



NDA
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DISCUSSION PAPER

Leveraging Cooperatives, Civil Society Organisations, and
Social Enterprises for Poverty Alleviation in South Africa

JUNE 2025

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Executive Summary

South Africa continues to face a severe poverty challenge despite being an upper-middle-income country. Approximately 55% of South Africans (over 30 million people) live below the national upper-bound poverty line, and about 25% (13.8 million) live in “extreme” poverty below the food poverty line. Progress in poverty reduction has stagnated or even reversed in recent years, partly due to low economic growth and the impacts of COVID-19. Poverty is deeply uneven across provinces and demographics. The Eastern Cape, Limpopo and KwaZulu-Natal have the highest poverty rates (over two-thirds of their populations), whereas Gauteng and the Western Cape have the lowest (around one-third). Rural, historically underdeveloped municipalities such as Alfred Nzo (EC), where over 90% of residents live in poverty, suffer the worst deprivation. Poverty disproportionately affects children, women, Black South Africans, and those in rural areas, reflecting the enduring legacy of apartheid on inequality and economic exclusion. Unemployment remains critically high at 35% (narrow definition), with youth unemployment reaching about 60% for ages 15–24. Consequently, many young people are trapped in poverty, and the country risks a “lost generation” if interventions are not scaled up.

The Discussion Paper explores the structural drivers of poverty, the uneven distribution across provinces, and the socio-economic vulnerabilities that perpetuate exclusion. The paper provides a comprehensive, evidence-based analysis of the roles that Civil Society Organisations (CSOs), Cooperatives, and Social Enterprises play in poverty alleviation across South Africa. Drawing on data from Statistics South Africa (Stats SA), Sustainable Development Goals (SDG) reports, and local case studies, it aims to support the National Development Agency (NDA) and its stakeholders in refining strategies, strengthening partnerships, and advocating for pro-poor policy improvements. By presenting both quantitative trends and qualitative insights from community-level interventions, the paper offers a multidimensional view of poverty and presents actionable policy and programming recommendations. It is intended for policymakers, NDA partners, CSOs, cooperatives, social enterprises, and the general public as a tool for planning, collaboration, and developmental decision-making.

In summary, poverty alleviation in South Africa requires a multi-sectoral approach. Government social grants and basic services provide an essential safety net, nearly 27 million people (about 45% of the population) receive social grants but these alone cannot eliminate poverty’s root causes. CSOs, Cooperatives and Social Enterprises are critical in creating economic opportunities, delivering services, and empowering communities. By bolstering these initiatives and fostering partnerships (supported by agencies like the NDA), South Africa can accelerate progress towards a more inclusive and poverty-free society. This brief offers a comprehensive overview and actionable insights to support that collective mission.

Rationale

South Africa's persistent poverty and inequality call for renewed strategies and partnerships. The NDA, as a government agency mandated to contribute towards the eradication of poverty and its causes, has produced this knowledge brief to inform its policy and programme direction. The brief is intended for both internal NDA stakeholders and external audiences (policymakers, civil society, and the public), under a shared commitment to socio-economic development. By expanding an existing knowledge brief into a full 15-page analysis, the NDA aims to deepen understanding of poverty's drivers and solutions, and to galvanise collaborative action.

The NDA was established by the National Development Agency Act, 1998 (Act No. 108 of 1998) as a statutory body to promote sustainable partnerships between government and civil society in eradicating poverty. The Act defines the NDA's primary object as "contributing towards the eradication of poverty and its causes by granting funds to civil society organisations for: (a) projects that meet development needs of poor communities; and (b) strengthening the institutional capacity of CSOs involved in direct service provision to poor communities". In addition, the NDA is tasked with secondary objects such as promoting development dialogue and conducting research to inform policy. This brief fulfills part of that research and knowledge-sharing mandate. It explores how cooperatives, CSOs, and social enterprises can be leveraged to eradicate poverty, thereby directly speaking to the NDA's strategic focus on supporting these entities. The NDA Act also positions the Agency as a conduit for funding and a capacity-builder for civil society. Understanding the current landscape and effectiveness of these actors is therefore crucial for NDA's planning (for example, in refining its grant funding criteria or capacity-building programmes).

The timing of this paper is aligned with South Africa's broader developmental agenda. The country's National Development Plan (NDP) 2030 sets ambitious goals to eliminate extreme poverty and significantly reduce inequality by 2030. Specifically, the NDP aims to reduce the proportion of the population living below the lower-bound poverty line (LBPL) to zero by 2030 (from 39% in 2009). While this target is aspirational, it underscores the urgency for intensified poverty reduction efforts. Midway to 2030, however, progress has been lagging as indicated in the Stats SA Sustainable Development Goals Country Report (2023). South Africa is not on track to meet SDG 1 (No Poverty); by 2022, poverty levels remained stubbornly high (around 55% by the upper line) and COVID-19 has further set back gains. This brief, therefore, serves as a reality check and a knowledge base for recalibrating strategies.

Government alone cannot overcome poverty; it requires the active involvement of communities, non-profits, and socially-driven businesses. This has been acknowledged in various policies from the White Paper on Social Development (2016), which highlights the social sector's role, to newer initiatives like the Social Economy Policy currently being developed to support social enterprises and cooperatives. The NDA, positioned within the Department of Social Development (DSD), plays a facilitative role in this ecosystem. The rationale for focusing on cooperatives, CSOs, and social enterprises in particular is that these actors directly engage the poor, have grassroots knowledge, and can pilot innovative solutions that the state or market might overlook.



This document is both an informational and an action-oriented tool. Internally, it is intended to guide the NDA in policy formulation, programme design, and resource allocation. For example, insights on high cooperative failure rates or CSO capacity gaps can inform how the NDA targets its capacity-building programmes or grant funding windows. Externally, the discussion paper is meant to be accessible to a broad audience, raising awareness of successful models and encouraging stakeholders (government departments, private sector, donors, and international partners) to partner with the NDA and civil society in poverty alleviation initiatives.

In summary, the rationale for this paper is anchored in: (1) the NDA's legal mandate to fight poverty in partnership with civil society, (2) the strategic alignment with national and global development goals (NDP 2030 and SDGs), and (3) the practical need to disseminate comprehensive, up-to-date knowledge that can drive policy, programming, and partnerships for poverty alleviation in South Africa.

Introduction

Understanding poverty in South Africa is the first step toward addressing it. This introduction outlines how poverty is defined and measured in the country, and provides a snapshot of recent trends. It also frames the complex nature of poverty not merely as insufficient income, but as a multi-dimensional phenomenon affecting quality of life, dignity, and access to opportunities.

South Africa uses a set of official National Poverty Lines (NPLs), periodically updated by Stats SA, to measure and track poverty. These lines are monetary thresholds (per person per month) below which people are considered poor. In the latest update (2024), the poverty lines are as follows:

- **Food Poverty Line (FPL)** – R796 per person per month (in May 2024 prices). This represents the minimum amount needed to afford enough food for adequate daily nutrition. Households or individuals below this level are in “extreme poverty” or “destitution,” unable to meet basic food requirements.
- **Lower-Bound Poverty Line (LBPL)** – R1,109 per person per month. This includes the FPL plus a small allowance for non-food essentials. It assumes that those at this income level sacrifice some food to pay for basic non-food needs. The LBPL is often used to identify those who are “poor” (even if they can just meet food needs by forgoing other essentials).
- **Upper-Bound Poverty Line (UBPL)** – R1,634 per person per month. This incorporates a larger allowance for non-food needs on top of the FPL. It marks a threshold below which people are considered poor in all respects, unable to purchase enough food and non-food items to meet a minimum standard of living.

These poverty lines are adjusted annually for inflation to maintain their real value. For context, a decade ago (in 2014) the UBPL was around R942 and the FPL around R441, highlighting how the cost of living has risen. The methodology behind these lines is the cost-of-basic-needs approach, which anchors the threshold in a nutritionally adequate food basket and then adds typical non-food expenditures of households around the food poverty level.

It is important to note that poverty lines, while useful for statistical tracking, are absolute measures. They do not fully capture issues of inequality or relative poverty (for instance, feeling poor compared to others in one’s community). Later sections on Subjective Poverty and Public Perceptions will delve into those aspects. Nonetheless, the NPLs are the foundation for poverty statistics in South Africa and are referenced throughout this brief.

Poverty Trends and Key Statistics

South Africa saw a notable decline in poverty between 2000 and 2011, but progress stalled thereafter. According to Stats SA's report *Poverty Trends in South Africa: 2006–2015*, the poverty headcount (using UBPL) dropped from 66.6% of the population in 2006 to 53.2% in 2011, then rose to 55.5% in 2015. In absolute numbers, about 27.3 million people were poor in 2011, increasing to 30.4 million in 2015. The latest available data (from household surveys and projections) suggest that poverty persisted around the mid-50s in percentage terms through the late 2010s and early 2020s. In 2022, roughly 55% of the population lived below the UBPL (≈R1,558 at 2023 prices) and 40% lived below the LBPL. Alarming, about 25% of South Africans, one in four, were living in extreme poverty (below the FPL) in 2022. These figures indicate that South Africa, far from eliminating poverty, has been stuck in a high-poverty equilibrium. Economic growth has been weak, and unemployment climbed to record levels even before the COVID-19 pandemic (as discussed below).

The pandemic (2020–2021) dealt a heavy blow to poverty alleviation efforts. The national lockdown and ensuing recession led to job losses and income shocks, particularly in the informal sector. Although comprehensive post-2015 poverty data are pending, simulations by the World Bank and others estimated that the poverty rate (UBPL) spiked during 2020. By the fourth quarter of 2021, the official unemployment rate hit 35.3%, the highest on record, with about 2 million jobs lost compared to pre-pandemic levels. This undoubtedly pushed more households into poverty or closer to the brink. Government responses, like the temporary Social Relief of Distress (SRD) grant and food parcel distributions, provided some cushion. Social protection measures were expanded: for example, by May 2021, around 8.5 million people were receiving the monthly SRD grant of R350. These efforts prevented worst-case poverty outcomes, but they were not a universal remedy. As emergency measures wind down, the underlying structural issues such as joblessness and low incomes reassert themselves.

Poverty in South Africa has a stark demographic and spatial profile. Key patterns include:

- **Race and Gender:** Poverty is concentrated among Black Africans, reflecting historical injustices. Stats SA's 2015 analysis showed that more than 64% of Black Africans lived below UBPL, compared to around 5% of the white population (2015 data). Women are generally more affected by poverty than men. Female-headed households have higher poverty rates, and women face greater barriers in the labour market (as evidenced by higher unemployment and lower earnings).
- **Age:** Children and youth carry a disproportionate burden. Approximately half of South Africans under 18 live in poor households (using UBPL), making children the age group with the highest poverty incidence. This is partly due to high dependency ratios and parents' unemployment. The *Youth in South Africa, 2024* report also indicates significant challenges for young adults (15–34), which we will explore in the Youth section.

- **Location (Urban/Rural):** There is a pronounced rural poverty in Rural areas, especially former Bantustan regions which have limited economic opportunities and infrastructure. For instance, poverty rates in rural Eastern Cape or rural KwaZulu-Natal often exceed 70%, versus much lower rates in the metros. However, urban poverty should not be overlooked as millions of poor people reside in townships and informal settlements around cities, where they face high living costs and overcrowding.
- **Education level:** Education remains one of the clearest pathways out of poverty. In 2015, 79.2% of individuals with no formal education were poor, compared to only 8.4% of those with a post-secondary qualification. Higher education dramatically improves employment prospects and earning potential, illustrating why households with educated members are far less likely to be poor. Conversely, those with incomplete schooling are very vulnerable – poverty rates are around 69% for people with only primary education.
- **Inequality and poverty:** Another defining feature is the country's extremely high inequality (with a Gini coefficient around 0.63 in 2015, one of the highest globally). Inequality and poverty are intertwined: the income gap means that benefits of economic growth often accrue to a minority, limiting poverty reduction. Many households live just above the poverty line and are vulnerable to falling below it with any shock. These households often still experiences poor living conditions even if not counted as officially poor. Geographic inequality is stark – affluent suburbs and desperate informal settlements exist side by side. The persistence of such disparities can fuel perceptions of injustice and social discontent.

Why focus on CSOs, Cooperatives and Social Enterprises?

Traditional anti-poverty programmes by the state (such as social grants, subsidised housing, and public works jobs) have helped millions avoid destitution. However, to truly lift communities out of poverty, more sustainable, community-driven economic activities are needed, and this is where cooperatives, civil society groups, and social enterprises come in. They represent local solutions: cooperatives can empower members economically; CSOs can bring services and hold government accountable; social enterprises can innovate new ways to meet needs at scale. The next sections of this brief will examine each of these in depth.

The next sections of this brief will examine each of these in depth. Before that, we summarize the current poverty landscape by province (Table 1) to contextualize later discussion of provincial case studies. Sources for Table 1: Stats SA (poverty rates 2015); Stats SA Mid-Year Estimates 2024 for population; Stats SA and other reports for qualitative characteristics.

The Table below underscores why localized approaches matter as each province faces unique challenges and opportunities in poverty reduction. The following sections will highlight, through case studies, how cooperatives, CSOs, and social enterprises operate in these varied contexts to tackle poverty from the ground up.

Table 1: Poverty and Population by Province (Selected Indicators)

Province	Population (2023 est.)	Poverty Rate (UBPL, 2015)	Key Poverty Characteristics (2015–2022)
EC	~6.7 million	72.9% (highest)	Poorest province; largely rural. High out-migration. Contains 3 of the 5 poorest district municipalities (Alfred Nzo: ~90% poor). Heavy reliance on social grants; >60% of households receive grants.
LP	~5.9 million	72.40%	Very high poverty, especially in former homelands (Sekhukhune, Vhembe). Agricultural potential but low industrial base. High youth out-migration to Gauteng.
KZN	~11.4 million	68.10%	Large population with deep rural poverty in the north and south (e.g. Umzinyathi 89%). Also urban poverty in eThekweni's townships. Significant inequality between metro and rural areas.
NW	~4.1 million	~60% (est.)	Predominantly rural with mining economy enclaves. Pockets of extreme poverty (e.g. Dr R.S. Mompoti DM ~85%). Farming coops and informal mining seen as livelihood strategies.
MP	~4.8 million	~57% (est.)	Mix of mining, agriculture and forestry. High poverty in former homeland areas (e.g. Bushbuckridge). Environmental issues (pollution) also affect poor communities.
FS	~2.9 million	54.90%	Mid-level poverty overall, but very high in specific towns (e.g. Matjhabeng after mine closures). Outmigration of skilled youth. Some of best arable land, yet farming job declines hurt rural poor.
NC	~1.3 million	~53% (est.)	Sparse population. pockets of poverty among Coloured rural communities and former "TBVC" homeland (Bophuthatswana) areas in east. High unemployment in small towns as industries closed.
WC	~7.2 million	37.1% (lowest)	Lowest poverty rate, but marked by inequality. Many rural farm workers are poor, and urban informal settlements around Cape Town (e.g. Khayelitsha) concentrate poverty. Migrant labor from EC contributes to informal settlements growth.
GP	~16.1 million	33.3% (2nd lowest)	Economic hub with highest GDP; attracts job seekers from all provinces. Poverty exists in townships (Soweto, Mamelodi, etc.) and shack settlements at city peripheries. High cost of living in cities means many low-income households struggle above the "official" poverty line.
SA	~60.4 million	55.50%	National average. About 30m poor people as of 2015 (likely similar in 2023). Poverty has spatial, racial, gender dimensions as described above. Social grants reach ~27m people providing vital income support.



**POVERTY
LANDSCAPE**

National Overview and Recent Developments

Despite South Africa's middle-income status, poverty remains deeply entrenched and geographically concentrated in certain regions. Building on the introduction's overview, we now delve into the poverty landscape province by province, illuminating the conditions in specific municipalities and communities. The brief also incorporates data on multidimensional poverty and subjective poverty to present a holistic picture.

As of 2023, South Africa's poverty headcount (UBPL) is estimated to be in the mid-50s percentage range essentially unchanged from a decade ago. This stagnation indicates that economic growth alone has not been pro-poor enough to reduce poverty significantly. In fact, Stats SA's SDG Country Report (2023) states that progress on poverty reduction has been slow or reversed. Key national factors influencing the poverty landscape include:

- **Chronic Unemployment:** South Africa's official unemployment rate has hovered between 25% and 30% for most of the 2010s, before jumping above 35% in 2021/22. This translates to millions of people with no earned income, pushing households into poverty or forcing reliance on grants and remittances. Youth unemployment is especially dire (expanded youth unemployment including discouraged work-seekers exceeded 60% in recent times). A direct correlation exists between joblessness and poverty: provinces with higher unemployment typically show higher poverty rates.
- **Inequality and Social Exclusion:** The top 10% of South Africans account for a large share of income/consumption, whereas the bottom 40% remain trapped in poverty. High inequality means that many poor people see little improvement in their situation even when the economy grows. Social exclusion – lack of access to quality education, healthcare, land, and capital – perpetuates poverty in historically marginalized groups.
- **Social Grants:** On the positive side, South Africa's extensive social grant system (old-age pensions, child support grants, disability grants, etc.) provides a lifeline to the poor. Over 27 million people receive some type of grant. These transfers, amounting to about R232 billion annually, have been proven to reduce hunger and extreme poverty. For example, the child support grant (CSG) is associated with better nutrition outcomes in poor households. However, grants are modest in size (CSG is R500 in 2024) and often not sufficient to lift a household above the poverty line, especially with multiple dependents. They alleviate the depth of poverty but don't necessarily break the cycle of poverty.
- **Cost of Living Increases:** Inflation, particularly food price inflation, has a harsh impact on the poor. In 2022–2023, food and fuel prices surged (partly due to global factors), which disproportionately affected low-income households that spend the majority of their income on basic goods. Stats SA's Subjective Poverty 2022 report noted that even as objective poverty lines might not have been crossed, more than half of households felt they did not have enough income to meet their minimum needs (51.6% in 2022, down from 57.0% in 2019, but still extremely high). I interpret this as many households struggling with "cost-of-living poverty," even if they hover around the official lines.

Given this national context, we now zoom into provinces, since the experience of poverty is very different in (for instance) rural Limpopo versus industrial Gauteng.



Eastern Cape: Deep Poverty Amidst Outmigration

The Eastern Cape consistently records the nation's highest poverty measures. In addition to the monetary poverty rate of ~73% (2015), the Eastern Cape also has high multidimensional poverty. A 2016 analysis found EC had the largest share of households (12.7%) that were "multidimensionally poor", i.e., deprived in multiple factors like education, living standards, and economic activity. The province is largely rural, with former homelands Transkei and Ciskei within its borders. Underdevelopment in these areas manifests in poor infrastructure (e.g., patchy road networks, limited access to piped water in some villages) and sparse employment opportunities outside of government and subsistence farming.

Case Study – Alfred Nzo District: This district in the northeast EC is South Africa's poorest by certain metrics. Over 90% of its population live under the minimum income line (R1,600 per month). The district is mountainous, limiting agriculture largely to subsistence maize and livestock. Young people often leave for Durban or Gauteng in search of work, leading to many households headed by grandparents and reliant on pensions and child grants. Local cooperative initiatives, like small-scale wool production cooperatives among smallholder farmers (supported by the provincial government and NGOs), have had some success in increasing incomes. For instance, the Umzimvubu Goats Cooperative in Alfred Nzo enabled farmers to collectively market goats and access formal retail markets, reportedly boosting earnings for member households. However, such successes reach only a minority; the district remains a priority for integrated rural development programmes. The NDA has funded projects here, including food security CSOs that establish community gardens and school nutrition support.

Urban Pockets in EC: While EC is mainly rural, two urban centers – Nelson Mandela Bay (Port Elizabeth/Gqeberha) and Buffalo City (East London) have sizable populations. These metros have better poverty stats (around 37–40% poverty rate, significantly lower than rural EC). Yet, they host large informal settlements and former township areas where poverty and unemployment remain high. Public perceptions in these cities highlight service delivery issues (water outages, housing backlogs) as compounding hardship. A notable coalition of community organisations in Duncan Village, Buffalo City, have collaborated with the municipality to improve waste collection and create temporary jobs, thereby enhancing living conditions in the area.

The Eastern Cape has consistently been a major sender of internal migrants to more economically developed provinces like Gauteng and the Western Cape. This trend is driven by limited local employment opportunities and the pursuit of better livelihoods elsewhere. For instance, a study on changing Livelihoods in Rural Eastern Cape notes that "approximately 20% of households, in both villages, received urban remittances," indicating a significant outflow of working-age individuals seeking employment in urban centers. Remittances from migrant workers form a significant part of income for many EC rural households, helping reduce poverty for some. But migration can also deepen certain deprivations, as working-age adults (and their earning potential) leave, and communities are hollowed out.



Limpopo: Poverty in a Resource-Rich Land

Limpopo rivals the Eastern Cape in poverty levels (72.4% in 2015). Ironically, Limpopo is rich in minerals yet the benefits have not widely accrued to local communities. Much of Limpopo's population lives in former homelands (Lebowa, Venda, Gazankulu) where poverty is endemic. Infrastructure has improved since 1994 (e.g., expansion of electrification and schools), but economic development remains limited outside of mining towns and a few agricultural belts. The collapse of many state-owned farms and cooperatives in the 1990s left a void in job opportunities.

Case Study – Vhembe and Sekhukhune: These two districts highlight different aspects of Limpopo's poverty. Vhembe, in the north, has fertile land and a tradition of smallholder farming (tropical fruits, maize). Poverty is high (about 85% of people in poverty by income in 2016 estimates), but the district also has some of Limpopo's most successful community projects. A notable example is the Maamahlale Agricultural Cooperative in rural Balloon village, Greater Tzaneen (in Mopani District, adjacent to Vhembe) – a women-led farming cooperative discussed below. With NDA grant support, this cooperative invested in equipment (a tractor, irrigation dam, packhouse) and now cultivates vegetables at a commercial scale, supplying large markets as far as Pretoria. This has created local jobs and incomes, demonstrating the impact of targeted support to small producers. The success of Maamahlale has inspired similar cooperatives in Vhembe, focusing on crops like tomatoes and bananas, sometimes with support from the provincial Department of Agriculture. The cooperative produces a variety of vegetables such as green beans, cabbage, cocktail tomatoes, paprika, butternut, and peppers. They have a broad reach in the market as their produce is supplied to Tshwane Green Market in Pretoria, Springs market, Dapper in Johannesburg, Sub Tropic in Cape Town. Mopani Rural Hub, which is a subsidiary of Spar is their biggest client as it exports the cooperatives' produce to other countries within the African continent.

In contrast, Sekhukhune (bordering Mpumalanga) has struggled with mine closures and arid farming conditions. Youth unemployment is extremely high. Many households depend on public works programmes (EPWP) or migration to Gauteng for survival. Here, social enterprises have stepped in to provide skills training: e.g., a social enterprise that trains youth in solar panel installation, linking them with off-grid electrification projects in villages thereby addressing energy poverty and providing livelihoods. Though small in scale, such initiatives point to new ways of tackling structural unemployment in areas like Sekhukhune. A recurring challenge in Limpopo's underdeveloped areas is the capacity of local governments. Many municipalities have weak finances and struggle to deliver basic services, which exacerbates poverty. Civil society often has to lobby for water, road repairs, and clinic staffing. The NDA's mandate to strengthen civil society is highly relevant here and supporting such advocacy CSOs can ensure poor communities' voices are heard in governance.



KwaZulu-Natal: Contrasts between Coastal Cities and Rural Hinterlands

KwaZulu-Natal (KZN) is South Africa's second most populous province and has the third highest poverty rate (~68% in 2015). It encapsulates sharp contrasts: the vibrant urban economy of Durban/eThekweni and the impoverished rural expanse of former KwaZulu homeland areas (e.g., Zululand, Umkhanyakude). KZN also has a large number of small towns with collapsed industries (e.g., textile factories in Ladysmith and Newcastle closed in the 1990s, leaving joblessness and poverty in their wake).

Case Study – Umkhanyakude District: Located in far northern KZN, Umkhanyakude includes communities near the Mozambique border. It recorded poverty levels around 88.6% (second poorest in SA). The area is remote, largely off the national grid in parts, and has been hit by periodic droughts. A significant intervention here has been by CSOs focusing on water and sanitation. For instance, a civil society coalition helped villagers build rainwater harvesting systems and ventilated pit latrines, improving health outcomes. Another local NGO introduced drought-resistant crop farming and goat breeding schemes to improve food security. While these initiatives alleviate symptoms of poverty, the district still lacks large-scale economic drivers. Tourism around iSimangaliso Wetland Park offers some jobs, but not enough to uplift the broad population. This underscores the need for multi-faceted development: infrastructure investment (roads, water schemes) plus supporting social enterprises (like community tourism or cultural craft cooperatives) that can generate income locally.

Back in the urban core, eThekweni (Durban) has pockets of intense poverty, especially in informal settlements on the city periphery. Unemployment among youth in these settlements often exceeds 50%. Social enterprises such as urban farming projects (e.g., rooftop gardens and agri-hubs in Cato Manor) have made some headway in addressing urban food insecurity and creating employment. Moreover, during the July 2021 unrest, CSOs and community groups in Durban played a crucial role in protecting small businesses and distributing food when supply chains were disrupted – an example of civil society's resilience in crises.

KZN has also witnessed strong traditional leadership structures coexisting with municipal governance, which affects poverty alleviation. In areas under the jurisdiction of the Ingonyama Trust (large swathes of rural KZN), land tenure issues can complicate economic projects (e.g., establishing cooperatives on communal land requires traditional council approval). Successful poverty interventions in these contexts often involve engaging traditional leaders as stakeholders, for example, getting buy-in from the local chief for a women's sewing cooperative in Zululand ensured community support and space to operate.



Gauteng: Pockets of Poverty in the Economic Heartland

Gauteng province, housing Johannesburg and Pretoria, is the country's wealthiest region, with a poverty rate of about 33%. In absolute terms, however, Gauteng's large population means it had around 6.15 million people in poverty (2016 estimate) – a sizable poor population concentrated mainly in townships and informal settlements. Poverty here is largely urban poverty: characterised by informal housing, high living costs (for transport, utilities), and the struggles of migrants who come to the city with a little support network.

Case Study – Alexandra Township (Johannesburg): “Alex” is one of Johannesburg's oldest townships, lying in the shadow of the affluent Sandton area. It exemplifies how poverty can persist in a city context. Overcrowding is severe, with tens of thousands living in shacks packed into a few square kilometres. Unemployment and crime are chronic issues. Yet, Alexandra has a vibrant informal economy. One notable project is a social enterprise hub established by a local NGO in partnership with the city. It provides training and small business support to youth and women (e.g., helping formalise spaza shop owners, or training artisans in woodworking and connecting them to markets in the city). This hub has incubated dozens of micro-enterprises, from catering businesses to recycling ventures, proving that with mentorship and access to credit, enterprising residents can create livelihoods even in a tough environment. A success story is “Thrive Recycling”, a youth-led enterprise that organises waste pickers and runs a recycling buy-back centre in Alex. It not only cleans the environment but also generates income for about 50 waste pickers who were previously earning very little.

Informal Settlements: Gauteng has many informal settlements on its fringes (e.g., Diepsloot, Orange Farm, Mamelodi's informal extensions). These areas often lack adequate sanitation and are far from job centres. Civil society has stepped in to fill service gaps – for example, organisations like Gift of the Givers have drilled boreholes and installed water tanks in some Gauteng informal settlements that lacked water, especially during drought periods. Faith-based charities run soup kitchens and skills training workshops (e.g., basic computing or plumbing skills) to improve the employability of residents. One innovative approach has been the introduction of “community work programmes” (as part of a national public employment initiative) where residents perform useful local tasks (like street cleaning, caregiving, urban food gardens) for a stipend.

Gauteng's poverty landscape is also shaped by the continuous inflow of migrants from other provinces and neighbouring countries. This puts pressure on housing, schools, and clinics, and sometimes fuels xenophobic sentiments. Civil society groups have been essential in promoting social cohesion and assisting vulnerable migrants or refugees in the province.



Western Cape: Lowest Poverty, But High Inequality

The Western Cape enjoys the country's lowest poverty rate (37.1%), thanks to a relatively diversified economy (finance, tourism, agriculture) and better service delivery on average. However, the province still had roughly 2.7 million poor people circa 2015. Poverty in WC has a different racial profile: a significant proportion of the poor are Coloured (mixed race) communities in both rural towns and Cape Town's Cape Flats, alongside African migrants from the Eastern Cape.

Case Study – Central Karoo Municipality: The Central Karoo is a semi-arid, sparsely populated region of the WC, where poverty and unemployment are above the provincial average. Beaufort West, the main town, has seen job losses after railway line closures and drought impacting agriculture. In this area, a promising poverty alleviation model has been social enterprises in renewable energy. A local enterprise started training youth to install and maintain solar water heaters, creating jobs while lowering energy costs for poor households. Moreover, a women's cooperative was formed to produce dried fruit snacks using produce from small farmers, tapping into the N1 highway market (selling to travelers).

In Cape Town, Khayelitsha and Mitchells Plain are large low-income areas where poverty is linked to issues of crime and substance abuse. CSOs are very active there, for example, the Black Sash and other advocacy groups provide paralegal advice to ensure people can access grants and services; youth organisations run after-school programmes to keep kids off the streets and improve matric pass rates, thereby fighting the intergenerational transmission of poverty.

Notably, the Western Cape government has partnered with NGOs in an initiative where social enterprises that address township economic development receive co-funding and technical support. One beneficiary was a social enterprise that set up community laundromats in informal settlements, employing locals and providing affordable services (freeing women's time from manual washing, which they could then use for education or other work). Involving the establishment of community laundromats in informal settlements within the Western Cape, appears to be part of a broader strategy by the Western Cape Government to support social enterprises that address township economic development., the government's Informal Settlement Support Programme (ISSP) aims to improve living conditions in informal settlements through partnerships and community-led initiatives.



Free State, North West, and Mpumalanga: Transitioning Economies and Local Challenges

These three provinces often get grouped due to their mid-range poverty levels and economies historically based on mining and agriculture, sectors now in decline or transition.

- **Free State (FS):** Poverty rate ~55%. The FS has been hurt by the decline of gold mining in towns like Welkom and the stagnation of maize farming. Unemployment is very high in certain towns. However, the province also has pockets of commercial prosperity (e.g., Sasol's petrochemical complex in Sasolburg). A key challenge is revitalizing small towns. An interesting case is Makro Municipality (name changed) which piloted a community works programme: locals, including many women, were employed part-time to grow food gardens and refurbish public facilities. This program, supported by CSOs and overseen by the municipality, not only injected income into households but left tangible assets (community parks, school gardens). The NDA has funded several CSOs in the FS; for instance, in Moqhaka (Kroonstad area), the MCMS Upholstery Primary Cooperative was supported with a grant to expand its furniture-making business, resulting in new jobs and income for its members. That cooperative's success has become a model for local LED (local economic development), showing how small enterprises can flourish with targeted support.
- **North West (NW):** Poverty ~50–60%. The NW's economy is mining-heavy (platinum), but many mining communities are paradoxically poor, as profits often leave the area and job opportunities are fewer due to mechanization. The Marikana area tragedy of 2012 highlighted how mining towns have deep social issues. In response, some mining companies are now partnering with NGOs to improve community conditions, e.g., funding agricultural cooperatives for mineworker families or improving schools. A positive example is a bakery cooperative in a village near Rustenburg, started by retrenched mineworkers' wives; it received equipment through a mining company's CSR programme and training via an NGO. It now supplies bread to local schools (supported by the provincial school nutrition program), feeding children and generating income for the cooperative members, a win-win alleviating both hunger and poverty locally.
- **Mpumalanga (MP):** Poverty ~57%. Mpumalanga has a dual economy – wealth from coal mining and energy on one hand, and persistent rural poverty on the other (especially in former homeland areas like Bushbuckridge). Environmental degradation (from mining and power plants) also affects poor communities' health and livelihoods. A noteworthy initiative in MP is the Gundo Lashu (Victory is Ours) programme (imaginary name) which trains youth in road maintenance and then contracts them (often as cooperatives) to maintain rural roads. This not only provides employment but improves transport access for remote villages (important for accessing markets and services). The programme, supported by the Expanded Public Works Programme, has been lauded as a best practice in public-private-NGO partnership: a local NGO handles the training and mentoring of the youth cooperatives, the government provides funding and contracts, and the private sector (engineers) provide technical oversight.

In all these provinces, poor municipalities often suffer from weak governance, which can frustrate poverty reduction efforts. Civil society monitoring (for example, social audits of service delivery) is helping to hold officials accountable and ensure resources (like indigent subsidies for free basic water/electricity) actually reach the poor. The NDA's role in capacity-building CSOs, as mandated, becomes very relevant – by strengthening civil society in these areas, communities are better equipped to demand and co-create development.

Multidimensional and Subjective Poverty Insights

Beyond income, it is important to examine multidimensional poverty (MDP), which considers factors like education, health, living standards, and economic inclusion. According to the UNDP's global Multidimensional Poverty Index, South Africa's MDP rate is relatively low, and about 6.3% of South Africans were multidimensionally poor as of 2021. (This lower figure compared to monetary poverty is due to many having access to basic services and schooling, even if incomes are low.) However, an additional 12.2% were classified as vulnerable to multidimensional poverty. Certain provinces have higher MDP, e.g., Stats SA's analysis of youth multi-dimensional poverty (using a youth-specific index) found Eastern Cape and Limpopo had the highest youth MDP as of 2011 (around one-third of youth multi-dimensionally poor). Though conditions have improved somewhat with infrastructure rollouts (for instance, rural electrification now reaches the majority of households), pockets of deprivation remain such as households without access to clean water or adequate schooling in some communities. Subjective poverty (people's self-assessment of their poverty status) yields revealing insights.

Stats SA's Subjective Poverty in SA 2022 report showed that nationally about 26.5% of households classified themselves as "poor" or "very poor" in 2022 (essentially unchanged from 26.3% in 2019). Interestingly, this proportion is much lower than the official poverty rate indicating that many households who are objectively below the poverty line do not perceive themselves as poor, possibly due to coping strategies or lower expectations in some communities. Conversely, the report's "Minimum Income Question" (MIQ) found over half of households (51.6%) in 2022 felt that their income was below the minimum needed to make ends meet. This was an improvement from 57.0% in 2019, likely reflecting some income recovery post-lockdown, but still alarmingly high. Provincial subjective poverty mirrored objective trends to an extent, for instance, The Northern Cape saw a big jump in MIQ poverty incidence (from 46.9% in 2019 to 55.8% in 2022), implying households there increasingly felt financially strapped (possibly due to drought and job losses in that period). Eastern Cape had the highest subjective poverty by MIQ at around 59.9% of households in 2022, consistent with it being the poorest Province by income.

Public perceptions also encompass views on the causes of poverty and the effectiveness of policies. Afrobarometer surveys in recent years have found that South Africans generally cite unemployment as the number one cause of poverty, followed by corruption and laziness (with opinions varying). Many poor citizens express frustration with local government performance, e.g., lack of water or housing delivery is seen as a manifestation of neglect. Such perceptions matter: if people feel efforts are failing, they may disengage or protest (as seen in frequent service delivery protests). On the other hand, communities that are involved in projects (through cooperatives or CSOs) often report a greater sense of agency and optimism about escaping poverty.

In conclusion, the poverty landscape in South Africa is heterogeneous and marked by vast differences across regions and groups yet unified by common challenges of joblessness, historical inequality, and social exclusion. This analysis underscores why a one-size-fits-all approach won't work; instead, tailored interventions and multi-stakeholder partnerships are needed. The following sections turn to the roles of cooperatives, civil society organisations, and social enterprises in driving those interventions on the ground, illustrating how they contribute to poverty alleviation within this landscape.



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The Role of Cooperatives in Poverty Alleviation



Cooperatives

Cooperatives are people-centred enterprises owned and run by their members, who share in the profits and decision-making. In the context of poverty alleviation, cooperatives hold significant promise: they can create jobs, develop skills, and empower communities economically. South Africa has a long history of cooperatives – from early agricultural co-ops among white farmers a century ago, to modern black worker co-ops and savings cooperatives (stokvels). In recent years, the government has actively promoted cooperatives as vehicles for local economic development, especially in poor communities. This section analyses the role of cooperatives in poverty alleviation, their track record in South Africa (including challenges faced), and provides case studies from various provinces.

The Role and Potential of Cooperatives

By design, cooperatives aim to meet members' common needs whether securing livelihoods, accessing markets, or obtaining affordable goods and services. Key ways cooperatives contribute to poverty reduction include:

- **Income Generation and Employment:** Co-ops can create direct employment for members and even non-members as they grow. For example, an agricultural cooperative can enable small farmers to collectively process and sell produce, yielding higher incomes than if they operated individually. A successful cooperative often employs local people and retains profits locally, stimulating the community's economy.
- **Skills Development:** Cooperative members typically gain business and technical skills through their involvement (e.g., financial literacy, management, production techniques). In poor communities, such skills are invaluable assets that can uplift households even beyond the co-op itself.
- **Social Inclusion:** Co-ops often target marginalised groups. Women's cooperatives, youth cooperatives, and cooperatives for people with disabilities help these groups participate in the economy. This inclusion is particularly important in rural areas where formal jobs are scarce.
- **Collective Bargaining Power:** Cooperatives aggregate the buying or selling power of many individuals. Whether it's negotiating better prices from suppliers or accessing larger markets, co-ops can overcome barriers that isolated small producers or consumers face. For poor members, this can mean lower costs (in consumer co-ops) or better revenues (in producer co-ops), directly affecting their standard of living.
- **Community Development:** Many cooperatives have community improvement goals aligned with their business. For instance, a cooperative might reinvest a portion of surplus into community projects (like schooling or healthcare). Even if not explicit, co-ops strengthen social cohesion and trust as members work together, which can have positive spillovers for local development initiatives.

State of Cooperatives in South Africa

South Africa has seen rapid growth in cooperative registration post-2005 (when a new Cooperative Act was passed). By 2016, the number of registered cooperatives had exploded to over 48,000, compared to only a few thousand in the early 1990s. Most of these new co-ops are black-owned and located in townships or rural areas, often with government or donor support at inception.

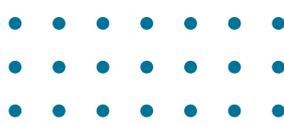
The survival and success rate of cooperatives has been worryingly low. Studies indicate that many registered co-ops become dormant or dissolve within a few years. According to one analysis, only 2,644 out of 22,030 cooperatives (12%) were operational by the mid-2010s, implying an 88% mortality rate. Common challenges include:

- **Lack of Business Skills:** Many cooperative members have limited experience in running enterprises, leading to poor management, marketing and record-keeping. Without robust training and mentorship, co-ops struggle once initial support is withdrawn.
- **Access to Finance:** Cooperatives often have trouble securing capital. Traditional banks view many co-ops as high-risk (due to lack of collateral and the perception of collective ownership as diffuse responsibility). Government grant programmes exist (such as the Cooperative Incentive Scheme), but funding is not enough to meet demand and is sometimes misused if not coupled with business discipline.
- **Market Access:** A cooperative producing goods may face difficulty breaking into established markets or value chains. For example, a sewing cooperative might lack connections to big buyers or struggle with quality standards, limiting them to small local markets.
- **Group Dynamics:** Not all cooperatives gel effectively. Internal conflicts, lack of trust, or unequal participation can derail a co-op. In some cases, co-ops were formed only to chase grant money and lacked genuine member commitment, leading to collapse once funds dried up.
- **Infrastructure and Input Costs:** Particularly in rural areas, co-ops face infrastructural deficits – unreliable electricity, poor road access, and so forth, which hamper their operations. Additionally, input costs (seeds, raw materials) can be high for small players unless they form secondary cooperatives to bulk-buy inputs.

Despite these challenges, there are numerous success stories where cooperatives have alleviated poverty for their members and communities. Critical success factors observed include strong leadership, ongoing training, partnerships with experienced entities (e.g., a commercial company mentoring an emerging coop), and operating in sectors with viable demand.



Case Studies of Cooperatives Across Provinces



Maamahlale Agric Cooperative, Limpopo (Mopani District) Women lifting themselves out of poverty through farming

Formed in 2008 by a group of rural women and registered in 2019, Maamahlale Cooperative started as a small communal farm in Balloon Village. The members saw farming as a way to tackle rampant unemployment (Mopani District's jobless rate was 16.3% in 2018) and to provide food for their families. Initially, they struggled with hand tools and limited irrigation on 2 hectares, growing vegetables mostly for subsistence.

A turning point came when the NDA, aligning with its mandate to support CSOs and cooperatives, approved a grant of R961,338 for Maamahlale in 2021. This funding was used to purchase a tractor, clear and expand arable land, build a packhouse and a small dam for water harvesting, and install a cold room for produce storage. The infusion of assets and capital dramatically improved the co-op's productivity, they expanded to 8 hectares under cultivation and could farm year-round thanks to water storage.

Maamahlale now produces a variety of vegetables (green beans, cabbage, tomatoes, peppers, etc.) and crucially, they accessed formal markets and their produce is supplied to large municipal markets in Pretoria and Johannesburg, and via the Mopani Farmers' Market hub, they even export regionally. The cooperative's income in 2022 was sufficient to pay each of the 10 core member-farmers a decent monthly stipend, and they employed an additional 8 local women as seasonal workers during peak harvest.

Beyond financial gains, the cooperative's success has had ripple effects: it improved food security in the village (members donate surplus to a local crèche and sell at affordable prices to villagers), and it empowered the women socially. "We are now respected breadwinners and employers in our community," says Ms. L. Sekgobela, the founder. Their story, highlighted during Women's Month 2023 by the NDA, serves as an inspiring example of how targeted support to a cooperative can transform it into a thriving enterprise that lifts multiple households out of poverty.



MCMS Upholstery Cooperative, Free State (Moqhaka Municipality) From unemployment to entrepreneurship.

In the small town of Seeisoville (near Kroonstad, Free State), five unemployed artisans (two women and three men) decided in 2017 to pool their skills in upholstery and carpentry to start a cooperative. They repaired old sofas and made rudimentary furniture, but struggled without proper tools and transport. In 2023, the NDA granted the MCMS Upholstery and Projects Primary Cooperative about R738,819 for business expansion. With this, they bought a new pickup truck (bakkie) and modern machinery (e.g., industrial sewing machines, woodworking tools). The impact was immediate: productivity tripled (they could refurbish three couches a day vs one before) and they created two new jobs for youth they trained on the new equipment.

Perhaps equally important, the cooperative could now access customers beyond their town and the bakkie enabled them to offer pickup and delivery services for furniture across the district. They also started making school desks and benches under a small contract with a local education NGO, diversifying their income. A nearby Early Childhood Development centre, which uses MCMS for maintenance, praised their reliable service and expressed community support for the co-op's growth.

The Free State NDA manager, Mr. Lesedi Piki, highlighted this as a model of how “sustainable livelihoods are derived when people gain employment and regular income” through community enterprises, and noted the NDA's satisfaction in “unlocking their potential”. The MCMS story demonstrates that even modest funding and support can formalise a survivalist initiative into a stable business. It also shows the job creation multiplier effect: beyond the members, additional workers were employed, and the co-op's services support other local entities (like the ECD centre). This local economic dynamism is vital in small towns suffering from poverty due to dwindling formal industries.



Masibulele Bakery Cooperative, Eastern Cape (Chris Hani District) Bread and dignity in a small town.

In a rural town in Chris Hani District (EC), a group of women noticed that all bread sold in their area was trucked in from distant commercial bakeries, making it expensive and sometimes not fresh. Seeing an opportunity, they formed the Masibulele Bakery Cooperative (masibulele means “let us be thankful”) in 2015. They started on a shoestring, using a community hall kitchen with one old oven. Despite many setbacks (power outages, inconsistent quality), they persevered. With the help of a local church and an NGO, they got a micro-loan to buy two industrial ovens and a mixer in 2018.

The cooperative now produces hundreds of loaves daily, selling at a price slightly lower than the commercial bread. They have captured a good share of the local market (including school feeding schemes that prefer to buy local bread to support the community). Each of the 7 cooperative members earns a monthly income that, while modest (~R3,000), lifted them above the poverty line. They also employ three youth for distribution. Beyond the numbers, there’s a sense of community pride – residents boast that they eat “bread baked by our own”. The success of the bakery also means money that used to leak out to big companies now circulates locally.

A challenge they face is scaling up: they dream of supplying supermarkets in the nearest town, but need a refrigerated van and larger production capacity. This is where agencies like the NDA or Small Enterprise Development Agency (SEDA) could step in. A feasibility study by the cooperative, done with a volunteer university student, showed that with R500k investment they could triple production and hire 5 more people. Such micro-level expansions can significantly dent poverty in a small community.





Atlegang Financial Cooperative, Gauteng (Soweto) Savings and credit for the unbanked.

Not all co-ops are about production; financial cooperatives (or cooperative financial institutions, CFIs) play a key role in poor communities by providing accessible savings and credit. Atlegang is a savings and credit cooperative (SACCO) formed by 50 Soweto residents – mainly informal traders and low-wage workers – who were frustrated with being excluded from formal credit. Starting in 2014, each member saved a small amount monthly. By pooling resources, they began issuing small loans to members at affordable interest for needs like school fees, home improvements or to stock a spaza shop. Today, Atlegang has grown to over 300 members and is a registered cooperative bank. For many, it was the first institution that gave them a loan. Members have used these loans to expand their micro-businesses or cover emergency expenses without resorting to predatory loan sharks. While one might not label this as “poverty alleviation” in a direct sense, it builds financial resilience among the poor, a crucial aspect of avoiding falling deeper into poverty traps due to high-interest debt. One member attributes the survival of her small catering business during COVID-19 to a bridge loan from the coop when her income halted. This illustrates the potential of financial co-ops in fostering inclusive finance as part of poverty reduction.

Building Successful Cooperatives: Lessons and Opportunities

From these case studies and broader evidence, some key lessons emerge:

- **Capacity Building is critical:** Cooperatives need training in governance, financial management, and operations. The NDA’s CSO Development Model which covers registration, compliance, governance, funding and market linkages could be tailored to support cooperatives. Emphasis on mentorship (e.g., pairing a new coop with an experienced business mentor) greatly improves survival chances.
- **Market Linkages:** Successful co-ops often have identified a clear market gap or have assistance in accessing markets. Government can assist by preferential procurement (e.g., school feeding programs sourcing from agricultural coops, hospitals buying linens from sewing coops) and creating market platforms (like the packhouse and Spar rural hub in Limpopo that connected Maamahlale to buyers).
- **Youth and Tech Integration:** Cooperatives must also evolve for the 21st century. Encouraging youth-led coops in tech or services (e.g., a cooperative of solar panel technicians, or a digital freelancer cooperative) can both tackle youth unemployment and bring innovation. Additionally, adopting technology (social media marketing, mobile money, etc.) can enhance traditional coops’ competitiveness.
- **Policy and Support Environment:** The government’s cooperative support programmes have room for improvement. Often, co-ops complain of bureaucratic hurdles in accessing grants or lack of follow-up support. A more streamlined, mentorship-heavy support mechanism is needed.

Looking ahead, cooperatives, if well-supported, can be a cornerstone of community-driven poverty alleviation. They uniquely combine economic and social goals and ensure that the benefits of enterprise are broadly shared rather than concentrated. For the NDA and partners, investing in cooperative development aligns perfectly with the mandate to create sustainable livelihoods in poor communities.



The Role of CSOs in Poverty Alleviation





Civil Society Organisations (CSOs)

Civil society organisations including non-governmental organisations (NGOs), non-profit organisations (NPOs), community-based organisations (CBOs), faith-based organisations (FBOs), and informal community groups are on the frontlines of poverty alleviation in South Africa. They are often rooted in communities and are able to respond to needs more flexibly and directly than large bureaucracies. This section explores the diverse roles of CSOs in fighting poverty, highlights their contributions and challenges, and provides case studies of CSO-driven initiatives across provinces. It also examines how CSOs interface with government and agencies like the NDA, given that supporting CSOs is central to the NDA's mandate.

CSOs contribute to poverty reduction in multiple and interrelated ways:

- **Service Delivery:** Many CSOs provide essential services in poor areas such as education (e.g., running early childhood development centers or homework clubs), healthcare (mobile clinics, HIV/AIDS support groups), and welfare (soup kitchens, shelters for the homeless or abused women). These services directly alleviate the symptoms of poverty (hunger, illness, illiteracy) and often complement or substitute for government services where the latter are absent or inadequate.
- **Human Capital Development:** Through training programs, workshops, and awareness campaigns, CSOs build the capabilities of people. For example, an NGO might run vocational skills training for unemployed youth, improving their employability. Others offer adult education or financial literacy programmes, empowering individuals to better manage what little resources they have.
- **Advocacy and Rights Protection:** Poverty is not just a lack of income, but often a lack of access to rights. CSOs play watchdog and advocacy roles, for instance, campaigning for pro-poor policies, pushing for better implementation of social grants or housing programs, and using litigation to enforce rights (South Africa has seen landmark legal cases by NGOs compelling the state to, for example, provide antiretroviral treatment or school textbooks). By holding government accountable, CSOs help ensure that resources meant for the poor actually reach them.
- **Community Organisation and Empowerment:** CSOs frequently mobilise communities to participate in local development whether it's forming savings groups, cooperative schemes (as discussed in the previous section), or community policing forums to increase safety (crime is both a cause and effect of poverty in many areas). This mobilisation builds social capital and gives the poor a collective voice.
- **Innovation and Pilot Programmes:** Freed from some of the constraints of government, CSOs often pioneer innovative approaches which, if successful, can be scaled up. For example, an NGO pilot of a community health worker program in a rural area might demonstrate a model that the health department can later adopt on a larger scale.



Scale and Scope of the Civil Society Sector

South Africa's civil society sector is large and vibrant. As of 2024, there are nearly 300,000 registered NPOs in the country, up from about 100,000 a decade earlier. These range from tiny community-based organisations with no full-time staff to large national NGOs managing multi-million Rand budgets. The Department of Social Development's NPO Register keeps track of these entities. However, registration does not equal operation. It is estimated that only about half of registered NPOs are compliant with reporting requirements (a proxy for active status), meaning perhaps ~150,000 are active. Still, that's a substantial number, and even unregistered informal groups add to the count.

The sector covers diverse fields: welfare services (the traditional NGOs like Child Welfare, SA Red Cross, etc.), development and housing, health (including many in HIV/AIDS work), education, environment, human rights, arts & culture, and more. Many CSOs are small volunteer-run initiatives; others are professional NGOs. Interestingly, about 17% of NPOs are estimated to operate in the social services sphere, and another significant chunk in religious/faith-based charity work.

Geographical distribution: CSOs tend to be concentrated in urban centres where resources (donors, volunteers) are more available. Gauteng and Western Cape have high densities of NGOs. However, thanks to government funding and international aid during the 2000s, there has been growth of CSOs even in rural provinces (often in areas like home-based care, agriculture, and youth development). For example, the Eastern Cape has numerous CBOs focused on community health, given its vast rural populace and health challenges.

Funding: CSOs draw funding from a mix of sources, government grants (e.g., DSD funds many welfare organisations for services like old-age homes or drug rehab centers), corporate social investment (CSI) funds, foreign donors, membership fees (for member-based organisations), and self-generated income (social enterprise models within NGOs). A challenge for many CSOs is financial sustainability; donor funding can be project-based and short-term, and there's competition for limited resources. The NDA is one key mechanism of government to fund CSOs focusing on poverty, for instance, in 2019/20 the NDA provided grant funding to 153 CSOs to implement poverty relief projects. These grants tend to be seed funding aimed at unlocking their potential and helping them scale or become sustainable.





Challenges Faced by CSOs

While CSOs are crucial, they also face numerous constraints:

- **Resource Limitations:** Funding is the foremost challenge. Many NGOs spend considerable time and energy on fundraising to survive. Smaller CBOs might rely on volunteer labour because they cannot afford to pay staff, which can limit the scale and consistency of their activities.
- **Capacity and Skills:** Just like cooperatives, CSOs (especially community-based ones) may lack certain organisational skills, strategic planning, monitoring and evaluation, financial management, etc. This can make it hard for them to grow or to demonstrate impact (which in turn affects funding). The NDA and other capacity-building programmes exist to address this. Indeed, the NDA's support often includes both funding and non-financial capacity building, e.g., in 2019/20 NDA provided not only grants but also training to numerous CSOs in governance and financial management.
- **Policy/Legislative Environment:** While the legal framework (NPO Act) makes registration easy, there are growing concerns around regulatory compliance. The government has raised issues about many NPOs not submitting annual reports (hence being non-compliant). On the flip side, CSOs sometimes view new regulations (e.g., tighter rules to prevent money laundering) as burdensome and fear potential government overreach or constraints on advocacy (especially if they are critical of the state). Maintaining an enabling environment for civil society is thus an ongoing dialogue.
- **Cooperation with Government:** In some cases, tensions can arise between CSOs and the government at the local level. For example, an NGO exposing corruption in a municipality might face hostility from officials, or an NGO service provider might struggle to get subsidy payments on time from a provincial department, hampering its operations. There's also sometimes duplication or poor coordination whereby multiple NGOs and government programs might operate in one area and leave gaps in another. This calls for better coordination platforms, which some provinces are trying to establish (e.g., provincial NPO forums).
- **Monitoring Impact:** Demonstrating impact in poverty alleviation is inherently difficult because so many factors influence outcomes. CSOs can show outputs (people fed, trained, etc.) but attributing long-term poverty reduction to specific interventions is complex. Nevertheless, accountability to both beneficiaries and funders requires CSOs to measure and report results, a task that needs both skill and resources.





Partnership with NDA and Government

The National Development Agency, by its founding Act, is intended to bridge government and civil society. In practice, the NDA provides grant funding to CSOs (particularly those implementing community development and poverty projects) and helps build their capacity. As noted, 153 CSOs were grant-funded in 2019/20, targeting organisations that do not meet the funding criteria of other institutions (i.e., very grassroots ones). The idea is to use NDA funding as “seed funding to unlock the potential” of these CSOs, so they can grow and later attract more funding from other sources.

The NDA is not alone; many government departments contract or fund CSOs, for instance, the Department of Social Development subsidizes welfare NGOs (for child protection, care centers, etc.), the Department of Health works with NGOs on HIV services, and the Department of Public Works funds NGOs under the Non-State Sector of the Expanded Public Works Programme (giving them wage subsidies to hire community workers). These collaborations are vital because they allow the leveraging of CSOs’ reach and trust in communities.

A good example of government-civil society partnership is the Community Work Programme (CWP), while it’s a government programme paying stipends to participants for community work, it is implemented by non-profits at the local level. NGOs act as ‘implementing agents’ and help mobilize communities to identify useful work. This synergy ensures local buy-in and often the work chosen (like cleaning public spaces, assisting at schools) closely aligns with community needs.

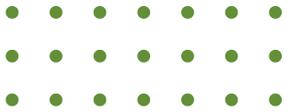
Another example is the National AIDS Council (SANAC) includes civil society sectors in its structure to guide HIV/AIDS strategy whereby NGOs and support groups have an official platform to influence policy and coordinate ground efforts with national campaigns.

Strengthening CSOs for Greater Impact

For CSOs to maximise their impact on poverty, certain strategies can be pursued by stakeholders (government, NDA, donors, and the civil society sector itself):

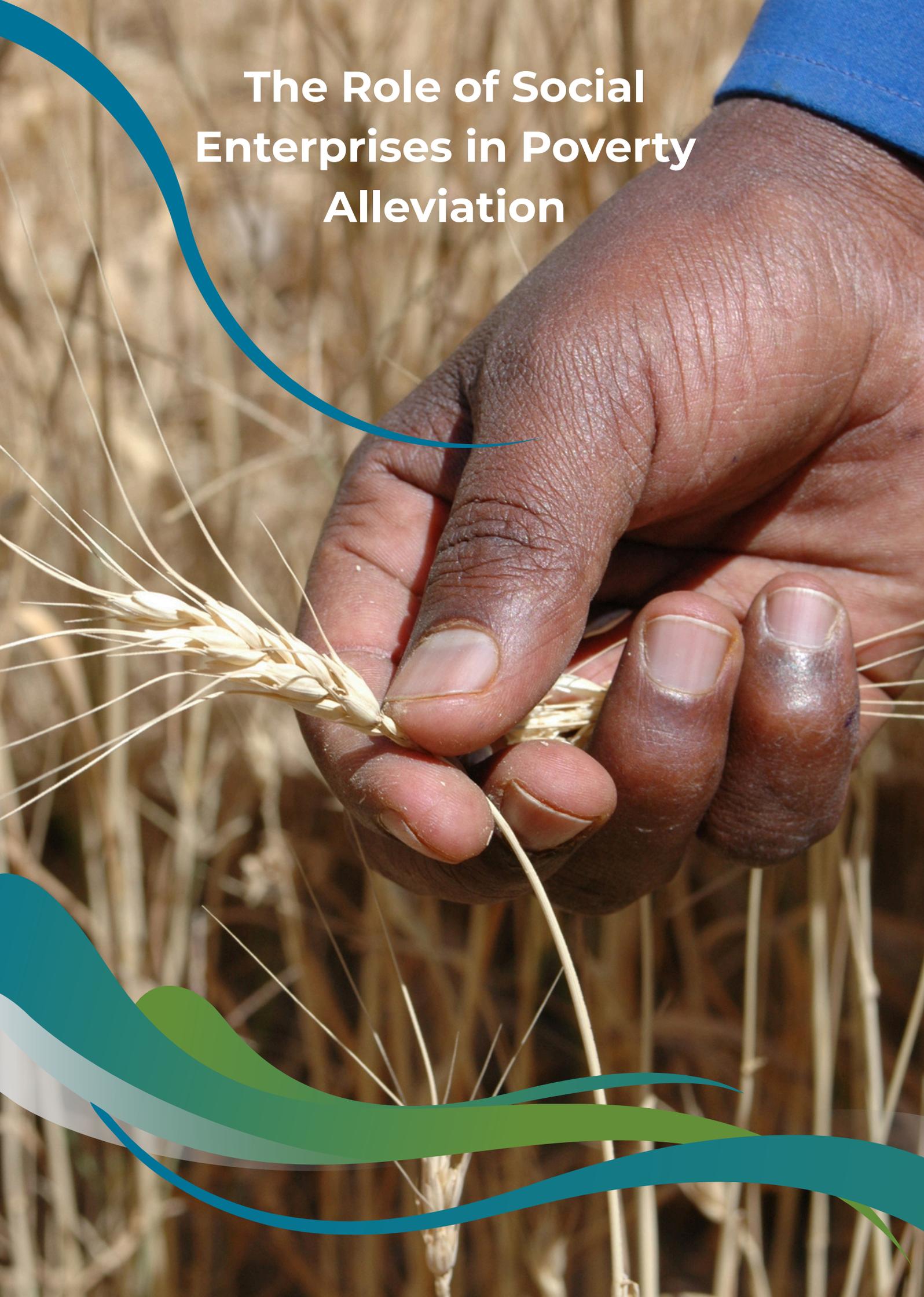
- **Capacity Building and Formalisation:** Continue and expand programmes for organisational development. As the NDA does with its CSO Development Model, CSOs should be supported to register (if they haven’t), comply with governance standards, and improve their internal management. This makes them more credible and eligible for funding. The NDA’s training initiatives and resource materials (toolkits on NPO management, etc.) are valuable and could reach more CSOs via partnerships with university business schools or online platforms.



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- **Flexible, Longer-term Funding:** Donors (including government) should consider providing longer-term core funding to proven CSOs, rather than short-term project funding only. Poverty alleviation requires sustained effort; if an NGO is perpetually worried about next year's funding, it detracts from program quality. Some international donors have moved to multi-year grants with capacity support, a practice to emulate locally.
 - **Collaboration and Networks:** Encourage CSOs to form networks or coalitions. This avoids duplication and enables the sharing of best practices. It also amplifies their advocacy voice. For instance, the C19 People's Coalition was a network of over 300 CSOs that emerged during COVID-19 to coordinate relief efforts and policy advocacy around the social relief grant. Networks like that can be repurposed for other poverty issues. The NDA can facilitate provincial civil society forums, as it has begun doing, to enable coordination between CSOs and with government.
 - **Monitoring and Evaluation (M&E):** Equip CSOs with tools to measure their outcomes. Not just to satisfy funders, but so they can learn and improve their interventions. Building a culture of data and evidence in the CSO sector will help identify which approaches are most effective in reducing poverty (e.g., which types of training lead to jobs, or which food security projects best improve nutrition).
 - **Community Ownership:** Ensure that CSO initiatives involve the community at every stage. Many CSOs already reflect this by being community-initiated or led, but when external NGOs operate in a community, they must avoid a top-down approach. The more the poor themselves are the drivers (through participation in CSO decision-making, volunteering, etc.), the more sustainable and impactful the outcomes, as it builds agency.
- 

In summary, South Africa's CSOs are an indispensable partner in the fight against poverty. They bring innovative, grassroots solutions and much-needed services to those often left behind. By empowering CSOs – through supportive policies, capacity building, and funding – the country can significantly amplify its poverty alleviation efforts. The NDA, under its mandate and reach, plays a key role in this empowerment process, ensuring that civil society can continue to be “the hands and feet” reaching where government sometimes cannot.





The Role of Social Enterprises in Poverty Alleviation



Understanding Social Enterprises and the “Social Economy”

Social enterprises are businesses with a social mission. They seek to generate profit or revenue, but in doing so, their primary aim is to address social or environmental challenges. In the context of poverty alleviation, social enterprises present an innovative hybrid model. They leverage market-based approaches to create sustainable solutions for the poor, often operating where traditional businesses might not (due to lower profit margins) and where charitable approaches might be hard to sustain (due to dependency on donations).

A social enterprise can take many forms, it might be a for-profit company, a non-profit with income-generating activities, a cooperative, or an informal business. So what defines it is the intentional blending of social impact and financial self-reliance. The broader “*social economy*” includes cooperatives (discussed earlier), mutual societies, and other social enterprises. Key characteristics of social enterprises in poverty alleviation include:

- **Serving Poor/Underserved Markets:** Many social enterprises focus on providing goods or services to low-income populations at affordable prices (e.g., low-cost healthcare, off-grid energy, micro-insurance, etc.). By meeting needs in poor communities, often where government service is lacking
- **Inclusive Job Creation:** Social enterprises often employ people from disadvantaged groups (youth, women, disabled, etc.) or in disadvantaged areas, providing jobs and training. Some also practice profit-sharing or ownership models that allow employees to share in the enterprise’s success (akin to cooperative principles).
- **Innovation:** Because they operate in challenging contexts, social enterprises tend to innovate, whether it’s a new technology (like a portable water purification device) or a new delivery model (like micro-franchising small shops). This innovation can sometimes be scaled up or replicated widely, magnifying impact.
- **Financial Sustainability:** Unlike purely donor-funded projects, social enterprises aim to sustain themselves through trading revenue. This can make them more resilient in the long term and not wholly reliant on aid cycles. However, many do blend revenue with grants or impact investments, especially in early stages or for capital expansion.

In South Africa, social entrepreneurship has gained attention as a complementary approach to traditional corporate and state-led development. The government even drafted a Social Economy Policy (2021) (still in consultation as of 2025) which acknowledges the potential of social enterprises and proposes measures like a dedicated fund and supportive regulatory frameworks. The NDA’s strategic focus on “capacity building and social entrepreneurship, especially for cooperatives” also indicates an understanding that nurturing social business models can advance poverty alleviation.



Examples of Social Enterprises and Their Impact

1. Unjani Clinics – Affordable Healthcare (National)

Unjani Clinics is a network of nurse-owned primary healthcare clinics that has spread across several provinces (particularly GP, KZN, EC). This Enterprise Development Initiative aims at Unjani Clinic is an Enterprise Development initiative aimed at Empowering Black Women Professional Nurses; Creating Permanent Jobs, and perfecting a Sustainable Clinic Model for providing primary healthcare. Unjani Clinics is a non-profit company and registered public benefit organisation (PBO) established to implement and manage the Unjani Clinic Network. Ownership None. Significant assets None – not for profit motive, with cost recoveries.

The model: experienced professional nurses from townships or rural areas are set up as clinic franchisees. They receive an equipped shipping container clinic and initial training from the Unjani non-profit company, along with access to affordable medicine supplies. They then operate as independent micro-businesses, charging low fees (far cheaper than private GPs) for basic health services (treatment of minor ailments, maternal health check-ups, chronic medication refills, etc.). The target market is people in low-income communities who usually rely on overloaded public clinics or have to pay high fees at private facilities.

The impact has been impressive; by 2024, there were over 100 Unjani clinics serving more than 700,000 patients cumulatively. Many are in underserved areas, meaning they increase access to healthcare (which improves productivity and quality of life for the poor). From a poverty perspective,

- **Job Creation:** Each clinic employs the nurse-owner plus a few assistant staff, altogether creating hundreds of decent jobs (and these nurses, mostly black women, become entrepreneurs, moving them into a better economic position).
- **Save out-of-pocket expenses for patients:** e.g., a consultation at Unjani might be R200 including meds, versus a private GP R400+, and saves time versus queuing at a public clinic all day.
- **Keeping people healthier:** This has long-run poverty reduction effects (healthy children perform better at school; healthy adults can work more reliably).

Unjani is often cited as a prime example of social enterprise meeting a critical need through a sustainable model. It received initial grant funding from corporates (CSI funds) and now also attracts impact investment, showing a pathway to scale.

2. Harambee Youth Employment Accelerator (National)

Harambee is a social enterprise (technically a non-profit company) tackling youth unemployment by bridging the gap between NEET youth (Not in Education, Employment, or Training) and employers. It identifies unemployed youth (often from poor township backgrounds), assesses their aptitudes, provides them with soft skills training and work-readiness preparation, and then matches them to entry-level job opportunities among a network of employers who partner with Harambee. Employers get access to a talent pool they might otherwise overlook, and youth get a foothold in formal employment.

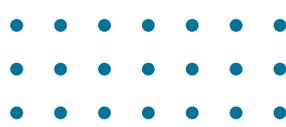
Since its inception around 2011, Harambee has placed over 100,000 youth into their first jobs (stats as of mid-2020s). Each job placement can be transformational for a family where a young person earning even R3500 a month can lift their household above the poverty line, and gain experience for future career growth. Importantly, Harambee also innovates in how it finds those youth (e.g., using mobile-site applications that don't require expensive CVs, conducting behavioural assessments that recognise potential beyond just formal qualifications). They've influenced companies to relax some requirements like "must have 1 year experience" for entry-level jobs, thereby opening doors for the unemployed poor.

Though largely donor-funded (government and private), Harambee's approach has social enterprise elements because it delivers a service to paying clients (some employers pay for successful placements) and seeks to eventually sustain operations partly through such revenue. Moreover, the model has been integrated into public policy: for example, during COVID-19 recovery, the government tapped Harambee to help implement the Presidential Youth Employment Initiative and the SA Youth online platform, effectively scaling their methods nationally.

3. Silulo Ulutho Technologies – ICT Access (Western & Eastern Cape)

Silulo is a well-known township-based social enterprise that started as a single internet café in Khayelitsha (Cape Town) and expanded into a chain of ICT service hubs across poor communities. Co-founded by social entrepreneurs Luvuyo Rani and his brother, Silulo provides services like internet access, computer training courses, printing, and tech device sales/repairs in areas where such services were previously scarce. They utilise a franchise model, allowing local youth to manage branches.

The social impact: bridging the digital divide for thousands of township residents. For example, offering affordable computer literacy classes has enabled many to then find better jobs or start small businesses. Job seekers use Silulo internet cafés to type CVs and apply for jobs online. The enterprise also employs over 100 people. Silulo's success demonstrates that serving the poor can be a viable business, as long as you adapt to their price points and needs. It grew without heavy donor reliance, illustrating pure social entrepreneurship. In poverty terms, digital access is increasingly necessary for economic inclusion, so Silulo's work reduces a dimension of poverty (information poverty/digital exclusion).



4. SEED South Africa: Enabling Eco-Inclusive Entrepreneurship

SEED (Supporting Entrepreneurs for Environment and Development) is a social enterprise initiative that supports eco-inclusive start-ups and small enterprises, particularly in the green economy. It fosters locally-driven solutions to social and environmental challenges through enterprise support, capacity building, and ecosystem development.

SEED's work in South Africa has focused on sectors such as sustainable agriculture, waste management, and clean energy, providing practical training, technical assistance, and access to networks. Its enterprise support programmes have benefited entrepreneurs in provinces such as Gauteng, Limpopo, and Western Cape. SEED has enabled the growth of over 200 eco-inclusive enterprises, contributing to job creation, environmental protection, and community upliftment.

By integrating sustainability into enterprise development, SEED illustrates the critical role that social enterprises can play in shaping inclusive and climate-resilient economies while addressing poverty at the grassroots level.

5. Reel Gardening – Micro-entrepreneurship Kits (Nationwide)

Reel Gardening is a social business that produces simplified vegetable gardening kits (with seeds pre-packaged in biodegradable tape at correct spacing, etc.), making it easy for anyone, including children, to start a food garden. They have worked extensively with schools in poor areas and community groups, selling the kits (often via sponsorships) and training people to grow their own food. Many schools have started gardens that supplement their feeding schemes, improving nutrition for learners (reducing food poverty). At the same time, Reel Gardening employs formerly jobless women in their kit assembly facility, and creates micro-entrepreneur opportunities: some individuals buy kits at wholesale and resell in townships (a micro-franchise model), earning income.

This example shows a social enterprise improving food security and nutrition among the poor (with educational spin-offs, as kids learn gardening) while running a viable enterprise. It highlights the value-chain approach: not just charity seed donations, but building a local supply chain with entrepreneurs and jobs.



Challenges for Social Enterprises

While promising, social enterprises in South Africa face obstacles, some overlapping with those of cooperatives/CSOs and some unique:

- **Access to Capital:** Traditional investors often shy away from social enterprises because the return on investment may be lower or slower, and the perceived risk higher. Impact investing is growing but still limited. Many social enterprises rely on grants or competitions (like SAB Foundation awards, etc.) to get seed capital. Establishing dedicated social enterprise funds or blending public and private capital (where the government provides first-loss guarantees to encourage private investors) could help.
- **Regulatory Grey Area:** South Africa does not yet have a formal legal framework or status for social enterprises. They either register as non-profits or as for-profits. This can complicate things, for example, a social enterprise that is a (Pty) Ltd company might not be eligible for certain grants reserved for NPOs, yet as a for-profit, it may struggle to attract purely commercial loans. The Social Economy Policy under discussion contemplates how to recognise and support these hybrid models. Possibly new structures or certification (like a “B-Corp” status) could be introduced to ease operation and funding.

In the South African context, B-Corp status refers to certification granted by the international non-profit organisation B Lab to companies that meet high standards of social and environmental performance, transparency, and accountability. While B-Corp certification is not a legal business structure in South Africa (unlike in some jurisdictions like the United States), it functions as a voluntary global accreditation for purpose-driven companies.

- **Business Skills in Social Domain:** Many social entrepreneurs have a passion for social change but may lack some business acumen, or vice versa. Accelerators and incubators focused on social enterprise (like the Awethu Project or Red Bull Amaphiko in past years) help by providing mentorship, business model refinement, and networks. However, these reach a limited cohort. Scaling social enterprises often requires navigating both profit and non-profit spheres, which is a complex skillset.
- **Market Constraints:** When your target customers are poor, scaling up is hard; there's only so much they can pay. Social enterprises thus often operate on thin margins or need volume to make up for low margins. This requires efficiency and sometimes creative cross-subsidy models (charging a bit more to well-off clients to subsidise poorer clients, for example).
- **Measurement of Impact vs Profit:** Social enterprises need to balance impact and financial sustainability. Sometimes, a strategy to improve profitability (say, automating a process) might reduce employment or accessibility for the poorest, creating mission drift. Keeping the social mission at the core while staying afloat financially is an inherent tension. Governance structures, such as having impact investors who value social returns, help maintain this balance.

Strengthening the Social Enterprise Ecosystem

To harness social enterprises for poverty alleviation, a supportive ecosystem is needed:

- **Policy Recognition and Support:** Finalising and implementing the Social Economy Policy can provide official support, possibly tax incentives for social enterprises, preferential procurement (like government buying from social enterprises or contracting them for services in poor areas), and inclusion in enterprise development programmes.
- **Financing Facilities:** Establish a Social Enterprise Fund (perhaps managed by NDA) that offers concessional loans or blended finance. Also, encourage corporate CSI budgets to invest in social enterprises (not just give grants to NGOs). Some corporations have started "social venture funds." Impact investment can be spurred by demonstrating successful exits (even if modest) and by government co-investment to reduce risk.
- **Capacity and Incubation:** Expand incubators/accelerators focusing on businesses that serve the poor. Entities like SEDFA (Small Enterprise Development and Finance Agency) and NYDA could have tailored streams for social enterprises. NDA, too, with its civil society capacity role, could incorporate social enterprise training into its CSO development workshops, since many CSOs may want to launch income-generating activities.

- **Research and Evidence:** Build a knowledge base of what works in social enterprise. Universities and think tanks (like the Bertha Centre for Social Innovation at UCT) are researching the social economy. Their findings can inform government and funders on high-impact sectors or models to support. For example, research might show that social franchises in ECD yield good outcomes, thus, more resources could go there.
- **Market Linkages:** Similar to Cooperatives, Social Enterprises benefit from being connected to markets, whether through platforms, expos, or digital marketplaces. An idea is a dedicated e-commerce platform for social products (crafts, goods made by community enterprises) to reach ethical consumers. Also, corporate supply chains can intentionally include social enterprises (for instance, a bank could procure its office cleaners through a social enterprise that trains and employs women from shelters, rather than through a normal cleaning company).
- **Public Awareness:** Increase awareness of the concept of social enterprise to attract talent and customers. If more young entrepreneurs think in terms of dual goals (impact + profit), more such ventures will emerge. Additionally, if consumers are aware (and have labelling or information), they might choose to buy from social enterprises, creating a market pull for socially-responsible goods and services.

Social Enterprises and the NDA's Mandate

The NDA's mission to eradicate poverty through partnerships with civil society naturally extends to the social enterprise space. While historically NDA focused on non-profit CSOs, the lines are blurring, as many CSOs are adopting enterprise approaches for sustainability, and many social enterprises have community roots similar to CSOs. The NDA's Act provision to support initiatives meeting the development needs of poor communities could be interpreted to include social enterprises.

Already, the NDA's see the value in "organised groups that establish community enterprises that bring about economic transformation". NDA can thus play a convening role of linking cooperatives, CSOs, and social enterprises, facilitating knowledge exchange among them, and helping build a unified "social economy network" in each province. NDA could also pilot funding some social enterprises (perhaps through CSOs as conduits or direct grants where the legal framework allows) and monitoring results to inform policy.

In summary, social enterprises are not a standalone solution for poverty, but they are a crucial piece of the puzzle. They introduce sustainability and innovation into efforts to uplift communities. By empowering people as consumers and producers, and not just beneficiaries, social enterprises align with an empowerment-based approach to development. Combined with cooperatives and CSOs, they form a triad of community-level forces that, if scaled up, could change the economic landscape of marginalised areas.

The Landscape of Youth Poverty and Unemployment



Youth are at the centre of South Africa's poverty challenge, both in terms of being a disproportionately affected group and being key actors in potential solutions. Defined officially as people aged 15–34, youth make up roughly a third of the country's population (approximately 20 million people). This sizable cohort faces intertwined issues of unemployment, lack of skills, and social exclusion, which contribute to and perpetuate poverty. Conversely, empowering the youth through education, employment, entrepreneurship, and civic engagement offers perhaps the most powerful lever to break the cycle of poverty in the long run. This section delves into the state of youth in South Africa, particularly as it relates to poverty, and examines initiatives (by government, cooperatives, CSOs, and social enterprises) that target youth development and inclusion.

Several indicators underscore the challenging landscape for young South Africans:

- **Youth Unemployment:** South Africa's youth unemployment rates are among the highest in the world. As of 2024, the official unemployment rate for youth aged 15–24 was around 60%, and for those 25–34, around 41%. Even the expanded unemployment rate (including discouraged work-seekers) for 15–24 was over 70% in some recent quarters. This means the majority of young people entering the labour market cannot find jobs. Being unemployed at a young age has scarring effects – it's linked to lower earnings and employability even years later, as well as social ills such as crime and mental health issues. Youth unemployment is both a cause and consequence of poverty: without jobs, young people remain poor; and coming from poor backgrounds (with limited education and networks) makes it harder to get jobs, a vicious cycle.
- **NEETs:** Nearly one in three South Africans aged 15–24 is not in education, employment, or training (NEET). The Youth in SA 2024 report highlights that a large share of youth, especially females, are idle or confined to unpaid domestic responsibilities. Female youth NEET rates are higher partly due to early childbearing and gender norms, where young women often shoulder household duties. The Free State and Limpopo have particularly high NEET rates (often over 30%).
- **Education and Skills:** The past few decades have seen improvements in educational attainment, with over 50% of youth now having at least a matric (high school graduation). However, the quality of education is uneven. Many matriculants lack the requisite numeracy/literacy for formal jobs or tertiary study. Only around 13% of youth have a tertiary qualification, yet this small group enjoys far better job prospects (as noted earlier, poverty incidence among those with post-matric education is just 8.4%). Thus, there is a divide between a minority of well-educated youth and a majority who, even if they passed matric, may not have marketable skills. Technical and vocational education and training (TVET) colleges have often underperformed or been under-resourced, so they have not fully absorbed or upskilled the masses of youth who don't go to university.

- **Youth-Headed Households:** There is a growing phenomenon of households headed by youth (due to orphanhood or migration of parents, etc.). Stats SA found that youth-headed households are generally worse off in terms of housing and service access compared to non-youth-headed ones. For example, a smaller percentage of youth-headed households live in formal dwellings and have piped water inside, often due to lower income levels and assets. This indicates that many young adults start their independent life already in poverty and precarious living conditions, making it hard to accumulate assets or invest in their futures.
- **Discouraged Youth:** A particular concern is the number of discouraged job seekers among youth. By 2024, more than 20% of young people who were not employed had given up looking for work in provinces like Limpopo and North West. High discouragement suggests a loss of hope – a dangerous situation as it can lead to social unrest or exploitation (some may turn to illegal activities or fall prey to drug abuse, etc.).

These indicators paint a stark picture; unless robust interventions are made, South Africa risks a “generational catastrophe” where a large portion of youth remain trapped in poverty, which will eventually translate into future older poor populations and a drag on the economy.

Initiatives Targeting Youth in Poverty Alleviation

Recognising the urgency, numerous programmes and initiatives have been launched focusing on youth. They span government-led programmes, as well as cooperative, CSO, and social enterprise efforts:

- **Education and Skill Development Programmes:** Education is the foremost long-term antidote to poverty, and there have been heavy investments in improving it. The government has progressively rolled out no-fee schools, school feeding schemes (over 9 million children get meals at school, a huge immediate poverty alleviation for families), and bursary schemes like NSFAS for tertiary education. For out-of-school youth, the Technical and Vocational Education and Training (TVET) system and various public works skill programmes exist. However, outcomes have been mixed, youth unemployment remains high even for some college graduates, indicating mismatches and quality issues.

CSOs and social enterprises have complemented these efforts. For instance, as highlighted earlier, Harambee Youth Accelerator provides bridging and work readiness that the formal system often doesn't, successfully placing thousands into jobs. Another example is the YES (Youth Employment Service) initiative launched in 2018; a business-led collaboration with government that incentivises companies to create temporary work experiences for youth (by offering tax and BEE score benefits). YES has created tens of thousands of one-year placement opportunities, giving youth a first work experience to put on their CV. The NDA has engaged youth too, e.g., NDA internships and involving youth volunteers in community projects, though those are smaller scale.

Several NGOs focus on entrepreneurship training for youth, aiming to turn job seekers into job creators. For instance, Youth Build (by a coalition of NGOs) trains unemployed youth in construction skills while they build community assets (housing, community halls), effectively linking public works with skills and community service. This not only provides stipends (short-term poverty relief) but also leaves them with certified skills.

- **Youth and Cooperatives:** Youth involvement in cooperatives has historically been low (co-ops often have older membership), but efforts are underway to change that. The NYDA and DSBD have programmes to encourage “Youth Coops”, offering grants and training to youth wanting to start cooperative enterprises in areas like digital services, agriculture, and waste recycling. For example, in the North West, a group of unemployed engineering graduates formed a cooperative to offer solar panel installations, and they received toolkits and business development support from a youth incubator. Now, they service solar projects in rural clinics, making a living while expanding green energy (a social benefit). While still few in number, such youth-led co-ops could simultaneously address youth joblessness and community needs.
- **Public Employment Programmes:** The Government has expanded public employment specifically for youth. The Presidential Employment Stimulus (since 2020) included the hiring of about 300,000 young people as school teaching assistants – giving them a stipend and experience, while improving learning in classrooms with extra capacity. Similarly, the Community Work Programme (CWP) and Expanded Public Works Programme (EPWP) prioritize youth for many roles, from infrastructure projects to community services. These programmes are essentially a safety net, providing short-term jobs and income. They don’t solve long-term employment, but they mitigate poverty and can serve as a bridge or stepping stone. Evaluations have shown that participants often use the stipend for starting micro-businesses or funding further study, which can improve their trajectory after the programme.
- **Social Enterprises for Youth:** Many social enterprises either target youth as beneficiaries or are run by youth. An example is Mlab, a social enterprise model tech incubator that trains youth in coding and helps them develop apps addressing community problems (like a community safety alert app). Some of those trainees have gone on to form start-ups or get employed in the IT sector, which is a boost out of poverty. Another example is “Hub@Gibela”, a business hub set up near the Gibela train factory that trains local young people in manufacturing skills and helps them start microenterprises supplying the factory (like small parts or maintenance services). This simultaneously localises supply chain benefits and uplifts youth.
- **Youth Civic Engagement and Volunteering:** Not all impact is economic, involving youth in community development also yields indirect poverty reduction by improving local governance and services. Youth CSOs, like Equal Education (a youth-led advocacy group for better school infrastructure) or Activate! (leadership development network), Empower young people to speak up and take initiative in their communities. An empowered youth citizenry can challenge corruption or misallocation of resources that often harm the poor most. Moreover, volunteering can be a pathway to skills and networks that later lead to jobs – for example, many who volunteered as peer educators or community HIV activists in the 2000s eventually found paid roles in NGOs or health departments as that experience became valued.

Case Studies on Youth Initiatives

- **The Siyakhula Youth Cooperative (Eastern Cape)** – A cooperative of 8 young men and women in a rural EC village who started a brick-making business using local clay. With a small NYDA grant, they built a brick kiln and now supply bricks for RDP housing projects in their area. They have not only employed themselves but also 5 other local youth. This addresses local infrastructure needs (better housing) and provides income. Their main challenge is scaling up to win bigger contracts, they need mechanised equipment. If agencies like NDA or DSBD assist with that, this model can be replicated in many villages (since government housing development often struggles with material supply in remote areas – youth coops could fill that gap).
- **Digital Work Hubs (KZN)** – A CSO in KZN opened a digital co-working hub in a township where they recruit unemployed matric graduates, give them a quick course in digital marketing and freelancing, and connect them to online work (like data labelling, content moderation, etc. for global clients. This taps into the “gig economy”. Some participants have started earning a steady income without leaving their township, a game-changer for poverty alleviation. With the internet and basic training, youth can compete globally. The government is now looking at supporting such hubs (as part of the digital economy strategy).
- **Youth Build Program (Limpopo)** – In a Limpopo town, an international NGO partnered with a local municipality to engage 100 idle youth in constructing sanitation facilities and doing community clean-ups for a year. They were paid stipends and given construction skills training certified by the TVET college. After the year, about 20 formed a micro-company that got a contract to maintain those facilities, and others found jobs with local contractors or went on to further training. The project improved the town’s environment (toilets, less waste), a public good, and left many participants with better prospects for small businesses. This demonstrates a multi-faceted impact on poverty (short-term income, long-term opportunity, and improved living conditions for the community).

Youth programmes face the hurdle of scale; reaching millions is costly. There’s also sometimes a mismatch between training and actual job market demand (leading to trained youth still unemployed). Coordination is an issue; many departments have youth initiatives, but these can be siloed or competing. Additionally, the psychological aspect cannot be ignored: long-term unemployment breeds discouragement and mental health issues among youth. Programs must increasingly integrate psychosocial support and motivation.

Recommendations

- **Scale What Works:** There are pilot successes (like the school assistant program, or Harambee's model) – the focus should be on scaling these with quality maintained. For instance, consider institutionalising the school assistant initiative as a permanent gap year program for matriculants, giving all school leavers at least one year of work experience in a public service.
- **Improve Education to Employment Pathways:** Strengthen TVET colleges and link them directly with industries (curricula guided by employer needs, more apprenticeships). Expand the dual education system (the German-style apprenticeship), especially in fields where there's demand (artisans, tech, healthcare support).
- **Support Youth Entrepreneurship:** Expand micro-loan and grant facilities for young entrepreneurs (current ones like NYDA grants or Small Enterprise Finance Agency's youth funds are oversubscribed). Mentorship is key; pair young entrepreneurs with experienced business mentors (perhaps via retiree networks or corporate volunteering).
- **Leverage Technology:** Use mobile and online platforms to reach youth at scale for information, matching, and training (the SAYouth.mobi platform launched through Harambee is a good example; it has over 3 million young people registered, making it a central place to disseminate opportunities).
- **Community Service and Volunteer Programs:** A national youth service program that offers a stipend and work-like experience for up to 6-12 months to all willing youth could instil work habits, deliver community value, and connect youth to networks. South Africa had an NYS (National Youth Service) framework, which could be revitalised. This could be integrated with EPWP/CWP or structured separately.
- **Invest in youth leadership and voice:** Bring youth into decision-making forums, local development committees, etc. They often have fresh ideas (like tech solutions) and energy. Inclusion also counters the feeling of marginalisation. The Presidential Youth Council (recently formed) is one such mechanism at the national level; similarly, local governments can have youth desks that influence budgets (like pushing for more spending on sports facilities, which keep youth engaged and away from destructive paths).

It is clear that without resolving youth unemployment and poverty, South Africa's overall poverty goals will remain elusive. The energy and creativity of youth can be a great asset – indeed, many of the cooperative, CSO, and social enterprise initiatives mentioned earlier are driven by dynamic young people. Thus, channelling support to and through youth not only helps them but also galvanises broader community development.

As we move to the next section, we'll switch focus to how poverty is perceived by the public and in communities, and why understanding those perceptions. The subjective side of poverty is important for designing responsive policies and programs.

Subjective Poverty: Public Perceptions



Public perceptions of poverty

How People view the extent, causes, and solutions of poverty plays a significant role in shaping the discourse and policy priorities around poverty alleviation. In South Africa, where poverty and inequality are part of daily conversation and politics, understanding these perceptions can help policymakers and practitioners (like the NDA and its partners) to better tailor their approaches and communication. Moreover, subjective poverty (people's own sense of being poor or not) can differ from objective measures and can influence behaviour, social cohesion, and political attitudes. This section examines public perceptions and subjective measures of poverty in South Africa, drawing on surveys and studies, and discusses their implications for anti-poverty efforts.

As discussed in the Poverty Landscape section, Stats SA's report on Subjective Poverty (2022) sheds light on how households classify themselves. Despite very high objective poverty rates, only about one-quarter of households perceive themselves as poor. In 2019, 26.3% said they were poor, and in 2022 it was 26.5% – essentially unchanged, meaning perceptions did not worsen overall even with COVID-19 shocks. Meanwhile, over half felt their income was insufficient for their minimum needs (down slightly from 2019).

This apparent paradox many who are poor do not feel poor, and some who are not officially poor feel poor, highlights the nuance in lived experiences.

- Households in a tightly knit poor community might not perceive themselves as “poor” because everyone around them lives similarly; poverty is normalised, and expectations may be calibrated to that reality. Psychologically, some may avoid the “poor” label due to dignity or hope, considering themselves getting by, even if by official criteria they are poor.
- Conversely, households in the lower-middle class (just above the poverty line) may feel poor because they struggle to meet aspirational needs (like sending children to tertiary education, affording private healthcare, etc.), or they are heavily indebted. They are above the poverty line but perhaps one shock away from falling below it, which creates a sense of precarity. Indeed, 45.4% of households were “poor” by the Income Evaluation measure (self-rated financial dissatisfaction) in 2022.

Provincial differences in subjective poverty are telling. As noted, Northern Cape and Eastern Cape have very high subjective poverty rates on some measures. In the Western Cape and Gauteng, subjective poverty is lower (fewer see themselves as poor), which corresponds to actual lower poverty, but also perhaps higher access to basic services. Interestingly, the subjective view also depends on what aspect is considered: a household might say “we are not poor” (maybe because they have a basic income and can eat), yet when asked if they have enough income for needs, they say no, indicating they do feel deprivation in certain areas.

Surveys like Afrobarometer and others have polled South Africans on why they think people are poor. Commonly, the majority attribute poverty to structural factors such as lack of jobs and poor governance/corruption.

For instance, an Afrobarometer round around 2015 found that about 30% cited unemployment as the main cause of poverty, 20% cited alcohol/drug abuse, 15% blamed laziness or lack of effort, and others pointed to landlessness or education. That mix is important, there is a significant proportion that internalises poverty (blaming individual behaviour), but more blame external conditions (job scarcity, etc.). Over time, awareness of inequality and systemic issues seems to be growing, especially among the youth, who often express frustration at corruption and slow service delivery as perpetrators of poverty.

Trust in institutions: Public perceptions of institutions that are supposed to fight poverty (like government agencies) also matter. There is evidence of eroding trust – in some communities, people believe funds meant for the poor are misused or that politicians care more for themselves. Every few years, protests erupt in poor areas over a lack of services (so-called “service delivery protests”), reflecting perceived neglect. On the other hand, surveys show continued strong support for the social grant system. Most South Africans acknowledge that grants are an essential support for poor households and broadly approve of their expansion (with debates only on affordability).

Attitudes towards poverty and inequality: South Africans generally recognise inequality as a major problem and show solidarity with redistribution in principle. For example, an HSRC survey indicated high support for progressive taxation and social spending. However, at the same time, there can be tension in perceptions: occasionally, narratives of “dependency syndrome” surface, where some middle-class or political commentators claim social grants make people lazy. These narratives, though not dominant in policy (the government firmly supports grants), can influence stigma – e.g., some grant recipients might feel ashamed or worry about being seen as dependent. Civil society often pushes back, reframing grants as a right and a means to enable people, not an end state.

The concept of “**black tax**” (not an official tax, but the cultural expectation for employed black youths to support extended family) is also part of public discourse now. Many young professionals speak of how they live frugally or feel financially strained because they support less well-off relatives, indicating that poverty extends its reach into even the lower middle-class via family obligations.

This can influence perceptions: a young employed person may not count as poor in stats, but subjectively they feel almost as poor because their salary supports many dependents. It also highlights a societal value: familial solidarity is a key coping mechanism against poverty (as it was in apartheid times and continues today).

Media representations: Media often highlight extreme cases, either of destitution (like children dying of malnutrition in the Eastern Cape, which has indeed been in the news) or of service delivery failures (like communities protesting water shortages). This can shape public perceptions by focusing attention on certain dimensions (hunger, government failures). The positive stories of communities overcoming poverty rarely get the same coverage, which might skew perceptions towards pessimism. Public opinion can drive political will, for instance, widespread public and media outcry about youth unemployment contributed to the government launching emergency interventions like the Presidential Employment Stimulus.

Understanding perceptions allows better targeting of communication and community engagement.
For example:

- If many people in a community do not perceive themselves as poor, even though they are, an anti-poverty programme might not get buy-in if it is branded as “for the poor” in a paternalistic way. Those people might reject charity but be open to participating in a cooperative or job programme that frames them as active contributors. Essentially, pride and dignity are crucial; programs that involve communities in their upliftment (rather than treating them as passive recipients) resonate more with those who may not self-identify as poor.
- If a certain cause of poverty (like unemployment) is universally acknowledged, policies addressing it will likely enjoy public support. We see that with job creation programmes, hardly anyone opposes them. However, if a cause is contested (e.g., some think the poor are lazy), policy might face resistance or design issues. The government’s stance has been to lean towards structural understanding, which is good for expansive social policies.
- Subjective measures can also be early warning signals. For instance, if subjective poverty in a province rises while objective poverty has not yet (like NC having rising MIQ poverty), it could indicate that people are feeling the pinch of something (perhaps inflation) that might later reflect in actual poverty stats. Policymakers can use that intelligence to adjust social support timely manner (e.g., increase grant values or food relief if people report more financial stress).

- **Community perceptions of interventions:** It is also vital to consider how the public perceives poverty alleviation programmes themselves. Some communities might view cooperatives cynically if they've seen many fail or be mismanaged. So when introducing a new Cooperative project, one must manage those perceptions, showing how this time will be different (maybe by citing best practices, having transparent processes, etc.). Similarly, the reputation of CSOs matters; if an NGO previously squandered funds in an area, locals may distrust new NGOs until trust is rebuilt. On the flip side, where NDA or governments have successfully funded local initiatives, showcasing those successes can strengthen community belief that “we can help ourselves with a bit of support”.
- **Youth perceptions:** As a special mention, the youth, being vocal on social media, often express impatience and disillusionment. The born-free generation (born post-1994) was expected to fare much better, yet many find themselves in the same poverty as their parents. This has led to frustration, which sometimes manifests in protests (e.g., Fees Must Fall for free education, which was essentially about poverty and exclusion). Engaging youth in dialogue and giving them visible hope (like success stories of peers who succeeded via certain programmes) is critical to maintain social stability and encourage constructive participation rather than despair or destructive action.
- **Xenophobia and scapegoating:** Public perceptions can also be misguided or manipulated to blame certain groups. In South Africa, there have been episodes of xenophobic violence, often in poor areas, fueled by a perception that foreign nationals “steal jobs” or “drive crime”. While evidence doesn't support foreigners as a major cause of native unemployment, these perceptions arise in a context of scarcity and frustration. Government and civil society have to actively counter misinformation and scapegoating, otherwise, poverty-fueled anger can be misdirected towards vulnerable groups instead of addressing structural issues. Social cohesion programmes, community dialogues and factual campaigns (like showing the benefits of migrant entrepreneurs) are important in this regard.
- **Trust in the NDA and similar institutions:** Since the NDA is both an implementer and funder of development, public awareness and trust in it influence its effectiveness. Currently, NDA might not be a household name in communities (compared to, say, SASSA, which everyone knows for grants). Increasing the NDA's visibility through community outreach can help more CSOs and cooperatives to seek its support, and communities to participate in its programmes. Accountability and transparency in NDA projects (publishing which projects it funds, results, etc.) will bolster confidence that funds reach intended causes, which matters to both the public and oversight bodies.

In conclusion, public perceptions are a double-edged sword: if positive and informed, they can galvanise collective action and support for poverty alleviation; if negative or misinformed, they can hinder efforts or cause social frictions. It is incumbent upon policymakers, the NDA, CSOs, and community leaders to engage continuously with communities, listening to their experiences of poverty, addressing misconceptions, and highlighting success stories that inspire hope.



RECOMMENDATIONS



Drawing on the analysis and synthesised findings presented, spanning the roles of cooperatives, CSOs, social enterprises, youth-focused strategies, and the importance of public perceptions, this section outlines key recommendations to guide policy, programming, and partnerships for poverty alleviation in South Africa. These recommendations are tailored to the National Development Agency's mandate and capabilities, while also relevant to broader stakeholders (government departments, civil society, private sector, and international partners). Each recommendation is designed to be actionable and is aligned with the National Development Plan (NDP) and the National Development Agency Act's emphasis on sustainable development and civil society engagement.

1. Strengthen and Scale Successful Community Enterprise Models (Cooperatives & Social Enterprises)

Evidence shows that well-run cooperatives and social enterprises can create jobs, raise incomes, and provide services in poor communities. However, many remain small-scale or struggle to survive. Scaling up these models can amplify their impact on poverty.

How?

- The NDA and partners should enhance training for cooperative members and social entrepreneurs on business skills, governance, and financial management. A structured mentorship programme can pair emerging co-ops/social enterprises with experienced business or cooperative leaders. For example, facilitate a “coach a co-op” initiative where retired executives or successful cooperative managers volunteer time to mentor new co-ops. The NDA's existing CSO capacity building could include a dedicated stream for cooperative governance training, aligning with the NDA Act's call to build CSO capacity.
- Work with the Department of Small Business Development (DSBD) and funding bodies to design financial products suited for co-ops and social enterprises. This could include low-interest loan funds or guarantee schemes for cooperatives, as well as micro-grants for equipment. The success of Maamahlale Cooperative after receiving equipment highlights how critical assets are. The Cooperative Incentive Scheme should be expanded and simplified (many small co-ops find the application onerous). NDA can assist by helping co-ops develop business plans and navigate funding channels, effectively acting as a conduit and advisor.
- Advocate for and implement preferential procurement policies that allow the government (and corporations) to buy from community-based enterprises. For instance, the school nutrition programme can source produce from agricultural co-ops, and hospitals can source linens or uniforms from sewing cooperatives. Setting concrete procurement targets for departments (e.g., X% of goods by value from co-ops/SMEs) will create stable demand. The NDA can broker agreements: e.g., NDA-supported co-ops get in government supplier databases and are coached to meet requirements.
- **Incubation Hubs:** Establish or support Social Enterprise & Cooperative Hubs in each province. These hubs (possibly housed at TVET colleges or municipality facilities) would provide co-working space, internet, advisory services and shared equipment (like processing facilities) to local co-ops and social entrepreneurs. By clustering resources, costs are reduced and peer learning is encouraged. A pilot hub could be tried in a high-poverty district (for example, in OR Tambo DM, EC) where multiple co-ops can benefit.

- Push for the finalisation of the Social Economy Policy and amendments to the Cooperatives Act that introduce more enabling conditions. One recommendation is to legally allow hybrid NPO-business models (like a “social enterprise registration”) to reduce regulatory uncertainty. Also, ensure cooperatives can more easily convert or create secondary co-ops to achieve scale and shared services.

2. Boost Civil Society Organisations (CSOs) as Key Delivery Partners in Poverty Alleviation

CSOs have reach and trust in communities and can deliver services or implement projects effectively, as seen with community health worker programmes and education initiatives. Strengthening CSOs aligns with the NDA’s primary mandate and leverages an existing network of committed actors.

How?

- The NDA should increase the volume and duration of grants to grassroots CSOs. Instead of one-year micro-grants, consider multi-year funding for well-performing organisations to allow them stability (for example, a 3-year funding commitment with annual reviews). Engage National Treasury and donors to raise additional funds for NDA’s grant facility, perhaps positioning it as a “National Poverty Alleviation Fund” that others (corporates, international donors) can contribute to, managed transparently by NDA. The NDA’s reach to 153 CSOs in 2019/20 is a good base, but could be doubled with more resources.
- Use capacity assessments to identify weaknesses in CSOs (governance, M&E, etc.) and provide targeted training or mentorship. NDA can collaborate with academic institutions to develop a certified training for NPO management, which NDA-funded CSOs attend. Additionally, facilitate peer learning by creating platforms where CSOs share best practices (e.g., a national CSO summit or provincial forums under NDA’s umbrella).
- Many CSOs complement government work, but coordination can be patchy. Establish regular liaison forums at the provincial and district levels between CSOs and government departments (health, social development, etc.). For example, a district forum where NGOs working on food security coordinate with SASSA and Agriculture officials to align food parcel distributions with community garden projects. This can reduce duplication and ensure comprehensive coverage. NDA’s provincial offices could champion these forums, effectively operationalising the NDA Act’s aim to promote dialogue between civil society and the state.
- NDA can assist CSOs in developing simple outcome indicators (like the number of people lifted out of hunger, improvement in school grades due to an education programme, etc.). By publishing these outcomes, it builds public and stakeholder confidence in investing in CSOs. Also, encourage CSOs to involve communities in monitoring (e.g., beneficiary feedback surveys), which improves accountability and responsiveness.
- Not all CSO contributions are tangible services; some achieve impact by advocating for policy changes (e.g., social grant increases, housing rights enforcement). Recognise and fund some CSOs for their advocacy work, as it indirectly alleviates poverty by pushing systemic improvements. The NDA, within its research and policy dialogue function, can convene policy dialogues where advocacy CSOs present community experiences to policymakers, thus directly linking grassroots voices to policy formulation (for example, a dialogue on grant adequacy might include Black Sash and beneficiary testimonies informing DSD policy).



3. Tackle Youth Poverty & Unemployment with a Multi-pronged “Youth Opportunity Guarantee”

Youth are the most affected by unemployment and at risk of long-term poverty. Without special focus, the demographic dividend turns into a liability. The concept of a “Youth Opportunity Guarantee” is to ensure every young person gets either further education, training, or a work opportunity within a certain period after leaving school, so none are left idle.

How?

- Scale up programmes like the Basic Education Employment Initiative (school assistant programme) and similar public employment for youth. Institutionalise that every matriculant who does not proceed to higher education gets an offer to do a year of service, either as a teacher’s aide, community health aide, municipal infrastructure aide, etc., with a stipend. This can be under the umbrella of the National Youth Service. It provides income, experience, and a contribution to communities. The cost can be managed by integrating it into existing budgets (education, health, municipalities) as part of their staffing norms, rather than entirely new funding. For example, make it policy that schools have a certain number of assistant posts per student, funded by DBE, thus normalising these roles.
- Enhance TVET and skills programmes by involving industry more closely. Set up “Centres of Specialisation” in TVET colleges for trades where there are shortages (electricians, plumbers, digital technicians, etc.), and ensure youth in poor areas are recruited and supported (via scholarships, stipends while training). Also, expand micro-enterprise support, e.g., create youth enterprise parks in townships with subsidised workspaces, tools, and coaching for young tradespeople or creatives to start businesses. The example of Silulo (youth-run ICT services) shows that youth can succeed if given resources. Partner with the private sector to sponsor innovation challenges and incubators that focus on business ideas solving community problems – winners get seed funding (some of this already happens, but needs scaling).
- Encourage and incentivise the private sector to employ more entry-level youth. Expand the Employment Tax Incentive (ETI), which gives companies tax breaks for each young person hired, and consider increasing the value or extending the age cap to encourage hiring the 25–34 age group as well (since currently it’s mainly under 29). Simultaneously, enforce that large infrastructure projects (like new construction) employ a certain percentage of local youth labour and include training.
- Include youth representatives in local economic development forums and project steering committees for community projects. Their input can ensure projects are more youth-friendly (e.g., scheduling meeting times that don’t clash with youth activities, using communication channels youth follow, etc.). The energy and insight of youth can improve project outcomes. For instance, if setting up a community garden, involve unemployed youth in design, and they might suggest adding an internet café or sports facility adjacent, creating a more holistic community hub that also appeals to them.





4. Leverage Public Perceptions and Community Engagement for Greater Impact

Policies and projects succeed when communities understand them, trust them, and actively participate. Managing public perceptions by building trust, awareness, and shared ownership can significantly enhance the uptake and sustainability of poverty alleviation initiatives.

How?

- Adopt a participatory approach for all NDA-funded projects before finalising a cooperative or CSO project design, hold community meetings to discuss the planned intervention, invite suggestions, and identify community members' roles. When communities feel a project is "ours" and not imposed, they will be more committed. For example, if a new skills centre is to be built, involve local youth in designing the course schedule, or if a water project, involve residents in choosing sites for water tanks, etc.
- Improve communication about what anti-poverty programmes are available and their successes. Many poor citizens may not be aware of programmes (e.g., that they can approach NDA for support). Conduct outreach via local radio in vernacular languages, community newspapers, and social media to publicise opportunities (grants, training, jobs). Also, report back regularly on results, e.g., an NDA provincial office could publish a quarterly newsletter showcasing "Success Story of the Month" from a local project (as NDA has done on the website). Seeing tangible positive outcomes combats the narrative of hopelessness and dependency.
- Work very closely with community leaders and influencers to dispel myths (e.g., that social grants make people lazy, or that foreigners cause unemployment). Host community dialogues where facts are presented, for instance, showing research that most grant recipients actively seek work or use grants to support children's schooling, countering the dependency myth. Similarly, showcase how inclusive policies (like employing women and youth) benefit everyone, to prevent scapegoating. When public perceptions align with reality, support for progressive policies will be stronger.
- Frame poverty alleviation initiatives in terms of empowerment and rights, not charity. Language matters. We must talk about "partners" and "participants" rather than "beneficiaries" whenever possible. Emphasise that accepting help (like a grant or training) is exercising one's rights as a citizen, not something to be ashamed of. This framing can encourage more people to access services they need (some may currently refrain due to pride). One practical step is to integrate financial literacy and planning in grant programmes (some NGOs do "Grants for Gradings" workshops teaching recipients how to leverage development grants, not just survival), which reinforces that grants are a tool for upliftment, not a handout.
- The NDA and similar bodies should maintain high standards of accountability to build trust. This includes prompt and fair disbursement of funds, monitoring to ensure projects deliver, and dealing decisively with any misuse of funds (and communicating that action to the public). When communities see an institution as fair and effective, they engage more. Possibly create community oversight committees for NDA-funded projects – a few respected community members can be selected to observe and report on project progress, adding a layer of transparency and community validation.



5. Policy Integration and Alignment with National Goals (NDP & SDGs)

Poverty is multifaceted and requires a coordinated response. Aligning NDA and partner programmes with broader national and global targets ensures coherence and maximises collective impact. It also helps in mobilising resources (as donors often fund programmes that show clear alignment with SDGs, etc.).

How?

- The NDP's poverty and inequality reduction targets for 2030 should be explicitly integrated into the NDA's strategic plan. For instance, NDP aims to reduce the percentage of people below the LBPL to zero by 2030 (an ambitious goal). The NDA can set intermediate targets for its contributions, e.g., by 2025, NDA-funded projects should have lifted X number of people above the food poverty line, or increased the incomes of Y number of households. By quantifying and chasing these targets, NDA can more effectively demonstrate its role in NDP implementation.
- Encourage and partake in joint programmes that involve multiple departments and sectors. An example could be a "Comprehensive Rural Poverty Reduction Programme" in a pilot district that brings together land reform (DALRRD), agricultural support (DAFF), water and sanitation projects (DWRS), enterprise development (DSBD), social grants (DSD), and civil society (NDA coordinating CSOs). This holistic approach will ensure that in one area, infrastructure, economic opportunity, and social support are concurrently addressed, which is more likely to yield sustainable poverty alleviation. If the pilot succeeds (showing marked poverty drop in that district), it can be replicated.
- Use the SDG framework to guide interventions. For example, SDG1 (No Poverty) has sub-targets on implementing social protection and building resilience of the poor. NDA programs could emphasise social protection linkages (ensuring every cooperative member or CSO beneficiary accesses any grants or services they are eligible for, so nobody falls through the cracks). SDG2 (Zero Hunger) ties into promoting food security projects (community gardens, nutrition programs), NDA can prioritise CSOs focusing on hunger in line with SDG2. Document contributions to SDGs in NDA's reporting (the SDG Country Report noted areas needing improvement; NDA can specifically aim to address some, e.g., contributing to the reduction of those 13.8 million in food poverty via its projects).
- If analysis shows that NDA's current legislative mandate limits its ability to support emerging approaches (like social enterprises, which might be for-profit entities), consider advocating for amendments to the NDA Act. The Act already allows a broad role, including research and funding pass-through. Perhaps a clarification or expansion to explicitly include "social enterprises and cooperatives" as eligible for NDA grants (currently phrased as any civil society organisation) could empower NDA to widen its partnerships. This ensures the NDA remains relevant as the nature of civil society evolves.



- Enhance the NDA's research and Evaluation function to continuously monitor poverty trends (including subjective poverty) and evaluate which interventions are most effective. Partner with universities or research institutions to conduct longitudinal studies on communities where multiple interventions occur, to learn what combinations of interventions yield the best results (e.g., grants + training + infrastructure). Feed this research back into policy refinement. For instance, if evidence suggests that cash transfers combined with enterprise training lead to higher graduation from poverty than either alone, NDA could pilot a "cash-plus" approach in some projects.
- Aligning with national and global goals also makes it easier to attract resources. NDA should actively engage international partners (UN agencies, EU, etc.), highlighting how its programs contribute to SDGs; this could unlock technical assistance or funding. Similarly, private sector CSI can be guided to co-fund projects that meet both company objectives and NDP/SDG goals (for example, a bank's CSI fund might co-invest in a youth entrepreneurship program that aligns with SDG8 Decent Work and NDP economic inclusion targets).

These recommendations, taken together, form a comprehensive strategy. They reinforce each other: for instance, empowering youth naturally involves cooperatives, CSOs, and social enterprise efforts and requires managing perceptions to keep youth engaged and hopeful, all under the umbrella of national development aims. Implementing them will require coordinated effort and commitment of resources, but the payoff is a more resilient, inclusive society where far fewer people live in poverty, and those who do have strong ladders out.



CONCLUSION



South Africa's battle against poverty is at a critical juncture. The analysis in this brief has illuminated both the magnitude of the challenge, with roughly 30 million citizens still living below the upper poverty line, and the multifaceted avenues through which this challenge can be met. Key insights emerge:

- **Poverty is persistent yet not intractable:** Trends show stagnation, especially following economic shocks, but targeted interventions have made a difference at the margins. Social grants, for instance, keep millions out of extreme poverty, and improvements in basic services have reduced multidimensional poverty. The task ahead is to amplify and accelerate such impacts to achieve the national vision of dramatically lower poverty and inequality by 2030.
- **A holistic approach is essential:** Poverty is not merely a lack of income; it encompasses unemployment, inadequate education, poor health, and exclusion. Therefore, solutions must be comprehensive. We have seen that cooperatives can drive local economic development, CSOs can deliver services and empower communities, and social enterprises can innovate sustainable solutions. These, combined with strong public programmes for education, health, social protection and job creation, create a robust poverty alleviation system.
- **Youth empowerment is the game-changer:** With the majority of the poor being youth or children, breaking the cycle of poverty hinges on investments in the next generation. Education quality, skills training, and entry-level job creation for youth will yield dividends for decades to come, preventing today's vulnerable youth from becoming tomorrow's impoverished elders.
- **Public perceptions and social cohesion matter:** The thread running through our findings is the importance of dignity, inclusion, and agency. Poverty alleviation is not just a technical exercise of income transfers or projects, it's a societal project of ensuring every South African feels part of the economy and society. Combating stigma, fostering solidarity (for example, between the employed and unemployed, citizens and foreign nationals, etc.), and involving communities in decisions all strengthen the social fabric needed to support development. As the Subjective Poverty data showed, progress is not only measured in rands and cents but in how people feel about their lives and futures.

The National Development Agency, guided by its mandate from Act 108 of 1998, stands as a pivotal institution in this fight. By funding and fortifying civil society initiatives, the NDA plays a catalytic role, one that has been reaffirmed throughout this brief. From the women farmers of Limpopo whose cooperative blossomed with NDA support, to the CSOs in townships providing after-school tutoring or health care, to the emerging social entrepreneurs creating local jobs. The NDA's partners are at the coalface of change. Aligning the NDA's strategy with the National Development Plan and the Sustainable Development Goals ensures that these micro-level successes aggregate into macro-level progress.





Collaboration is the cornerstone of success. Government departments, the private sector, academia, donors, and communities themselves must form what President Mandela called a “partnership against poverty.” This brief has highlighted numerous examples of collaboration yielding results: public-private training programmes for youth, corporate–NGO partnerships delivering services, multi-departmental efforts in social protection, etc. Scaling these collaborations, while avoiding duplication and fragmentation, will maximise resource use in a time when budgets are tight and needs are vast.

It is also clear that continuous monitoring, learning, and adaptation are needed. The socio-economic landscape is dynamic, as seen with the COVID-19 pandemic’s sudden impact on poverty and the economy. Policies and programmes must be agile. The NDA’s mandate to conduct research and stimulate development dialogues is thus more critical than ever. Regularly convening stakeholders to review poverty data, evaluate what’s working, and adjust accordingly will keep the strategy effective and relevant. For example, if new data shows rising food insecurity in certain districts, it might prompt an urgent scale-up of food gardens and feeding schemes in those areas.

In conclusion, while the task is daunting, it is achievable with sustained commitment and smart approaches. South Africa has strengths to leverage, a vibrant civil society, a youthful population brimming with potential, considerable public resources already devoted to social services, and a policy framework (NDP, SDGs) that provides a clear direction. The initiatives and recommendations detailed in this brief represent a coherent, evidence-based roadmap for translating those strengths and resources into tangible poverty reduction. By implementing these with vigour and unity of purpose, South Africa can make serious strides towards a future where no person has to live in degrading poverty.

The National Development Agency and its partners are poised to guide and support this journey. As we move forward, let us keep at the forefront the human face of poverty: the child going to bed hungry, the graduate losing hope of a job, the informal worker striving to make ends meet. Every programme and policy must ultimately answer the question of how this improves the life of someone in poverty. If we stay true to that and remain steadfast in our collaborative action, the vision of a more equitable, thriving South Africa, as enshrined in the Constitution and our development plans, can be realised.

South Africa’s people have shown resilience in the face of past challenges; with inclusive development and shared determination, we will overcome the challenge of poverty as well. The time to act, and to act together, is now.



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