumalanga account for 26% of all small black farmers in the country. Quality extension support to smallholder farmers has been identified as seriously lacking and requires urgent attention.

Figure 14: Household involvement in agricultural activities by province, 2011

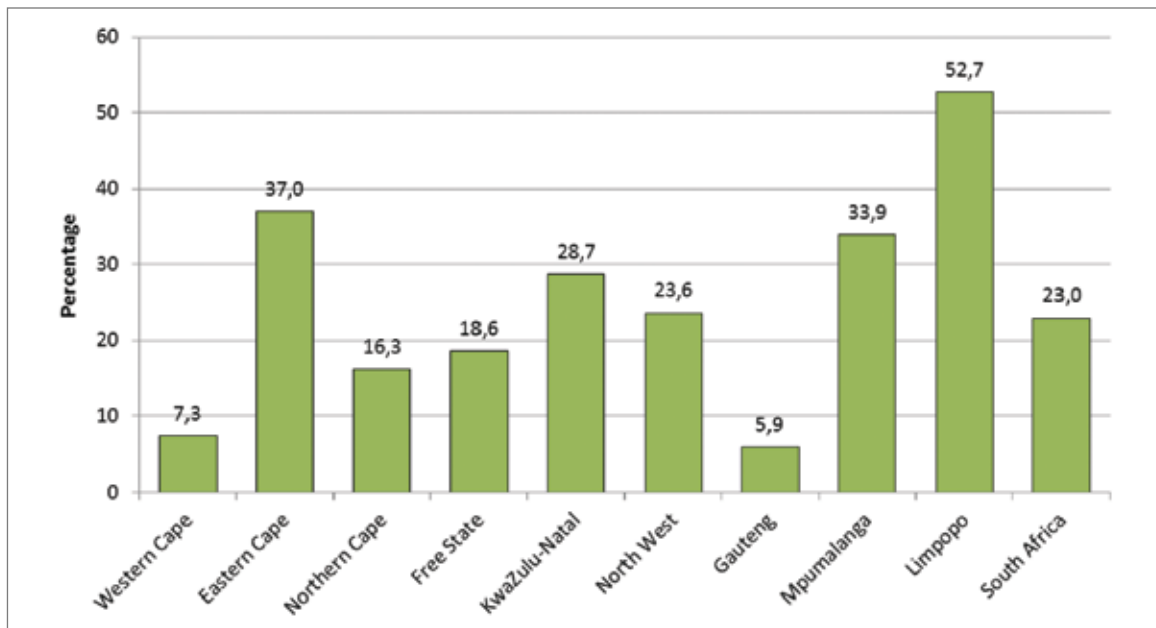
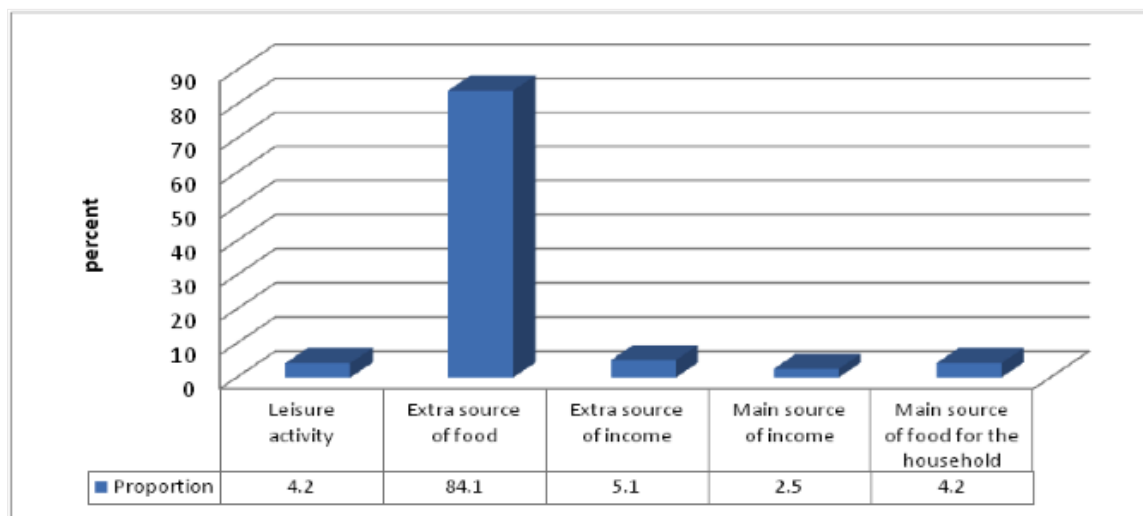


Figure 15 summarises the main reasons for engaging in agricultural activities. The results show that about 84% of the households reported that they were involved in agriculture in an attempt to secure an additional source of food. According to the 2011 GHS this was the case especially in Limpopo (95%)

and Eastern Cape (91%). However, most households in Western Cape (31%) engaged in agricultural as a leisure activity and in Northern Cape agriculture was used as an additional source of income (29%) (STATSSA, 2012).

Figure 15: Main reason for agricultural involvement by province, 2011



The majority of smallholder farmers are the poor. Matshe (2009) indicates that 50 percent of the world's hungry are smallholder farmers, with the landless rural population making up 20 percent of these. In South Africa, women, who comprise 61 percent of farmers, make up the majority of subsistence farmers. Analysis of the 2007 Labour Force Survey (LFS) shows that of the 1 million black farmers in the Limpopo province belonging to 600 000 households, 69 percent of these were women and 96 percent were involved in smallholder farming. In addition, young people make up the majority of small-scale farmers, with approximately 1.9 million of them (aged 15 to 29) involved in smallholder farming (Altman, Hart and Jacobs, 2009; and Aliber and Hart, 2009). Targeted interventions focused on women, youth and other disadvantaged groups will result in better food and nutrition security in such instances.

The ability of smallholder farming to promote and ensure food security has been limited in South Africa. For example, Aliber and Hart (2009) analysed agricultural activity at the Molati village in Limpopo (which comprises 830 households). The results showed that of the 830 households, 90 percent are involved

in agricultural activity (90 percent were involved in crop production and 59 percent in the production of livestock). Furthermore, among those engaged in crop production, 83 percent did it as an extra source of household food and 5 percent as a primary source of household food. Among those engaged in the production of livestock, 29 percent did it as an extra source of household food while 26 percent do it as a primary source of household food (see Table 4). Despite the high involvement in agriculture for the purpose of food provision, 49 percent of Molati residents were reported to be experiencing hunger at some point or another in the twelve months leading up to the survey.

This case study, although it cannot be generalised for the whole country, provides an example typical of many smallholder farmers in other parts of the country. Although smallholder farmers are engaged in household food production, usually they are left with food deficits to carry them to the next harvest and would require off-farm income to buy food for the household. Aliber and Hart (2009) argue that off-farm income is normally sought and is essentially part of being a smallholder farmer in South Africa. The majority

of the country's smallholder farmers are engaged in other income generating activities in order to diversify their incomes and hence their livelihood sources.

Table 4: Household involvement in agriculture in Molati village in Limpopo, 2009

Household Involvement in Agriculture	Proportion of Households Involved
Production of crops	90%
• Extra source of household food	83%
• Primary source of household food	5%
Production of livestock	59%
• Extra source of household food	29%
• Primary source of household food	26%

Source: Aliber and Hart, 2009

Despite, the various constraints in smallholder agriculture, the sub-sector plays an important role in providing supplementary food availability for many households. Altman, Hart and Jacobs (2009), argue that there has been considerable increase in the number of black households involved in agriculture between 2001 and 2004; and a slight decrease after that. The increase is argued to be driven by the need to supplement available food to feed larger groups of dependents for most households.

Baiphethi and Jacobs (2009) argue that while smallholder farming is important for household food security in South Africa, the productivity of smallholder agriculture is very low. This is one of the factors why both rural and urban households abandon farming for other non-farm income generating activities. The low productivity of the smallholder farming sector is influenced by limited use of high-yielding crop varieties that are used extensively in other parts of the world (Rockefeller Foundation (2006). Ensuring that smallholder farmers have access to better seeds,

fertiliser and technologies, would significantly reduce the inefficiency in their production and food shortage risks (Baiphethi and Jacobs, 2009).

However, there are cases where smallholder agricultural production interventions have been successful. A typical example is the Asian Green Revolution which saw substantial reduction in poverty and hunger as a result of increased productivity from small farms (Rosegrant and Hezell, 2000). Matshe (2009) argues that efforts have been made to bolster smallholder agriculture in Sub-Saharan Africa, with little success. Some of the few success examples highlighted include: in Zimbabwe in the 1980s and Malawi in the early 2000s, where these countries had better success, driven by direct support almost exclusively to smallholder farmers. These cases provide learning examples for South African smallholder agriculture interventions. However, a detailed analysis of the constraints is required to drive any possible interventions to boost South African smallholder agriculture and its contribution to household food and nutrition security and livelihoods at large.

The basket of goods that are targeted in smallholder production and their impact on eradicating malnutrition

The nature of agricultural activities undertaken by households in 2011 is summarised in Table 5. The results from the 2011 GHS show that the main agricultural activities undertaken by households include poultry production (46%); livestock production (44%); grains and food crops production (42%) and fruit and vegetables (41%). Further analyses of the GHS data showed that the highest percentage of households involved in the production of livestock were in Northern Cape and Eastern Cape with 71% and 63%, respectively. In the production of poultry, the highest percentage of households involved was in Eastern Cape (70%) and North West (52%). For grains and foods crops Limpopo (60%) and Eastern Cape (55%) were the leading producers. Fruit and vegetable crops are mainly produced in Mpumalanga (67%) and Free State 66%).

Table 5: Nature of agricultural activities undertaken by households, 2011

Production activity	Number	Percent*
Livestock	1479	43.9
Poultry production	1542	45.8
Grains and food crops	1410	41.9
Industrial crops	9	0.3
Fruit and vegetables	1367	40.6
Fodder grazing/pasture grass of animals	24	0.7
Forestry	9	0.3
Fish farming/aquaculture	1	0.0
Game farming	2	0.1
Other	16	0.5

*A particular household can be involved in more than one activity and therefore percentages do not add up to 100%

Source: Stats SA, GHS, 2011

Questions are usually raised on the ability of household food production's ability to result in improved household nutrition. Kirsten, Townsend and Gibson (1998) used survey data to investigate the relationship between agricultural production and the nutritional status of households in rural KwaZulu Natal. The study looked at the basket of goods produced by smallholder and subsistence farmers and the basket's impact on the respective households' nutrition. Kirsten et al (1998) found that the main crops grown by the sampled households were maize, dry beans, pumpkin, white potatoes and cabbages in addition to livestock rearing (about 51% of the households). The production of these crops was mainly for subsistence purposes with a relatively small proportion of the households selling some of their produce. Kirsten et al (1998) analysed the impact of these agricultural activities on nutrition using anthropometric indices. The indices focused on children aged between 0 and 60 months (the most vulnerable group) from the sampled households in order to find the link between own production and nutrition. The study revealed the presence of a positive correlation between household food production and household nutrition. Households that had access to seeds and fertiliser and were

highly involved in agriculture were less likely to have stunted children (indicating the presence of malnutrition in the household) and were regarded to be better nourished.

Van Averbeke and Khosa (2007), used a similar approach to investigate the contribution of own food production on the nutrition of three rural settlements in Limpopo's Waterberg District Municipality. The study showed that households were able to obtain nutrients from food produced from a wide range of dry-land agricultural activities. The food produced by the households was found to contain large enough quantities of nutrients to significantly contribute towards satisfying household nutritional requirements. In addition, through food grown in irrigated home gardens, households were able to obtain and raise their intake of vitamins A and C. van Averbeke and Khosa (2007) argued that there is a direct and positive relationship between food production and household nutritional intake in terms of micronutrients. In addition, smallholder farming also improves household nutrition indirectly by making money available for the purchase of energy fruits, vegetables and dense foods, either through saving on food expenditure or via the sale of produce (van Averbeke and Khosa, 2007).

However, some studies on this subject have raised doubts about the contribution of smallholder farming to household nutrition, arguing that savings on food expenditure as the result of own food production does not necessarily go towards the purchase of high quality food, but of non-food items (van Averbeké and Khosa, 2007). Labadarios et al (2011) argue that small-scale agriculture still requires more attention and further evaluation regardless of the lack of access by the majority of people. Numerous studies have indicated that in South Africa, food prices are highest where the poor live, and overall, the majority of South Africans consumed a diet that is low in dietary variety. Labadarios et al (2011) advocate for the need for government and the private sector to find ways of making land accessible for smallholder food production to increase the dietary diversity score of households.

Civil society organisations can play an important role in promoting and facilitating smallholder production of a nutritious mix of agricultural products that cater for household dietary requirements. In addition, CSOs can also assist farmers' access to inputs such as seeds, fertilisers, etc to productively use the land they have to produce food for their household, as well as for the market. CSOs can also play an advocacy role to ensure that government provides access to land and other inputs for smallholder farmers to be productive. Also, CSOs can be influential in raising awareness and educating farmers on nutritious dietary requirements for their households and provide training in producing some of the crops.

Challenges affecting households' ability to access food security

Food insecurity is widely acknowledged to be closely linked to poverty and inequality. Jacobs (2009) argue that household food security is influenced by many factors such as household composition (age, gender, size of household members), wealth and livelihood strategies pursued by adults in the household (wages, grants, remittances and

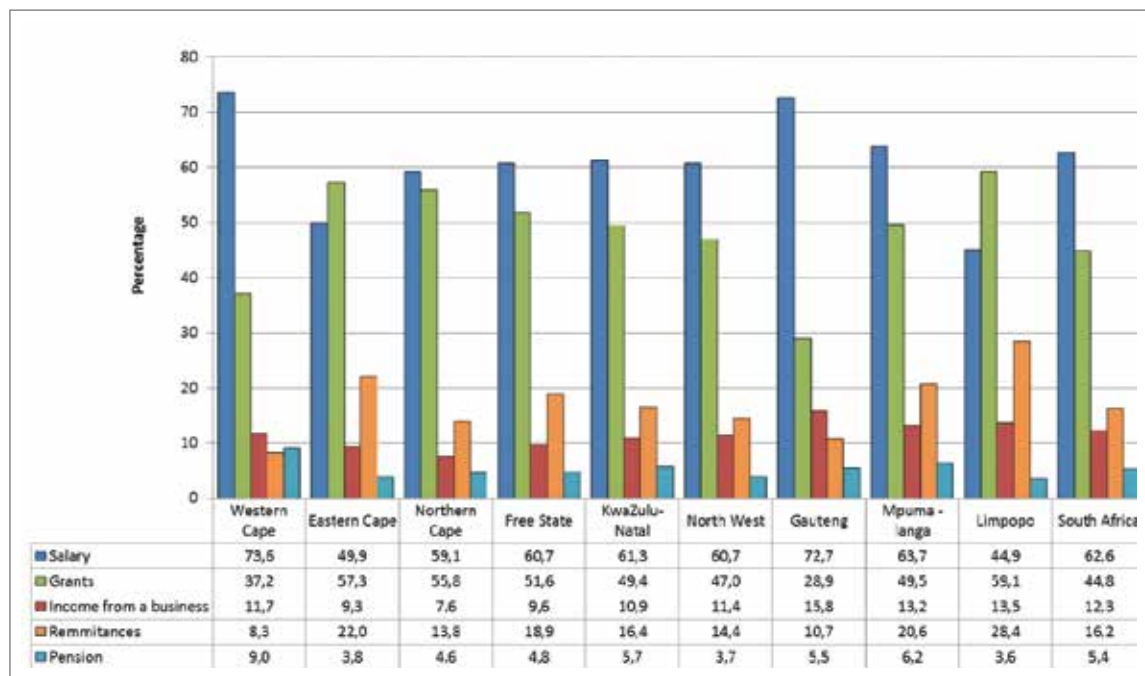
assets), geographical location (urban or rural) and institutions (markets) and social networks. Some of these factors are discussed below.

Income and sources of income

Figure 16 summarises various sources of income reported by households in the 2011 GHS. Results show that; at the national level the main source of income reported by households include salaries (63%) and grants (45%). Few households reported remittances (16%); income from business (12%) and pension (5%) as sources of income. At the provincial level, the largest percentage of households that reported salaries as main source of income were from Western Cape (74%) and Gauteng (73%). Limpopo (59%) and Eastern Cape (57%) reported the highest percentages of grant income. These two also have the highest poverty levels in the country. Remittances were reported as one of the important sources of income in most provinces, especially in Limpopo (28%), Eastern Cape (22%) and Mpumalanga (21%). Based on these results, the challenges that are faced in the employment sector with people losing their jobs, for example in the mining sector, have serious implications on household food security, especially for the poor. Altman (2006) estimated that approximately 65% of the labour force earned very low incomes in 2004 i.e. below R2 500 of which 83% were Africans. This means that for those who reported salary as a source of income, especially cases where the salaries are very low, as is the case with many of the semi-skilled and unskilled employees, other economic pressures like rising price inflation means that household food and nutrition security are threatened even more. Furthermore, despite grants not being earmarked for food and nutrition security, as a main source of income, research is necessary to investigate their contribution to household food and nutrition security.

A specific household can have more than one source of income. Percentages therefore do not total 100%

Figure 16: Percentage distribution of sources of household income by province, 2011



Source: Stats SA, GHS, 2011

Furthermore, empirical evidence shows that income levels for the majority of South African households are low with many surviving on an estimated average income of less than R1 000 per month (Labadarios et al., 2009). According to the 2005 Labour Force Study (LFS), 65% of working people earn less than R2 500 per month and income inequality in South Africa is among the highest in the world (Altman, 2007). In 2005 the labour force distribution reflected 40% of the workforce was in permanent employment in the formal sector, while 14% were engaged in informal work, 7% were domestic workers and 10% were temporary workers (Altman, 2007). The LCS 2008/09 data revealed that 38.9% of poor households had no adult employed, compared with the national average of 25, 5% of adults in a household who

were employed. Further, the above findings show that household income has serious implications on household food security. Poor households with limited income sources are usually most vulnerable to food and nutrition security.

Hunger was strongly prevalent in households with little or no income. Table 6 below illustrates the relationship between income sources and experience of hunger and it can be seen that a higher proportion of those households receiving salaries and wages never experienced hunger, while the highest proportion of those households which were always hungry were households in receipt of grants and pensions.

Table 6: Households reporting experiences of hunger among adults by main (primary) household income source, GHS 2008

Household main income sources	Never hungry	Seldom hungry	Sometimes hungry	Often hungry	Always hungry	All households
Salaries & wages	7 175 687	224 358	622 493	79 725	26 153	6 128 416
%	88.28	2.76	7.66	0.98	0.32	
Remittances	947 792	39 550	193 167	22 907	23 865	1 227 284
%	77.23	3.22	15.74	1.87	1.94	
Pensions & social grant	2 358 809	138 983	504 737	78 937	50 297	3 131 763
%	75.32	4.44	16.12	2.52	1.61	
Farm income	75 541	1077	17 733	0	1625	95 976
%	78.71	1.12	18.48	0	1.69	
Other non-farm incomes	207 405	5666	35 210	3595	2592	254 469
%	66.48	2.23	13.48	1.41	1.02	
Zero/no income	181 709	10 649	54 225	16 571	10 162	273 316
%	66.8	3.9	19.84	6.06	3.72	
Total income	10 946 946	420 283	1 427 565	201 736	114 694	13 111 224
%	83.49	3.21	10.89	1.54	0.87	

Source: Stats SA GHS 2008

Agricultural employment levels in South Africa are reportedly low at just under 600 000 in 2012, compared with 1.8 million employed in 1971 (NPC, 2012). Approximately 38% (19.14 million) of the country's population reside in rural areas, a decrease of 10% since 1994 (World Bank, 2012), mainly as a result of migration from rural areas to small towns and cities. South Africa's unemployment rate is amongst the highest in the world with an expanded unemployment rate of 40%¹¹⁶, with women bearing a higher unemployment burden (46%) compared with men (34%). In some of rural areas unemployment is as high as 70%, compared to 46% nationally (Jacobs, 2010). Also, these results imply that the rural poor and unemployed rural and urban are most vulnerable to food and nutrition insecurity.

In addition, an estimated four million people engage in smallholder agriculture in South Africa, the majority of whom are to be found in the former homeland areas. Agriculture contributes 15% of total household income in black households with access to agricultural land, but for the poorest quintile, the contribution stands at 35% (Aliber, 2005). The most common reason given for engaging in agriculture, is procuring 'an extra source of food'. The number of people engaged in agriculture as an "extra source of income", has increased over time at the expense of engaging in agriculture as a 'main source of food' or purely for subsistence. However, agricultural incomes for most households, especially smallholder farmers are not very high as very small quantities of produce are sold.

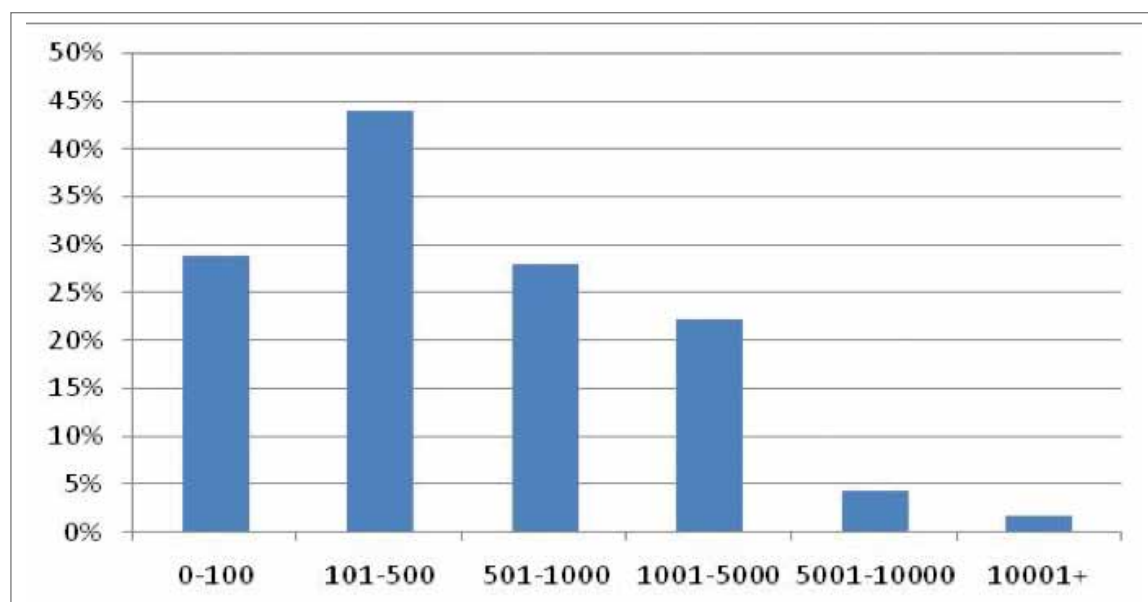
¹¹⁶ Unemployed (expanded definition): Persons who did not work, but were available to work in the reference period.

In terms of the informal economy, NIDS data indicates that there were just over 2.5 million workers in the informal sector, with another 1, 45 million informally employed in formal sector firms, most of whom would be concentrated in urban areas. South Africa's informal enterprise sector makes up a very significant fraction of South Africa's economy, comprising 22 percent of all national employment and with informal workers inside the formal sector counted, it rises to 36 percent (Davies & Thurlow 2009). Informal sector employment is mainly self-employment and although there are higher end informal sector enterprises which generate large incomes, most of the entrepreneurs in this sector are survivalist with women tending to predominate. In the survivalist sector, profitability is very low relative

to formal business expectations (SALDRU, 2008).

Figure 17 below, reflects that the informal economy does not provide sustainable incomes, with over 70% of all informal businesses reporting a profit of less than R500 per month, illustrating the survivalist nature of the sector. Informal businesses offer poor returns, require long hours of labour and are precarious by nature as they are prone to risks. In addition to low income levels, workers in this sector are afforded little protection against illness nor do they enjoy employment benefits such as leave provisions, income protection or unemployment benefits. While generating more employment is necessary it must be accompanied by efforts to enhance the quality of work through establishing minimum wage floors and regulation of employment conditions.

Figure 17: Profit from informal sector enterprise (ISE) activities



Source: National Income Dynamics Study (2008)

Expanding Social Wage through the implementation of social protection measures by South Africa are among the most extensive in Sub Saharan Africa. These measures include a massive cash transfer programme targeting the elderly, children and the disabled. Special provisions are also provided for war veterans. Currently there are an estimated 14.6 million grant beneficiaries receiving R80 billion from the national fiscus annually, with the majority being children in receipt of the child support grant. Despite the wide coverage, the social assistance programme excludes large numbers of adults who are unemployed. Evidence suggests that social grants have been an important contributor in reducing poverty and food insecurity in South Africa, particularly among poorest households (van der Berg, 2006).

Aliber (2009), drawing on the 2007 GHS, found that 51% of seriously hungry households who appeared to qualify for access to grants, did not receive them. Some of these households (about two thirds) receive some grants but were eligible to receive more, while the remaining third received no grants at all. Work undertaken by a non-governmental organisation, ACCESS (Alliance for Children's Entitlement to Social Security), identified the lack of vital identification documents. The 13 digit bar coded identity document was the single largest barrier to access to grants (Giese et al, 2008). According to the report, the main problem related to the lack of identity documents of the mother or the absence of the mother due to illness or death and the difficulties in registering the birth of the child. McEwan and Woolard (2010) also found similar results, based on a review of data from the National Income Dynamic Study, that over 600 000 maternal orphans were not in receipt of any grants.

Other social protection measures which are contributing to income transfers are the public employment programmes (PEPs) being implemented in South Africa, namely the Expanded Public Works Programme (EPWP) and the Community Work Programme (CWP) and social insurance schemes,

such as unemployment insurance and compensation for occupational injury and diseases.

Unemployment in South Africa

Employment is one of the key components for reducing poverty and inequality in South Africa. Over the last decade South Africa's chronically high unemployment rate has hovered at around 25% and is ranked amongst the highest in the world. Using an expanded definition of unemployment (including discouraged work seekers) this rate jumps to approximately 37%, affecting predominantly unskilled and semiskilled workers (about 4.4 million to 7.1 million unemployed people). In 2008 an estimated 70% of the bottom quintile was unemployed. The employment situation is particularly challenging for rural dwellers, youth, and those living in informal settlements and townships. Disproportionately large numbers of youth are unemployed, with 36% being youth below the age of 24 and 73% being below the age of 34. Unemployment has a strong racial (almost all of whom are African) and gender dimension, with two thirds of discouraged work seekers being women. About 61% of the unemployed have been searching for employment for over 3 years, leading to discouragement. Despite the lower level of participation of women in the economy, women share disproportionately in the rate of unemployment (Department of Treasury, 2011).

Factors contributing to this high level of unemployment, include lack of jobs being created as a result of slow growth and mainly capital intensive growth, spatial location of jobs (with jobs and people being dislocated) and perhaps most importantly, the education system in South Africa which is not producing skilled youth for the job market (Department of Treasury, 2011). There is a clear mismatch between South Africa's economy, which is skills based, and the annually expanding low skills labour force. An estimated 500 000 to 750 000 youth leave the education system annually and join the ranks of the unemployed, and only a small fraction are absorbed into learnerships, tertiary

education or employment either formal or informal. Again, the challenges of unemployment threaten household food and nutrition security, especially for the women, youth and other marginalised groups who find it difficult to get employment. The situation is even worse for most of these groups as they usually don't have any other sources of income and the little they get is usually stretched to meet many basic needs.

Public employment Programmes

Public Employment Programmes (PEPs) have grown in importance in South Africa against a backdrop of extremely high unemployment levels with large numbers of youth out of work. The current government in 2009, reprioritised public employment programmes targeting the creation of 1 million jobs, even if they are short term opportunities. A unique feature of the EPWP in South Africa is the focus on social sector employment as opposed to infrastructure and environmental focus of many other such programmes globally. With an injection of R3.5 billion for CWP over the medium term (2009-2014), over 2.5 million work opportunities were targeted. The HSRC study on the CWP found significant opportunities for building synergies between government's commitment to job creation and enhancement of food security, using the CWP as a vehicle (Motala and Jacobs, 2011).

The principle underlying such programmes is that most adult employable people would prefer to undertake work and be remunerated, rather than receiving grants, as long as the work is "decent". Such jobs typically pay below market rates but need to be able to pay enough to incentivise self-targeting of unemployed people. Both the EPWP and the CWP are targeted towards rural dwellers, youth and women. The National Rural Youth Services Corp is another programme targeted at rural youth between the ages of 18 and 35. The programme spearheaded by the Department of Rural Development and Land Reform has been rolled out targeting rural youth for

skills development and job creation. The objective is to enhance food security outcomes and to promote rural development.

The important difference with social sector employment programmes is that they provide longer periods of employment compared with infrastructure projects and thereby provide regular and consistent sources of income. The HSRC (2008) found that social sector EPWP provided approximately 100 days of work, as compared with the infrastructure opportunities which provided between 35 and 50 work days. In a review of PEPs globally, McCord (2012) found that PEPs are premised on a number of assumptions: the ability to promote household level livelihoods and productivity without creating dependency; to contribute to wage transfers and to skills development and asset creation which in turn could lead to pathways out of poverty.

Percentage of income spent on food security

Households access food through own production and/or purchasing from the market. Most South African households depend on income of various sources as the main means to access household food and nutrition. Empirical evidence shows that poor rural households spend a larger share of their income on food than urban households, although the per capita spending is lower in rural areas than for urban households (Aliber, 2009; Jacobs 2010). Results on Table 7 shows that in 2008, households where adults were always hungry spent R131 per capita on food compared with households where adults were never hungry, whose food expenditure per capita was R330 per capita. The LCS 2008/09 (Statistics SA, 2010) data showed that the total average annual household consumption expenditure was R71 910 and that the annual household consumption expenditure on food (unadjusted) was found to be R9 939. This represents an average of 14.6% of food expenditure in relation to household consumption expenditure annually.

Table 7: Female headed household's total household spending and food spending patterns against reported adult hunger experienced

Adults never hungry					
	2006	2007	2008	2006-2007	2007-2008
Food spending per ADEQ	234.22	256.80	330.36	22.58	73.56
Average household food spending	514.93	581.83	736.42	66.90	154.59
Food expenditure share (%)	53.7%	50.3%	53.2%	-3.3%	2.9%
Adults seldom/sometimes hungry(moderately)					
	2006	2007	2008	2006-2007	2007-2008
Food spending per ADEQ	138.07	152.30	117.28	14.23	28.47
Average household food spending	360.33	395.73	506.12	35.40	110.39
Food expenditure share (%)	58.9%	57.0%	61.0%	-2.6%	3.9%
Adults often/always hungry(Seriously)					
	2006	2007	2008	2006-2007	2007-2008
Food spending per ADEQ	105.10	102.94	131.41	-2.16	28.47
Average household food spending	296.41	3692.01	408.52	15.60	65.51
Food expenditure share (%)	64.0%	61.4%	61.8%	-2.6%	0.4%

Source: STATSSA, various years, GHS ADEQ= Adults 0

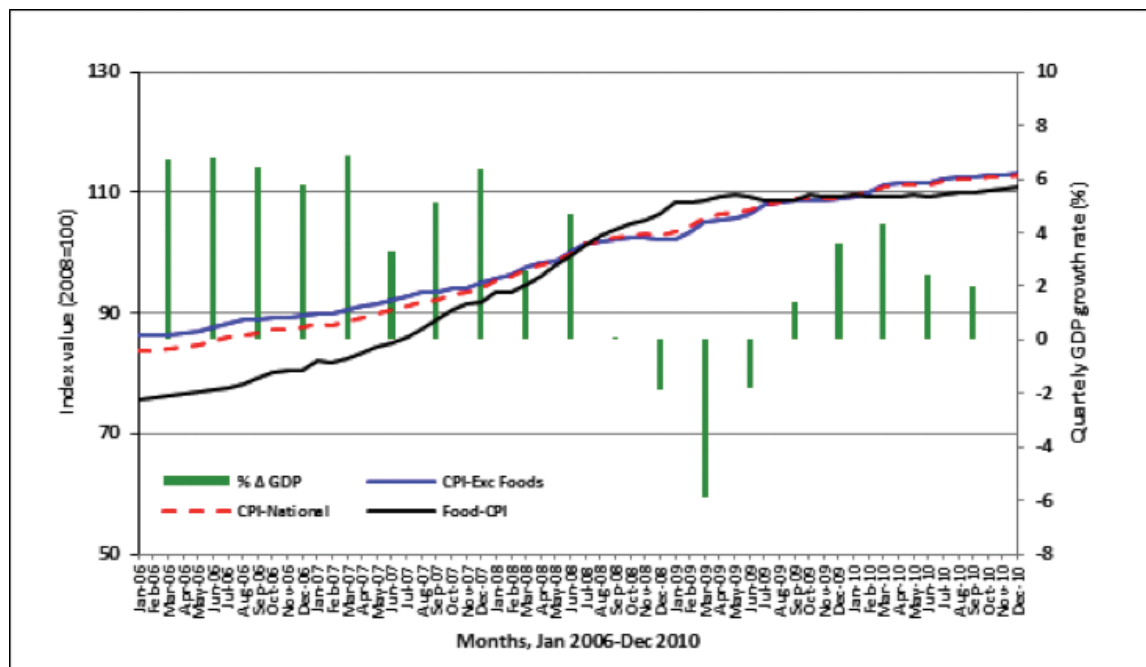
Source: Jacobs (2010)

Research findings by HSRC for Oxfam in 2010, showed that with the economic downturn globally the share of people experiencing hunger increased by 2-3 percentage points between 2007 and 2008. Drawing on the GHS data the study also showed the disproportionate negative impact on female headed households, despite these households comprising less than 40% of South African households. The gap between male and female headed households, who never experienced hunger, was 5 percentage points, reflecting higher level of vulnerability of female headed households to food insecurity than male headed households (HSRC, 2010). The study also found that hunger shares increased in 7 of the 9 provinces, including all the provinces with the highest share of rural residents (Eastern Cape and KwaZulu-Natal) and that female households living in huts in rural Eastern Cape and KwaZulu-Natal experienced the largest increases in hunger.

Affordability: Transport, food prices and other related costs

South Africa has experienced two waves of food price increases over the last 15 years. The first was in 2001 and the second wave in 2008. The second wave was accompanied by a sharp economic downturn as reflected in the negative economic growth of in GDP. Food prices inflation began to be noticed in 2007 and with the global economic downturn in 2008, affected the whole country (Jacobs, 2010). Evidence from the National Agricultural Marketing Council (NAMC 2008 & 2009) shows that while farm gate prices may have stabilised or dropped, domestic retail food prices continued to rise. The implications of food prices was briefly covered in the previous section and overall the trend that emerged, is that food price inflation increased faster than general inflation from the latter part of 2007 (Figure 18).

Figure 18: Food Price Trends and Economic Growth Mapped for 2001 to 2010



Source: Jacobs (2010)

Table 8 below reflects the percentage changes in retail prices of major food groups between 2007 and 2008, measured over the calendar year and the last six months of the year. The results show higher increases in staple grain and vegetable food prices. The NAMC Food Cost Survey also found that the prices of popular

foods were higher in rural areas and that they rose faster than in 2008. This raises the costs of living in rural areas and several studies have confirmed that location impacts on food security status (Aliber, 2009; NAMC, 2009; Jacobs, 2009), with higher levels of household food insecurity in rural areas.

Table 8: Percentage change in average retail prices for selected food groups, 2007-2008

Food product group	2007		2008	
	July –Dec.	Jan- Dec.	July- Dec.	Jan- Dec.
Wheat	9.19	21.95	1.24	30.41
Maize	-1.13	23.87	17.74	16.7
Fresh vegetables	9.61	26.17	14.01	11.78
Processed vegetables	2.03	2.03	0.44	14.91
Fresh meat	8.53	12.5	5.23	6.44
Processed meat	-2.14	7.47	8.06	16.03
Fruit	16.99	21.14	11.38	-8.24

Source: NAMC (2007, 2008) food cost reviews

Food pricing is influenced by many factors including the cost of production and non-food costs, such as labour and transportation. According to the NAMC at farm level, non-food production costs contribute approximately 90% of the total cost of production. Although fertilizer prices decreased in 2010, other farming inputs (e.g. costs of machinery and implements) increased by 16.4% between 2009 and 2010. At the manufacturing level, total non-food production costs constitute up to 55% of the costs. Between 2000 and 2010 costs for packaging, energy and water all increased by varying degrees. Gas and water costs increased by 149%, electricity costs increased by 134%, coal increased by 126% and cardboard packaging increased by 61%. Electricity costs are expected to continue rising over the next few years, as expansion is planned. Another factor which is likely to influence food pricing is the growth of the biofuel industry in South Africa. Agricultural products such as corn, sugarcane and sorghum are extensively utilised in the production of biofuels. The growth of this market is largely driven by the need to shift reliance on petroleum products due to the increasingly high prices, as well as the volatility of that market. However, concerns have been noted regarding the potential impact this may have on pricing of essential food items, especially maize (a staple food for more than 60% of the households in the SADC region). Research conducted in the USA found that biofuel production had increased the cost of food by conservative estimates of between 2-3% (TIPS, 2011). More research is required to investigate the impacts of the growing biofuel industry on food prices and food security.

Civil society organisations need to be focused on multiple levels, including:

- Strengthening and expanding access to the social wage for vulnerable households;
- Monitoring food pricing and cartel actions which increase the cost of food for poor households
- Advocating for minimum wage levels and compliance in many sectors.

- Supporting and enhancing synergies between various government interventions to strengthen food security in South Africa. One example of this is the extensive roll out of food gardens as part of the Community Work Programme.

Climate change impacts on food security

Climate change is considered as posing the greatest threat to agriculture and food security in the 21st century, particularly in many of the poor, agriculture-based countries of sub-Saharan Africa (SSA) with their low capacity to effectively cope (Shah et al., 2008; Nellemann et al., 2009). African agriculture is already under stress as a result of population increase, industrialisation and urbanisation, competition over resource use, degradation of resources, and insufficient public spending for rural infrastructure and services. The impact of climate change is likely to exacerbate these stresses even further (Ludi, 2009). Furthermore, climate change amplifies environmental and socio-economic drivers of food insecurity and the impacts vary spatially (Beddington et al., 2011). The IPCC Fourth Assessment Report (2007) states with high confidence that agriculture production in Africa is vulnerable to current and expected changes in climate change and variability. The impacts of climate change already being experienced in many parts of the world are expected to lead to disproportionately negative food insecurity effects in regions already experiencing food insecurity. There is an urgent need to increase adaptive capacity in agriculture both to long-term climatic trends and to increasing variability to help reduce the adverse impacts of climate change on food insecurity, livelihoods and economies (Beddington et al., 2011).

South Africa is already experiencing climate change, with increases in surface temperature evident over both South and southern Africa (Kruger and Shongwe 2004, New et al 2006). In addition, the projected increases in temperatures and changes in precipitation timing, amount and frequency, have critical implications of the South African agricultural

sector. Agricultural systems are generally responsive to climate variability and the Department of Environmental Affairs (2011) argue that degradation of South Africa's natural agricultural capital may be worsened by climate change. Both crop (dry land and irrigated) and livestock agricultural systems are expected to be adversely affected by expected increases in evaporation and water scarcity.

Empirical evidence of climate change in impact studies (Schulze et al 1993; Du Toit et al 2002; Kiker 2002; Kiker et al 2002; Poonyth et al 2002; Deressa et al 2005; Gbetibouo and Hassan 2005; Benhin 2008) on the agricultural sector in South Africa, show that climate change will adversely affect agricultural production, induce (or require) major shifts in farming practices and patterns in different regions of the country and have significant effects on crop yields. For example, some of the marginal western areas are predicted to become unsuitable for the production of maize, the main staple crop (Kiker 2002). However, the higher production levels predicted in the east are likely to offset decreases in marginal western regions (ibid). An increase in pests and diseases will also have a detrimental effect on the agricultural sector.

Furthermore, empirical evidence shows that despite being recognised as a relatively significant contributor to global climate change, South Africa along with other developing countries is extremely vulnerable and exposed to the impacts of climate change and variability due to the socio-economic and environmental context (GoSA 2011). Climate change and variability, including the increased frequency and intensity of extreme weather events, will disproportionately affect the poor (IPCC, 2007). South Africa is already a water-stressed country and faces future drying trends and weather variability with cycles of droughts and sudden excessive rains. With this background, the South African government regards climate change as one of the greatest threats to sustainable development and believes that climate change, if unmitigated, has the potential to

undo or undermine many of the positive advances made in meeting South Africa's own development goals and the Millennium Development Goals (MDGs) (GoSA 2011).

The NCCRP argues that, should multi-lateral international action not effectively limit the average global temperature increase to below 2°C above pre-industrial levels, the potential impacts on South Africa in the medium- to long term are significant and could be catastrophic. Even under emission scenarios that are more conservative than current international emission trends, it has been predicted that, by mid-century the South African coast will warm up by around 1 to 2°C and the interior by around 2 to 3°C. By 2100, warming is projected to reach around 3 to 4°C along the coast, and 6 to 7°C in the interior (DEA, 2011; GoSA, 2011). With such temperature increases, life as we know it will change completely: parts of the country will be much drier and increased evaporation will ensure an overall decrease in water availability. This will significantly affect human health, agriculture, other water-intensive economic sectors, such as the mining and electricity-generation sectors, as well as the environment in general. Increased occurrence and severity of veld and forest fires; extreme weather events; and floods and droughts will also have significant impacts. Sea-level rise will negatively impact the coast and coastal infrastructure. Mass extinctions of endemic plant and animal species will greatly reduce South Africa's biodiversity with consequent impacts on eco-system services. Furthermore, rural and peri-urban communities characterised by high levels of poverty, inequality and unemployment are expected to be most affected by these changes.

Notwithstanding the effectiveness of any strengthened international response to the climate change crisis, a certain amount of climate change is already observed and further climate change will be inevitable due to the slow response (or inertia) of the climate system to changes in the concentration of GHGs in the atmosphere (GoSA, 2011). Therefore

South Africa will have to adapt to these impacts by managing its climate and weather-related risks, reducing its vulnerability and increasing the resilience of her society and economy to the adverse effects of climate change and variability. Given South Africa's high vulnerability, there is urgent need to strengthen the resilience of the economy to climate change and variability impacts and to develop and implement policies, measures, mechanisms and infrastructure that protect the most vulnerable. The vulnerability arises from significant exposure to current climate variability and anticipated climate change (notably increased temperatures, changes in rainfall, and increased incidence of erratic and extreme weather); high sensitivity of rural and peri-urban livelihoods¹¹⁷ to these changes and very low adaptive capacity at the local community levels. Without better management of the climate risks that affect rural and urban livelihoods, South Africa is likely to see efforts to address poverty, inequality and unemployment as well as to promote sustainable development, being undermined. It is in this context that this project is developed and as a direct response to urgent and immediate adaptation needs, identified in the NCCRP.

According to Beddington et al (2011) in the face of climate change, food systems must transform current patterns of food production, distribution and consumption, to better meet human needs and balance with planetary resources in the long term. Ensuring food security require investments, innovation and sustained efforts to empower poor rural and urban communities to adapt their food systems to establish climate-resilient agricultural production systems, develop low-waste supply

chains, make efficient use of resources, ensure adequate nutrition and encourage healthy eating choices (Beddington et al., 2011).

Models of food security interventions for the poor

Food and nutrition security has received global attention, to an extent that it has been elevated to the level of international organisations like the United Nations (UN) Food and Agricultural Organisation (FAO) interventions. The establishment of the Committee on World Food Security (CFS) is one testimony to that effect. The focus on food and nutrition security has also seen the elevation of the role of civil society organisations (CSOs) globally increasing to address the issue of food security as a global agenda. The CFS gave a platform for participation of CSOs from around the globe in the form of Food and Nutrition Security Civil Society Mechanism (CSM) Forum. The Forum is a space where CSOs can discuss and present cohesive and policy interventions that have been developed during the CSM annual meetings. The forum is open to all interested CSO participants dealing with food security and nutrition, emphasising the inclusive participation of social movements (FAO, 2012), which include diverse organisations representing all members of society affected by food security and malnutrition.

For example, the latest 39th Session of the CFS saw over a 150 CSOs and social movements, representing farmers, fisher folks, Indigenous Peoples, pastoralists, agricultural workers, youth and those affected by food and nutrition security, in attendance (FAO, 2012). This is a remarkable

¹¹⁷ Change impacts are not likely to be experienced evenly throughout the country. However, as a large proportion of South Africa's society is impoverished, it is rendered particularly vulnerable to impacts of climate change. At least 30% of South Africa's population (particularly the rural and peri-urban poor) is highly vulnerable to both sudden and harmful climatic shocks, with low levels of endogenous resilience, adaptation, and coping skills. The characteristics of this population include a unique disease complex burden, high mobility, a subsistence-level existence, and informal settlement housing. Without adequate adaptation strategies, the impacts would manifest as worsening food security, exacerbation of existing disease burdens, and increased vector-borne and emergent diseases and destructive social consequences (DEA, 2011).

achievement in terms of creating a platform for CSO participation on food and nutrition security in the global arena. Maybe the question then remains as to what extent this global high level participation impacts on food security challenges and associated or expected interventions at the national and local levels of countries represented by those CSOs.

International CSO models of food and nutrition security interventions for the poor

The FAO recommends the intake of 2250 of kilocalories per day as a minimum requirement to ensure food and nutrition security (FAO, 2003), which remains a challenge to achieve for the majority of households in developing countries. The FAO further argues that the world produces enough food to feed at least 270 kilocalories per day, but ironically countries, especially in the developing world, continue to suffer from chronic food insecurity (FAO, 2006). The majority of those affected are found in sub-Saharan Africa (SSA), where the number of the undernourished people has been rising and is projected to reach 30% of the region's population by 2015, up from 20% in 1992 (FAO, 2006). This challenge clearly shows that governments alone cannot tackle the issue of food and nutrition security, without local interventions, where CSOs can play a significant role.

The list of CSO participation in food security and nutrition issues at the global level is endless and impacts differ from country to country, based on prevailing conditions in the countries where projects are undertaken. A few examples of CSO participation can be drawn from a number of African countries, like the ones given in the box below:

Box 1: Local and Global Action for Food Security in Africa” (LAGAFA)

The LAGFA project is implemented in Malawi, Burundi and Zambia and is designed as a 36 months initiative to develop better food security and nutrition policies and programmes in the three countries. According to the CARE (n.d.) network, the choice for the three countries was based on their level of chronic food insecurity and the need for comprehensive and effective national policies where local interests are reflected through enhanced inter-country interaction and knowledge exchange. The main goal of LAGAFA is to strengthen CSO networks through coordination and improved grassroots linkages to ensure that the voices of communities affected by food insecurity are heard and reflected in policy interventions. The programme relies on innovative methodologies through the Integrated Food Security Phase Classification (IPC) aimed at strengthening capacity of CSOs and Networks in food security and nutrition policies. LAGAFA helps CSOs to build capacity in policy and programme analysis, development, implementation and monitoring, information sharing and knowledge exchange through local and global experiences (CARE, n.d.)

Another example of CSOs to fight and end global hunger is illustrated by the InterAction, an alliance of 198 US based CSOs, who pledged more than one billion dollars over three years from 2012, to improve food and nutrition security worldwide (Shrier, 27 September, 2012). The work of these CSOs is reflected through the US government's global hunger and food security initiative, "Feed the Future", which operates in a number of countries and was highlighted as a success story in Malawi.

Interventions for food and nutrition security are important and several efforts have been made by both developed and developing countries to develop the relevant models for interventions. Some interventions have focused on policies and programmes, agricultural production, value chains, market regulations, and land security. This led to food security and nutrition focus on rural agricultural areas, with limited or no focus on urban areas, which are equally affected by food insecurity, as articulated by Dodson, et al., (2012). Some of the theoretical elements suggested in the literature for the conceptual framework of an ideal model for food security interventions, propose the inclusion or consideration of the following points (Lemba, 2009):

- Start by identifying the problem in the form of:
 - Analysis of household vulnerability context
 - Analysis of food policy framework
- Development and Identification of food security objectives
 - What is the objective that the intervention wants to achieve and at what level?
- Planning and implementation
 - It involves identifying the needed resources in the form of inputs
- Monitoring involves the expected outputs, and
- Evaluation looks at outcomes

The above points are what Lemba (2009) used to develop a theoretical model for food security intervention and evaluation in the Kenyan dry land agriculture. Another example of CSOs role in food security issues on the continent is highlighted in the African programme presented in box 2.

The New Partnership of Africa's Development (NEPAD), of the African Union (AU), introduced an agricultural programme called Comprehensive Agricultural Development Programme (CAADP), which aims to achieve an average annual growth rate of 6 percent in agriculture by 2015 (<http://www.caadp.net/how-caadp-works.php>). The Comprehensive Africa Agriculture Programme (CAADP) is a country specific approach that focuses on fostering change and monitoring progress in terms of the plans that each country has set to address issues of concern in those respective countries, such as poverty and hunger, low productivity and sluggish economic growth. Most African countries face similar challenges such as high rates of poverty and low economic growth, The CAADP initiative aims to help African countries to work together to promote agriculture-led growth in order to achieve the Millennium Development Goals (MDGs), especially MDG 1 which addresses the issue of halving poverty and hunger by 2015 (<http://www.caadp.net/how-caadp-works.php>).

Poverty reduction has been one of the aspects that countries left for donors to address because they believed they do not have sufficient funds for such programmes and most of them were designed with the intension of getting funds either by donations or investments. These poverty reduction strategies were usually more focused on the donor than on the people affected by poverty. These strategies were designed in isolation, without any involvement of the affected parties and as a result there was very little success on these programmes. These poverty reduction strategies were often compiled with an intension of receiving sponsorships from donors and the funds received from these would be used for food aid instead of other unsustainable programmes which would leave countries in more debt and with little progress in achieving the economic growth goal.

Box 2: The CAADP initiative is based on four pillars given below:

- Pillar 1: Extending the area under sustainable land management
- Pillar 2: Improving rural infrastructure and trade-related capacities for market access
- Pillar 3: Increasing food supply and reducing hunger
- Pillar 4: Agricultural research, technology dissemination and adoption

The third pillar of CAADP speaks directly to food security issues and CAADP has designed a framework of food security, known as "The Framework of African Food Security (FAFS)" in order to assist the different countries with regard to monitoring and evaluation and to improve their food security status relative to other African countries.¹

The framework focuses on three key challenges:

- a. Inadequate food supply.
- b. Widespread and persistent hunger.
- c. Inadequate management of food crisis.

In order to achieve these goals African countries have committed to increasing public investment in agriculture by the minimum of 10 percent of their national budgets and to raise agricultural productivity by at least 6%. Most of the African countries have made a commitment or have initiated the CAADP framework and have made enormous progress in addressing pressing issues and achieving MDGs namely Ghana, Nigeria, Gambia, Cote d'Ivoire, Malawi, Uganda, Swaziland, Kenya and Zambia.

The CAADP has helped most of the African countries in eradicating hunger and poverty and thus improving the food security status of households through agriculture; this has provided a more sustainable initiative since the countries have committed to invest in agriculture, thus improving food security. Since the CAADP framework is country specific, it allows each country to take ownership of their own progress and to adjust their policies to be in line with the four pillars of the CAADP (<http://www.caadp.net/how-caadp-works.php>).

South African models of food and nutrition security interventions: the role of CSOs

In the case of South Africa, CSOs and non-governmental organisations (NGOs) are playing significant roles in driving the food and nutrition security agenda in various parts of the community. Listing all success stories from civil society is beyond the scope of this report. It is however, worth acknowledging that most interventions in South Africa are guided by policy¹¹⁸ initiatives and the relevant strategies on food and nutrition security, where to some extent, CSOs work in close cooperation with government or through government institutions like the NDA. However, as will be highlighted under challenges in the section that follow, a smooth coordination and healthy relationship between CSOs and government remains the main challenge towards the successful implementation of food security projects and programmes, especially at the community levels.

Examples of food security and nutrition models in South Africa focused on multiple approaches that focus on agricultural as well as urban food security issues. A few can be illustrated as shown in the boxes below.

¹¹⁸ Details on policies and strategies are given in the section on government's role in ensuring food security.

Box 3: My World, My Garden programme

The programme is based in South African communities and schools under the theme: "My World in a Garden", an initiative of the NGO, My Arms Wide Open. The programme helps communities set up a farming system that can feed every community member and address indigenous nutritional needs. This programme goes beyond feeding communities by delivering lifelong skills that enable communities to turn their crops into organic sustainable micro-gardens that nourish and create sustainable enterprises for future generations (My Arms Wide Open, n.d).

My World, My Garden also helps foster healthy eating habits through daily meals in community kitchens for the young and elderly. Meals are available for purchase by other members of the community. Working with schools and crèches, the programme ensures improved access by the either meals or fresh ingredients to produce meals for the majority of the most vulnerable members of society.

Another example of food security in South Africa comes from Cape Town.

Box 4: The Abalimi Bezekhaya

Based in vast informal settlements of Cape Town, (e.g. Khayelitsha, Nyanga, Phillipi-Browns farm, Crossroads and Gugulethu) it is another successful initiative that has reduced hunger and food insecurity through gardening and support self-sufficiency. For over 30 years, the Abalimi organisation has been offering support through urban, organic micro-farming among the poor and unemployed.

Abalimi also offers basic micro-farmer training courses to any individual who wishes to start a vegetable garden through mentorship; resources training as well as advice (Ashoka, 2012). This has helped many individuals to be able to produce food for their households as well as for income purposes. The organisation is sustained mainly by donors and they have been successful in assisting small-scale farmers with seed, manure, compost and other necessary resource that have enabled them to create part time employment in Khayelitsha, thus reducing hunger and food insecurity.

The main challenge that is faced by this organisation is the lack of incentive that young people have for agriculture, especially farming. Most young people in the area do not have an interest in the gardening projects and this leaves most of burden of food production on the elderly. Another challenge is the unfavourable climatic conditions, with extremes of 40 degree drought in summer, floods in the winter season and prevailing winds in between (Ashoka, 2012).

Implications for civil society organisations challenges and opportunities in improving food security

CSOs seem to have various platforms at which they can articulate for policies and other strategic interventions in food security, both globally and nationally, depending on the prevailing conditions in each country. However, while CSOs can participate in the global framework on food security agenda, some of the suggestions made by CSOs at the last 39th session of the Committee on World Food Security (CFS) show the need for action and the seriousness to tackle the core issue, which is “the right to food security” (FAO, 2012).

Among the suggestions made, the following are worth noting:

- The CSOs call for the need to be treated as partners in all initiatives and at all stages of action, through active collaboration and coordination between government, CSOs, agencies, communities and other relevant institutions.
- They argue that for strategies to be effective, they should be community driven and include marginalised groups, such as women, children, youth, small holder farmers, indigenous peoples, pastoralists and fisher folk.
- The CSOs can facilitate community organisations through the support of empowerment and capacity building to address structural challenges of food insecurity.

These suggestions reflect and are echoed by the challenges facing CSOs in effective implementation of food security programmes at the community levels, where coordination with government and the private sector is needed, but lacking. This lack of coordination is reflected in the challenges highlighted in the next section of the report.

Challenges affecting Effective Implementation of Food Security Initiatives

Some of the challenges affecting food security relate to theoretical and empirical measures of household

food (in) security in South Africa. This is based on the complex nature of household food security or insecurity indicators and their classification. According to Hendriks (2005), various methodologies have been applied to food security studies, influenced by the objective of the analysis, data and other resource availability and the researchers' or analysts' backgrounds and preferences. This makes it difficult to have a similar outcome of results for food security affecting communities at different time periods.

Another challenge is on the understanding of common terminologies perceived to influence food insecurity and related interventions. Misselhorn (2009) questions whether a focus on social capital is useful in considering food security interventions, using a case study of CSO interventions in Kwazulu-Natal (KZN) province. There are various perspectives of social capital, making it to differ and change according to the respective communities understanding of the term. The term is based on three different views, namely: the communitarian view; the networks view; and the institutional view of social capital. Each view is likely to lead to different outcomes of the same thing, thus making implementation a challenge.

Government role in ensuring and improving access to food security

Historically, food security has been a policy priority of government dating back to 1994. The introduction of the Reconstruction and Development Programme (RDP) included the implementation of several measures to address food insecurity and poverty. The measures included:

- Free health care for children under 6, as well as for pregnant and lactating mothers;
- Introduction of the child support grant in 1998 for children under 6 years of age;
- School feeding programme;
- A range of interventions to enhance land and agrarian reform, such as loan schemes for emerging and resource poor farmers and legislative reform to enhance tenure security.

The Integrated Nutrition Programme (INP) launched in 1994 and led by the Department of Health (DoH), aimed at reducing the prevalence of malnutrition amongst South Africans. Specific objectives of the programme included ensuring optimal growth of infants and young children through promoting breast feeding, promoting women's health with a particular focus on pregnant and lactating mothers, improving community capacity to address malnutrition and hunger and to improve multi-sectoral collaboration and community ownership of nutrition programmes. According to the INP its understanding and response to nutrition insecurity was informed by the United Nations Children's Fund (UNICEF)'s conceptual framework on Nutrition. The programme had three main components:

- A Community-Based Nutrition Programme (CBNP), which included the school feeding programme and supporting a health environment as well as strengthening household food security;
- Health Facility-Based Nutrition Programme (HFBNP), focused on growth monitoring, through the use of the Road to Health card for young children, micronutrient and food supplementation as well as nutrition education. The Protein –Energy – Malnutrition Scheme (PEM) was a core part of this programme;
- A Nutrition Promotion Programme which would focus on nutrition promotion through policy development, advocacy, legislation and improved communication. Priority areas included a focus on food fortification and promotion of breast feeding.

The National School Nutrition Programme (NSNP) was launched in 1994, focusing initially on primary school children. In 2009 the programme was extended to some secondary schools countrywide. The target is all children in quintile 1, 2 and 3 from Grade R to secondary level education. However, Grade R schools, run in community facilities do not access the NSNP. The NSNP guidelines stipulate that each meal provided to learners should fulfil at least 30% of their daily nutritional requirements per meal (DoE, 2009). The guidelines also stipulate the need for dietary

diversity to be promoted in the provision of meals. Schools are encouraged to establish food gardens as a means of ensuring programme sustainability and for encouraging dietary diversity. The 2009/10 Annual Report on the NSNP (Department of Education (DoE), 2009/10) reflected that the programme's reach was extensive, with over 6,1 million primary school children and 950 000 secondary school children benefiting from the programme. Furthermore, on average, children received food for 191 days per year. An evaluation of the programme in 2008 found that "needy" children were provided with food to take home (UNICEF and DoE, 2008). Responsibility for the implementation of this programme was transferred from DoH to DoE in 2004.

Rural development, poverty alleviation and food security and reform have been identified as key priorities for creating a better life for all in South Africa (Department of Rural Development and Land Reform (DRDLR), 2012). The South African government, as part of its broader rural development plan has committed itself to halving poverty between 2004 and 2014. Achieving household food security remains a critical component for meeting this objective. Outcome Seven, of the current administrations Plan of Action, aims to promote "vibrant, equitable and sustainable rural communities and food security for all" as a means for combating marginalisation of rural poor communities. It sets out to achieve this through several outputs including a focus on sustainable agrarian reform, improving access to affordable and diverse food, enhancing rural services and sustainable livelihoods, promoting rural job creation linked to skills training and economic livelihoods (DRDLR, 2012). Prioritising rural development, poverty reduction and chronic food insecurity is driven by the reality that South Africa remains among the most unequal societies in the world with unprecedented levels of absolute poverty and unemployment.

In 2002 the Integrated Food Security Strategy (IFSS) was launched, aimed at consolidating and improving coordination of the diverse and multifaceted food

security interventions being implemented by different stakeholders within the three spheres of government. This strategy was based on FAO guidelines for food security interventions and more importantly guided by constitutionally enshrined obligations and commitment to achieving the MDG targets. The IFSS imbued the development of an Integrated Food Security National Plan with the following strategic pillars:

- Increasing food production and trade;
- Improving nutrition and food safety;
- Improving income generation and job creation opportunities;
- Increasing safety nets and food emergency management systems
- Improve the analysis and information management systems
- Provide capacity building

In terms of food production and trade being increased, the focus was on supporting poor resource - and subsistence farmers to improve production via training, technology support, access to easy loans, agro-processing and capacity building for farmers. Developing market channels for food production by emerging farmers was another key priority. It is recognised that government procures approximately R10 billion worth of food for hospitals, prisons and school feeding schemes. Opportunities need to be created for small emerging farmers to sell produce to the government. A target of 35% has been set for government food procurement from small emerging farmers. Improving nutrition and food safety would be facilitated through food fortification, food safety measures, access to water and sanitation and health care, promotion of healthy lifestyles and public awareness on food and nutrition security. Income generation and job creation opportunities would be improved through expanding public employment programmes such as EPWP and CWP and value chain employment opportunities in the food sector. Skills training and learnerships would also support income generation. Increasing safety nets would be supported through school feeding, cash transfers,

emergency relief (Social Relief of Distress), food banks, soup kitchens and cooperatives. A core cluster of departments led by agriculture and including social development, health, public works, water, transport, education, housing, land affairs, provincial and local government, science and technology and environmental affairs were tasked with implementation of the national plan.

Some of the key developments following the implementation of the IFSS were:

- In 2002 FIVIMS, the food insecurity and vulnerability information mapping system was implemented;
- In 2003 as part of the IFSS, food fortification was introduced which compelled millers by legislation to fortify maize and white and brown flour with micro nutrients;
- National School Feeding Programme was transferred from DoH to DoE and schools were encouraged to establish food gardens as part of a sustainable food production system.
- The social grant system for children was progressively expanded to include children over the age of 6 and the means test threshold was reviewed to include more vulnerable children
- The Expanded Public Works Programme was implemented to address short term unemployment and introduced a social sector component focusing on home and community based care and early childhood development.

The 2006, review of the IFSS noted the following challenges resulting from the implementation of the programme:

- The lack of capacity to implement the intentions of the IFSS
- Lack of effective coordination mechanisms between government structures – it was recorded that the Task Team coordinating the IFSS, known as the IFSNPTT, did not function well due to lack of commitment by members to attending and the poor quality of reporting of the TT to the DG Social Cluster Forum

- Concern over duplication of services – for example several government departments (Agriculture, Health and Social Development) are implementing food garden initiatives and distributing starter packs with little coordination between them
- Programme coordination involving so many government departments was complex and extremely slow, lacking effective communication procedures.
- Other challenges that the IFSS faced included:
 - Increasing number of food emergencies resulting in an increase of dependency on direct food distribution;
 - Limited access to safe drinking water and poor sanitation increasing the occurrence of chronic diseases;
 - High prevalence of HIV/AIDS aggravating vulnerability and food insecurity;
 - Illiteracy or low level of education leading to a low level of awareness and access to information, also slow adoption of technology; and finally
 - General poverty leading to insecurity and discouraging small farmers to invest.

Alongside the implementation of the IFSS, government introduced the Integrated Sustainable Rural Development Programme (ISRDP) in 2000, in response to the problem of uncoordinated development, which arose under the RDP. The ISRDP was aimed at promoting sustainable development through economic improvement, provision of social amenities and development of viable institutions. Similar to the IFSS, the ISRDP did not have an independent budget. In 2009 government launched the Comprehensive Rural Development Programme (CRDP) as an effective poverty and food insecurity response through maximising the use and management of natural resources. The three pronged strategy of the CRDP is focused on coordinated agrarian transformation, rural development and improved and integrated land reform (DRDLR, 2009). A central component of

this strategy is job creation. In 2012 the Department of Agriculture, Forestry's and Fisheries published a Food Security Policy, with limited consultation. The stated goal of the policy is to improve South Africa's adequacy and stability of access to safe and nutritious food at national and household level.

The strategic objectives of the Food Security policy are to:

- Harmonise agricultural development with land reform
- Ensure easy access to support for resource poor farmers
- Promote domestic trade
- Ensure existence of market environment to promote food security at national and household level
- Improve management and utilization of food

The New Growth Plan (GoSA,2009) and the National Development Plan Vision 2030 (GoSA, 2012), both articulate a vision of an integrated rural economy with land reform, job creation and rising agricultural production, contributing to this vision. The New Development Plan (NDP) specifically outlines the potential of agriculture to generate 1 million jobs in agriculture through an effective land reform programme and growth of irrigated and land based agriculture.

Land and Agrarian Reform have been identified as key components of the rural development and food security response in the National Development Plan 2030, as access to land is a necessary condition for strengthening food production by small scale and subsistence farmers. This is seen as one of the mechanisms for ensuring household, food and nutrition security and for creating employment opportunities. A target of 1 million direct and indirect jobs in the agricultural sector, is envisaged.

Also, in 2012, the Chief Directorate for Food Security introduced the Zero Hunger Strategy, which remains under discussion. Some of the objectives of the Zero Hunger Strategy are:

- To provide an effective mechanism for the coordination and collaboration of national, provincial and Non-Governmental Organisation (NGO) inputs and resources in pursuance of the common goal of increasing household food security and rural development.
- To ensure the establishment of effective support structures for farmers through capacity building and institutional strengthening for their improved participation.
- To demonstrate opportunities for diversification and increasing income through the production of vegetables, small stock and small scale aquaculture.
- To build an effective capacity at local level, through intensive training and access to information, that will provide effective support services to the farming communities.
- To evaluate the impact of the interventions, to identify gaps and quantify any constraints that still need to be addressed and make recommendations for extending pilot activities into broader development initiatives.

The Zero Hunger Programme has short, medium and long term responses and identifies the lead agencies in the implementing of the different components of the programme. Under the Zero Hunger Programme, nutrition security interventions would be led by the DoH, while improving food production activities, would be led by DAFF.

Relevance and effectiveness of government policies and programmes on food security

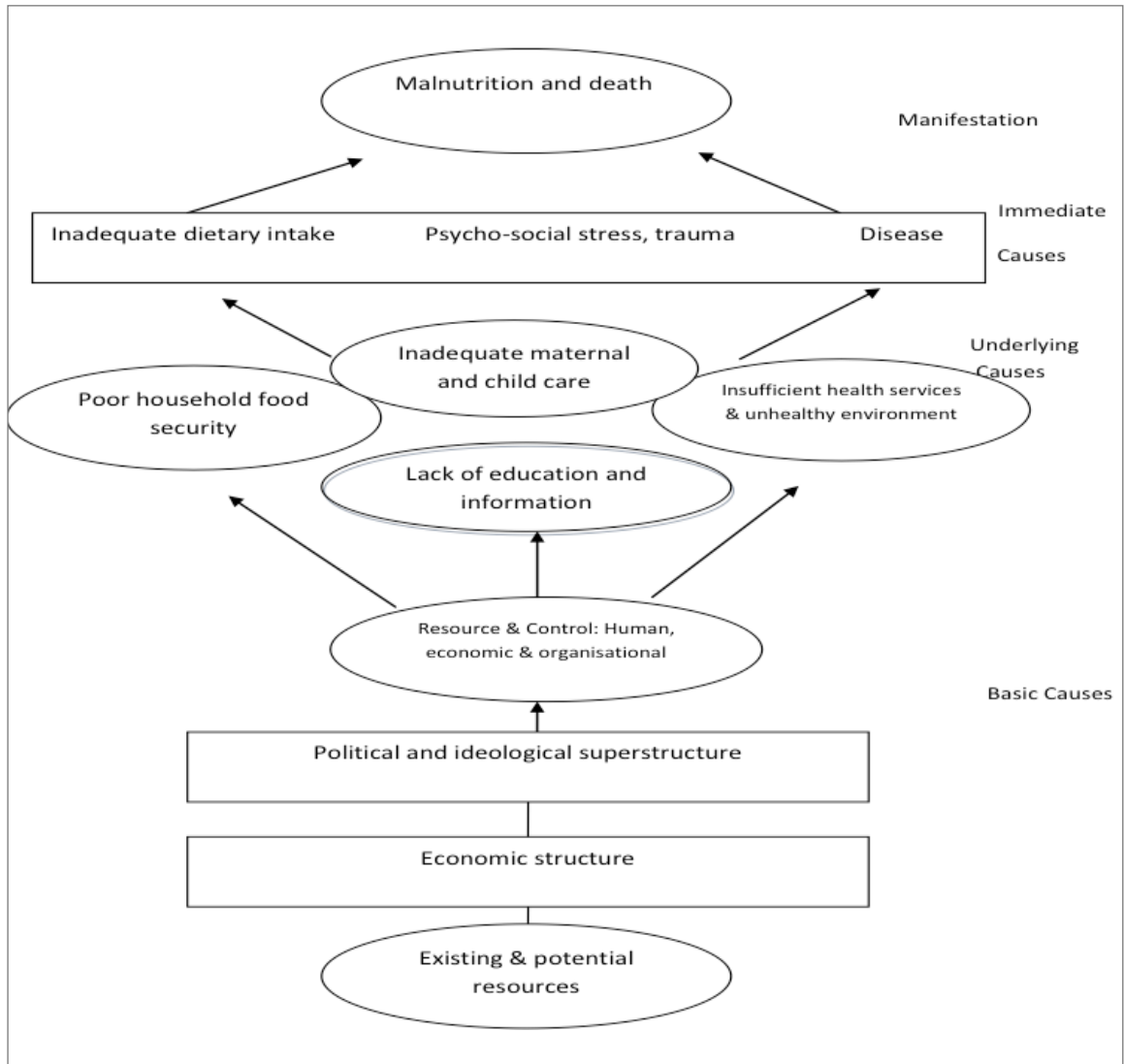
The Integrated Food Security Strategy (IFSS) adopted in 2002 was based on the FAO Special Programme for Food Security Guide for such strategies. It has been largely considered a failure, mainly due to the fact that food insecurity remains a pressing concern with over 14 million food insecure people in South Africa and very little progress in realisation of the Millennium Development Goal target of halving those in hunger by 2015. While the objectives were

and remain laudable the lack of real integration of policies and programmes across the various Ministries and the lack of effective implementation are reasons for its failure. The absence of an appropriate institutional framework and functional coordination structure led to a fragmented response. The Integrated Food Security Strategy for South Africa provided a relevant multi-sectoral framework for addressing food security. However, its lack of implementing and coordinating power diminishes its potential for effecting substantive change. A key achievement is that Food Security has been made a national policy priority across all government departments and reflected also in the fiscal contribution to food security programmes.

Programmes targeted at educating the masses on nutritious eating

Nutrition education is defined as “learning experiences designed to facilitate the voluntary adoption and eating and other health related behaviours that contributes to the public’s well-being and health” (Labadarios et al., 1999). Figure 60 shows the role of education and information on nutrition, or how the lack of education and information can result in malnutrition. Clearly, nutrition education plays a pivotal role in overall household nutrition and health (Figure 19). South Africa has a number of public awareness programmes targeting nutritional eating and covering a number of areas. The INP, for example, targets nutritionally vulnerable individuals, groups and communities, and one of its main focus areas is nutrition promotion, education and advocacy (DBSA, 2008, DOH, 2003, DOH, 2009). The INP was developed based on the recommendations of the Nutritional Committee, which had been appointed by the minister of Health in 1994 to develop a nutritional strategy for the country. The INP food and nutrition security interventions include, education and promotion of school gardens and micronutrient-rich foods, as well as nutrition guidelines for sectors caring for children such as crèches and AIDS orphans (Henderson and Saavedra, 1995).

Figure 19: UNICEF conceptual framework of causes of malnutrition and death in children, as adopted by the South African Department of Health



Source: Own construction from Faber and Wenhold (2007)

The overall aim of the INP is to enhance effective communication in improving awareness and the significance of good nutrition, and eventually, those practices that impact nutrition related behavioural change in the public (Bourne et al., 2007). The National Nutrition Directorate of the Department of Health developed educational and promotional material on micronutrients, food fortification, food-based dietary guidelines (FBDGs), breastfeeding and TB/HIV. For example, there are eleven FBDGs for adults and children older than 7 years of age that are based on food that is locally available. This includes supportive text that go with the messages addressing the prevention and management of both under- and over-nutrition (Voster, 2001). The material comprises of booklets, sheets and flip charts. However, data on the current status of the material's usage and impact targets for this particular focus are not available. Bourne et al (2007) argue for the need for studies that show the usage and impact of these nutrition education materials.

Another programme is the IFSS, aimed at eradicating hunger, under-nutrition and food insecurity by 2015 (directly relates to Millennium Development Goal 1). The IFSS programme's focus on nutrition awareness aims to empower South Africans to make the best choices for safe and nutritious food. In addition, the NSNP, introduced in 1994 (integrated into the INP and IFSS), initially covered learners in primary school only, but has since been extended to secondary school learners. The NSNP roles include nutritional education awareness at schools (Bourne et al., 2007 and DOH, 2009).

Based on a review of global school nutrition interventions, Steyn et al (2009) found that a nutrition-based curriculum offered by trained teachers at school in general, improved behavioural outcome. Empirical studies indicate that encouraging and instilling an appropriate mindset and behaviour in mothers and caregivers towards the care of children is important in promoting nutrition and therefore healthier children (Labadarios et al., 1999).

According to Labadarios et al (1999) poor maternal schooling is the most consistent limiting factor for proper child feeding and general health care. Given high access and ownership levels of radio, televisions and various media and ICT technologies, it is important to provide widespread nutrition education materials using these various channels to educate the mothers and caregivers.

Despite early engagements, CSOs' involvement in nutrition educational programmes wane over time (Health Systems Trust (HST), 1997). Identifying areas to strengthen CSOs support and engagements with community nutrition educational programmes is important for ensuring food and nutrition security. In addition, there is need for coordination and collaboration of CSO and government interventions to ensure that they complement each other for greater societal food and nutrition security. CSO can also play an important role in training women, youth and other marginalised groups as champions of nutrition education in the communities. This is important to enhance widespread and sustainable adoption of nutrition interventions at the community level. In addition, through advocacy, CSOs can help ensure more government accountability and involvement in providing food and nutritional security to poor rural and urban communities. Also, CSOs can provide monitoring and evaluation services to assess progress towards achieving targets and keeping government aware of the shortfalls and areas that need to be strengthened and or improved.

Gaps in government promotion of access to food security

The absence of clear definitions relating to food and nutritional security in South Africa has been noted. The Food Security Policy introduced in 2012, attempts to address the problem of lack of clarity on the internationally defined concept of food security. Hendricks (2011) argues that this has fostered competition between government departments, particularly the Health Sector, where officials compete for the ear of government regarding nutrition.

In 2002, the Department of Agriculture Forestry and Fisheries (DAFF) (formerly Department of Agriculture), established a Directorate of Food Security charged with primary responsibility for food security. In April 2011, arising from restructuring, a Chief Directorate for Food Security was established with three Directorates namely, Subsistence Farming, Small-Holder Development and Infrastructure Support. According to the Food Security Policy document the development of a national policy on household food security will be located with the Directorate for Subsistence Farming (du Toit, 2011 cited in Hendricks 2011). The Zero Hunger programme which is expected to address all food security issues will be administered by the Directorate of Smallholder Farming.

In parallel with these developments, the 'War on Poverty' programme, housed in the Ministry of Rural Development and Land Affairs, focuses on coordinating service delivery to address poverty in rural areas. The Departments of Labour, Economic Development and Local Government are addressing issues of job creation and economic development. What is clear is that a holistic and comprehensive approach to food and nutrition security requires the engagement with and coordination of multiple ministries and it remains unclear how this Directorate will achieve this. An example of a more comprehensive approach to food security is the DAFF managed Comprehensive Agricultural Support Programme (CASP), which is aimed at the provision of agricultural support and services particularly targeted to emerging and resource poor farmers. A key condition of the programme is that 10 % of the budget allocation to Provincial Departments of Agriculture (PDA), is directed to food security programmes.

Nutrition monitoring and surveillance is important for assessing the impact of interventions and for identifying targets. The first national nutrition survey was conducted in 1999 and repeated in 2005, with the second survey focused on assessing the impact

of the compulsory fortification of maize and wheat products. However, the survey is not an on-going one. The establishment of FIVIMS - Food Insecurity and Vulnerability Information and Mapping Systems (FIVIMS) in the 2000s failed, as it did not provide clear food security indicators and was data intensive. In addition, it did not integrate the various food security information systems into a single system. South Africa's report on progress towards MDS, noted as a concern, the lack of information on food and nutrition security. It is important however to recognise that FIVIMS was successful in identifying 'hunger' hotspots across the country. With the establishment of the Department of Performance Monitoring and Evaluation (DPME) in the Presidency in 2010, efforts have been made to define indicators and ensure regular monitoring of progress towards improving the lives of people in South Africa. The DPME has a well-documented plan for improving the measuring of performance, including the signing of performance targets for each Ministry and the overall review of information architecture of South African government.

Coordination challenges facing food security implementation efforts

While government and CSOs are both working towards ensuring food and nutrition security for the South African communities, lack of coordination between the two is cited as one of the challenges limiting effective impact of policy at community level. As noticed by Mtembu (n.d.), "the impact of South African government interventions aimed at addressing malnutrition and hunger amongst other economic and social plights have often gone unnoticed by the public because there is no delivery to be noticed. There is therefore dire need to ensure that programmes such as the Integrated Food Security Strategy (IFSS) and Integrated Nutrition Programme (INP) do not end up as superfluous government programmes but as plans that deliver measurable sustainable outcomes that prosper rural people's livelihoods".

While CSOs acknowledge that government departments are faced with complex situations affected by the wider political economy dynamics, in addition to financial and institutional capacity constraints, they feel that these delivery setbacks need interrogation and remedy, which can be achieved through effective coordination with key stakeholders. Where plans and food security strategies don't bear results other alternatives to these national plans need to be introduced to combat hunger, with the help of other external partners. It is in the government's interest to attempt to learn more, develop its capacity and renew its commitment to serve the people (Mtembu, n.d.).

Further, recognition is given to the fact that at a national level, the South African government has clearly set strategic objectives to either reduce or eliminate poverty and malnutrition in the country and several food security programmes highlight the progress that has been made by government institutions towards achieving food security for all. However, there seems to be little evidence made available to the public to show actual implementation of these national food security programmes and their potential impacts on communities. This government is blamed for not sharing information on programmes implemented, and their outcomes, as extension officers operating at community level don't provide the CSOs or the respective communities with those details. This concern is echoed in the next sentence. "As civil society organisations working on the same objective, of achieving food security at the household level, it would be useful to get feedback about the opportunities and constraints, which arise from implementing these programmes" (Mtembu, n.d.).

The points/questions listed below highlight some key elements required in assessing the success of each strategy – for it to have an impact (Mtembu, n.d.):

- Have community interests & priorities been put first in these strategies?
- Would more use of participatory and rural appraisal methods have helped gather better

baseline data to inform these strategies?

- Are the requirements of adequate professional coordination, meticulous and comprehensive planning and the availability of the resources of time, labour, finance, etc. available to implement and monitor these programmes?
- Have appropriate and realistic development methods and indicators been set to achieve the programme goals?
- How would one go about modifying these interventions to accommodate long term sustainability?
- How does government ensure that other institutions, such as NGOs, get informed about its food security programmes? and
- Does government create a network with other stakeholders where they can learn from each other and share findings on these programmes?

Role of private sector and business in food security

The private sector plays multiple roles in the field of food security, from food availability (production and agro processing), to food access (retailing and food pricing) and in food utilisation (food fortification and marketing.) Under the corporate social investment (CSI) responsibility banner many private sector institutions are supporting development programmes in South Africa. A study, showcasing best practice in CSI of South African/German companies, provided many examples of business involvement in food security. Examples include the BMW SA SEED project (Schools Environmental Education and Development) whose schools garden initiative reached learners in several provinces. The programme is aimed at enhancing food security, environmental protection and promoting nutrition and environmental education to school learners (South African – German Chamber of Commerce and Industry, undated). Another initiative is the Woolworths "we can change our world" initiative, that promotes the development of permaculture gardens in schools and greening of school environments.

Another dimension of food availability which the private sector contributes to, is commercial agricultural production, agro-processing and distribution of food products. Philips (2011) documented how the structure of our economy has created a situation of limited competition and high level of centralisation of the economy by a few large corporates. This has negatively impacted on food pricing, job creation and enterprise development. The highly centralised and capital intensive agro-industries tend to limit or exclude new entrepreneurs. Most agricultural products and non-food products are mass produced. Although competition does exist it's mainly between large producers. A factor influencing retail pricing has been anti-competitive practices of retail cartels in inflating the price of retail goods. The Competition Commission has investigated and prosecuted many such cases, the most well-known being the bread cartel in which a fine of R195 million was levied against Pioneer foods, one of the four member cartel (Competition Commission, 2010).

Conclusions and recommendations

The key recommendations for CSO participation in food security activities are summarised below.

Definitions and measurements of food security:

- There is need to establish a common food security target for South Africa. The motivation of a national food security target would enable more effective policy response and ensure efficiency in fiscal spending in relation to food and nutrition security interventions (Jacobs, 2009).
- Civil society organisations (CSOs) have a key role to play in advocating for a clearly defined food security target to be established and for the state to establish a proper monitoring and evaluation system, including impact assessment ex-post for the programme which can feed in to learning. Furthermore, CSOs need to have a better understanding of the definitions and measurements of food security to facilitate local community communication. Better understanding

of these issues will also ensure that CSOs engage at the same levels with government and other stakeholders.

Overview of the gendered dimension of food security:

- There is a serious call for interventions in the form of educational programmes, research and development, food aid programmes in order to assist the more vulnerable members of the rural as well as urban households and individuals.
- Another technique that can be used to enhance food security, especially in urban areas is job-creation and income generation strategies that are equitable to both men and woman and the support of woman's engagement in food production as well as marketing.
- Educational programmes that are directed to woman (since they are key role players in preparing food for children) may be necessary in order to inform them on the different ways of improving the nutritional content of the food they eat.

The Impact of HIV/ AIDS on food security and nutrition in South Africa:

- Challenges facing CSOs, include inadequate and project oriented capacity building for civil society organisations to strengthen and better enable their capacity as HIV/AIDS response units. There is also limited information on the number and type of civil society organisations, actively involved in HIV/AIDS related activities, making it more difficult to assist them. Profiling the CSOs involved in HIV/AIDS and food security related work would help planning and coordination of their work to facilitate complementarity and avoid duplication of activities.

The role of subsistence agriculture and impact of smallholder and community based food production on improving food security:

- Encourage the introduction of micronutrient-rich crop varieties and livestock production in smallholder agricultural production.

- CSOs have an important role to play in assisting smallholder farmers to increase their production capacity through assisting them to access more resources and better utilise them to increase their yields in order to be food secure.
- Furthermore, CSOs should provide training services to smallholder farmers ranging from raising awareness of the importance of own food production, potential for income generation from agriculture, diversity of crops to produce and to achieve food and nutrition security. These activities should be used in demonstration food production activities and training of local champions to ensure sustainability of the initiatives.

Households' ability and access to secure nutritious food:

- Integrate nutrition counselling and stronger public awareness, raising the importance of dietary diversity - including through agricultural extension, particularly for smallholder farmers (targeting women, youth and other marginalised groups).
- Promote dietary diversity in crèche and school feeding menus to ensure that children receive all the essential nutrients. Also, ensure that social protection programmes such as school feeding schemes and food gardens, as well as public employment programmes focusing on food insecurity, are intentional in focusing on food security and integrate dietary diversity as a core element of their activities.
- Ensure that vulnerable household members consume diverse food groups and address cultural and other factors that constrain use and consumption of certain foods.
- Target food security interventions to urban poverty pockets, particularly in metro's and in informal settlements and backyard shacks.
- Enhance capacity of CSOs involved in making food accessible to poor and vulnerable households e.g. through improving current initiatives in providing support for smallholder farming, communal gardens and distribution of food parcels to poor households and direct feeding in schools and crèches. CSOs should promote dietary diversity and assist with public awareness campaigns on the importance of dietary diversity and household nutrition security.

Challenges affecting household ability to be food secure:

- Promote more income generating activities for poor rural and urban households to ensure that they get income to access food.
- CSOs can advocate for improving minimum wage levels and compliance thereof across all sectors. The Marikana tragedy and Western Cape Farm strikes are indicative of the volatile situation arising from the discontent, if the poor are unable to afford a decent basket of food and other basic needs.
- Addressing stability in food pricing and making basic foods affordable to the poor are important considerations. Food pricing has a direct bearing on household's ability to access food. Food prices appear to be escalating even when global market prices have remained the same or dropped. Many options are available, such as fair price shops and price control on certain products. Addressing high cost of food in rural areas is an important area requiring attention.
- CSOs need to strengthen and expand access to the social wage for vulnerable households-evidence suggests that up to 50% of households eligible for social assistance are not receiving it.
- In addition, CSOs and government should monitor food pricing and cartel actions which increase the cost of food for poor households and ensure that culprits are held accountable.
- CSOs can play an important role in helping increase local adaptive capacity in agriculture, both to long-term climatic trends and to increasing variability, to help reduce the adverse impacts of climate change on food insecurity, livelihoods and economies.

Government role in ensuring food security:

- Food security needs to be managed and coordinated at the highest level, possibly within the Presidency, either in the Planning Department or the Monitoring and Evaluation Department. The need to pursue the 3 Ones is necessary, one national plan, one institutional structure and one monitoring and evaluation framework. This approach appears to have worked for South Africa's response to HIV and AIDS.
- CSOs need to actively engage with government as well as providing monitoring services to government plans, programmes and resource allocations to ensure that food security interventions effectively meet their goals.

Models of food security interventions for the poor:

- CSOs seem to have various platforms at which they can articulate for policies and other strategic interventions in food security, both globally and nationally, depending on the prevailing conditions in each country. However, while CSOs can participate in the global framework on food security agenda, some of the suggestions made by CSOs at the last 39th session of the Committee on World Food Security (CFS) indicated the need for action and to seriously tackle the core issue, which is "the right to food security". Among the suggestions made, the following are worth noting:
 - The CSOs call for the need to be treated as partners in all initiatives and at all stages of action, through active collaboration and coordination between government, CSOs, agencies, communities and other relevant institutions.
 - They argue that for strategies to be effective, they should be community driven and include marginalised groups, such as women, children, youth, small holder farmers, indigenous peoples, pastoralists and fisher folk.
 - The CSOs can facilitate community organisations through the support of empowerment and capacity building to

address structural challenges of food insecurity.

Private sector/business role in food security:

- Undertaking research to better understand the impacts of private sector engagement in food security is necessary for better regulation and policy development. Examples of the role of government in regulating such industries, include the recent regulatory developments related to advertising and marketing of tobacco industry products and more recently, in respect of marketing of milk supplements for infants.

Coordination between relevant stakeholders and challenges facing food security implementation efforts: The questions below highlight some key elements required in assessing the success of each strategy – for it to have an impact:

- Have community interests and priorities been put first in these strategies?
- Would more use of participatory and rural appraisal methods have helped gather better baseline data to inform these strategies?
- Are the requirements, of adequate professional coordination, meticulous and comprehensive planning and the availability of the resources of time, labour, finance, etc. available to implement and monitor these programmes?
- Have appropriate and realistic development methods and indicators been set to achieve the programme goals?
- How would one go about modifying these interventions to accommodate long term sustainability?
- How does government ensure that other institutions, such as NGOs, get informed about its food security programmes? and
- Does government create a network with other stakeholders, from whom it can learn and share findings on these programmes?

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CHAPTER 8:

CIVIL SOCIETY PARTICIPATION IN INCOME GENERATING ACTIVITIES IN SOUTH AFRICA

Human Sciences Research Council: Margaret Chitiga-Mabugu, Charles Nhemachena, Selma Karuaihe, Shirin Motala, Nthabiseng Tsoanamatsie, Lebogang Mashile. NDA: Thami Ngwenya and Bongani Magongo.

Background and introduction

The South African government has since 1994 prioritised the involvement of the previously disadvantaged groups of our society into the mainstream economy by creating mechanisms, through policy and structures that would assist in creating economic opportunities for this group of our society. One of the major areas that were identified, was the development of small and medium sized enterprises as drivers for job creation and this was supported by a number of organisations who were geared towards fulfilling this objective. These included Small Enterprise Development Agency (Seda), Umsobomvu Youth Fund, which was later changed to National Youth Development Agency (NYDA) and other provincial bodies like Gauteng Economic Propeller (GEP), whose main objectives are to provide support to small and medium sized organisations.

As part of efforts to address the significant challenges of poverty, unemployment and inequality, the South African government developed and adopted the National Development Plan (NDP) in 2012, as a blueprint to eliminate poverty and reduce inequality by 2030. The NDP seeks to build capacities of people, grow an inclusive economy, enhance the capacity of state and promote leadership and partnership throughout society. The NDP and many other government policies such as the New Growth Path (NGP), offer great opportunities for income generation activities for the poor rural and urban communities. There is great scope to conceptualise the National Development Agency income generating activities programme or enterprise development within these government policies.

Definition of income generating activities

Income generating activities refer to activities focused on creating opportunities for communities to productively use locally available resources to develop less state dependent, more self-reliant households

and communities able to care for themselves. Income generating activities focus on productively using locally available resources to the benefit of the entire community (van Niekerk and van Niekerk, 2009). In addition, income generating activities provide additional benefits that include: contributing to reduce poverty; improving the wellbeing of the communities (Mehra, 1997) as well as empowerment, self-reliance and community development.

Income is defined by the International Labour Organisation (ILO)'s Resolution concerning household income and expenditure statistics as follows: "Household income consists of all receipts whether monetary or in kind (goods and services) that are received by the household or by individual members of the household at annual or more frequent intervals, but excludes windfall gains and other such irregular and typically onetime receipts. Household income receipts are available for current consumption and do not reduce the net worth of the household through a reduction of its cash, the disposal of its other financial or non-financial assets or an increase in its liabilities" (ILO, 2003; page 2). In addition, Carletto et al (2007), consider income as receipts; (i) that recur regularly; (ii) contribute to current economic well-being; (iii) and do not arise from a reduction in net worth.

Davis et al (2010), identified seven basic categories of income: (1) crop production; (2) livestock production; (3) agricultural wage employment, (4) non-agricultural wage employment; (5) non-agricultural self-employment; (6) transfers; and (7) other. The first three categories make up agricultural activities and the latter four represent non-agricultural activities. In addition, non-agricultural wage employment income and non-agricultural self-employment income can be further disaggregated by industry (e.g. (1) Agriculture, Forestry and Fishing; (2) Mining; (3) Manufacturing; (4) Utilities; (5) Construction; (6) Commerce; (7) Transportation, Communications and Storage; (8)

Finance and Real Estate; (9) Services; and (10) Miscellaneous) (Carletto et al., 2007). Therefore, income generating activities include agricultural production (crop, livestock), agricultural wage employment, non-agricultural wage employment, non-farm enterprises, transfers and other non-labour income sources. Generally, income generating activities assist vulnerable communities to secure income through their own efforts. Examples of income generating activities include small business promotion, cooperative undertakings, job creation schemes, sewing circles, credit and savings groups and youth training programmes.

Perspectives on income generation activities

Poor rural and urban communities often experience various challenges in their own unique setting, including lack of income opportunities; high levels of poverty and inequalities; low education levels; limited access to socio-economic services etc. These challenges often require households to find alternative sources of income. Capacitating communities in entrepreneurial skills and also using their traditional skills and knowledge can provide an opportunity for active participation in income generating activities to create jobs in the community. Therefore, income generating activities need to focus on transferring practical skills focused on building and expanding existing knowledge and resources.

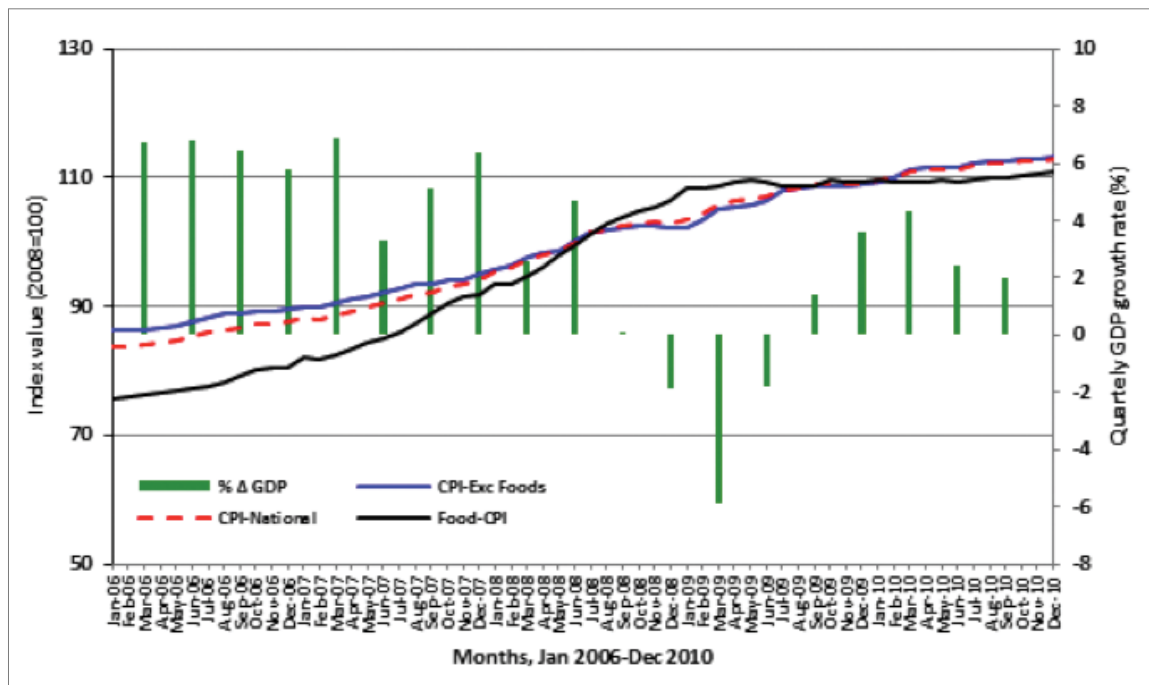
Access to assets, play an important role in determining the household's ability to connect to poverty reducing income generating activities, particularly focused on addressing the income dimension of poverty (Zezza et al., 2009). When income is an important dimension of livelihood systems, income generating activities provide a key source of recuperating and/or strengthening these systems. In such situations, income generating activities help vulnerable communities generate income to address their basic livelihood needs in a sustainable manner. In addition, they contribute to improving the economic situation of the household through increased purchasing power (ACF, 2009).

Furthermore, income generating activities require that the households and or individuals that take part in the activities be able to work and meet a minimum level of participation (ACF, 2009). Income generating activities can span local economic growth and improve the availability of certain products in the market, lead to job creation etc. Small, medium and micro-enterprises (SMMES) are often used to address unemployment challenges in communities and or to provide a source of alternative and/or additional income for households. SMMES provide additional benefits that include coherence, networking, social integration, emotional support and social participation in the target communities (van Niekerk and van Niekerk, 2009). There is a strong relationship between development and participation that assumes community ability to participate in their development (Emmett, 2000).

Profile and sources of household income levels in South Africa (rural/urban)

Figure 1 summarises various sources of income reported by households in the 2011 General Household Survey (GHS). Results show that; at the national level the main source of income reported by households include salaries (63%) and grants (45%). Few households reported remittances (16%); income from business (12%) and pension (5%), as sources of income. At the provincial level, the largest percentage of households that reported salaries as main source of income was from Western Cape (74%) and Gauteng (73%). Limpopo (59%) and Eastern Cape (57%) reported the highest percentages of grant income. These two provinces also have the highest poverty levels in the country. Remittances were reported as one of the important sources of income in most provinces, especially in Limpopo (28%), Eastern Cape (22%) and Mpumalanga (21%). Based on these results, the challenges that are faced in the employment sector with people losing their job, for example in the mining sector, have serious implications on household income security, especially for the poor.

Figure 1: Percentage distribution of sources of household income by province, 2011



Source: Stats SA, GHS, 2011: A specific household can have more than one source of income. %ages therefore do not total 100%

Empirical evidence shows that income levels for the majority of South African households are low, with many surviving on an estimated average income of less than the R1 000 per month (Labadarios et al., 2009). According to the 2005 Labour Force Study (LFS), 65% of working people earn less than R2 500 per month and income inequality in South Africa is among the highest in the world (Altman, 2007). In 2005 the labour force distribution reflected that 40% of the workforce was in permanent employment

in the formal sector, while 14% were engaged in informal work, 7% were domestic workers and 10% were temporary workers (Altman, 2007). The Living Conditions Survey (LCS) 2008/09 data revealed that 38.9% of poor households had no adult employed, compared with the national average of 25.5% of adults in a household who were employed. From the results it is clear there is great need to provide income generating activities especially targeted to the poor rural and urban communities.

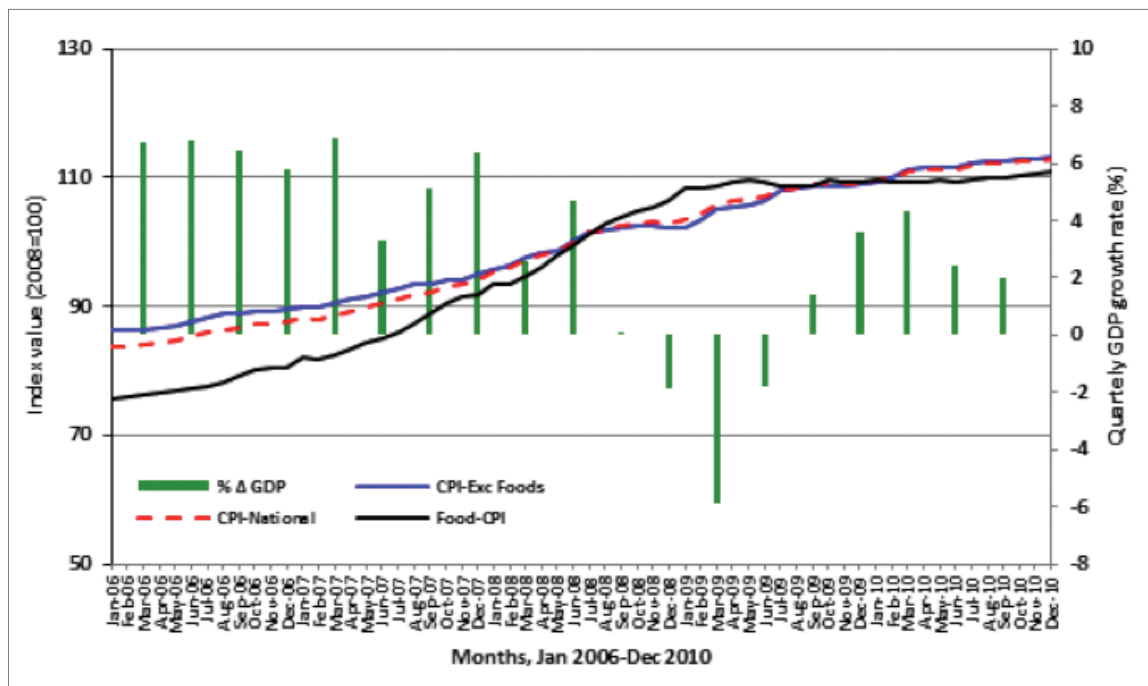
Agricultural employment levels in South Africa are reportedly low, at just under 600 000 in 2012, compared with 1.8 million employed in 1971 (NPC, 2012). Approximately 38% (19.14 million) of the country's population reside in rural areas, a decrease of 10% since 1994, (World Bank, 2012) mainly as a result of migration from rural areas to small towns and cities. South Africa's unemployment rate is amongst the highest in the world with an expanded unemployment rate of 40%¹¹⁹ and with women bearing a higher unemployment burden (46%), compared with men (34%). In some rural areas unemployment is as high as 70% compared to 46% nationally (Jacobs, 2010). In addition, an estimated four million people engage in smallholder agriculture in South Africa, the majority of who are to be found in the former homeland areas. Agriculture contributes 15% of total household income in black households with access to agricultural land, but for the poorest quintile the contribution stands at 35% (Aliber, 2005). The most common reason given for engaging in agriculture is procuring 'an extra source of food'. The number of people engaged in agriculture as an extra source of income has increased over time at the expense of the reason given for engaging in agriculture as a 'main source of food' or purely for subsistence. However, agricultural incomes for most households, especially smallholder farmers are not very high as very small quantities of produce are sold.

In terms of the informal economy, NIDS data indicates that there were just over 2.5 million workers in the informal sector, with another 1.45 million informally employed in formal sector firms, most of whom would be concentrated in urban areas. South Africa's informal enterprise sector makes up a very significant fraction of South Africa's economy, comprising 22% of all national employment and with informal workers inside the formal sector counted, it rises to 36% (Davies & Thurlow 2009). Informal sector employment is mainly self-employment and although there are higher end informal sector enterprises which generate large incomes, most of the entrepreneurs in this sector are survivalist, with women tending to predominate. In the survivalist sector, profitability is very low relative to formal business expectations (SALDRU, 2008).

Figure 2 below, reflects that the informal economy does not provide sustainable incomes, with over 70% of all informal businesses reporting a profit of less than R500 per month, illustrating the survivalist nature of the sector. Informal businesses offer poor returns, require long hours of labour and are precarious by nature as they are prone to risks. In addition to low income levels, workers in this sector are not afforded protection against illness nor do they enjoy employment benefits such as leave provisions, income protection or unemployment benefits. While generating more employment is necessary, it must be accompanied by efforts to enhance the quality of work through establishing minimum wage floors and regulation of employment conditions.

¹¹⁹ Unemployed (expanded definition): Persons who did not work, but were available to work in the reference period.

Figure 2: Profit from informal sector enterprise (ISE) activities



Source: National Income Dynamics Study (2008)

Implications

The definition of income generating activities focused on poor communities, emphasises the need to focus on creating opportunities for communities to productively use locally available resources to develop less dependent, more self-reliant households and communities able to care for themselves. In addition, income generating activities provide additional benefits that include: contributing to reducing poverty; improving the wellbeing of the communities as well as empowerment, self-reliance and community development. Income generating activities range from agricultural production (crop, livestock), agricultural wage employment, non-agricultural wage employment, non-farm enterprises, transfers and non-labour income sources. Poor rural and urban communities often experience various challenges in their own unique setting, including lack

of income opportunities; high levels of poverty and inequalities; low education levels; limited access to socio-economic services etc. These challenges often require households to find alternative sources of income. When income is an important dimension of livelihood systems, income generating activities provide a key source of recuperating and/or strengthening these systems. In such situations, income generating activities can help vulnerable communities generate income to address their basic needs in a sustainable manner.

Government role in ensuring and improving income generation for the poor

South Africa's commitment to poverty reduction and to creating a better life for its citizens has been articulated in international, national, provincial and local policies and obligations. Poverty is manifested

in various forms, such as lack of income, lack of skills and education, service poverty and asset poverty. The Constitution of South Africa is the overarching legal framework driving the efforts to address poverty and inequality in the country, in particular the Bill of Rights in Chapter Two of the Constitution (RSA, 1996). This framework, together with South Africa's commitment to international agreements and obligations such as the Millennium Development Goals (MDGs) target of reducing by half the number of people living in extreme poverty by 2015, provides the basis for South Africa's response to poverty reduction. In addition, interventions, such as income generating activities, form part of government efforts to address the challenges of poverty, unemployment and inequality and to contribute meeting the targets and goals such as MDGs.

Since 1994, the South African government has instituted various policies, programmes and strategies to address unemployment and to advance economic development, particularly targeting poor people. Policy development in respect of poverty alleviation and job creation has evolved since 1994. For example, the Reconstruction and Development Programme (RDP) (ANC, 1994), adopted by government in 1994, had as its main focus, poverty reduction and redressing inequalities persisting among South African citizens. The core focus of the RDP was on meeting basic needs of people, including jobs, housing, water, land, education, health care and social welfare among others. The RDP provided a socio-economic policy framework for linking growth, development, reconstruction and redistribution as integral components of a post-apartheid South Africa. The RDP was replaced by the Growth Employment and Redistribution (GEAR) strategy, launched by government in 1996, aimed at job creation and economic growth. GEAR was based on the premise that higher economic growth rates would trickle down to the poor and that enabling private sector investments in South Africa was the key to economic prosperity (DoF, 1996). The Accelerated and Shared Growth – South Africa

(ASGISA) initiative, which accompanied the adoption of GEAR, set a goal of halving unemployment and poverty by 2014, targeting women and youth with a focus on expanding participation in public works programmes, increasing participation in agriculture and creative industries, expanding opportunities for training and skills development and enabling access to finances (RSA, 2006). The focus of these policies intrinsically included focus on creating income generating opportunities for the poor, through its focus on ensuring that the poor have jobs, education, and resources such as land, water, etc.

The 1995 White Paper on National Strategy for Development and Promotion of Small Business in South Africa identified SMMEs as a vehicle to respond to the unprecedented high levels of unemployment in South Africa. The motivation for this is the potential labour-absorptive capacity of SMME's and the role they play in enhancing self-help initiatives for people to meet their own basic needs (DTI, 1995). In particular, reference is made to the micro-enterprise component, characterised by survivalist activities for which the entry barriers are low, especially for those with low educational levels, limited or no work experience and school leavers searching for their first employment.

Importantly, the role of local government in promoting economic growth, job creation and alleviation of poverty, has been expressed in a plethora of policy and legislative frameworks formulated by the South African government including the White Paper on Local Government (RSA, 1998), which indicated four developmental imperatives amongst which maximisation of social and economic growth is key. An important initiative to support local economic development is the growth and development of cooperatives. Cooperatives are a collective of people united voluntarily around a social or economic objective, either to produce goods, provide a service or to sell individually produced goods jointly in order to generate income. The South African government has developed legal and

policy framework aimed at promoting cooperative development as it is recognised as important in promoting entrepreneurship in South Africa.

In 2001 the Integrated Sustainable Rural Development Strategy (ISRDS) was introduced, designed to achieve the vision that would “attain socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who equipped to contribute to growth and development”(RSA, 2000, p1). The key aim of the strategy was to coordinate existing government initiatives targeting rural communities with the strategic objective of ensuring that by 2010 rural areas would have achieved “internal capacity for integrated and sustainable development ” (RSA, 2000, p1). The strategy was to be implemented in pilot nodal sites across the country and subsequently scale up nationally. The strategy specifically outlined the need to explicitly target poor people living in remote areas. Complementary to the ISRDS, implementation would be adopted, emphasising the important role of a comprehensive land reform programme and a community based income generation programme in rural development. The community based income generation programme was focused on identifying and supporting potential economic activities in rural areas, which would service farming communities such as small scale agro – processing and road side markets for fresh produce and crafts (RSA, 2000).

Rural development has received renewed focus since 2009 with the implementation of the Comprehensive Rural Development Programme (CRDP) (DRDLR, 2009). The CRDP has three phases, namely an incubator phase, where the focus is predominantly on meeting basic needs. This is followed by the entrepreneurial phase with large scale infrastructure development as a driver of development, and the third phase focuses on industrial development driven by small, micro and medium enterprises. Central to this programme is job creation with the roll-out of

the National Rural Youth Service Corps (NARYSEC), whose goal is to recruit and support rural youth in performing community service. The expectation is that these youth will transition into learnerships and other skills training opportunities in order to assist them take up entrepreneurship opportunities or enter the formal labour market.

More recently the New Growth Path (NGP) identified the need to promote “decent work” through attracting investment and job creation initiatives. The microeconomic package in the NGP includes a focus on enterprise development: promoting small business and entrepreneurship and eliminating unnecessary red-tape. The NGP strives to strengthen and consolidate initiatives to support small and micro enterprises and has set a target of 5 million jobs created by 2020, by lowering the costs of running businesses through targeted micro-economic reforms in transport, telecommunications, public services and food (RSA, 2009).

In addition, the National Development Plan (NDP) 2030 launched in 2011 seeks to build on the NGP plan by creating 11 million jobs by 2030, through creating jobs for unemployed, enhancing skills development, strengthening rural livelihoods and promoting growth in specific sectors (NPC, 2011). The approach to achieving this is through promoting employment in labour-absorbing industries, raising exports and competitiveness, strengthening government’s capacity to give leadership to economic development and mobilising all sectors of society around a national vision. The NDP also emphasises government focus on creating income generating activities through attracting investment and job creation activities.

Furthermore, job creation and creating economic opportunities for poor has been identified as strategic priorities for the 2009 – 2014 administration, as reflected in several of the 12 agreed priority outcomes (The Presidency, 2009), including:

- Improved quality of Basic Education;

- Decent employment through inclusive growth;
- A skilled and capable workforce to support an inclusive growth path;
- Comprehensive rural development.

However, it is critical to understand the extent to which these opportunities will be targeted at the poor rural and urban communities, which are the target of the NDA. For example, it would be of imperative importance to the NDA to see how the implementation of the NGP includes the poorest of the poor not yet at the small and micro enterprise level. The NDP and its strategic priorities emphasise creating opportunities for the poor, which resonates with the mandate of the NDA. It is therefore important that the NDA, in revising their focus on income generating activities, takes note of the policy developments and identify areas of synergy and complementarity with government interventions.

Institutions involved in income generation projects at different levels of government (nationally and provincially)

Various government departments and institutions are engaged in promoting and/or directly supporting income generating activities, although not all are focused on the lower end poorer sectors of society. These include all spheres of government, from national to local government as well as parastatals and institutions established by government to fulfil its mandate in relation to poverty eradication, job creation and economic development.

The primary departments focusing on the poor, in relation to income generation and economic development, include:

- The Department of Social Development whose social policy mandate is to contribute to poverty reduction by ensuring that programmes and services offered are aligned with many of the national development priorities and ensuring the sustainability of social spending through the improvement of job creation in the economy (DSD, 2009). The Department of Social Development

also provides funding to the NDA, which plays a key role in providing support and financing for poverty reduction programmes, including income generating activities.

- The Department of Labour: In partnership with line functions of various Departments (e.g. Department of Social Development, Department of Water Affairs, and Departments of Environmental Affairs), this department implements the Expanded Public Works Programme (EPWP). Public Employment Programmes (PEP's) such as the EPWP have gained popularity globally and in South Africa as "safety nets" to protect poor and vulnerable people against shocks. Generally introduced during "crisis times", PEP's were generally short term (time-bound) and mainly focused on development of infrastructure. The EPWP programme was introduced in the mid 1990's and initially involved mainly infrastructure related work. Since the mid 2000's there have been significant innovations in the design of such schemes towards meeting longer term objectives of poverty eradication and inequality reduction, typically around the nature and type of work performed, the implementation models, the duration of the programme and importantly the sustainability of the intervention. Typically EPWP programmes include work in programmes such as Land Care, Working for Water and Working for Fire. It has been recognised as a key vehicle for creating employment opportunities (although mostly short term) and for providing a career path for low skilled workers (DPW, 2009). This is especially true for women and rural dwellers in respect of the social sector EPWP. A unique feature of South Africa's EPWP, and subsequently with the CWP, has been the introduction of social sector work, namely early childhood development and home and community based care. The value of this innovation lies in its contribution to gender equity, in that much of care work is undertaken by women as unpaid work or at low level pay.
- Department of Cooperative Governance and

Traditional Affairs: More recently the Community Work Programme (CWP) was launched nationally in 2009. The CWP, together with other public employment programmes (PEP's) implemented by South African government, were given a major boost with an additional R4.8 billion allocated over the 2012 MTEF period, making its total contribution to just under R78 billion (MoF, 2012). More than two thirds of this (R3.5 billion) was earmarked for the Community Work Programme (CWP), introduced in 2009 as an employment safety net in response to the unprecedented levels of unemployment, poverty and inequality in South Africa. The CWP is a type of employment guarantee scheme (although not legally enforceable) which provides access to a maximum of 100 days employment annually, at two days per week at a nominal rate of R50 per day. As at March 2011, the programme had recruited approximately 90 000 participants in approximately 70 sites, urban and rural, across South Africa (MoF, 2012). The increased allocation of funds to CWP will enable it to increase the number of participants to over 320 000 in 2014/15 with a firm commitment from government to further increase the target to over 1 million participants over time. This development forms part of the growing national recognition of the need for targeted scalable interventions to address unemployment and reduce poverty (MoF, 2012). Evidence suggests that, if well designed, public employment programmes can draw in semi- or unskilled people who have never been part of the workforce, thereby increasing their employability and or facilitating their entry into the labour market (Altman, 2008). More importantly, PEP's present an opportunity to achieve multiple developmental policy objectives, such as income transfer, asset accumulation and delivery of essential public services.

- Economic Development Department (EDD) and Department of Trade and Industry (DTI): In theory SMME's have the potential to create jobs and uplift people out of poverty. Government's role in SMME's is aimed at assisting people

to become economically independent and is mainly supported by institutions created under DTI since 1995, such as the Small Enterprise Development Agency (SEDA) established in 2004 and the Small Enterprise Finance Agency (SEFA) established in 2012 (a merger of a number of number of previous bodies supporting SMME's). SMME's are also supported through national and provincial Economic Development Departments and through Local Economic Development (LED) programmes at local government level. SMME activity is supported by other government departments, such as DRDLR's role in NARYSEC, which was outlined earlier and the National Youth Development Agency, which works to fast-track the empowerment of formerly disadvantaged youth into business entrepreneurship. Support for SMME's is through provision of loan funding, training and capacity building and through creating an enabling regulatory environment for the function of SMME's. The role of SMME's in poverty alleviation has remained controversial, with a concern that most of the SMME interventions in South Africa have focused on middle and higher end entrepreneurs and not on those in the survivalist sector, and that few of these initiatives have remained sustainable, particularly after government support has terminated (PSC, 2007). Research findings suggest that, in comparison with other developing countries at a similar stage to South Africa, entrepreneurial activity is very low in South Africa. This activity is measured by the Total Entrepreneurial Activity rate (TEA), which is a measure of the percentage of individuals between 18 and 64 years who are involved in starting up or operating a new business. According to Mahadea et al (2008), South Africa's TEA rate actually decreased from 9.43% in 2001 to 5.29% in 2006 and although it rose again to 9.1% in 2011, it remains lower than the global average of 14,1%. If a measurement was available to assess the extent of such activity, particularly targeting those in the lower deciles, it is likely to find that entrepreneurial

activity is also very low in relation to the scale of the unemployment and poverty. Most of these institutions and programmes have mainly focused on the medium and large entrepreneurs and not on the survivalist sector.

- Department of Agriculture, Fisheries and Forestry (DAFF) and Department of Rural Development and Land Affairs (DRDLR): Government has introduced a number of initiatives to enhance land based livelihoods, initially focusing on securing land tenure rights through land redistribution and restitution as well as on enhancing the productive capacity of available land for livelihoods. Through the implementation of a range of programmes, such as Comprehensive Rural Development Programme (CRDP), Comprehensive Agricultural Support Programme (CASP) and the Land Reform Recapitalisation and Development Programme (RECAP), the state aims to increase agricultural productivity, improve farming methods, provide support for accessing input supplies and equipment and enable access to markets, thereby increase on and off farm incomes through value added beneficiation processes (Jacobs et al, 2010).

The above discussion showcases the multiple interventions related to income generating activities/programmes that are implemented by various government Departments and institutions. The primary focus of these interventions is to assist poor communities to become economically independent and thus shift their reliance away from social assistance programmes. A Public Service Commission (2007) identified income generating activities in many sectors as summarised in Table 56 below. The list excluded activities undertaken as part of public employment programmes. The results show that most of the income generating activities focused on the primary sector of agriculture. Although agriculture is a key sector for ensuring both food security and income opportunities through selling surplus produce, more efforts are required to support diverse income generating options for poor rural and urban communities.

Table 1: Sectors in which IGP's are active

Sector	Share (%)
Agriculture	78
Agro-processing	4
Crafts and manufacturing	9
Retail	1
Services	3
Mixed	1
Business support	1
Unknown	4
Total	100

Source: Public Service Commission (PSC), 2007

Furthermore, analysis by the PSC (2007) indicated that government was the key role player in initiating public works related income generating activities, while in all other types of income generating activities it was community/beneficiary initiated as Table 2 below illustrates.

Table 2: Who initiated the project?

Entity	Public works (%)	Land reform (%)	Income Generating Projects (%)	Social Development (%)	Active (%)	Inactive (%)
Community/beneficiaries	11	47	41	62	41	32
Government	50	21	33	20	29	48
Parastatal	1	7	3	2	3	2
NGO	8	2	0	0	3	0
Unclear	30	24	24	17	24	18
Total	100	100	100	100	100	100

Source: PSC, 2007

Relevance and effectiveness of such policies

Despite the plethora of policies and programmes focusing on job creation, economic development and income generation towards poverty alleviation, these have not had the desired impact of addressing poverty in a significant way. The SMME policy framework has been unable to provide appropriate support to the majority of SMME's, most of who operate in the survivalist sector. Of particular concern has been the inability to reach rural communities. Despite the establishment of institutions to coordinate programmes related to SMME's, this area remains uncoordinated and with duplication of services. An example of this is the various government institutional initiatives targeting youth unemployment and entrepreneurship, such as NARYSEC, EPWP and the NYDA.

The land based livelihoods focus of the CRDP and the Land Reform Programme has also not been able to generate the jobs as per the ambitious targets established, nor have they been able to ensure that securing land tenure would translate into economic prosperity for rural dwellers. There are many reasons for this failure, including the lack of support for small scale farmers, rural – urban migration

patterns and the lack of an enabling environment for entrepreneurship in rural areas, both on and off farm. Although agriculture is an important source of livelihood, it is not the main source for most rural dwellers. Despite access to accurate data on rural livelihoods, particularly among land reform beneficiaries, the general perception is that a small proportion of agricultural-based projects remain self-sustainable post-transfer.

The supply of quality education and post school skills development remain a challenge – reflecting an apartheid legacy. Rural skills are traditionally associated with workplace and occupational profiles in natural resource-dependent sectors (Jacobs et al, 2012). With the changing demographics of rural areas, employment in off farm activities has increased and this is not well matched in terms of skills development programmes. In a recent review of the CRDP, Hart (2010b) found that certain skills were in short supply in rural areas. He noted that, in many instances, construction contractors came from outside the area. More importantly, he noted that developing local capacity may not be sustainable as the demand for such services may not be sufficient and will encourage outward migration.

Public education and awareness campaigns/ programmes on income generation initiatives and their impact on poverty eradication

Overall, there does not appear to be a comprehensive communication plan for creating awareness of available income generating programmes to appropriate target groups. Some interesting developments to ensure better communication and information on job seeking include, the Gauteng Department of Social Development plan to establish job centres to address unemployment and poverty and the national Department of Labour's plan to launch a road show with buses to roam the country to register unemployed job seekers.

Other awareness raising initiatives include the SEDA, which has a specific mandate to create entrepreneurship awareness. SEDA sets out to fulfil this mandate through its national footprint, which includes SEDA Branch offices, Incubator sites, enterprise development centres mobile units, electronic information kiosks and co-location points at 42 local municipalities. According to a SEDA report to parliament, the network was annually accessed by over 150 000 people over a three year period (SEDA, 2012). In addition, institutions such as the National Youth Development Agency use radio, TV and print media to communicate their programmes. The EPWP and CWP employment programmes are advertised by implementing agents, either in specific geographical areas or sectors.

Potential gaps and areas for improvement in promoting access to income generation

Targeting of interventions, particularly focused on poor and vulnerable populations in the lower deciles, needs to be carefully addressed. Many of the instruments and interventions implemented appear to assume self-targeting, which is evidently not being realised. Targeting rural areas and, more specifically, women must be addressed. Although most of these programmes have identified women and youth as key beneficiaries, the design of the programmes does not take into account gender dynamics.

Measuring impact, on the scale of income generating activities and the effectiveness of such interventions in creating pathways out of poverty, is almost non-existent with the inadequate data available. Evidence suggests that the failure rate of SMMEs in South Africa is high, with estimates of 50% of enterprises failing in the first year (PSC, 2007). There is also a need to establish benchmarks for defining what a "successful" intervention is.

The multiple role players, both within and outside of government (particularly civil society), engaged in livelihoods enhancing activities, is welcome. However, the lack of an overarching framework to inform how such programmes are implemented and the lack of coordination between stakeholders (especially amongst government stakeholders) has the potential for duplication, inefficient use of resources and poor targeting.

The scale of engagement needs to be increased significantly. It is of concern, given the extent of poverty and unemployment, that the total numbers of those benefiting from either government or externally supported income generating activities are relatively small. There is a need to ensure better understanding among various government Departments and institutions of their role in meeting targets established in the NGP and NDP (e.g. creating 5 and 11 million jobs respectively). In this case, various government Departments should clearly identify income generating activities for the poor, which can contribute to these targets.

Implications and challenges for civil society organisations

The capacity to innovate and implement income generating poverty reduction programmes is extremely limited in government. CSOs have a very important role to play in implementing, together with government, various income generating activities. For example, many of the youth employment interventions currently being implemented by government were initially designed and piloted by civil society

institutions. Government and CSOs need to partner in designing and implementing income generating activities focused on creating opportunities for the unemployed youth.

Successful provision of support to income generation activities requires strong partnerships between government, CSOs, beneficiaries and the private sector. There are many examples of such partnerships between government, civil society organisations and the private sector who often serve as intermediaries in the roll-out of these programmes. An example of this is the Department of Public Works implementation of the EPWP, which has relied heavily on CSOs to act as service providers in assisting government through implementing the Non State Sector EPWP Programme, as well as to enable government to reach its EPWP targets for training provision. Lessons from these programmes can be learnt and taken to support comprehensive partnerships between government and CSOs in providing income generating opportunities for poor rural and urban communities.

Furthermore, knowledge dissemination on good practices and lesson learning, is key to delivering projects efficiently. Initiatives such as the Greater Good South Africa Trust Social Investment Exchange (SASIX) and the SA Institute for Entrepreneurship, are important platforms for advancing knowledge and thought leadership on income generation activities. In addition, supporting community champions can go a long way in disseminating knowledge, opportunities etc. focused on income generating activities. Sharing such lessons among implementers of income generating activities helps to minimise inefficiencies and scaling up and replication of interventions.

Review of existing studies on income generation

Income generating activities are recognised as a vital means of improving the lives and the standards of living of those that are involved in them, especially the poor. Over the years, different organisations, including CSOs, have designed and implemented a number

of income generating activities, using different models with the focus of increasing the incomes of individuals and communities. For example, in South Africa, the NDA has supported a number of income generating activities focused on the “traditional sectors” that require relatively small capital and a low skills base, which include, but are not limited to primary agriculture, bakery, brick-making and arts and crafts. However, such initiatives need to be evaluated to determine to what extent they have really contributed to helping communities improve their incomes and livelihoods. In addition, there is a need to evaluate the design and implementation structures of these activities and learn lessons that can be used for future design and implementation of similar activities, focused on empowering the poor communities with limited skills and resources. As noted earlier, different models of income generating activities have focused on other social outcomes in addition to income, such as social empowerment, particularly that of economically marginalised groups such as women in most developing countries (Hurley, 1990; Ismail, 1997; Steglich and Bekele, 2009). Future models and efforts aimed at improving incomes and livelihoods of the poor and marginalised should encompass local social empowerment of such groups, to enable them to be agents of their own development. Steglich and Bekele (2009) argue that social empowerment emanating from income generation projects, such as training of women, enhances the indirect impact of those projects within communities at large. Furthermore, Hurley (1990) argues that the poor are faced with a wide range of difficulties that negatively impact on their efforts to improve their livelihoods, such as interrelated social, political and economic disadvantages. It is very important for designers and implementers of models of income generation activities targeted on the poor and marginalised, such as the NDA, to take cognisance of the above factors in order to strengthen the poor’s social networks, organisation within communities and improve participants’ individual circumstances.

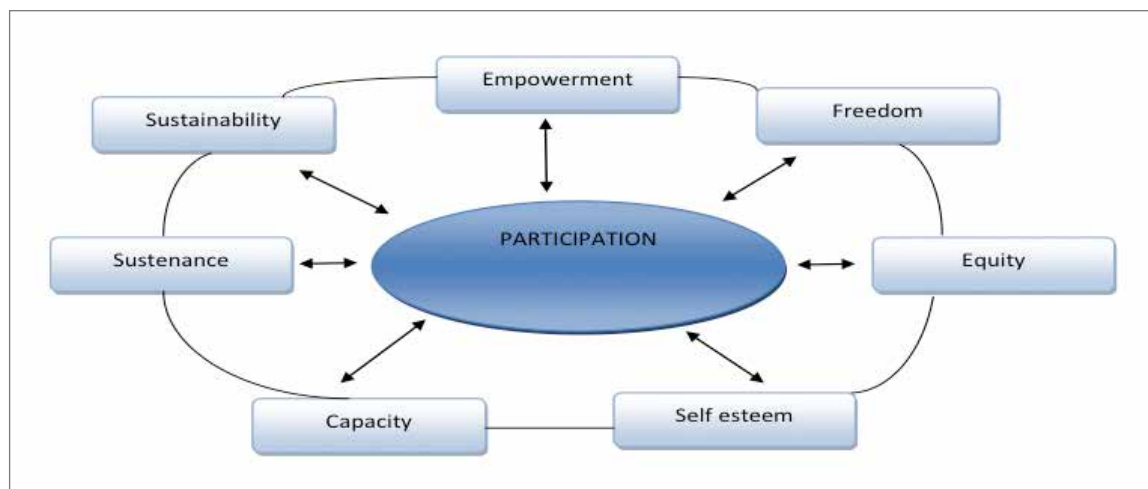
Furthermore, an extensive study by Hurley (1990)

on income generation initiatives for the poor by organisations (especially CSOs) around the globe, showed that active involvement of beneficiaries in designing and implementing income generating activities increased their chances of improving the incomes and livelihoods of the target groups. The study further showed that best income generating models are those that use the participants' knowledge of their immediate economic environments. The justification for the above argument is that poor people have extensive knowledge of their immediate circumstances, their economic environments and the countless complex constraints that could result in the failure of the initiatives. In addition, the target groups know the resources and time they would be able to dedicate to proposed income generating activities,

all of which are critical for sustainability of such initiatives.

Clearly, providing beneficiaries with opportunities to be actively engaged and in identifying the above concerns, provides important information and ideas (e.g. information about gaps in the market etc.) that are critical in ensuring success and sustainability of the income generating activities and models used. Trollip and Boshoff (2001) depict this, using Wetmore and Theron (1998)'s model, that shows the importance of active local participation of target groups to development values and outcomes. Basically, this model shows the connection between member (beneficiary) participation and their empowerment, as well as projects' sustainability among other outcomes.

Figure 3: Participation related to development in income generation models



Source: Own construction from Wetmore and Theron's, 1998, cited in Trollip and Boshoff, 2001

International models of income generation intervention for the poor

As mentioned before, there are a great number of income generation models used by different organisations to meet their objectives. Action Against Hunger (ACF International) (2009: pages 18 -19) summarised basic principles to be considered when starting income generating models (Table 59).

The basic principles that need to be considered for income generating activities, especially targeted for the poor and marginalised groups, include but are not limited to: protection and strengthening of livelihoods; sustainability; coordination; community participation; support for local initiatives; accompaniment and technical assistance; attention to gender issues.

Table 3: Basic principles for income generation models

Principles	Description
Protection and strengthening of livelihoods	Interventions must not put the population, their resources or livelihood mechanisms in danger, creating dependency. It is necessary to be aware of the potential negative impacts, weigh their importance compared to positive results expected. All attempts should be made to reduce the potential negative impacts and when the expected positive results are greater than the potential risks, the programme should be considered.
Sustainability	Even in cases in which the interventions are designed to be carried out within a short time period, it is essential to think of the long-term sustainable impact of the activity. The sustainability can be increased by involving the population from the initial assessment and identification phases and by collaboration with other organisations and actors present in the zone.
Coordination	Coordination with other organisations, entities and public authorities, will create a more adequate response and facilitate a greater impact by taking advantage of common efforts.
Community participation	In all phases of the programme, from assessment to implementation, participation is one of the pillars on which IGA are built. Motivation and local initiative must be promoted and should be supported whenever viable, as this is the best mechanism for responding in a sustainable manner.
Support for local initiatives	The social viability and sustainability of the interventions will always be stronger if the IGA supported part of local initiatives, initiating from the beneficiary communities themselves.
Accompaniment and technical assistance	Especially in cases involving organisational aspects, creation of new initiatives or strengthening of productive or commercial aspects, accompaniment and technical assistance during the programme implementation can be essential in order to guarantee a good impact.
Attention to gender issues	Through the promotion of IGA, it is possible to work towards the improvement of women's situation in terms of promotion of equality, and at the same time this effort will have positive repercussions in terms of food security.

Source: ACF International, 2009: The role of multinationals and development institutions

There is insufficient evidence that demonstrates the role of multinational organisations in income generating activities in South Africa directly. It is possible that such activities are embedded in those carried out by CSOs under their donor funding mandates in communities. Nevertheless, multinational organisations, international development institutions and other development agencies could play a role in

facilitating access to finance for poor communities and small businesses, through various means. Examples of such organisations include, the World Bank, the Swedish International Development Agency (SIDA), the United States Agency for International Development (USAID), the International Development Research Centre (IDRC), OXFAM, amongst others.

For instance, the World Bank has several programmes that assist with microfinance, in order to improve access to income generating initiatives for the poor, through assisting institutions with funding. Two of those programmes are mainly aimed at supporting small businesses which incorporate very poor and marginalised people as suppliers, customers, partners and/or beneficiaries. The programmes are called Consultative Group to Assist the Poorest (CGAP) and Strengthening Grassroots Business Initiative (SGBI). The box below presents the CGAP.

Box 1: World Bank Consultative Group to Assist the Poorest (CGAP)

The CGAP contributes to innovative delivery of sustainable microfinance and financial services to the very poor by improving the capacity of microfinance institutions (MFIs) and networks. The programme is offered to institutions with potential to provide innovative delivery of financial services and reach massive numbers of poor clients in a sustainable manner.

Source: <http://web.worldbank.org>

The programme on Strengthening Grassroots Business Initiative (SGBI) is a joint initiative of the International Finance Commission (IFC) and is summarised in the box below.

Box 2: Strengthening Grassroots Business Initiative (SGBI)

The IFC and The World Bank have launched an initiative to support businesses that create sustainable economic opportunities for poor and marginalised people. Grassroots business organisations (GBOs) are expected to approach communities or those at the low end of the income pyramid as partners, suppliers, consumers and/or beneficiaries. These businesses

provide income, employment and training for disadvantaged people, bridging the gap to the global marketplace. SGBI supports all kinds of GBOs whether for-profit or not-for-profit, and has two core criteria for eligibility: (1) Grassroots Benefits: Generates substantial economic benefits at the grassroots level in a developing country, involving very poor and marginalised people as partners, suppliers, consumers and/or beneficiaries; (2) Business Opportunity: Supports a business opportunity, defined as the sale of products or services. Sustainability, capacity for growth and performance will also be some of the other criteria for selection.

Source: <http://ifchq14.ifc.org/ifcint/gbo.nsf/>

Similarly, Bangladesh established the well-known micro-financing model, known as Building Resources Across Communities (BRAC¹²⁰) in 1974. This finance model is presented in the box below.

Box 3: The BRAC Microfinance Model – Bangladesh

The BRAC is an NGO in Bangladesh and its microfinance model has been replicated in many developing countries and proven to be successful to a large extent. The organisation provides collateral free credit for investment in income-generating activities for the majority of the landless poor (marginal farmers and vulnerable small entrepreneurs, most of whom are women). It also provides a platform for poor women in villages to gather and form village organisations (VOs), each with 30–40 women, where they can access the microfinance. The loans are customised to the varying needs of the borrowers, based on the credit-plus approach. The BRAC model uses social enterprise interventions like financial assistance, skills development and measures,

¹²⁰ BRAC is originally known as the Bangladesh Rehabilitation Assistance Committee and then formerly known as the Bangladesh Rural Advancement Committee, before changing to its current name.

which strengthen the supply chains of their clients' output to improve access to quality inputs and markets. The programme also allows VOs to provide an opportunity for poor women to discuss and raise awareness on issues pertaining to their social, legal and daily well-being. So far, BRAC has provided small loans amounting to US\$6 million to 7 million borrowers who have invested in, for example, restaurants, grocery stores and the production of rice, maize and vegetables.

Source: www.brac.net/content/microfinance - in SAWID, 2012.

Further, BRAC has helped the rural poor to make progress in rural development through two successful programmes namely; the Income Generation for the Vulnerable Group Development (IGVGD) and the Employment and Income Generation (EIG) programme.

Box 4: Income Generation for the Vulnerable Group Development (IGVGD)

In conjunction with the UN-funded World Food programme in Bangladesh, the Income Generation for the Vulnerable Group Development (IGVGD) programme has made a significant impact in generating income and improving the livelihood of the poor. This programme has provided poor woman with the opportunity to receive training and micro-finance services, which has enabled them to start an income generating activity that is sustainable through the reduction of food insecurity and poverty. The IGVGD programme was targeted specifically at women who are in the extreme levels of poverty, including widows, woman with disabled husbands, separated or divorced, those who lack productive assets and those who are not part of any development programme or NGO (Non-Government Organisation).

The programme was supplemented with a food aid relief programme at initiation stage, because

the participants were experiencing chronic food insecurity. The training was done over a period of 2 years whereby 1000 woman were taught different income generating skills which they could use at the end of the 2 years. As part of the programme, participants are given 30kgs of wheat grain (or rice and wheat) for 18 months, as part of a motivation strategy for them to freely participate in the programme without having to worry about what they will eat.

After training on income generating activities, that require low initial capital expenditure, participants are required to save on a weekly basis and it is only after six weeks of training that participants are given their first loans, which are to be supplemented by the accumulated savings. Loan repayments are stretched over 45 instalments, so that when the period of free grain transfer has elapsed, the participants will have covered a reasonable portion of their loan repayment and at that stage they should be in a position to obtain mainstream micro finance services. This has made a positive impact on poverty reduction in Bangladesh and it has provided a more sustainable solution to food insecurity than food aid programmes.

Source: http://www.bracresearch.org/publications/igvgd_nahleen+naomi.pdf

Other programmes include the establishment of internet and new forms of information intensive enterprises, such as data entry and processing companies, as well as software development and online selling businesses. This SMME support programme was part of IDRC's major initiative on the use of Information and Communication Technologies (ICT's) at the community level in sub-Saharan Africa. Such businesses could potentially be established in small and remote communities since the new information technologies can be used on a decentralised basis. The findings show that there was an increase in Employment and income generating activities, derived from Internet Access

(Henault, 1996). It shows that “the virtually electronic community of SMEs can therefore contribute to create not only building capabilities but also economic value that would stimulate community development through the efficient use of Internet” (Henault, 1996, p. 18).

The CARE Ethiopia model (a model for Women Income Generating Groups (WIGGs)) showcases a “state-of-the-art bottom-up” approach in assisting the WIGG activities and avoids imposing activities on the WIGGs. Furthermore, CARE’s focus for these initiatives is to establish sustainable and self-reliant groups (Box 1).

Box 5: CARE Ethiopia’s Model for Women Income Generating Groups (WIGGs)

CARE Ethiopia carries out project activities that support women income generating activities in Ethiopia’s Harage, Borana and Afar areas, as part of its livelihood diversification strategy. These particular CARE projects are specifically targeted at women in pastoralist communities, and their entry points are Women Income Generating Groups (WIGGs). These projects came about after the realisation that pastoralist systems and associated livelihoods in these areas were increasingly under pressure and are trapped in a downward spiral of depletion of resources, poverty and the waning resilience against drought related emergencies. For this, CARE adopted a WIGG approach that allows women to diversify their incomes through collective action and group savings, and this is developed from positive grass-root development experiences achieved with WIGGs in Ethiopia and other parts of Africa. Based on past experiences and on research, the WIGGs were encouraged to first take part in petty trade (of commodities such as sugar, salt, tea, tobacco, etc.) as the initial business activity. This was then to be followed by larger investments that usually involved the purchase of livestock for fattening, trade in maize and other cereals,

etc., once more experience had been gained by members. For these projects, CARE project staff follows a “state-of-the-art bottom-up” approach in assisting the WIGG activities and avoids imposing activities on the WIGGs. Furthermore, CARE’s focus for these initiatives is to establish sustainable and self-reliant groups. (Steglich and Bekele, 2009)

Another example is the Danish Refugee Council’s (DRC) efforts among refugees. The DRC sees income generation activities as a key strategy in assisting beneficiaries, not only in making a living, but also as a means of supporting local economic development in a broader sense. The DRC’s model for its income generation activities has been captured in the following excerpts from the DRC programme handbook (2008: 6-9) (Box 2).

Box 6: Danish Refugee Council (DRC) Model for income generation activities via grants and micro financing programmes!

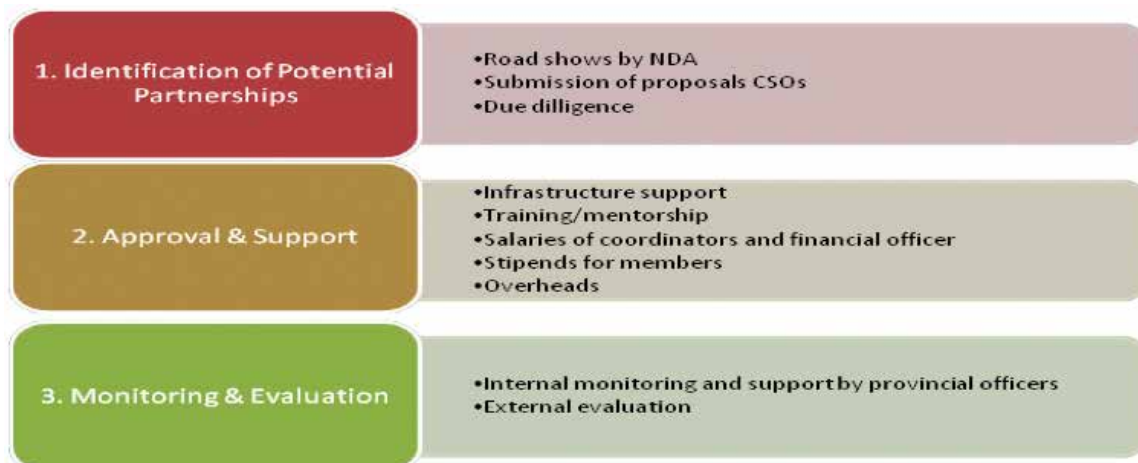
Assessment & Planning	Implementation	Monitoring & Evaluation
<ul style="list-style-type: none"> • Appropriate timing and thorough assessment is essential for determining if and when to intervene with a grant or loan programme. • Thorough socio-economic assessment and profile of the target group should be made before deciding on – and designing – a programme. Income generation should preferably be built on existing skills, raw materials/inputs that are readily available and well-known products. Beneficiaries need skills, resources and have to be motivated. Be conservative when developing overall strategies and when assessing business ideas. • Any income generating activity can only be as good as the economic environment in which it is embedded. A proper market analysis should be done prior to setting up income generation components. 	<ul style="list-style-type: none"> • Sustainable exit strategy should be planned from the very beginning both on an operational as well as institutional level. • It is preferable to utilise existing financial facilities and service providers. If possible, all financial transactions should be done via a local bank. This greatly reduces the risk of fraud. • Make sure that DRC’s support to income generation does not create unfair competition within the local economic context. • Carefully design what sort of services/support DRC can and should provide. There has to be a good match between the needs of the target group, the capacity of DRC to meet these (management, field assessments, support, guidance, etc.). • Programmes should develop well-articulated policies and procedures and include performance standards to reinforce efficiency, effectiveness, sustainability and impact. 	<ul style="list-style-type: none"> • There is no shortcut to the process of learning from mistakes in income generation. Achieving positive impacts with income generation depends on an extraordinary good knowledge of the economic environment as well as the group DRC want to support. Both dimensions can and should be explored by means of a robust monitoring and evaluation (M & E) system. • It is critical to monitor possible reactions within host communities or among local authorities in order to be able to address these in a timely and appropriate manner. • Indicators for monitoring outputs and impacts should be developed with participation of all stakeholders and be revised as necessary during the programme period.

The NDA Income generation programme model

As mentioned before, the NDA is also involved in income generation programmes that are aimed

at assisting the country's poor. The Figure below shows the NDA's model for its projects as given in the evaluation of one of its programmes (NDA, 2012b).

Figure 4: NDA poverty alleviation model within CSOs



Source: Own construction from NDA, March 2012b

Below are examples of these programmes that the NDA is involved with and their income generation models thereof:

Box 6: The Bartles Art Centre Trust (BCT) in Durban funded by the NDA

The objective of this programme is to train it's learners in visual arts and music, and to provide space for its resident visual artists to work and for musicians to perform by making use of the centre's facilities. The model used by the NDA for this programme is in line with its aim of strengthening the capacity of civil society organisations, with the purpose of assisting the poor across different economic sectors. The BCT programme's successes have included the participation of three of its students in the student exchange programme that is run by Bremen University; the exhibition of works by students at the BCT studio, one student securing a commissioned painting and the selling of crafts and art by students at the BCT retail outlets.

The programme has, however, encountered a number of setbacks. One of these was brought upon by the late start of the programme, due to the late payment of money to the programme. This had consequently resulted in the unavailability of the intended visual arts, screen printing, ceramics and desktop publishing (graphic design) student participants, leading to the need to recruit new students. This surely must have resulted in increased programme's costs and those students that were no longer to be part of the programme, lost out on this opportunity. Another problem encountered by the programme was that the allocated budget was not enough to take care of students' living and transport allowances, and this had subsequently resulted in a smaller number of students being able to take part in the programme, with some students only being able to attend some of the classes and not all of them (NDA, 2012c).

Box 7: Lethimpumelelo Agricultural Cooperative in KwaZulu Natal funded by the NDA

The NDA had approved R2 191 507.00 to be allocated to the Lethimpumelelo Agricultural Cooperative. This money was to be used to make sure that cooperative would be able to create self-employment to its 36 members. These members would also be skilled in biodiversity and natural resource conservation. The cooperative is a beekeeping initiative in Mtubatuba. It was recognised by the NDA as a potential poverty eradication project in 2008.

The evaluation report on the cooperation has made a few observations about the project. It shows that the cooperative has grown from its humble beginnings into a community enterprise development project that now requires better governance; for example, it has been shown that the cooperative's appointed coordinators have been lacking in the required skills for the job. The evaluation indicates that the Lethimpumelelo cooperative is in dire need of capacity building due to: (a) weak human resource systems (b) weak financial management systems (c) poorly skilled personnel (d) high dependence on NDA and poor business acumen (e) lack of a business plan, and (f) a weak governance structure. The need for capacity building for the cooperative by the NDA then relates to the NDA's mandate of being a capacity builder for CSOs, and not just a funder, in order to ensure their success as income generating activities.

Implications and challenges for civil society organisations and lessons from other income generation models

Based on the above models of income generation activities, it is clear that there are multitudes of income generating activities models. These models depend on the context of each activity, as well as target participants and beneficiaries. CSOs involved in income generating activities need to carefully

consider some of these factors when designing appropriate models aimed at improving incomes and livelihoods of poor communities. The basic principles that need to be considered for income generating activities especially targeted for the poor and marginalised groups include, but are not limited to: protection and strengthening of livelihoods; sustainability; coordination; community participation; support for local initiatives; accompaniment and technical assistance; and attention to gender issues.

The role of civil society organisations

Civil society organisations are widely recognised as relevant social partners to South Africa's economic development and continue to play a role in redressing past injustices and creating opportunities for poor communities through the various interventions at community level. Some of these interventions include the provision of services, such as capacity enhancement through training, facilitation of access to credit, advice and small grants to SMMEs, amongst others.

One of the main constraints of income generating activities is the limited access to financial resources. Civil society can assist with the provision of microfinance and the resultant ability to respond at scale. Microfinance refers to the provision of financial services including savings, business advice and other services, such as training, to predominantly poor people who are not eligible to ordinary banking services, in order to reduce poverty (DRC, 2008). Although microfinance services are established in a way that they will be able to cover both running costs and inflationary components of a business entity, they are designed with the primary aim of uplifting the poor. Therefore, most of their initiatives include loans at zero interest rates or loans that are granted in combination with start-up grants to assist communities (DRC, 2008).

An example of micro finance assistance is the Small Enterprise Foundation (SEF) – a microcredit programme aimed at microenterprises through the

Tšhomisano Credit Programme (TCP), targeting women. The SEF is a micro finance institution working towards the eradication of poverty, by creating a supportive environment where credit and savings foster sustainable income generation, job creation and social empowerment. The goal of SEF is to work towards the elimination of poverty and unemployment in a sustainable manner by providing credit for self-employment, combined with savings mobilisation and a methodology that substantially increase the poor's chances of successful self-employment. The organisation follows a solidarity group lending methodology, very similar to that pioneered by the Grameen Bank model of Bangladesh. SEF has gained considerable international recognition for its poverty-targeting methodology and its success in reaching and ensuring positive impact on the very poor. Examples of success stories from SEF are presented in the box below.

Box 8: Small Enterprise Foundation (SEF)

The Small Enterprise Foundation (SEF) operates in Limpopo province, since 1992. Its main goal is to alleviate poverty through microcredit and the accumulation of savings for poor communities. The SEF started its first programme known as the Microcredit Programme (MCP), and the specially targeted programme known as the Tšhomisano Credit Programme (TCP) in Limpopo, providing microcredit to poor women. The programme serves a large number of self-employed clients of which women accounts for over 95%. Typical enterprises funded through SEF include the hawking of fruit and vegetables and new or used clothing, small convenience shops, and dressmakers.

Source: www.sef.co.za – in SAWID, 2012

Other examples of CSO income generating activities are the establishment of cooperatives in communities to address poverty through income generating activities. An example of this is the Itlhabolole Waste Management Co-operative in the North West, presented in the box below.

Box 9: Itlhabolole Waste Management Co-operative

This co-operative is owned by women of Ikopeleng village, in North West, focusing on income-generating activities. The participating women collect bin-destined waste and recycle it into clothing, shoes, handbags, mats and other materials for sale. The co-operative has received funding from many governmental agencies and NGOs and has expanded its scale of production and client base and now participates in expos to showcase their success story. It has succeeded in helping women to create employment and sustainable livelihoods by harnessing their skills.

Source: Nkosi, 2009 – in SAWID, 2012.

Another role of CSOs, is to provide support to SMMEs through training, facilitation of access to credit and capacity enhancement. SMMEs are regarded as a vehicle through which communities and CSO, as well as government, can correct injustice and create employment opportunities for the previously marginalised groups in the economy. An example of CSO support to SMMEs is presented in the box below through the Enablis Entrepreneurial Network.

Box 10: Enablis Entrepreneurial Network

Enablis supports development of entrepreneurial skills in South Africa. Its main activities are skills development, networking, mentorship and access to finance to ensure economic stimulation as well as entrepreneurial sustainability. Since 2006, Enablis member entrepreneurs have created an estimated 18 731 full-time and part-time jobs of which approximately 33% of beneficiaries are female. The organisation received a significant amount of R34 million from the Development Bank of Southern Africa's Jobs Fund, to support and enhance the job creation skills of 2 500 South African entrepreneurs over the next three years.

Source: www.enablis.org. – in SAWID, 2012

Another role of CSOs, which is worth noting, is the South African Women in Dialogue (SAWID), which has established the Development Caravan (DC) to help rural women graduate out of poverty by adopting strategies to improve their wellbeing. A summary of the role by SAWID and the DC in particular is presented in the box below.

Box 11: South African Women in Dialogue (SAWID)

The South African Women in Dialogue (SAWID) has been among the leading CSOs to play a significant role in addressing poverty in various communities through its support to rural women. SAWID advocates for pro-poor policies, mobilises local resources, and increases the capacity of individuals and families in poor communities to be self-sufficient. It works with the government to formulate poverty reduction strategies, which led to the establishment of the Development Caravan (DC) model to directly tackle extreme poverty in identified poverty nodes.¹²¹ With the help of social auxiliary workers (SAWs)¹²² recruited from the same poor communities and trained over 18 months using Health and Welfare Sector Education and Training Authority (SETA) funds,

the Independent Development Trust (IDT), various government health and welfare services, and the New Partnership for Africa's Development (NEPAD) Spanish Fund for Women Empowerment, the Development Caravan was first implemented in Fetakgomo and KwaMbonambi municipalities in Limpopo and KwaZulu-Natal provinces. This model is currently transforming the lives of 600 families, leading to multiple benefits for participants, while employing 59 SAWs, 2 site managers and 3 registered social workers at local level. Further, SAWID and its partner Ponahalo De Beers Disadvantaged Women's Trust, are currently replicating the DC model in Viljoenskroon in the Mqohoka Municipality in the Free State. So far the project in Viljoenskroon has registered few successes as it is still underway, and the first 21 SAWs successfully completed their training in September 2012. To date, this project has received support and buy-in from the local municipalities, beneficiary families are already being assisted with access to social security and have gained access to services like mobile clinics.

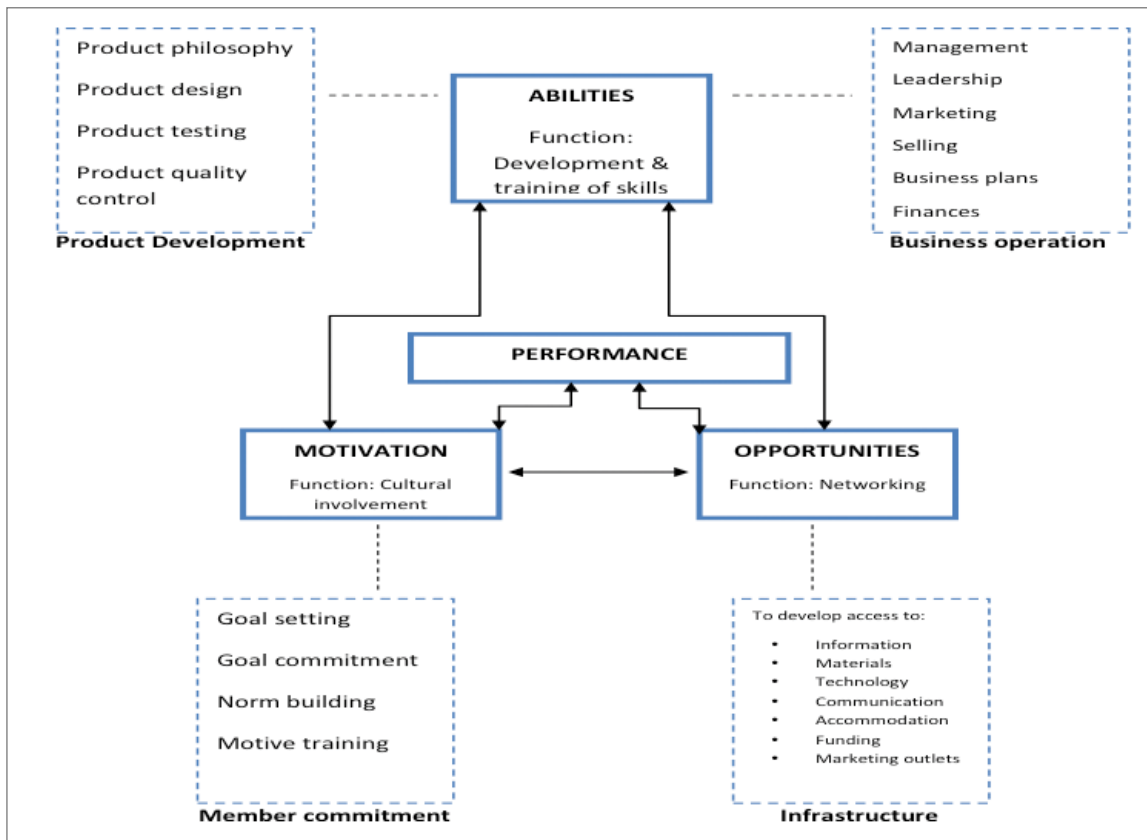
Source: Silinda, 2009 – in SAWID, 2012.

¹²¹ 'A nodal area is deemed to be an area which suffered severe neglect and represent the largest concentrations of poverty in the country' (Silinda, 2009:120). A total of 22 'presidential poverty nodes' were identified by the Department of Provincial and Local Government (now the Department of Cooperative Governance and Traditional Affairs) in 2001.

¹²² According to Silinda, (2009), a unique feature of the DC programme is the appointment of Social Auxiliary Workers (SAWs) who work as family development workers for at least 36 months to provide psycho-social support to people who have become depressed by deprivation, link poor families to government services and use a case-work approach to restore family systems to achieve identified minimum conditions which include health, education and employment.

Figure 5 below summarises the model used for with the facilitation of Boshoff and Trollip from the Mmotla women's crafts group (Tswaraganang) University of Pretoria.

Figure 5: Income generating model for Mmotla women's crafts group (Tswaraganang)



Source: Own construction using Trollip, 2001 (adopted from Robbins, 1993)

Box 13: Income generating model for Mmotla women's crafts group (Tswaranang)

The model presented in Figure 6 was used in implementing an income generating project for Mmotla women. The project involved the production and sale of crafts by a group of women in the Mmotla rural settlement near the Tswaing Crater Museum. The model, i.e. developing abilities, cultural involvement and networking, was employed to get the project off the ground. However, Trollip and Boshoff, 2001, indicate that before the principles could be applied certain groundwork had to be done. This included (i) a needs analysis (ii) establishing an organisational structure (iii) establishing a group identity (iv) identifying product and developing marketable products (v) skills development and training, and (vi) identifying marketing outlets. The project had been running for over four years when the article of the project report was published. In addition, the project managed to secure some export contracts, was a regular participant of exclusive craft markets and developed the ability to operate independently (Trollip and Boshoff, 2001).

Below is an example of another CSO that is not only providing incomes for its members, but is also working towards environmental sustainability through recycling as part of its normal business.

Box 14: Thembani Sindawonye Bedford Project

The Thembani project, formed in 2004, is based in Bedford in the Eastern Cape. The main aim of the project is to provide employment to the community's women by engaging them in labour intensive and environmentally-friendly income generation activities. The project focuses on empowering women, some of whom face domestic violence, so that they are able to take care of themselves and not be financially dependent on their partners. The key project activity constitutes the recycling of optic cable for Sindawonye Granulators and the sale of products from this (e.g. hanging chairs/swings). The project has been growing and some of its other activities include the collection of saw dust and small blocks of wood from a local manufacturer, which are then used to make compost and children's toys respectively.

This project was initiated mainly as the result of a South Africa Netherlands Research Programme on Alternatives in Development (SANPAD) sponsored research project that took place in 2002/03, facilitated by the University of Fort Hare. Local women, who were unemployed (mostly young single mothers), had been trained as fieldworkers for the SANPAD research project, and these later became part of the Thembani project. One of the projects' successes, besides the employment and empowerment of the 20 local women employed permanently by the project, is the fact that the project is able to cover nearly 90% of its costs through the sale of its products, making it quite sustainable. Furthermore, the Thembani project has won the Impumelelo award, an award that recognises programmes that find and bring solutions to local problems (Thembani Project: <http://www.thembanibedford.co.za/>, Impumelelo: <http://impumelelo.org.za>).

The role of the private sector

The definition and components of income generation activities given earlier may not give a clear visibility of the role of the private sector in income generation activities, since it refers to household activities that should be sustained for a period of one year or longer. However, private sector institutions organisations can and do play a role in improving access to income generating initiatives, through social investment support namely, funding specific community projects, or facilitating access to credit. Other private sector initiatives come in the form of infrastructure development for specific projects, like renewable energy for poor urban and rural communities. While such infrastructure may facilitate increasing involvement by poor communities in income generation activities, through increased production activities say for farmers or other small businesses, the infrastructure itself is not a source of income generation activity, but can be used as an input to generate income.

According to Jacks (2013), halving the proportion of people in South Africa's rural areas who do not have enough access to food, is one of the goals of the country's corporate social investment (CSI). In its 15th edition CSI handbook published in 2012, Trialogue showed that South African companies invested R6.9 billion in social projects in the 2011/12 period, recording an 11% increase from R6.2 billion in 2010/2011, with a 10% annual average growth recorded over the past five years (NGO-Pulse, 2012; Jacks, 2013). This is a significant contribution to civil society and communities' wellbeing, with expected impacts at the community level. The amount of CSI covers all financial contributions to communities, as well as infrastructure spend and in-kind donations of products and services (NGO-Pulse, 2012). However, according to Trialogue, the CSI expenditure is highly concentrated among 32 companies, accounting for half of the total estimated CSI, which raises the need for all corporate South Africa to play a role.

In terms of sectoral contributions, CSI spending on education is on the rise and is the largest, (over 40% of total CSI), with 93% of companies, including education, in their CSI programmes in 2011/12. It is worth noting that 80% of companies support social and community development and 40% contribute to health, showing a marked decline from 63% in 2009. Combined, these three sectors accounted for 70% of total CSI funding in 2011/12. As part of the social and community support, companies contribute time and employee involvement through a formal employee volunteer programme in place, which has risen from 63% in 2008, to 77% in 2011/2012 according to Trialogue's research (NGO-Pulse, 2012).

Although the R6.9 billion of CSI in South Africa appears large in comparative terms, the amount is much less than global standards. This was revealed in the latest 2012 survey by Trialogue, which showed that South African corporates and individuals give less than those in developed countries like the US, the UK and the Netherlands towards social investments (Jacks, 2013).

The low levels of social investment by South Africans (corporates and individuals) are reflected in the World Giving Index, where South Africa was ranked at 108th out of 153 countries in 2011, ranking poorly in general against other parts of the world. The US was ranked as the number one giving country in the world, followed by Ireland and Australia in the second and third positions, respectively.

Further, the Trialogue 2012 survey indicated a need for South Africa and the region to increase social investment due to a decrease in foreign aid. This is also in line with some of the challenges facing CSOs, which include reduced funding from donors, due to the prevailing adverse global climate. Worth noting is the decline in the support by multinationals and international development institutions to civil society organisations, like funding for HIV/AIDS to developing countries in general. With the spirit of a

giving civil society in the post-1994 administration dissipating, there is little enabling policy to enforce CSI, although legislation does require all listed companies to plough back 1% of their net profit into the communities they serve (Jack, 2013). There seems to be a shift in CSI, from 'just giving' to attaching the giving to some tangible benefits, based on performance and value by CSOs and NGOs, to ensure sustainability (Tshikululu, 2013; Jacks, 2013).

In recent years, the terms 'corporate social investment' (CSI) and 'corporate social responsibility' (CSR) have become globally popular as businesses start to take social responsibility for their employees, and the communities in which they work as part of their sustainability initiatives. In its fourth quarterly Sustainability Review of 2012, Trialogue (2012) illustrates how CSI has become a recognised part of doing business in South Africa for long term sustainability of the business, but raises the question about the value that CSI is able to contribute to development and the rationale for its existence. The recent strikes in the mining industry are examples by which companies are put to test, to assess their CSI, not only for their employees, but also for the communities in which the mines operate. Further, according to Trialogue (2012), a study conducted by the Deutsche Bank found that companies with high ratings of CSR factors are a lower long-term investment risk. South African companies are therefore encouraged to deepen their focus on long-term value in order to avoid short term disasters that lead to instability through industrial actions and service delivery protests, in order to ensure the sustainability of South Africa's entire economy, business and investors' needs.

As part of their CSI and CSR initiatives, a number of South African private and public companies have taken steps to invest in their communities' and employees' wellbeing, through various projects. The list of such companies is endless. The examples cited in this report are intended to highlight a few of such CSI initiatives that relate to income generating

activities, but not necessarily to discriminate among companies in terms of their performance.

Examples of such private sector initiatives include the Eskom Solar Water Heating Programme, aimed at promoting the use of renewable energy. The programme by ESKOM supports communities or users who replace their conventional geysers with solar geysers, through assistance with the installation of the new solar geysers and by offering rebates to users in the form of subsidised prices. For a Small Micro and Medium Enterprise (SMME), that can install the solar geysers for production purposes, it could mean a relief in its costs of production through reduced energy costs. Eskom also provides support to SMMEs through project development and capacity building of black businesses as part of the national Black Economic Empowerment (BEE) scheme. An example of this SMME support is presented in the box below.

Box 15: Eskom's business initiatives in support of SMMEs

The Eskom Development Foundation has formed an initiative that aims to develop project packages that support SMMEs from the development phase, implementation as well as enhancement and growth. This development initiative provides assistance for the establishment of black businesses as part of the Black Empowerment strategy - forming strategic partnerships and alliances through the facilitation of entrepreneurial skills development and enhancing the skills of business management for project managers. These opportunities are made available to the poor and the previously disadvantaged in the area of electro technologies. The business development support is provided in five areas namely: (i) Assistance in establishing businesses; (ii) Assisting agro-businesses, (iii) Strategic partnerships; (iv) Entrepreneurial skills training and (v) the acquisition of finance

Coordination of relevant stakeholders

Coordination is imperative in ensuring the success of every income generating practice, given the different interest groups that are involved in income generation activities. Without proper coordination of activities at community levels, unnecessary overlapping and duplication of CSO initiatives may occur, which will have a negative impact on the scarce resources that are available for community support. Income generation often requires government (at all different levels from national, provincial and local authorities), private sector, CSOs and NGOs, the community and other relevant stakeholders, to work together for effective coordination and maximised benefits to communities. The success of the income generation initiatives affects the intended beneficiaries and without operational structures that facilitate coordination prior to and during the implementation process, very little success can be guaranteed.

At national government or executive level, policy making and programme design must be inclusive of the intended beneficiaries and participants of these income generating programmes. Allocation and distribution of resources ought to be well initiated and monitored at all levels. At provincial or secondary level, coordination must be supplemented by proper training to ensure that what was agreed on at executive level, is well implemented and that the objectives, as well as the vision of the income generating initiative as a whole, is not harmed in the process. Resources must be mobilised in such a way that they are evenly distributed. Coordination can help in the sharing of resources between the different interest groups. This will ensure the improvement of access to resources. Coordination and communication need to be done at all levels to ensure that all the parties involved understand the objectives of the income generation initiative.

Challenges and opportunities for civil society organisations

Shortage of financial resources is one of the main challenges currently facing CSOs in South Africa.

Most CSOs rely on a combination of international funding; CSI, donations from individuals and support from government. These sources are steadily diminishing in the face of a declining global climate (Du Toit, 2010; Kabane, 2012). According to Agenda (2009), traditional sources of CSO funding are drying up or are being reduced and CSOs need to position themselves. Further, a combination of factors, ranging from government regulation of donor funding to the classification of South Africa as a middle income economy, has resulted in decreased opportunities to raise funding for CSOs.

Another challenge is in the form of human resources, since CSOs face human resource constraints as fewer people with the right skills are willing and able to work for these organisations, which are sometime based on volunteerism with limited income if any. Often, people with the ability to be activists or CSO administrators are scarce and or too expensive to attract or retain in the current funding environment. For instance, SAWID's Development Caravan (DC) programme suffers from a shortage of experienced social workers to supervise its auxiliary social workers (Silinda, 2009). Also, due to lack of intellectual capacity to deal with the complex socio-economic and political issues that are core to the national agenda, CSOs' contribution to policy formulation and engagement with government is becoming limited.

CSOs in South Africa also find it difficult to identify sustainable projects that are acceptable to local participants at the community level. Sometimes, it is difficult to gain the trust of communities and at times communities are used to their way of doing things. Therefore, sustained engagement and building of credibility is essential in order to secure the commitment of local communities to development projects (SAWID, 2012). In addition, lack of collaboration between the different CSOs and policy makers poses a remarkable challenge in the South African context. This is attributable to a lack of unity of purpose and a lack of accountability between CSOs and the government. The lack of

effective coalitions often leads to duplication of efforts and waste of resources (Agenda, 2009). Further, many CSOs do not appear to participate in policy and law making, suggesting that channels for communication and consultation during decision-making processes are still inadequate to ensure more participation at a grassroots and community level (Fleming et al., 2003). To overcome this problem, effective dialogue and partnerships can be fostered through the creation of thematic groups within the CSOs and government. These can act as a link between the two and facilitate their effective and efficient communication (SAWID, 2012).

Implications and challenges for civil society organisations and lessons from other income generation models

Coordination of social capital is a core issue which is critical in bridging the gap between grassroots project concerns and policy dialogue. It requires an active partnership between the elite or the privileged and the poor in society and that is where CSOs can play a role (SAWID, 2012). While this may at first seem paradoxical, elite groups can offer skills, resources and access to networks that disadvantaged communities lack and collectively both groups can influence the development of policy initiatives. This effective coordination of projects can be drawn from lessons demonstrated in Bangladesh, where a programme working with some 'ultra-poor' rural women involved the elite in their communities in anti-poverty strategies to develop 'horizontal networks', thereby building the social capital of the poor (Hossain&Matin, 2007).

In order to address the top-down approach to policy development, CSOs need to play a role and initiate community-based policy initiatives for the long-term and sustainable benefits of the communities. To create a sustainable grassroots civil society environment in which CBOs partner and co-ordinate with one another and with relevant NGOs, the focus must be on developing the capacities of the local communities, i.e., they must go beyond focusing only on service provision.

As noted by SAWID (2012), it has been shown that success of civil society co-ordination depends on a strong collaboration between the various stakeholders including communities, public, private and various CSOs operating towards related goals. It is also evident that CSOs might be of different sizes; both in terms of resources and capacity, and some might lack resources for implementing their part of a shared goal to assist communities in various ways. This could limit the capacity of less-resourced CSOs to fulfil their mandate, which in turn affect the targeted communities.

Conclusions and recommendations

The purpose of the research was to conduct a desktop analysis of the nature of income generating initiatives in South Africa, with a focus on the role of civil society organisations in income generating activities in South Africa, highlighting the successes, challenges and opportunities that can be explored in the sector. The outcomes of the project would contribute to the NDA's income generation strategy focused on supporting civil society organisations participation in income generating activities. Furthermore, the outcomes would encourage policy debates on income generating activities and identify areas for more research in order to have a holistic understanding of income generating activities in South Africa.

The scope of the research as agreed with the NDA Research Unit was to explore the following areas:

- Income generating activities definitions and recent initiatives in South Africa
- Government role in ensuring and improving income generation for the poor
- Review of existing studies on income generation
- The role of other relevant stakeholders in ensuring and improving access to income generation initiatives

The discussions were based on a detailed review of relevant scientific literature and a scan of grey literature (policy documents, reports, web resources, etc., including resources provided by the

NDA Research Unit). In addition, the project used international published data on income generating activities, models of income generating interventions for the poor, etc. The research process involved continuous sharing, exchanges and meetings between the HSRC research team and the NDA Research Unit.

The key recommendations for CSO participation in income generating activities are summarised below.

Definition of income generating activities:

- Selection and mix of income generating activities, depend on local context and civil society organisations (CSOs) involved in designing and implementing such activities, and should critically consider the local circumstances of each target community. In addition, the CSOs need to ensure that their interventions in income generating activities assist vulnerable communities to secure income through their own efforts.
- Empowering communities in entrepreneurial skills and their traditional skills and knowledge provides an opportunity for active participation in income generating activities to create jobs in the community. CSOs need to focus on transferring practical skills, focused on building and expanding existing knowledge, skills and resources.

Government Policies contributing to Income Generation:

- Targeting of interventions, particularly focused on poor and vulnerable populations in the lower deciles, needs to be carefully addressed. Many of the instruments and interventions implemented appear to assume self-targeting, which is evidently not being realised. Targeting to rural areas and to women, more specifically, must be addressed. Although most of these programmes have identified women and youth as key beneficiaries, the design of the programmes does not take into account gender dynamics and demographics.

- Measuring impact and the effectiveness of such interventions in creating pathways out of poverty, is almost non-existent with the inadequate data available on the scale of income generating activities. Evidence suggests that the failure rate of SMMEs in South Africa is high, with estimates of 50% of enterprises failing in the first year (PSC, 2007). This also requires establishing benchmarks for defining what a “successful” intervention is.
- The multiple role players, both within and outside of government (particularly civil society) engaged in livelihoods enhancing activities, is welcome. However, the lack of an overarching framework to indicate how such programmes are implemented and the lack of coordination between stakeholders (especially amongst government stakeholders), has the potential for duplication, inefficient use of resources and poor targeting.
- Scale of engagement needs to be increased significantly. It is of concern, given the extent of poverty and unemployment, that the total numbers of those benefiting from either government or externally supported income generating activities, is relatively small. If we are to achieve the NGP or NDP target of between 5 and 11 million jobs created, then the role of IGP’s becomes significant. A better understanding is required as to the constraints to scaling up, namely fiscal, institutional or programme design.

Income Generation Models:

- It is critical for CSOs’ income generating activities models to ensure that they address the needs of the target beneficiaries, as well as empower them to be agents of their own development.
- CSOs income generating activities need to focus on establishing sustainable and self-reliant communities, embracing both bottom-up and top-down approaches and avoiding imposing activities on target beneficiaries.
- Active involvement of beneficiaries in designing and implementing income generating activities models increases their chances of improving

the incomes and livelihoods of the target groups. Target communities have extensive knowledge of their immediate circumstances, their economic environments and the countless complex constraints that could result in the failure of the initiatives.

- Income generating activities for the poor need to initially focus on strengthening capacity and livelihoods and gradually develop communities into larger income generating activities as their capacity and resources grow.

The role of other relevant stakeholders in ensuring and improving access to income generation initiatives :

- Regular dialogue between stakeholders to facilitate the formulation of relevant and effective policies: There is need for regular dialogue and exchange of information between civil society and government with regard to policy and legislation, in order to make an impact on poor communities, like the experience from Brazil.
- Capacity building and enhancement programmes for communities: There is need to develop strategies and programmes that increase the poor's organisational experience, so that they

can be actively included in policy planning and engagement processes with government.

- The provision of incentives and financial support to CSOs: Funds should be made available for support of CSO with community income generating activities and to assist under-resourced groups in civil society, so that they can fully participate in collaborative and constructive community development efforts. Facilitation of access to credit and other sources of funding could strengthen CSO's capacity to assist needy communities with access to funding. This can also be used as a platform for civil society to make government aware of their funding needs and those communities they serve, to ensure its commitment towards funding of relevant projects for poor communities.
- Strengthening coordination at all levels and among the relevant stakeholders at community level: Civil society co-ordination is essential for bringing diverse partners together to collectively effect social change and to strengthen coordination between well-resourced and poorer or needy organisations.

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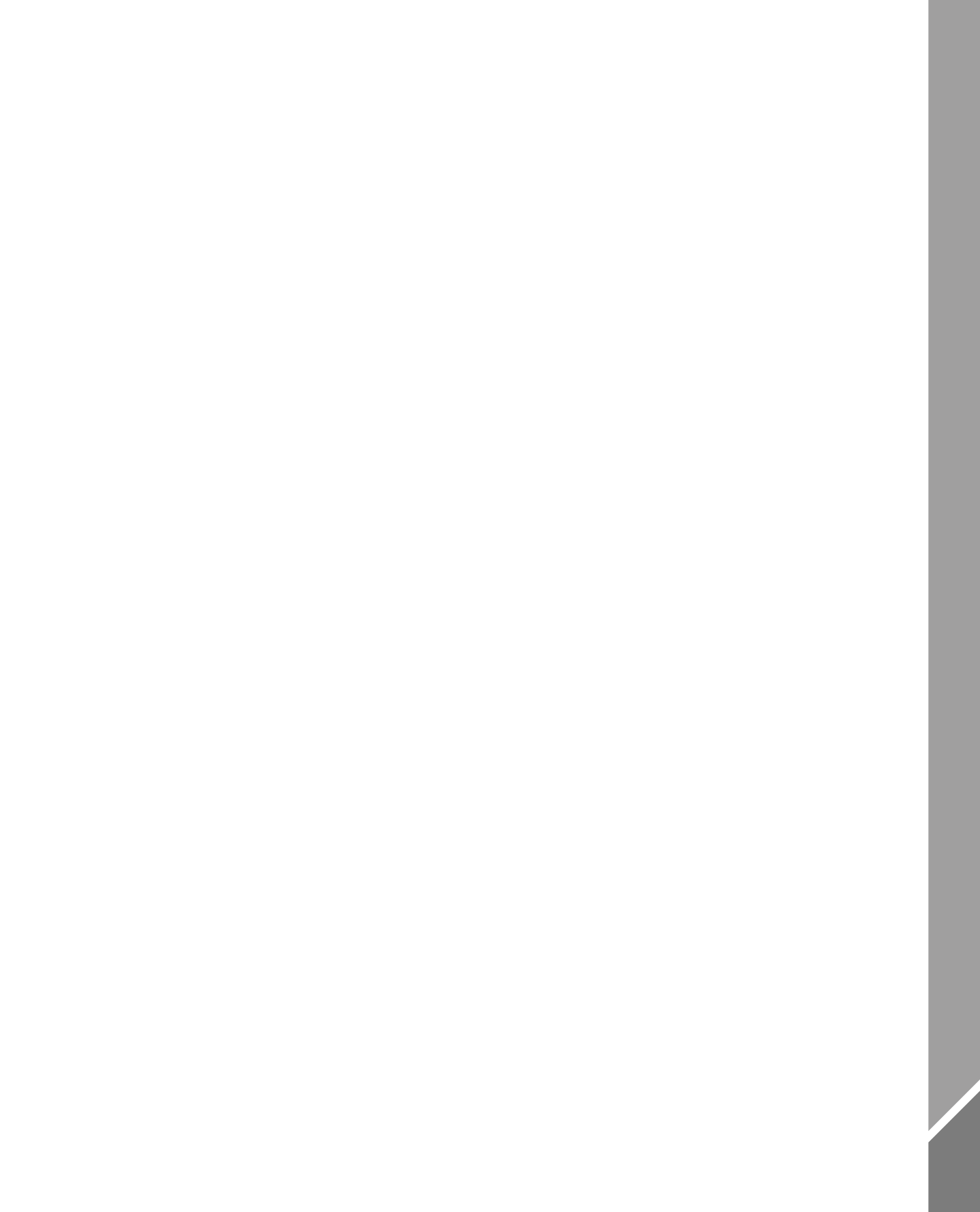
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National
Development
Agency

Vision: A society free from poverty

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National Office:

Physical Address:
26 Wellington Road
Parktown
2193

Postal Address
PO Box 31959
Braamfontein
2017
Johannesburg
South Africa

Tel: +27 11 018 5500
Email: info@nda.org.za
Website: www.nda.org.za

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