



South Africa's integrated approach to addressing poverty, inequality and exclusion

Dialogue Report

November 2020

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Dialogue Invite

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Acronyms

MTSF	Medium Term Strategic Framework
NDA	National Development Agency
NDP	National Development Plan
NDP	National Development Plan
NHI	National Health Insurance Policy
NSDS	National Skills Development Strategy
SAMPI	South African Multidimensional Poverty Index
SDG	Sustainable Development Goals
STATS SA	Statistics South Africa
UJ	University of Johannesburg

1. Introduction

Poverty and Inequality Dialogue was held on the 29th October in collaboration with the Centre for Social Development in Africa, University of Johannesburg. The dialogue had 65 participants in attendance. The content providers/presenters were STATS SA – the presentation was focused on towards measuring the SDG 1(End Poverty) and SDG 10 (Reduced Inequality) in South Africa, then the CSDA presented findings from the NDA study on Poverty, inequality and social exclusion in South Africa.

Despite notable gains since 1994, South Africa continues to face the challenges of high levels of poverty and inequality. Both the Constitution (1996) and the National Development Plan (NDP) (2011) established a broad mandate to address poverty, inequality and social exclusion. The project conducted by the Centre for Social Development in partnership with the National Development Agency aimed to assess the extent to which this mandate has been mainstreamed across all policy sectors. Both quantitatively and qualitatively, the study evaluates whether key social, economic, environmental and administrative laws, policies, strategies and flagship programmes adequately address poverty, inequality and social exclusion (with particular attention to gender, race disability status, and spatial dimensions).

The aims of the policy dialogue are to:

- Summarize evidence about the state of poverty, inequality and social exclusion in South Africa
- Present the study’s findings regarding the mainstreaming of poverty, inequality and social exclusion across policy documents in all sectors
- Facilitate a discussion regarding the conclusion and recommendations of the study

2. Statement on Poverty, inequality and social exclusion in South Africa

Mrs. Thamo Mzobe (National Development Agency, CEO)

Mrs. Thamo Mzobe (NDA: CEO), welcomed everyone that managed to connect and be part of the poverty and inequality policy dialogue. Mrs. Mzobe indicated that today marks the second public policy dialogue the NDA is hosting within the October month and it is the social development month. The NDA is proud

to host the dialogue and the inputs from various stakeholders are important and valuable in moving South Africa forward. To all the research partners, government, academic sector, University of Johannesburg, Centre for Social Development in Africa, and Statistics South Africa who is always with us in ensuring that we remain grounded in Statistics accuracy and reliability of information that we continue to dialogue about. The CEO further emphasised that the NDA could not have done the dialogue without the expertise of both UJ and Stats SA regarding poverty, inequality and social exclusion matters in the country.

3. Overview and Background of the Dialogue

Mr. Magongo: (NDA, Development Management & Research: Executive Manager)

Mr. Magongo welcomed everyone that who took time to attend the webinar. He indicated that for the past 8 months the country has been under siege with Covid19. He further touched on the briefing by the minister of finance to the public about the Mid-Term budget. Mr Magongo emphasised that according to him this was a message of hope for alleviating poverty in both rural and urban area. South Africans could see an increase of poverty in urban areas that has never been experienced before in years. Moreover, South Africa has been the most unequal society in the world for quite a long time because of its structural policies that we had before, and as a country, we have grappled around and have to find ways of dealing with those structural issues, that leaves the majority of the population in poverty and social exclusion. Developmental and economic exclusion has actually been an outcome that as a country we are failing to bend the poverty curve.

4. Towards Measuring SDG 1 (No Poverty) AND SDG 10 (Reduced Inequality)

Ms Nozipho Shabalala – (Chief Director: Poverty and Inequality Statistics, STATS SA)

The presentation was on Poverty and Inequality in South Africa. The main objective of the presentation highlighted the statistics of poverty and inequality in the country over the years. The role of the National Statistics office is to major outcomes as opposed to inputs and process that are related those inputs and outputs. The Statistics South Africa mainly focuses on conductive surveys, censuses and sometimes utilize administrative records. In terms of policy decision, planning, monitoring, evaluations, and these are the

roles of other government departments. A brief background on governments efforts towards poverty reductions were outlined, poverty measures applied at Stats SA, poverty levels and inequality levels. Government has taken significant interventions towards poverty and inequality reduction. The presentation indicated that more than 17 million social grants are issued on monthly basis, about 76, 2 % of pupil in South Africa benefit from school, feeding schemes, more than 20 000 schools have been declared as no schools and about 4.3 million RDP houses as well as subsidies have been delivered to the public since 1994. However, social grants remain a significant source of income for South African households, particularly in rural areas. An increase of access to social grants has resulted to vulnerability to hunger at an individual and household level to decline overtime.

Pertaining to poverty measures, poverty is a complex issue that manifests itself in economic, social and political ways. Statistics SA applies and measures poverty in various ways and in these contexts the following are the ways identified:

- Money-metric (lack of income)
- Multidimensional poverty (lack of basic services, education, etc.)
- Subjective poverty (self-perceived)
- Inequality (Gini coefficient, share expenditure, etc.)

The poorest three provinces in the country have constantly been Limpopo, Eastern Cape and Kwa-Zulu Natal. When looking at poverty by gender, females remain more disadvantaged than males recording high headcount.

The South African Multidimensional Poverty Index (SAMPI) provides a more holistic view of poverty. SAMPI is an international measure for acute poverty. SAMPI has been developed by Alkire-Foster and countries before the year 2015 were advocating for this measure to be used for Sustainable Development Goals (SDG) reporting. South Africa has adopted the methodology and customized the measure to suit the South African context. The indicators and the dimensions that are included in the South African Multidimensional Poverty Index are those that are talking to the South African context as opposed to

taking the global Multidimensional Poverty Index (MPI) as it is and not adjusting the indicators and the dimensions for South Africa. The approval of SAMPI was informed by stakeholder engagement, Stats SA had various engagements with different government departments and identified relevant indicators and dimensions. The four dimensions SAMPI are:

- Health
- Education
- Living standards
- Economic activity

The National Development Plan (NDP) indicators are also linked to the Sustainable Development Goals. The National Development Plan seeks to tackle poverty and inequality. The NDP indicators that are linked to the Sustainable Development Goals are as follows:

- Reducing the proportion of people living below the lower-bound poverty line
- Reduce income inequality
- Increase the share of income going to bottom 40 percent of household
- Reduced poverty-induced hunger

By analyzing inequality in South Africa, Black Africans are the most unequal population group, followed by coloured, Indians and Whites are the least unequal population group. On the other hand, Statistics South Africa indicated that almost half of Black African-Headed households fell within fall within the lowest expenditure per capita. However, in terms of reducing the proportion of person living below lower-bound poverty line South Africa has not yield any positive results. Furthermore, the country is still struggling to reduce poverty-induced hunger since the finding indicate that the percentage of poverty-induced hunger is increasing rather than declining. In the final analysis the finding on reduced income inequality have indicated that the country has been progressive although the results have yielded a slight progression.

5. Poverty, Inequality and Social Exclusion in South Africa: A systematic assessment of key policies, strategies and flagship programmes

Prof. Sophie Plagerson and Senzelwe Mthembu – CSDA

The presentation on the “poverty, inequality and Social Exclusion in South Africa: A systematic assessment of key policies, strategies and flagship programmes” research study covered the findings of the study and the key recommendations stemming from the study.

5.1. Aims, purpose and objectives of the study

The NDA commissioned the CSDA to conduct a research study on poverty, inequality and social exclusion in South Africa. The core focus of the study was to outline how poverty and inequality are integrated into the country’s policies, strategies and flagship programmes. To this effect, the main aims were to:

- Summarise evidence about poverty, inequality and social exclusion (with particular attention to gender, race, disability status and spatial dimensions) in South Africa
- Assess whether poverty, inequality and social exclusion are mainstreamed across laws, policies, strategies and flagship programmes in different sectors of the economy

The first aim of the study mainly draws on disaggregated data around poverty, inequality and social exclusion in South Africa and summarises the evidence from various sources. Previous engagements of dialogue (Presentation by Nozipho) already deliberated on this aspect, and as a result, the presentation by the CSDA team solely focused on the second aim of the study, as stated above. Drawing from the NDP as an overarching mandate, the study assessed whether the laws, policies, strategies and flagship programmes in different sectors of the economy and public policy have taken on board the issues of poverty, inequality and social exclusion, with a particular focus on gender race, disability status and spatial dimensions as well as youth not in education and employment or training. The intention was to assess whether different

sectors of public policy have taken this on board and to identify how issues of poverty, inequality and social exclusion are mainstreamed into different policies and programmes.

5.2. Methodology and Methods

The study conducted a systematic review of legal, legislative, policy and strategic documents across the span of the South African policy space. The Medium Term Strategic Framework (MTSF) outcomes were utilized as a guideline from which documents and reports were grouped and classified under the following thematic areas: education, health, safety and security, economic growth and employment, Skills, infrastructure, rural development, human settlement, local government, environment, public services, social protection as well as nation-building and social cohesion. The study adopted a mixed-method approach where both qualitative and quantitative data components were collected. There is an acknowledgement that the review is not comprehensive, as it did not cover all the policies and documents with the South African policy space; however, it was systematic. The South African Year Book and departmental annual reports were used to identify key documents. About 525 legislative, legal, strategic and policy documents were reviewed as part of the study. For each document, lists of keywords (poverty, inequality, gender, social exclusion etc) were developed, and the frequency of references to these words was counted and documented. The review also identified whether the recognition of poverty, inequality and social exclusion is high, medium or low in each of the various sectors of the economy. Differentiations were made between legal, legislative, strategic and policy documents and the study particularly identified whether the publication date was before or after 2011. This was to understand and locate whether the production of the documents was in any way influenced by the National Development Plan (NDP). Furthermore, contextual and strategic relevance were utilized as the base and reference from which the documents were analysed. This considered whether each of the legal, legislative, strategic and policy documents were context or strategic specific or context or strategic generic in terms of their references to poverty, inequality, gender and social exclusion.

5.3. Quantitative Study Findings

The quantitative findings of the study are as follows: South Africa has many excellent data sources and systems that provide publicly accessible and disaggregated data on poverty, inequality and social exclusion. Such systems include the various data collection systems offered by Statistics South Africa (StatsSA) and the World Bank amongst others. Literature and studies confirm that in periods of worsening

conditions, the gaps between groups and the disadvantaged groups tend to widen. One such study conducted recently is the Corona Virus Record Mobile Study (CRAM study) which highlights that there were notable spikes in poverty, and hunger rates during the beginning of the Lockdown, particularly in the rural areas of the country. Most significantly, women were highly affected by the loss of jobs and economic opportunities during this period. This highlights intersectional inequality where in cases of worsening conditions, the poor, female rural, unskilled and less educated experience the largest declines in unemployment.

Many documents across the span of public policy and beyond the social sector do recognize poverty, inequality and social exclusion. There is a varying range in the number of references on average from documents that recognize poverty, inequality and social exclusion, the highest average, however, was noted in the social protection sector, with poverty being reference 58 times, inequality 70 times and social exclusion 116 times. However, when considering the consistency and the number of references, the local government, safety and security as well as economic growth documents showed the highest levels of recognition of poverty, inequality and social exclusion.

One of the significant findings of the study is that legislative and legal documents have a much lower reference to poverty, inequality and social exclusion as compared to policy and strategic documents. Gender and spatial disparities references are common but not systematic. On the other hand, references to racial inequality, youth and disabilities are inconsistent across the span of all sectors and public policy. Disability references were mainly found within documents in specific sectors like health and education; however, there were sector variations also noted in terms of documents reported or published before and after 2011, (The full report provides more information on this).

5.4. Qualitative Study Findings

Different policy and strategic documents engage issues of poverty, inequality and social exclusion in many varying ways. The NDP provides a guiding role, and this is particularly noted in more of the recent documents. It should be noted that quality and quantity are imperative; quantity in terms of the number of references to poverty, inequality and social exclusion does not necessarily translate to quality. Some of

the references are superficial, where there are references to poverty and inequality, but lacking reference to context or meaningful engagement and alignment in relation to specific sectors. An example is the health sector, albeit, there was a quite relatively low number of references to poverty, inequality and social exclusion, there were meaningful engagements and ample examples on how the variables relate to the sector as well as the implications of all these variable to the health sector.

There were also many ways noted in which various documents engaged with the vulnerable, excluded or disadvantaged groups and this included targeting, mainstreaming and various mechanisms of intervention through different pockets of policies, which together provides a holistic, systematic approach. The review also explored how various documents understand issues relating to poverty, inequality and social exclusion and develop or find appropriate solutions. For example, the NDP provide a broad guideline with sectoral mandates, and the MTSF creates a common planning and monitoring framework. Nevertheless, references to the NDP are not sufficient to ensure that social, environment, administrative and legislative documents adequate engage with poverty, inequality and social exclusion issues to create a clear path and platform for action.

There are further examples that can be added together towards the provision of a holistic and systematic approach to dealing with issues of poverty, inequality and social exclusion in South Africa. Statement of values and underpinnings from various Acts and strategic documents are key examples in this regard. Such, amongst others, include:

- Intergovernmental Relations Framework Act, 2005
- Agricultural Policy Action Plan, 2015
- National Environmental Management Air Quality Act 39, 2004
- Breast Cancer Prevention and Control Policy, 2019
- White Paper on Energy
- National Emergency Care Education and Training Policy, 2017

Also, in terms of findings solutions, there is an array of strategic documents which provide actions plans or strategic intervention towards dealing with issues of poverty, inequality and social exclusion in the country. Amongst others, these include:

- Department of Social Development Strategic Plan 2020 – Provision of Grants to improve household income for the poor
- The National Health Insurance Policy (NHI) 2017 – Financing universal health care in the country
- White Paper on Energy Policy 1998 – Provision of household infrastructure
- National Skills Development Strategy (NSDS) – Access to skills by women

The question that remains is how all these strategies, documents can and frameworks be to develop comprehensive approaches to mainstreaming issues of poverty, inequality and social exclusion into policy spaces. One feature noted which characterizes meaningful engagement is the willingness of policy to engage with trade-offs and the complexities of addressing issues of poverty from that specific sector. An example in this regard is how policies and laws are engaging towards addressing issues of poverty and balancing poverty reduction with economic growth or environmental concerns with the short and long-term needs of the poor communities. The willingness to engage with the messiness within the policy space and documents is a real marker of various sectors taking custodianship of their mandates. Furthermore, there is to a certain extent some recognition that participation and consultations are key to translating policy into practice. This is one of many examples of increasing representation and was noted across various documents.

As part of the systematic review, an analysis was made into the strategic use of flagship programmes and the aim was to look at how the flagship programmes link to the overarching goals of the NDP. There is a wide variation of examples in terms of size, scale, duration, geographical scope, funding, and targeted beneficiaries. There is also a number of tangible linkages of programmes and programmes components and objectives to the NDP goals of poverty and inequality reduction. However, there needs to more consistency and a holistic attention to vulnerable groups within programmes, especially women with disabilities and how they are affected by various programmes.

Another key theme stemming from the study is that of targets and monitoring. The systematic review looked at how poverty and inequality reduction targets are integrated, mainstreamed and monitored within programmes and sectoral reports that formed part of the study. Various sectors (Sectoral MTSF documents) rely on the NDP to justify various targets. There is a need for greater ownership of pathways to poverty and inequality reduction and less reliance on the NDP. There is also a further need for consistency in terms of specific references to vulnerable groups and the use of baseline data in target setting.

5.5. Lessons Learned from the Study

Some of the lessons learned from the study are:

- Statement of values matters
- Situational analysis within policy documents are key
- It is imperative to develop strategic response as part of action plans
- Detailed consideration of trade-offs is necessary
- There need to be a holistic approach to making policy for vulnerable groups
- Participatory processes and consultations are important to translating policy into practice
- Targeting using baseline data is key.

5.6. Study Conclusions and Recommendations

The study came up with the following key recommendations:

- **Reviewing the continuum of the legislation to policy and strategy** - if recognition of poverty and inequality is limited with the policy and strategic documents, there may be challenges with compliance and enforcement.
- **Greater ownership within sectors of pathways to poverty and inequality reduction** - The study argues that it is essential that each policy-making institution across social, economic, environmental and administrative sectors takes custodianship of the national mandate, not simply relying on the NDP to identify and address sectoral linkages with poverty, inequality and social

exclusion, but seeking to go beyond it by applying both sectoral expertise and social developmental evidence, to identify specific pathways to poverty reduction.

- **Development of a toolkit for a systematic approach to mainstreaming poverty, inequality and social exclusion policy** - using good practice that emerges from the various spheres.
- **Target setting – using baseline data.** It is recommended that in a future compilation of MTSF documents, a set of guidelines for target-setting is established which can move towards greater consistency and harmonization of targets in the overall vision, in the selection of Sub-Outcomes, in the Indicators under each sub-Outcome and in the Impact Indicators.

5.7. Reflections on the Study

This considers how the findings can be used beyond the dissemination of results and to this extent, the following questions are developed to guide reflections on the study and discussions going forward:

- How can our engagement with poverty and inequality be more meaningful?
- How do we see each department's role and contribution to the broad societal issues of poverty, inequality and social exclusion?
- How can we be more systematic in the way we make reference to social exclusion by gender, race and disability?
- Are there any lessons which emerged from the study that can reduce the gap between the ideas of policy and the sustained high levels of poverty we experience?
- What lessons can be learned from the COVID-19 pandemic and our responses?
- What would a toolkit to support a more systematic approach to mainstreaming poverty, inequality, and social exclusion within public policy look like?

6. Questions, comments and answers

Theme/ Area	Question or Comment	Response
Departmental collaboration	Homelessness and poverty reduction is a multifaceted dilemma, there needs to be more concerted efforts and collaboration between various departments in addressing issues of poverty. Currently government departments are operating in silos and we need to move away from the silos mentality if any tangible results are to be achieved	<p>There is indeed a strong relationship between poverty and homelessness. StatsSA is currently putting in place a system to adequately capture data in relation to the homeless people and poverty.</p> <p>There is a strong call for strengthening the coordination of different Government departments in addressing poverty related issues.</p>
Use of data and indicators	What kind of indicators do we need at departmental levels and what are the possibilities of developing such indicators at departmental levels to track progress towards poverty and inequality reduction?	StatsSA utilizes the stats value chain in developing indicators. Firstly there has to be an investigation of the needs for such indicators and whether those are not already covered in existing indicators. If they are not covered, new data collection components get developed through consultations with relevant stakeholders. Categories to collect data for those new indicators gets incorporated into existing surveys. The last option we can resort to is the paid user system. StatsSA develops indicators for various users and purposes and these are paid for

		<p>Within the MTSF documents there are an indication of indicators linked to poverty that can be tracked under various outcome (outcome 4 – household income of the poor, outcome 8- giving priority to lower income households). This gives a good example of how poverty indicators are embedded in policy areas and various sectors. However, there is a need for specificity and for indicators to be translated at each level that is being tracked for the pathways to be evident.</p>
	<p>Are the statistics produced in the 2011 and 2016 survey still relevant to inform intervention strategies for poverty reduction for one of the poorest wards, Engcobo in Eastern Cape?</p>	<p>This is a challenge, the last survey which highlights levels of poverty was conducted in 2016. Therefore it cannot be confirmed that the data is still relevant, as there might have been changes. The only way to confirm if the situation in Engcobo has changed is to conduct another survey and this can only be done in 2021</p>
<p>Drivers of poverty</p>	<p>Clarification question: Income inequality is not mentioned as one of the drivers of poverty, are we saying it is not a driver of poverty? It would be incorrect to highlight that income inequality is not a driver of poverty</p>	<p>Drivers of poverty, as based on the poverty multi-dimensional index, only looks at similar indicators. However, it does not rule out income inequality in any way as it is a measure of poverty (an income measure of poverty). There is a report that I would refer you to: “The inequality trends report 2019” which highlights wage income as a main measure of inequality.</p>

Structural financial arrangements	Are structural financial arrangements well suited to address poverty, particularly given that the budgets are not necessarily sitting at the national level yet policies / strategies are allocated at that level	One of the limitations of the study is that it only focused on the national level and the local level was not covered and this can be a point of further research.
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7. Closing Remarks & Vote of Thanks

Mr Thami Ngwenya (Senior Manager: Research – NDA)

On behalf of the NDA and the research unit (DMR), Mr Ngwenya thanked everyone for their time and participation in this webinar. He also acknowledged the hard work done by the members from the UJ and NDA towards the successful hosting of the webinar. He indicated that this type of work is only the beginning of playing the role in the policy arena, to bring issues relating to poverty, inequality, and social exclusion. Most significantly, implementation of policy, particularly at lower levels (provincial and local) remains a challenge. The NDA invites, partners and all other relevant stakeholders in the exploration of probable and results focused measures and implementation strategies to ensure research and data is used in driving ways and actions to addressing issues of poverty, inequality and social exclusion in the country.



INVITATION

Poverty, inequality and social exclusion in South Africa: a systematic assessment of key policies, strategies and flagship programmes

A dialogue forum to discuss South Africa's integrated approach to addressing poverty, inequality and exclusion

Hosted by the National Development Agency (NDA) in partnership with the Centre for Social Development in Africa (CSDA), University of Johannesburg

Despite notable gains since 1994, South Africa continues to face the challenges of high levels of poverty and inequality. Both the Constitution (1996) and the National Development Plan (NDP) (2011) established a broad mandate to address poverty, inequality and social exclusion. The project conducted by the Centre for Social Development in partnership with the National Development Agency aimed to assess the extent to which this mandate has been mainstreamed across all policy sectors. Both quantitatively and qualitatively, the study evaluates whether key social, economic, environmental and administrative laws, policies, strategies and flagship programmes adequately address poverty, inequality and social exclusion (with particular attention to gender, race disability status, and spatial dimensions).

The aims of the policy dialogue are to:

- summarise evidence about the state of poverty, inequality and social exclusion in South Africa
- present the study's findings regarding the mainstreaming of poverty, inequality and social exclusion across policy documents in all sectors
- facilitate a discussion regarding the conclusion and recommendations of the study

Please join us for this public policy dialogue

event: DATE: Thursday, 29 October

TIME: 11:00 - 13:00

ONLINE VENUE: Zoom (<https://zoom.us/j/93183185610>)

RSVP and ENQUIRES: Nthabiseng Kraai (nthabisengk@nda.org.za)



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA



NDA
National
Development
Agency



sassa
SOUTH AFRICAN SOCIAL SECURITY AGENCY

CSDA
CENTRE FOR
SOCIAL DEVELOPMENT
IN AFRICA



UNIVERSITY
OF
JOHANNESBURG



POVERTY, INEQUALITY AND SOCIAL EXCLUSION DIALOGUE – 29 OCTOBER 2020

MODERATOR: Prof. Lauren Graham

10:45-10:55	Online log-in	All
11:00-11:10	Welcome	Mrs Thamo Mzobe, CEO-NDA
11:15 -11:25	Overview and Background of the dialogue	Mr Bongani Magongo, Executive Director - Development Management and Research, NDA
11:25-11:45	Towards measuring SDG 1 (No Poverty) and SDG 10 (Reduced Inequality)	Ms Nozipho Shabalala –Chief Director Poverty and Inequality Statistics, STATS SA
11:45-12:10	Poverty, Inequality and Social Exclusion in South Africa: A systematic assessment of key policies, strategies and flagship programmes	Prof Sophie Plagerson, visiting Associate Professor, CSDA Ms Senzelwe Mthembu – Researcher, CSDA
12:15-12:45	Q&A Session	All
12:45 -12:55	Wrap-up (Reflections)	Prof Lauren Graham, Associate Professor and Director, CSDA
12:55-13:00	Vote of Thanks	Mr Thami Ngwenya, Senior Manager Research, NDA



Poverty and Inequality in South Africa



Nozipho Shabalala
29 October 2020



stats sa

Department:
Statistics South Africa
REPUBLIC OF SOUTH AFRICA



Statistical Production System

Line Departments



Input



Process

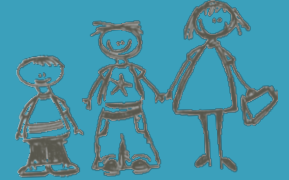
Official Statistics



Output



Outcome



Impact

Registers/Administrative records

Surveys &
Censuses

Policy
analysis

Research

Sector statistics

Stats SA



stats sa

Department:
Statistics South Africa
REPUBLIC OF SOUTH AFRICA



Overview

- Background
- Poverty measures
- Poverty levels
 - Money-metric poverty measures
 - Multidimensional poverty measures
- Inequality levels
- Summary



Government interventions towards poverty and inequality reduction

243 of South Africa's 278 municipalities had an indigent policy in 2016
Indigent (poor) households are entitled to the following:

- 6 000 litres** of free water per household per month
- 50kWh** of free electricity per household per month
- Subsidised** sewerage and sanitation services
- Subsidised** solid waste management services

Source: NFCM

About 3.6 million households are registered as indigent households of which;

- 62,8%** receive free electricity
- 67,8%** receive free piped water
- 57,6%** receive free sanitation services
- 57,6%** receive free refuse removal services

Source: NFCM



More than **17 million social grants** are issued on monthly basis to people who qualify the means test



About **4.3 million RDP houses** and subsidies have been delivered since 1994

Source: SASSA and Department of Human Settlements

About **76.2%** of pupils in South Africa are benefiting from **school feeding schemes**



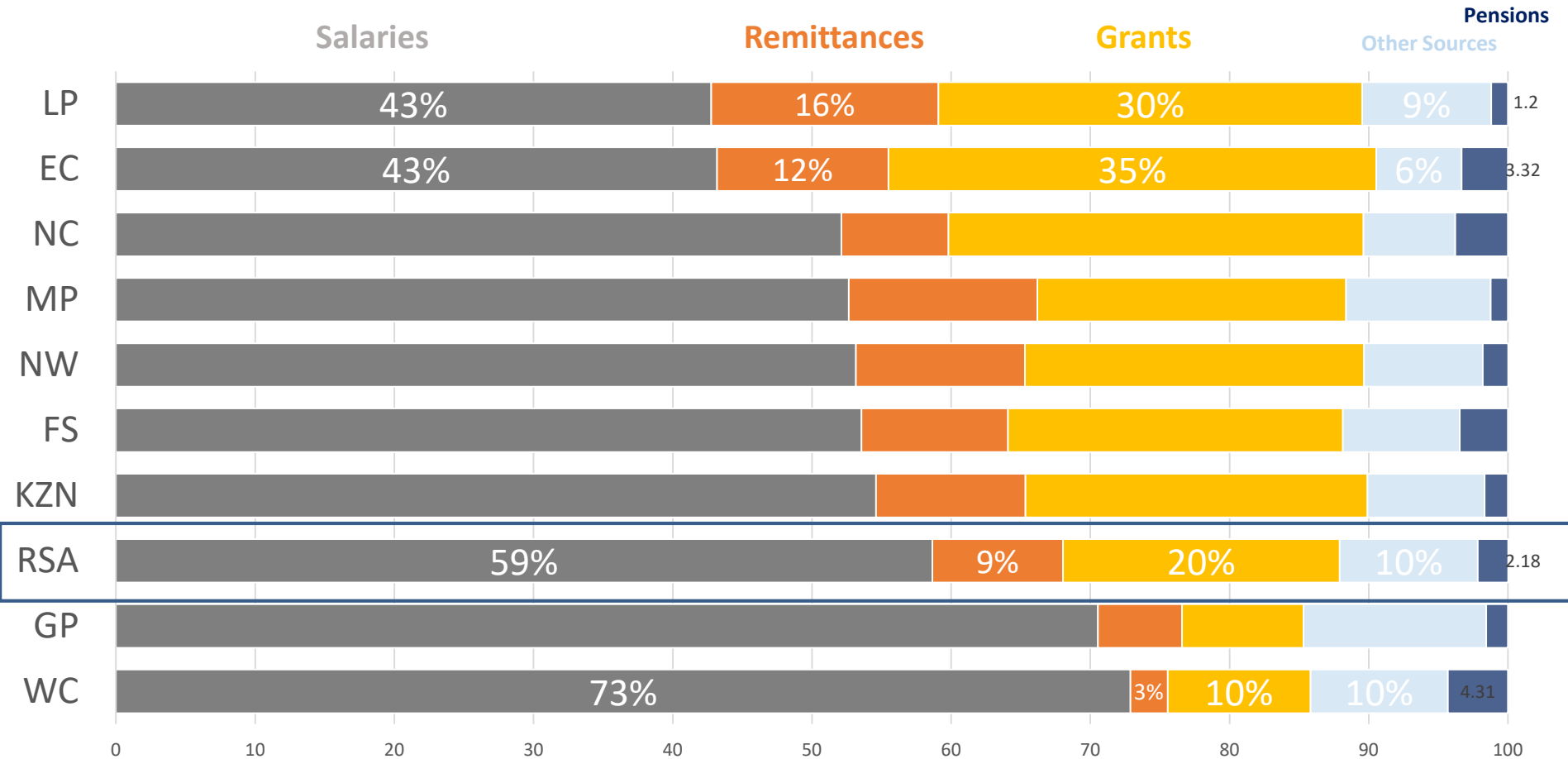
More than **20 000** schools are declared as no fee schools



Source: Department of Basic Education

Grants remain a significant source of income for SA households, particularly in rural areas

Percentage distribution of sources of household income by province, 2018



Source: GHS 2018



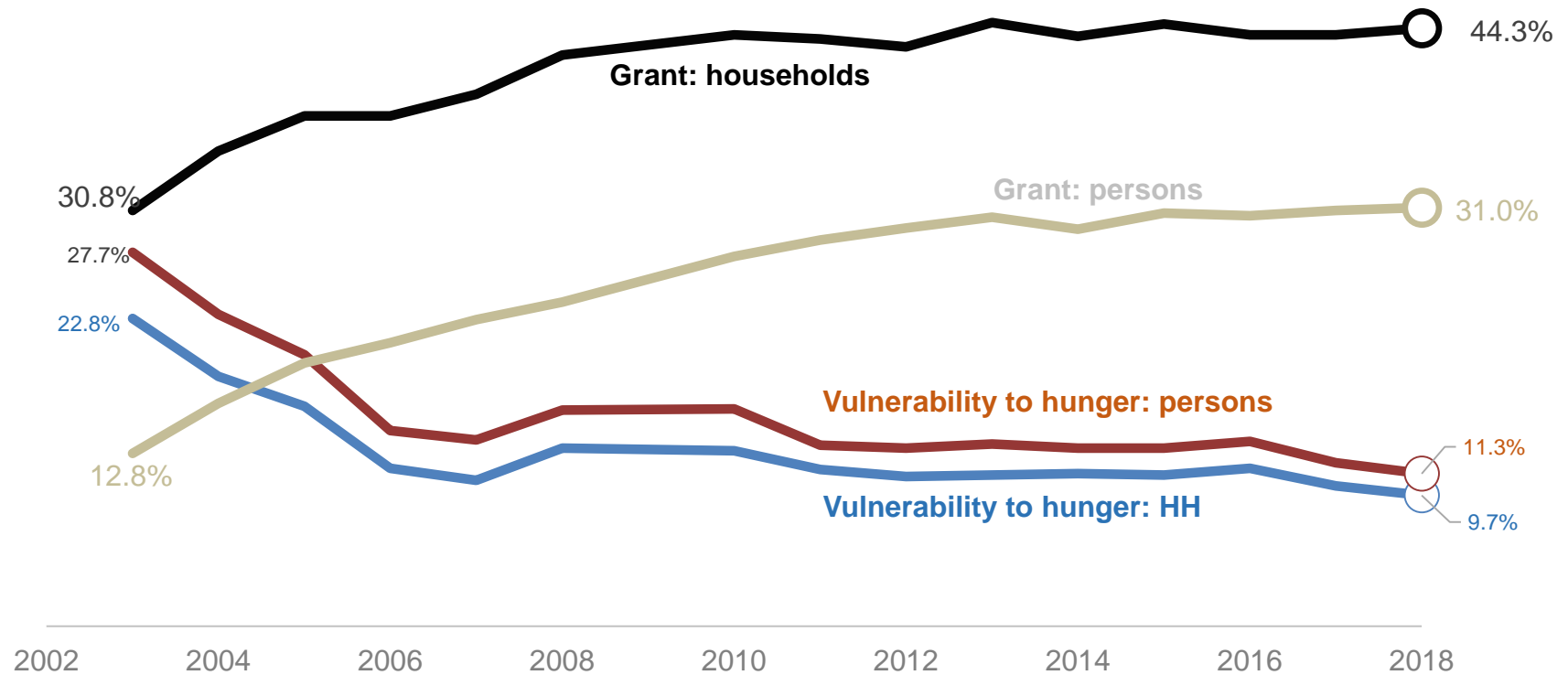
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Vulnerability to hunger at an individual and household level has been declining whilst access to grants has been increasing.

Grants and Vulnerability to hunger 2002 - 2018



Source: GHS 2018



stats sa

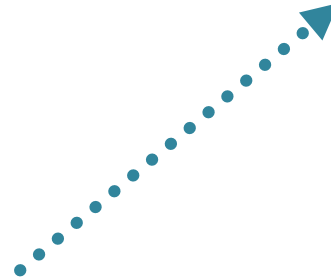
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Poverty measures



Poverty



No single definition will ever be suitable to measure all facets and dimensions of poverty



Stats SA applies and measures various definitions

Poverty is a complex issue that manifests itself in economic, social and political ways



Money-metric (lack of income)



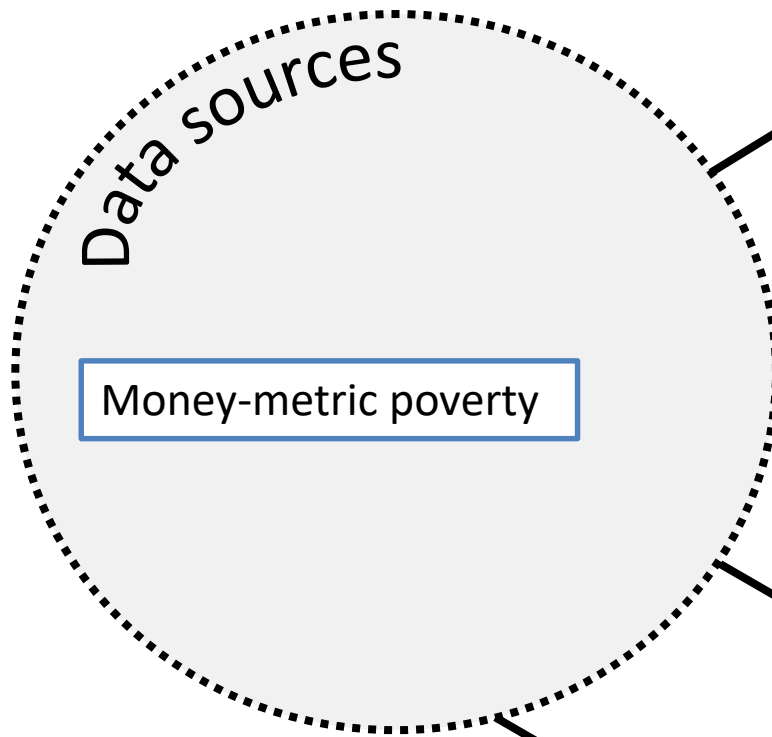
Multidimensional poverty (lack of basic services, education, etc.)



Subjective poverty (self-perceived)



Inequality (Gini coefficient, share of expenditure, etc.)



Data sources

Money-metric poverty

Income and Expenditure Survey
2005/06



Income and Expenditure Survey
2010/11

**Living Conditions Survey
2014/15**



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National Poverty Lines based on April 2020 prices

Upper-Bound Poverty Line

R1268



Threshold of relative deprivation below which people cannot afford the minimum desired lifestyle by most South Africans

Lower-Bound Poverty Line

R840



Austere threshold below which one has to choose between food and important non-food items

Food Poverty Line

R585



Threshold of absolute deprivation. The amount of money required to purchase the minimum required daily energy intake

Source: National Poverty Lines

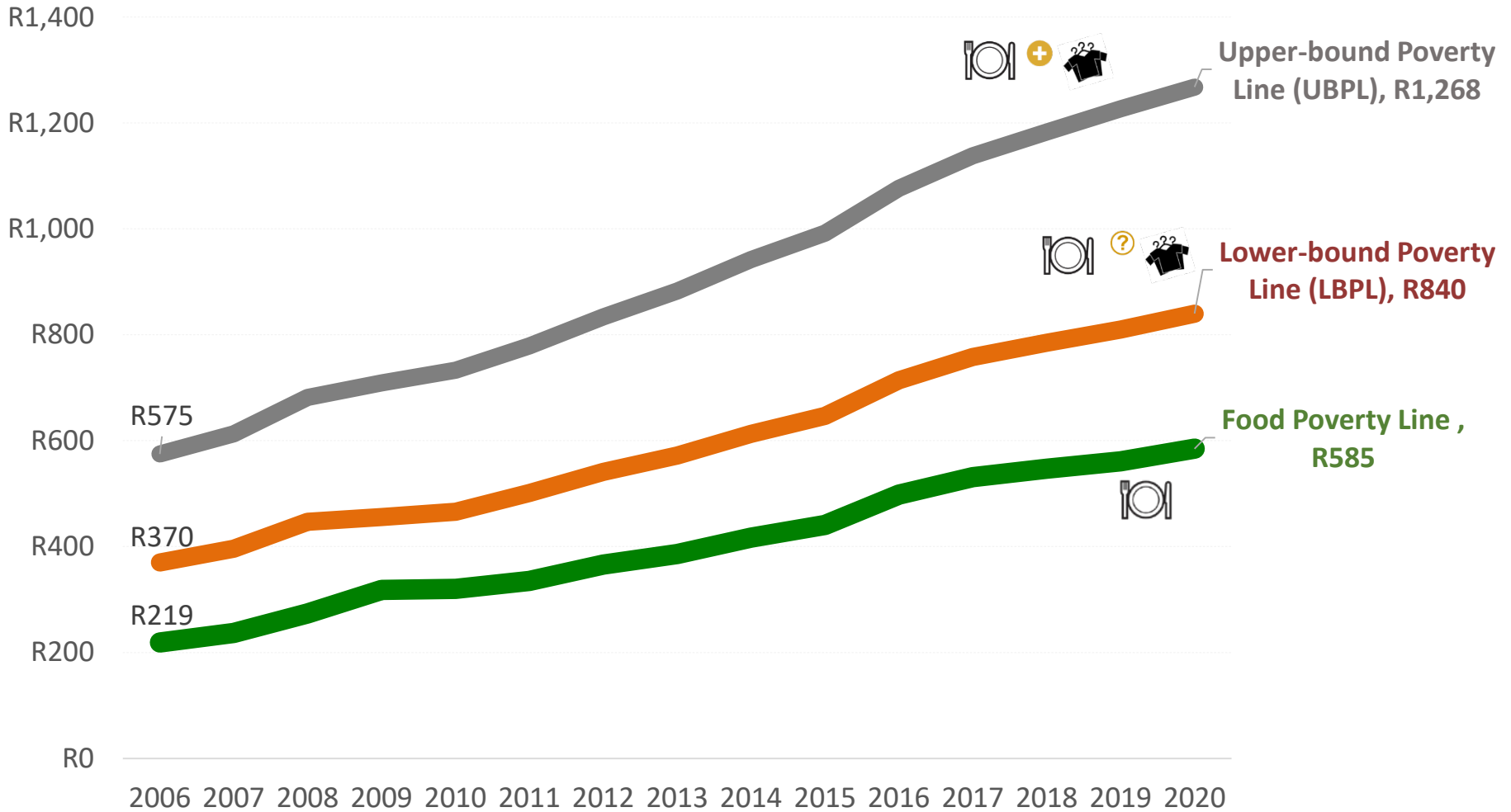


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National Poverty Line Series from 2006 to 2020



Source: National Poverty Lines



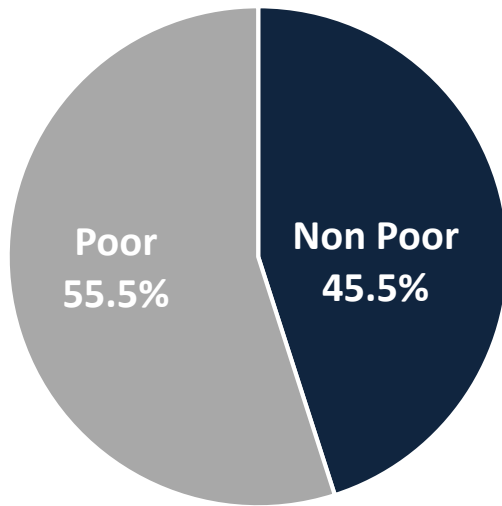
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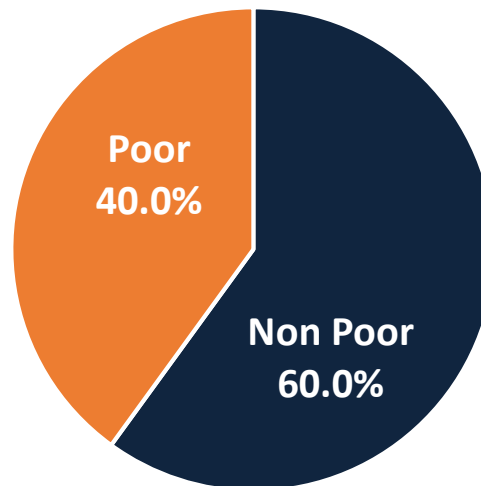
In 2015, more than **a quarter** of the population were living below the food poverty line

Money-metric Poverty headcounts in 2015



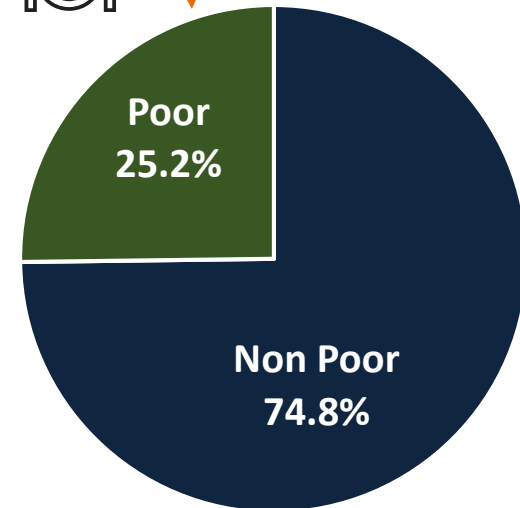
Upper-Bound Poverty Line

Provides an unambiguous threshold of relative deprivation below which people **cannot afford the minimum lifestyle desired by most South Africans**



Lower-Bound Poverty Line

Provides an austere threshold below which one has to **choose between food and important non-food items**



Food Poverty Line

Is the Rand value below which individuals are **unable to purchase or consume enough food** to supply them with minimum per-capita-per-day energy requirement for good health



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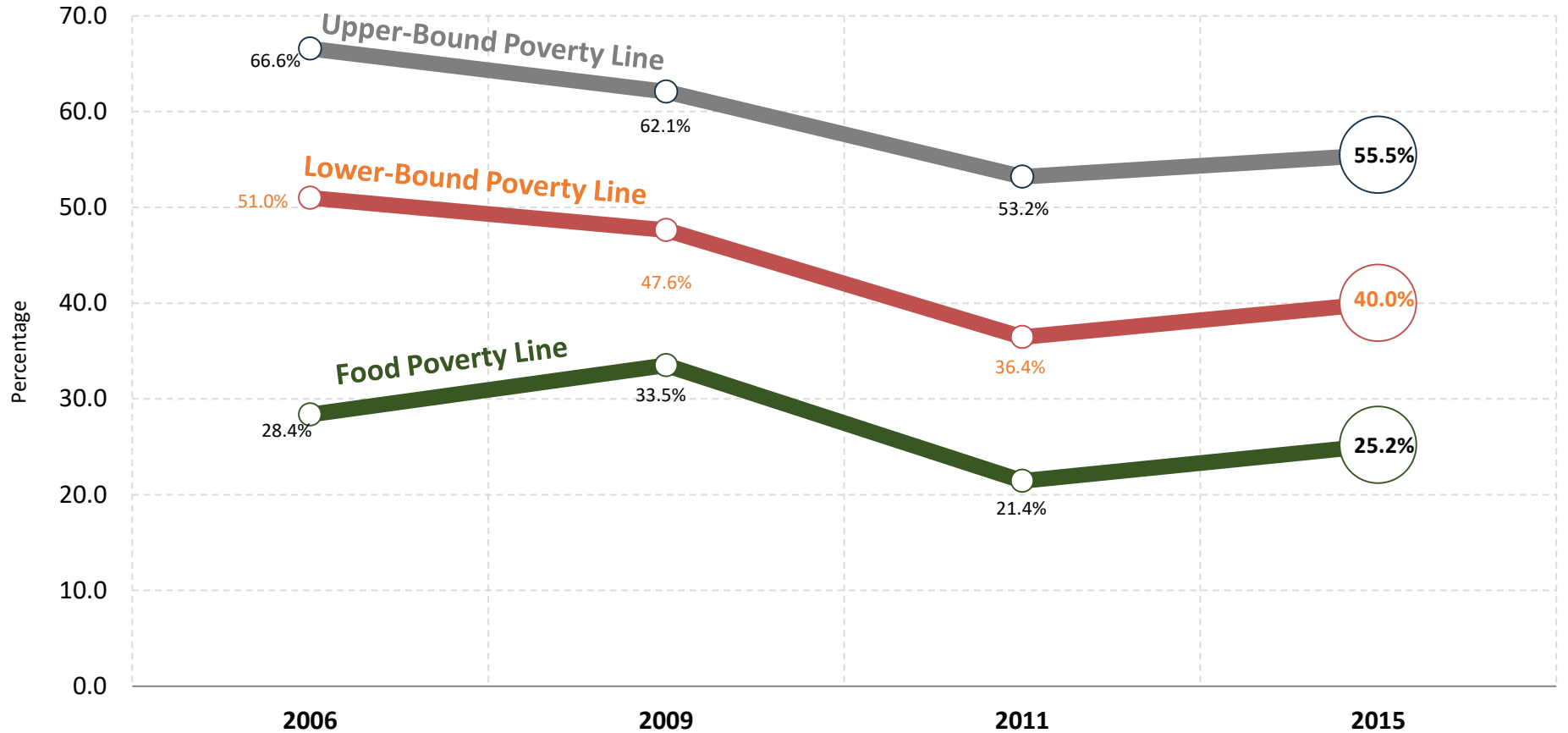
Department:
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Source: Living Conditions Survey



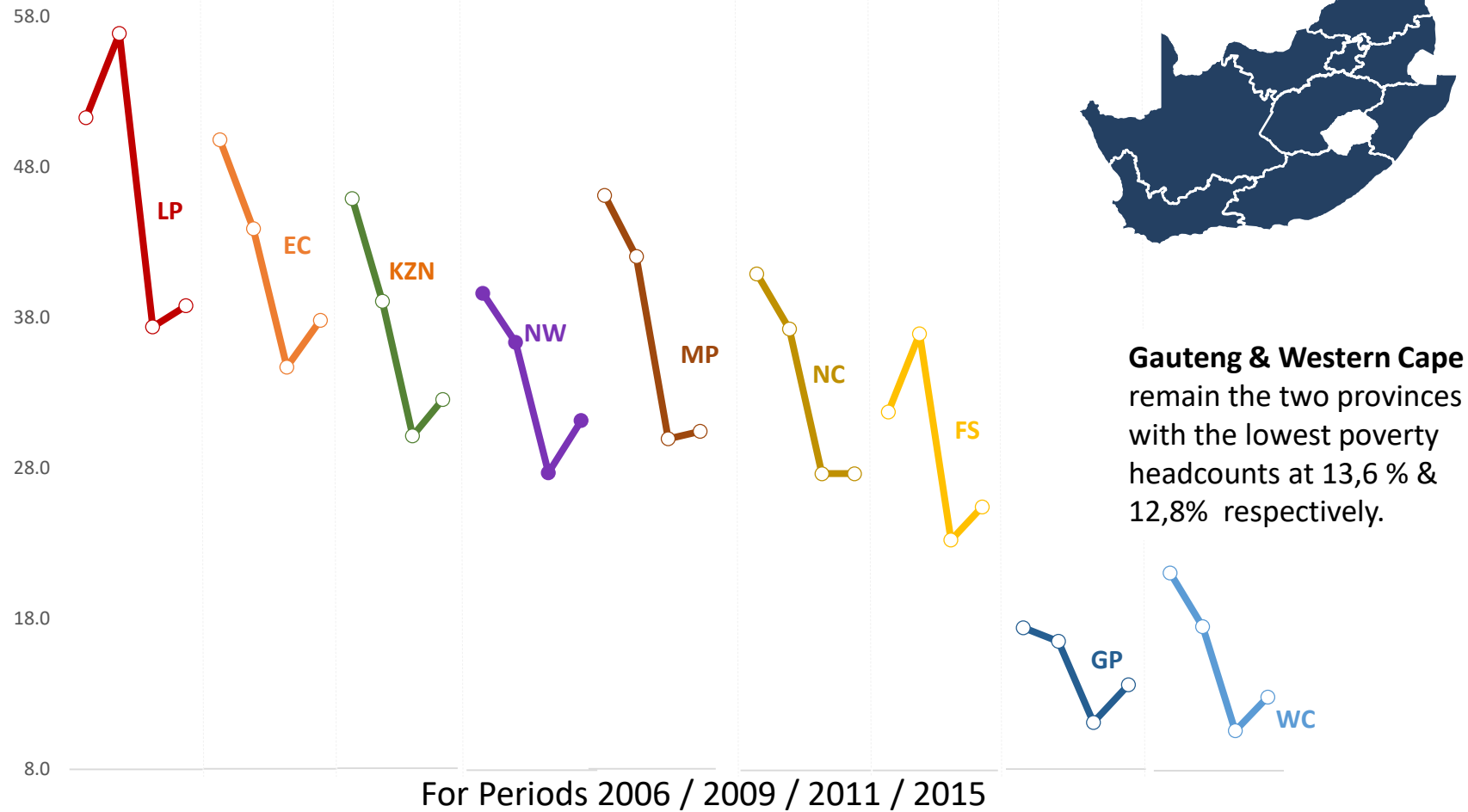
Approximately **13,8 million** South Africans were living below the FPL in 2015, down from a peak of 16,7 million in 2009.

Poverty headcounts based on the FPL, LBPL and UBPL



The poorest three provinces in the country have consistently been **Limpopo**, **Eastern Cape** & **KwaZulu-Natal**.

Poverty Measures of Households (LBPL)



Gauteng & Western Cape remain the two provinces with the lowest poverty headcounts at 13,6 % & 12,8% respectively.

Source: Poverty Trends Report

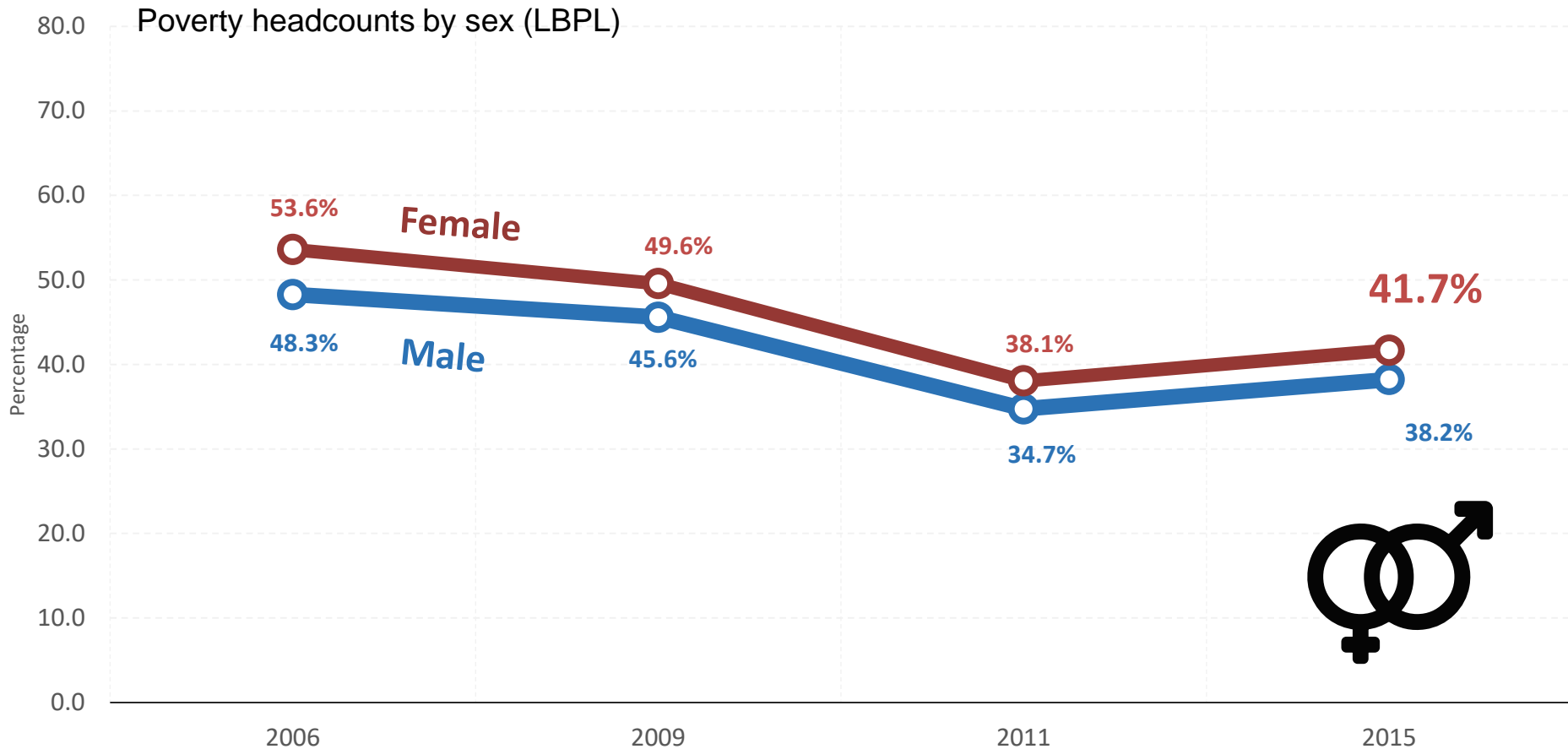


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Females remain more disadvantaged than males consistently recording a higher headcount, gap and severity measures at each point in time; however, the difference between the sexes is narrowing.



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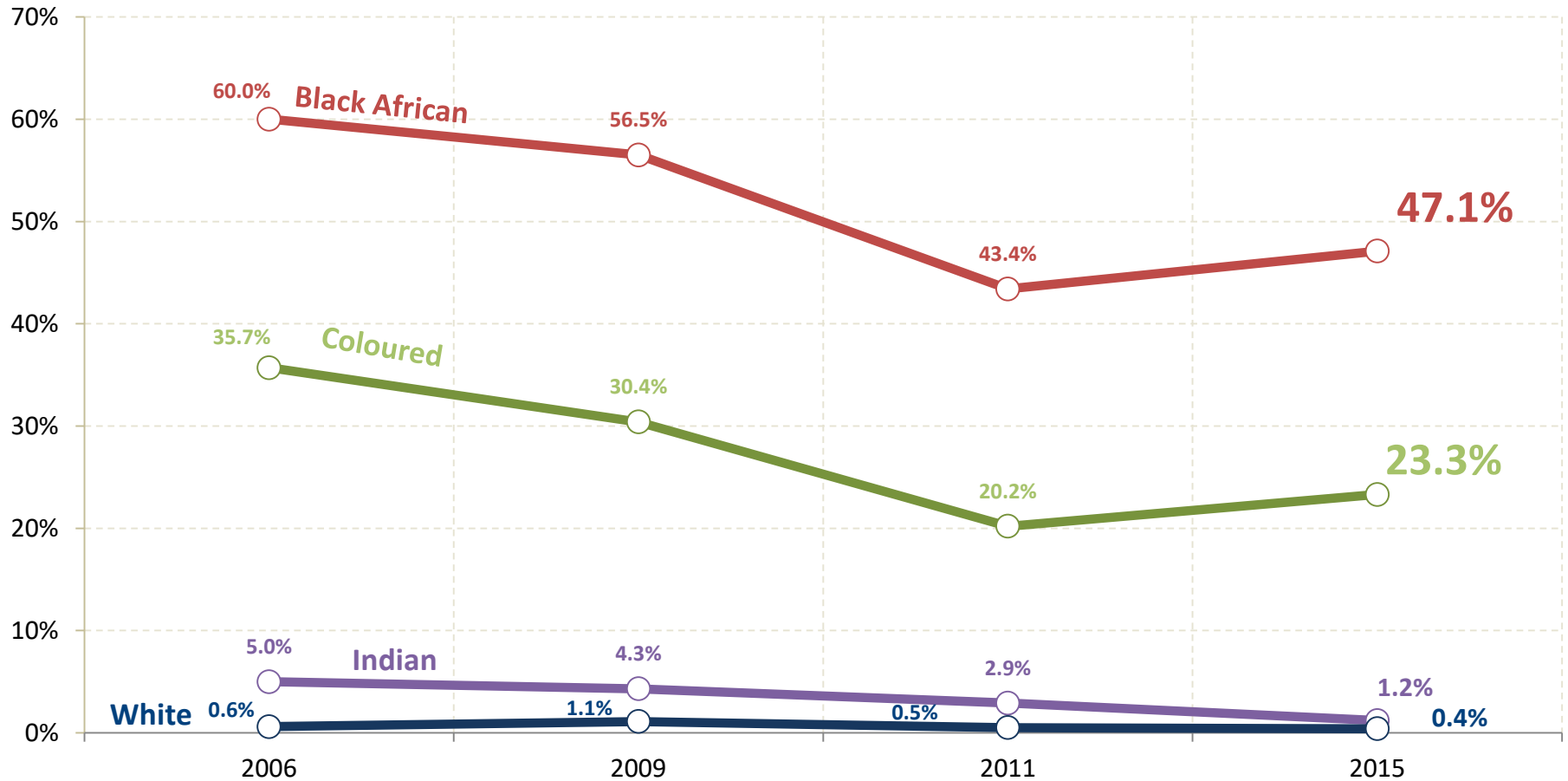
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Source: Living Conditions Survey



In 2015, nearly half of black Africans were poor

Poverty headcounts by population group (LBPL)



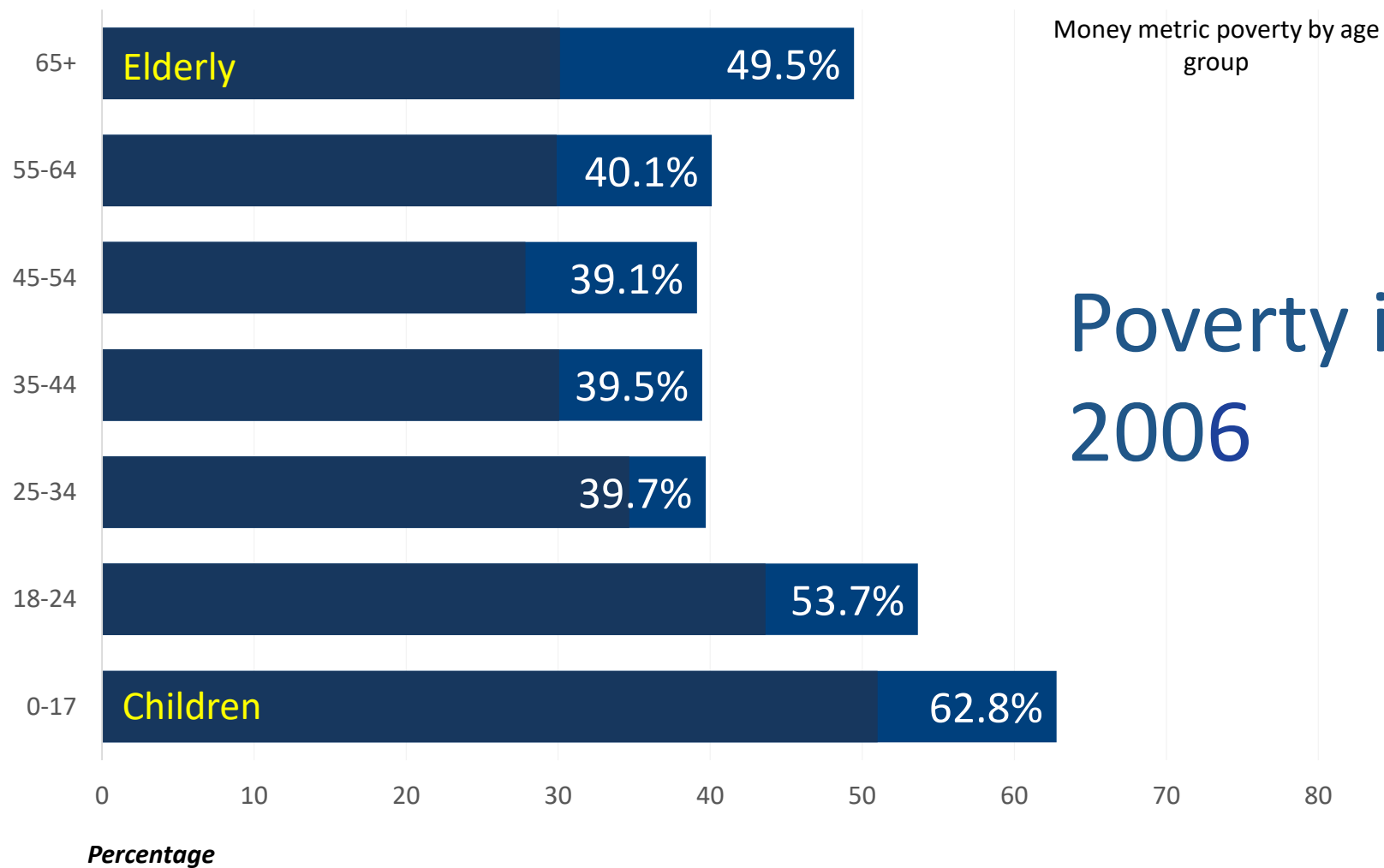
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Source: Living Conditions Survey



Money metric poverty in 2006 (LBPL)



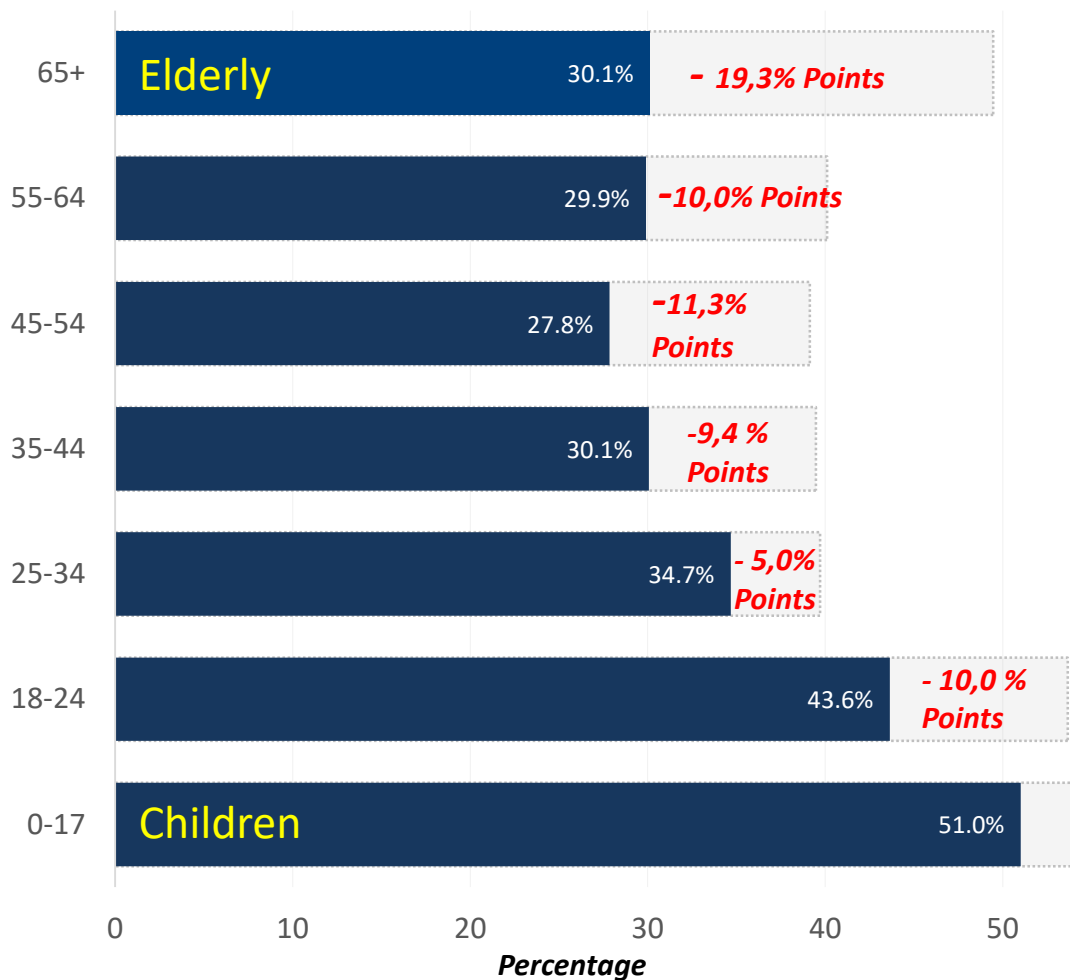
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Source: Living Conditions Survey



Elderly saw the greatest reduction in money metric poverty



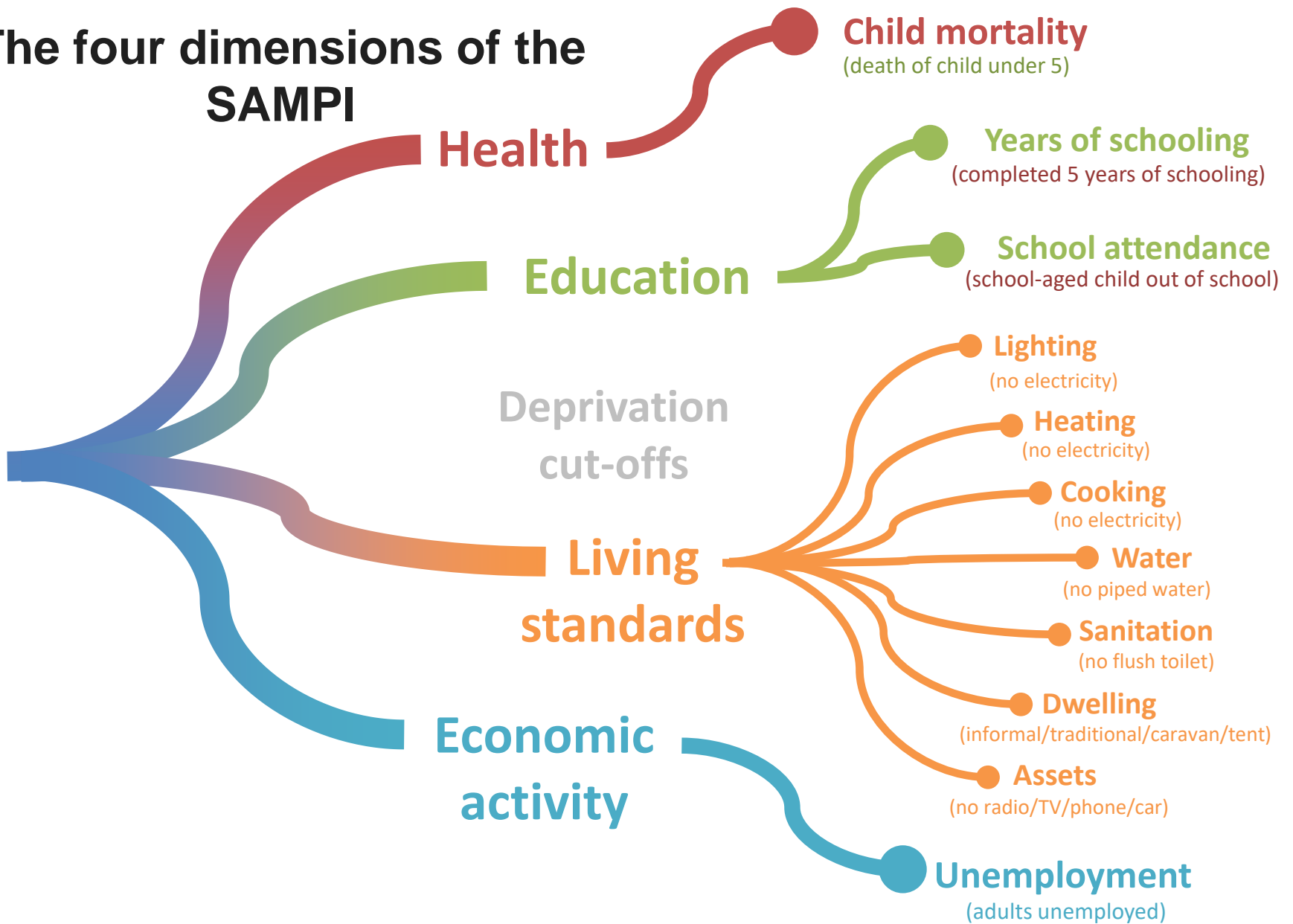
Change in money metric poverty between 2006 and 2015 (LBPL)

Poverty in 2015



The South African
Multidimensional
Poverty Index (SAMPI)
provides a more
holistic view of poverty

The four dimensions of the SAMPI



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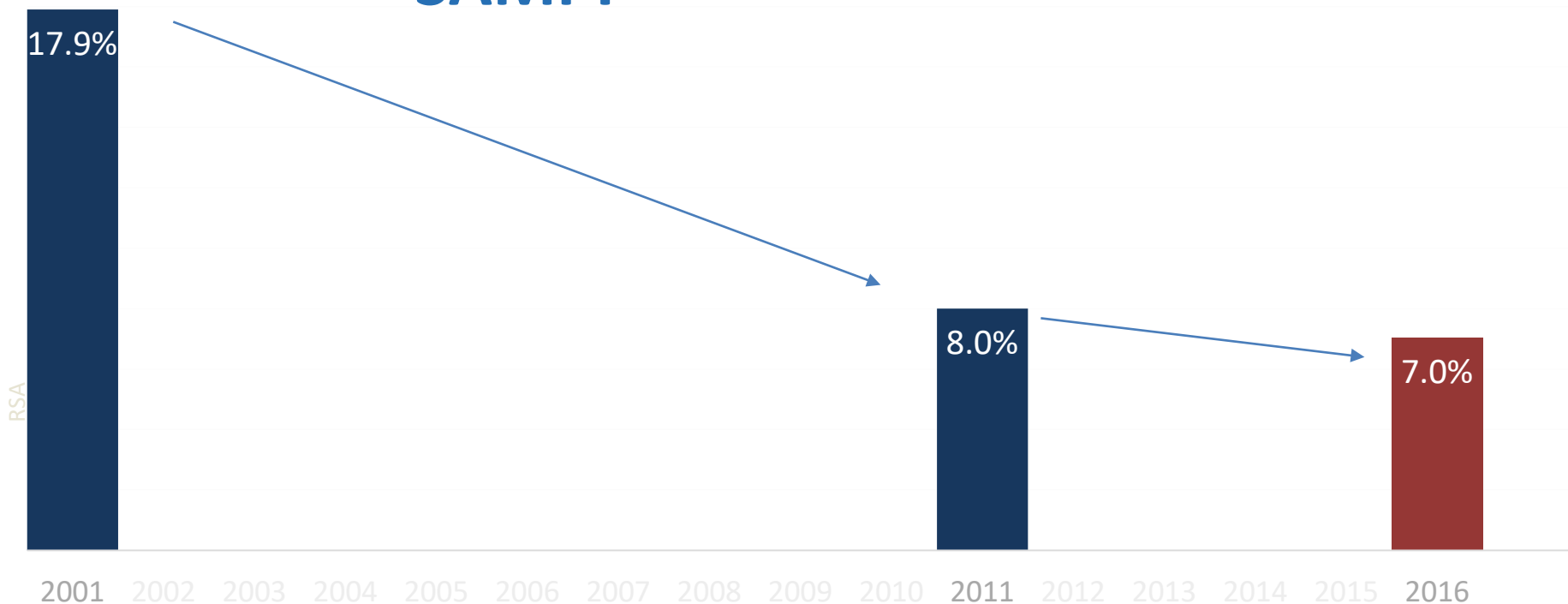
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Headcount poverty decreased from 17,9% in 2001 to 7,0% in 2016

Multidimensional Poverty headcount by Geographic Various levels 2001-2016

SAMPI



Source: The South African MPI



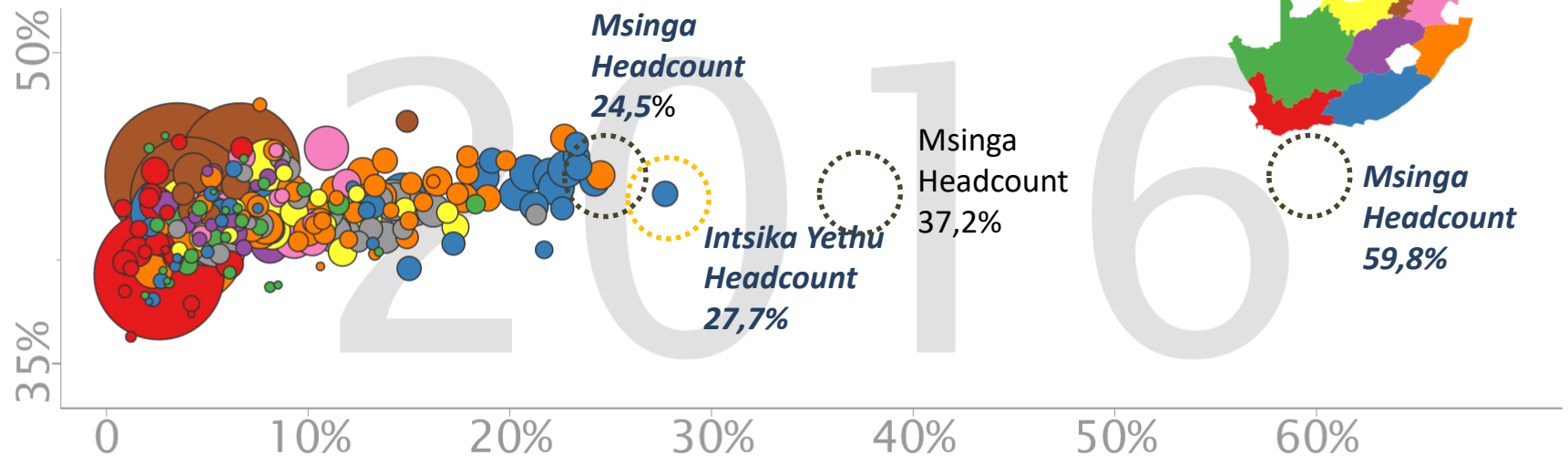
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Multidimensional Poverty by Municipalities 2001-2016

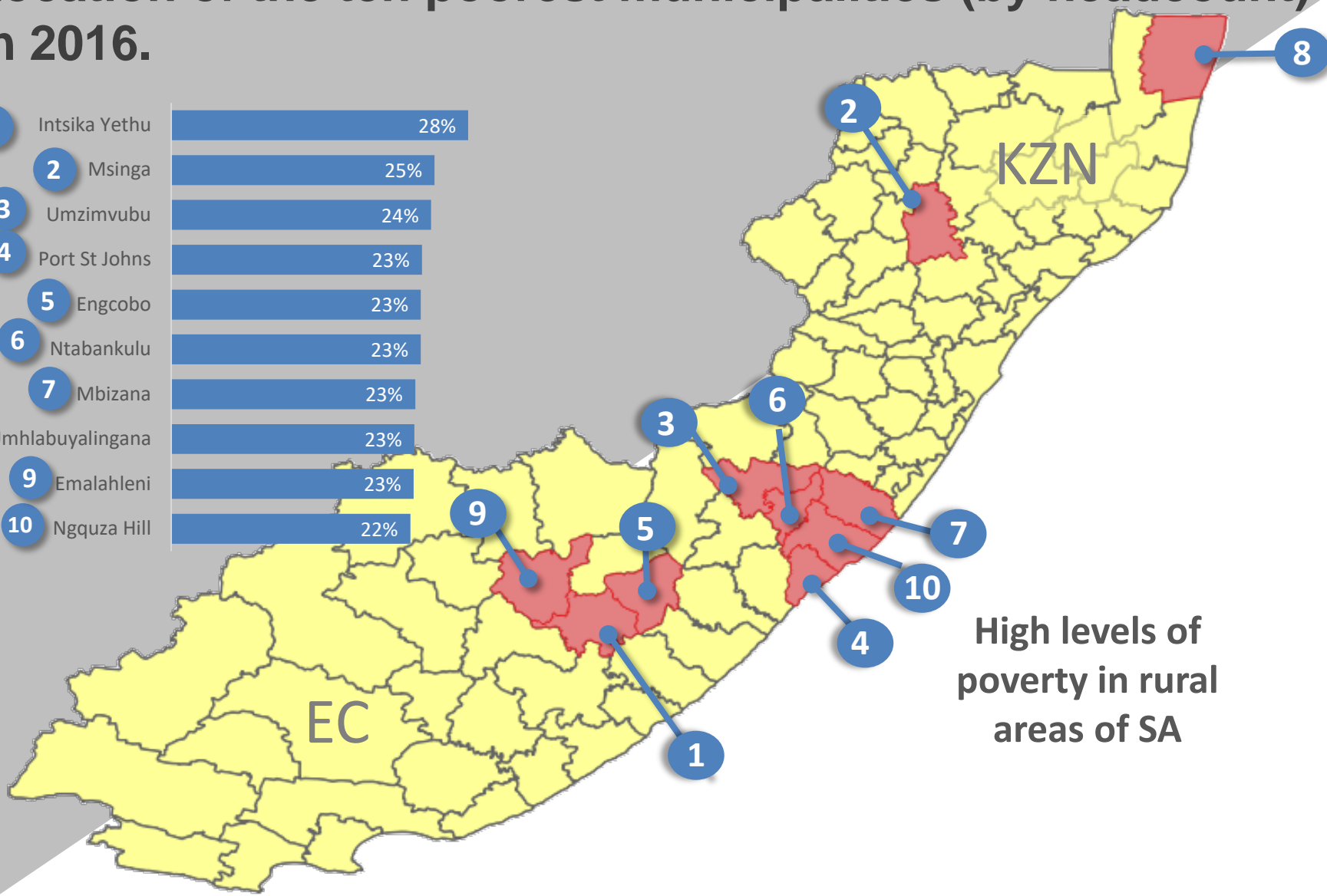
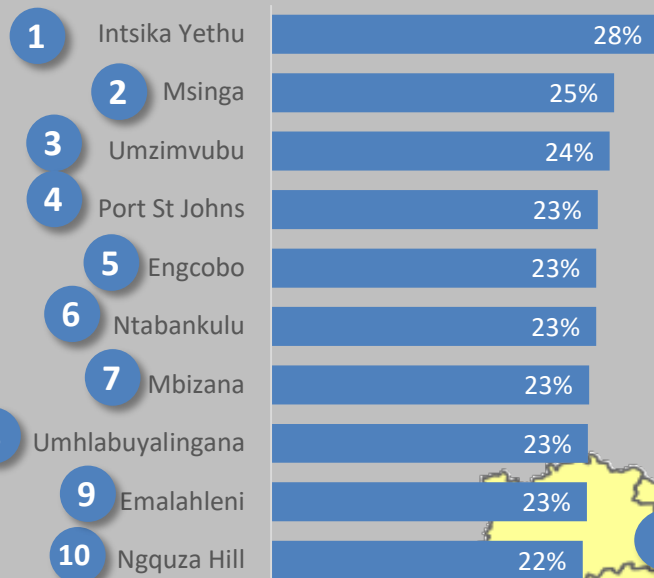
Poverty intensity



Poverty headcount

- In 2001 wide dispersion of Poverty **with Msinga having a poverty Headcount of around 60%**
- Between 2001 and 2011 poverty generally declines for all municipalities
- However between 2011 and 2016 poverty trends diverge between municipalities

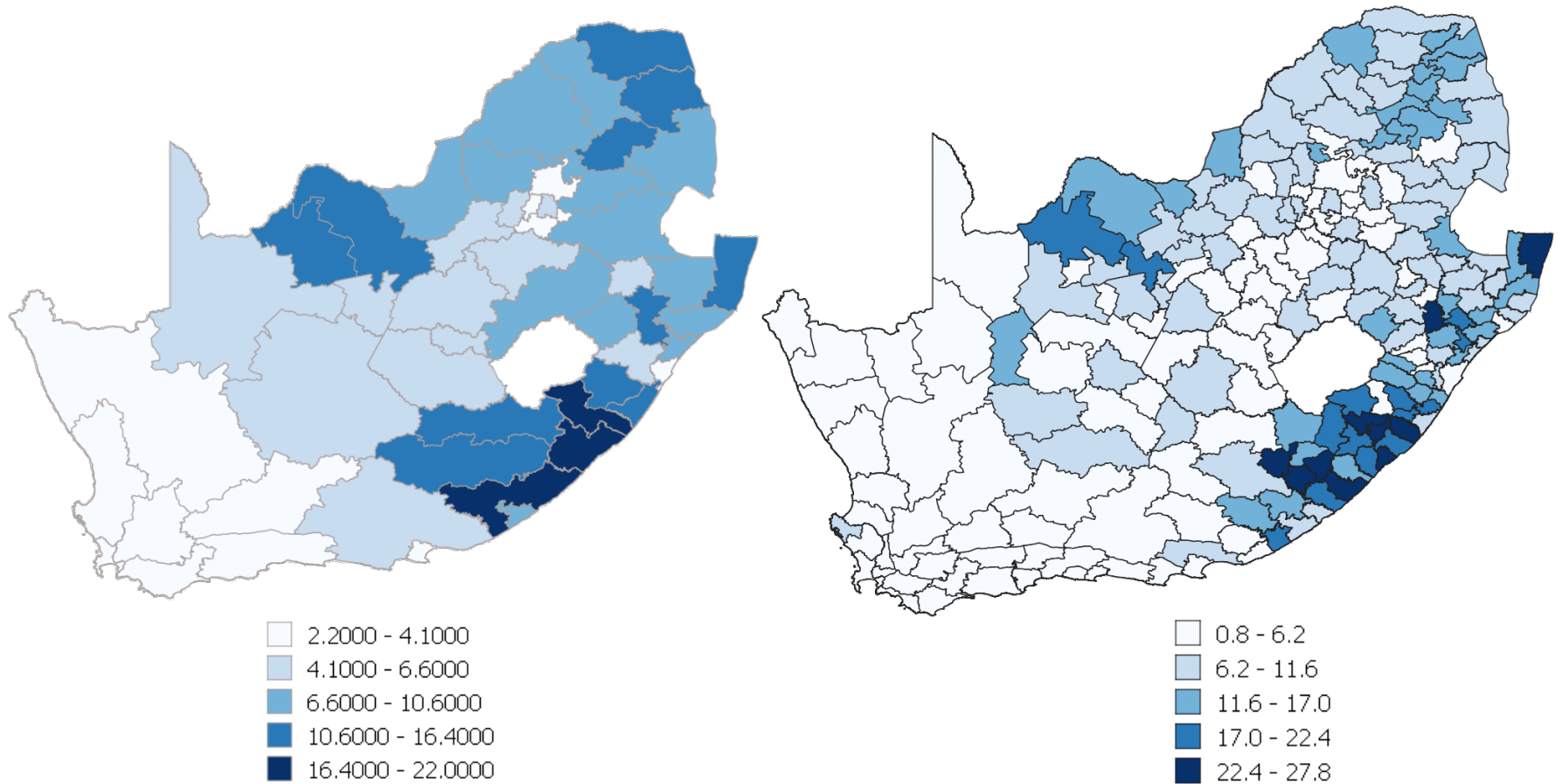
Location of the ten poorest municipalities (by headcount) in 2016.



High levels of poverty in rural areas of SA

Source: The South African MPI

District and Municipal View of Poverty 2016



Source: The South African MPI

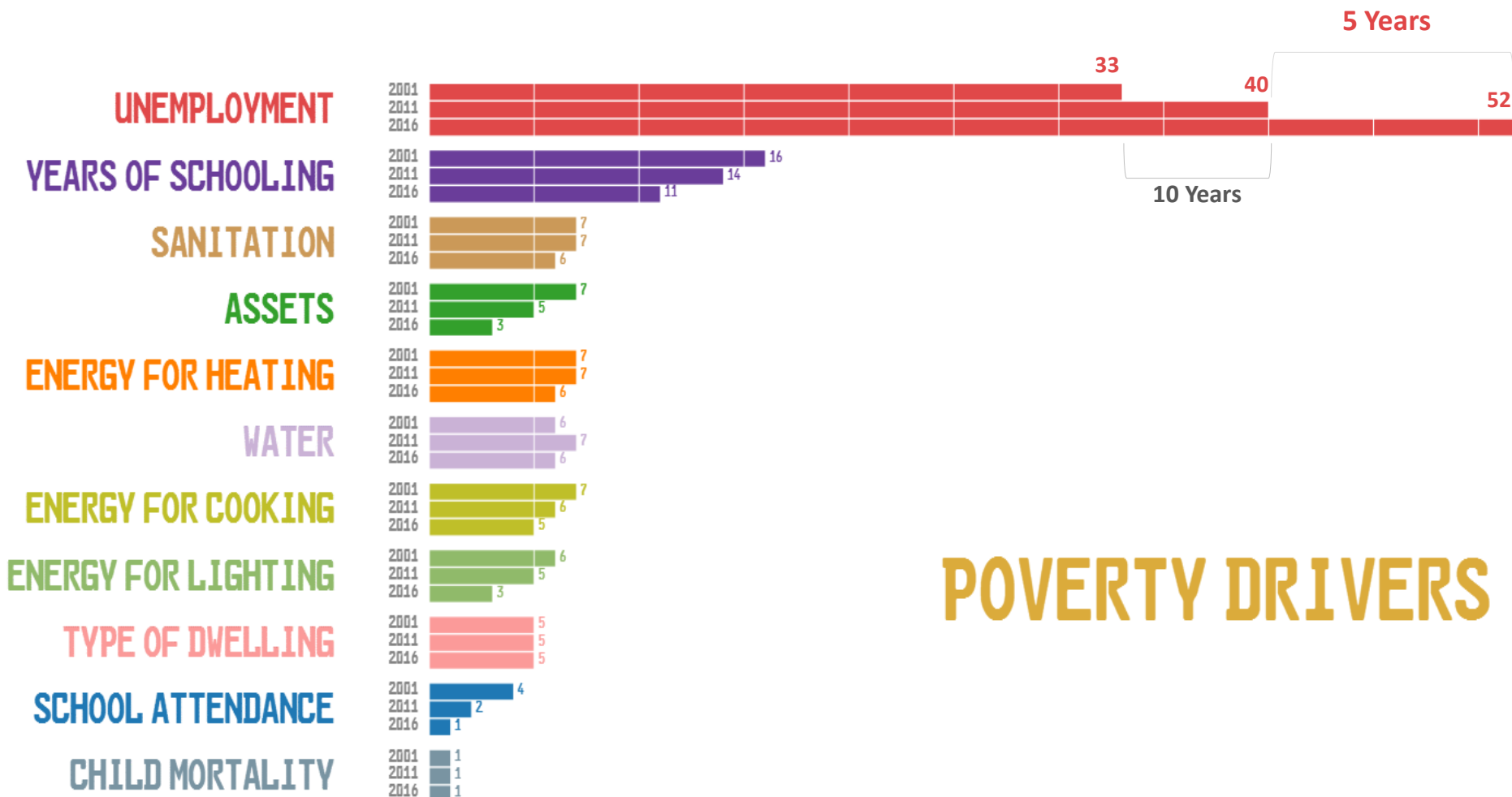


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Multidimensional Poverty Drivers



POVERTY DRIVERS

Census 2001, 2011 and CS 2016



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- Distribution of household consumption expenditure by expenditure groups



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Revisiting the NDP



Seeks to tackle poverty and inequality

Reducing the proportion of persons living below the lower-bound poverty line

Reduce income inequality

Increase the share of income going to the bottom 40 per cent of households

Reduce poverty-induced hunger



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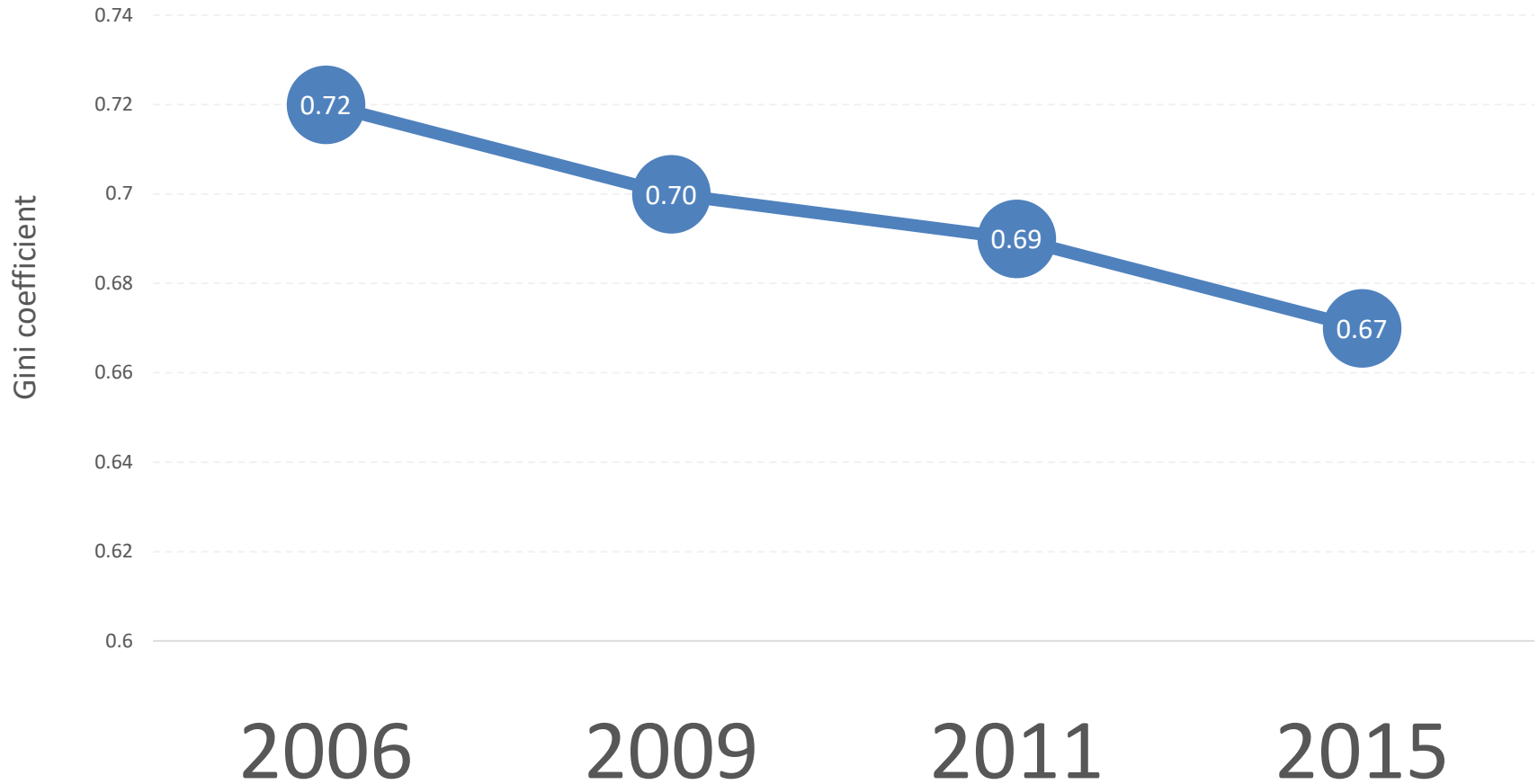
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The national Gini coefficient dropped from 0,72 in 2006 to 0,67 by 2015

*Inequality measures based on per capita income
(IES 2006 & 2011 and LCS 2009 & 2015)*

Gini Coefficient
0 = Perfect equality
1 = Perfect inequality



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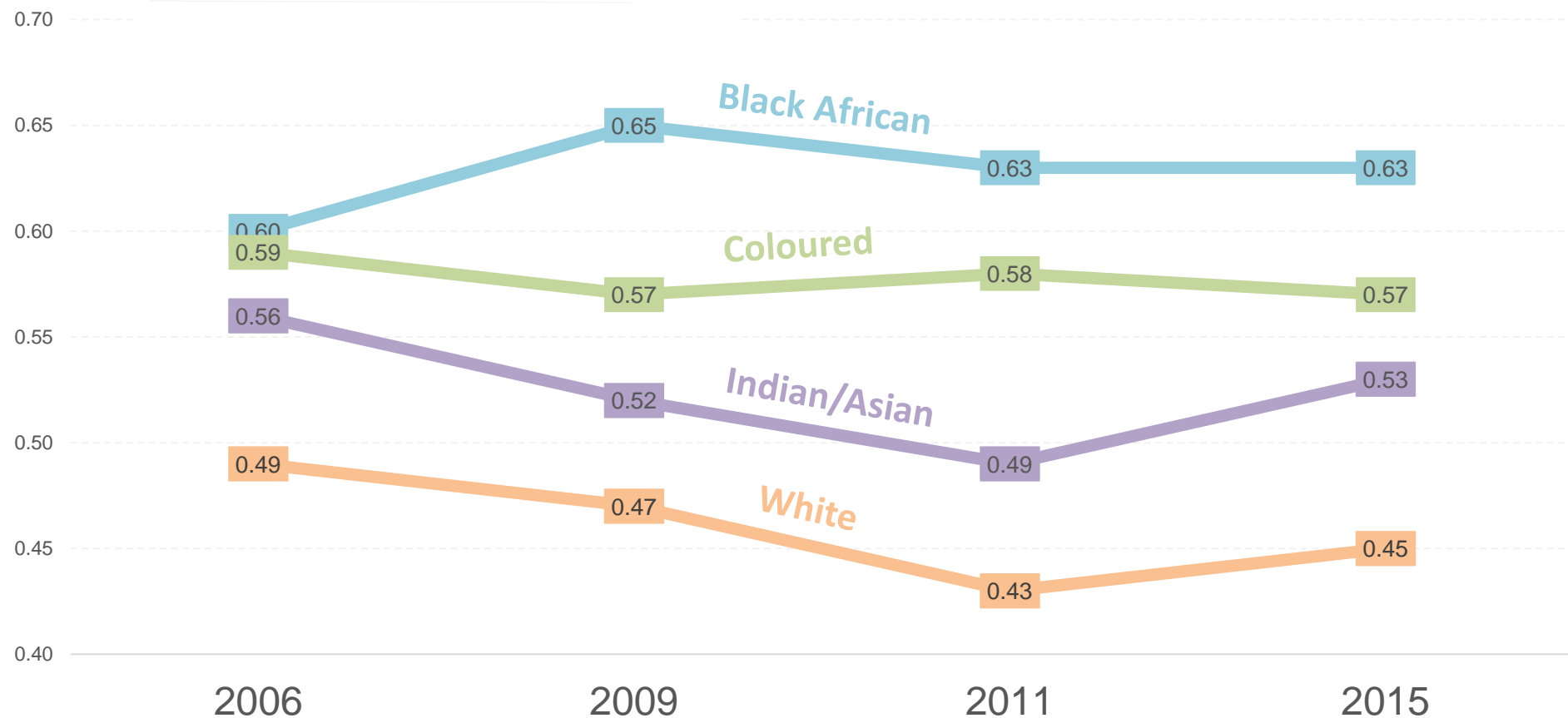
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The Gini coefficient for black Africans increased from 0,60 in 2006 to 0,63 in 2015, while other population groups saw a decrease over that period despite a rise in levels between 2011 and 2015

Inequality measures based on per capita income by population group of household head (IES 2006 & 2011 and LCS 2009 & 2015)

Gini Coefficient
0 = Perfect equality
1 = Perfect inequality



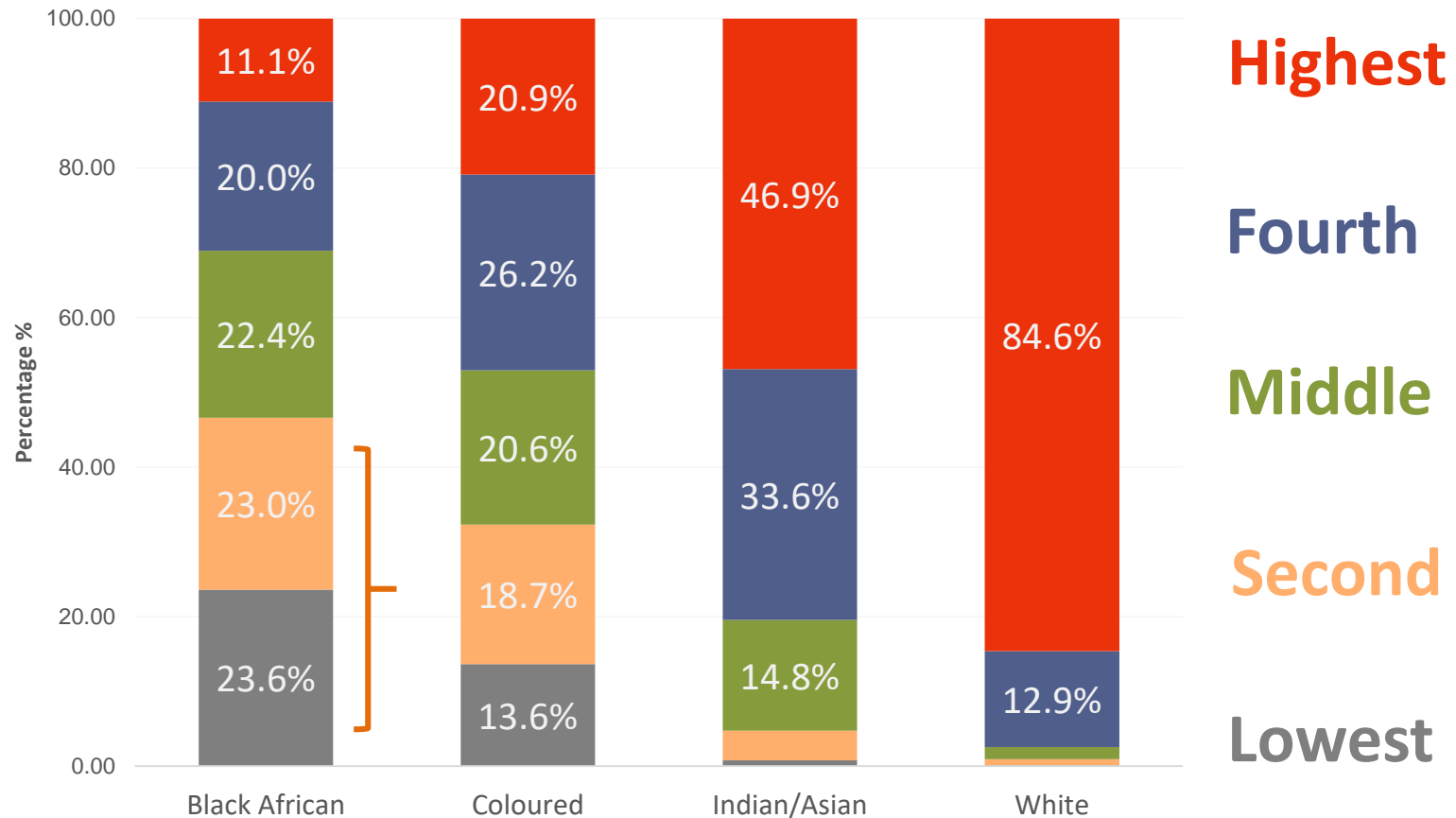
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Almost half of black African-headed households (46,58%) fell within the lowest two expenditure quintiles combined

Percentage distribution of households by expenditure per capita quintiles and population group of the household head



Source LCS 2014/15



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The share of the bottom 40% of household's income is 8,34%.

Household Income, LCS 2015

100%

40%



0



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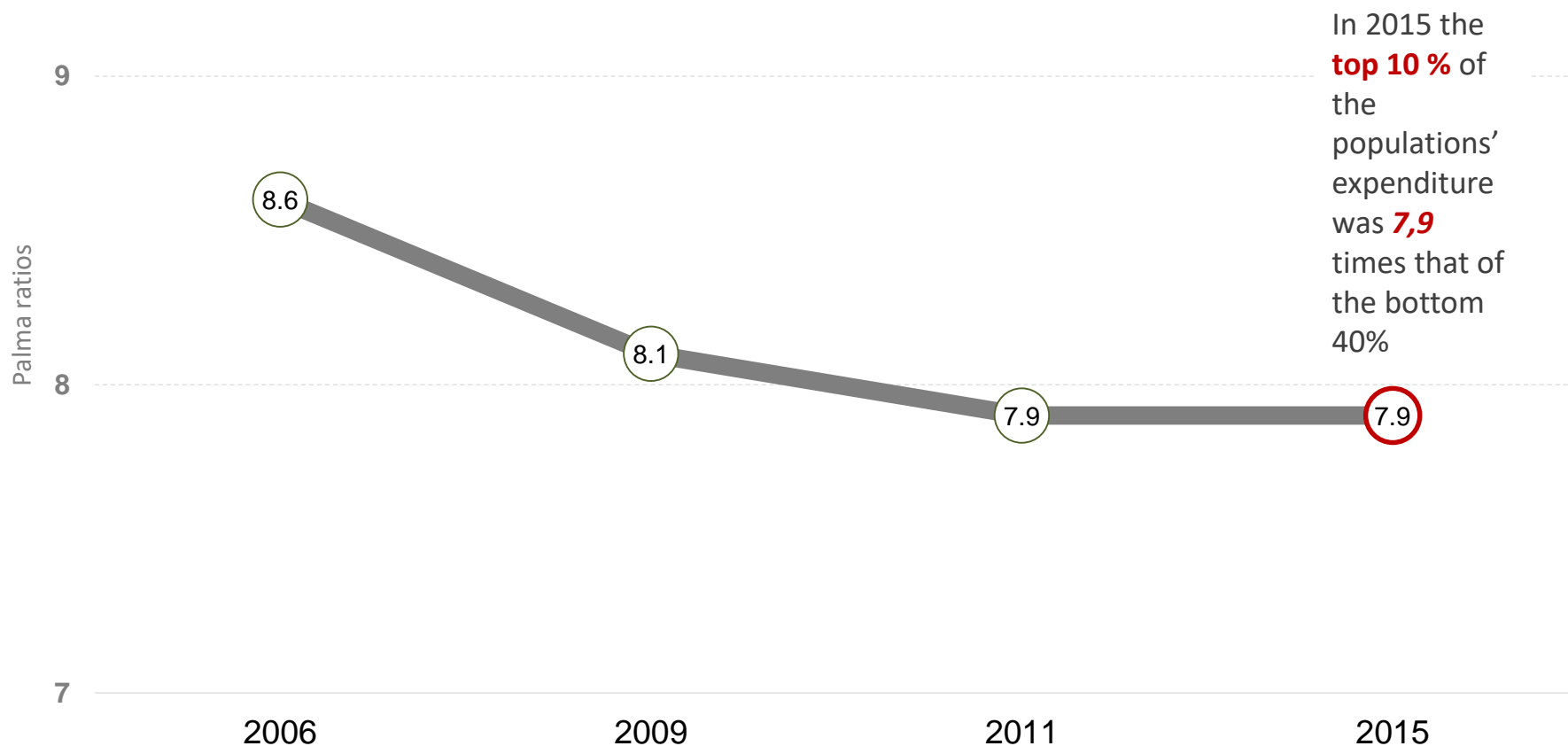
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Source LCS 2014/15



The Palma ratio based on per capita expenditure decreased from 8,6 in 2006 to 7,9 in 2015, suggesting a decline in inequality

Inequality measures based on per capita expenditure
(IES 2006 & 2011 and LCS 2009 & 2015)

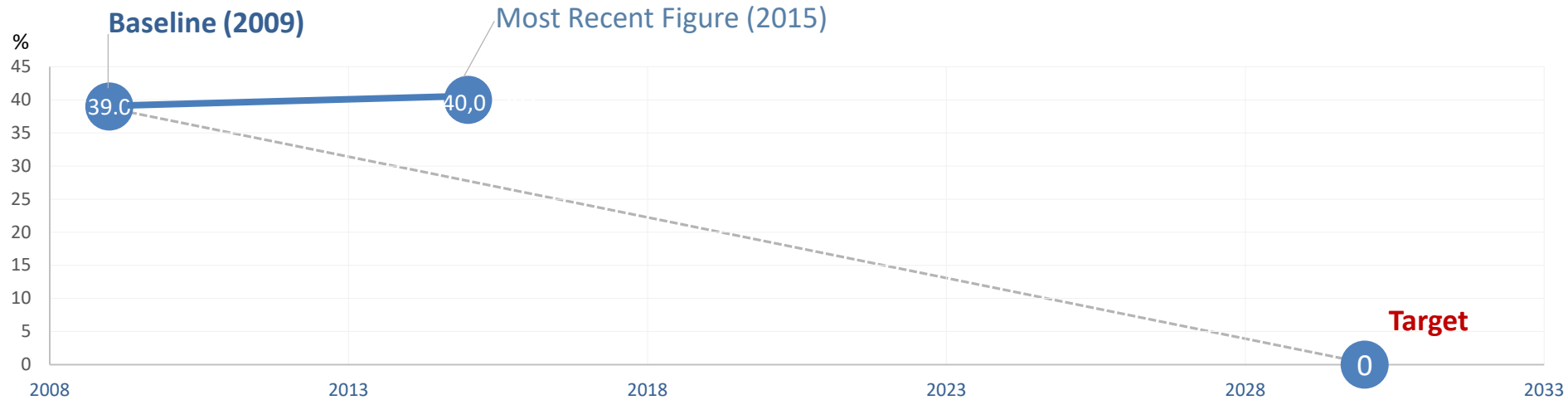


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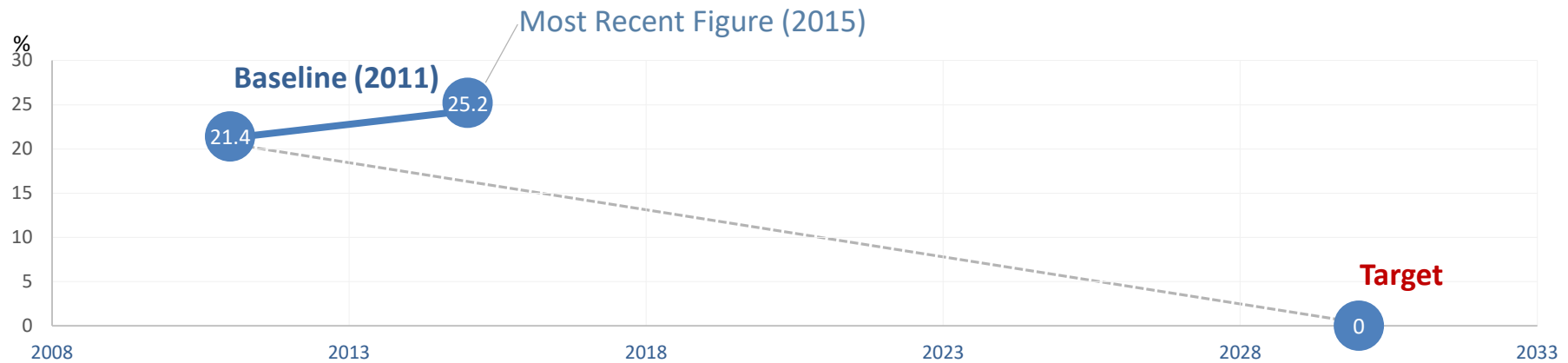
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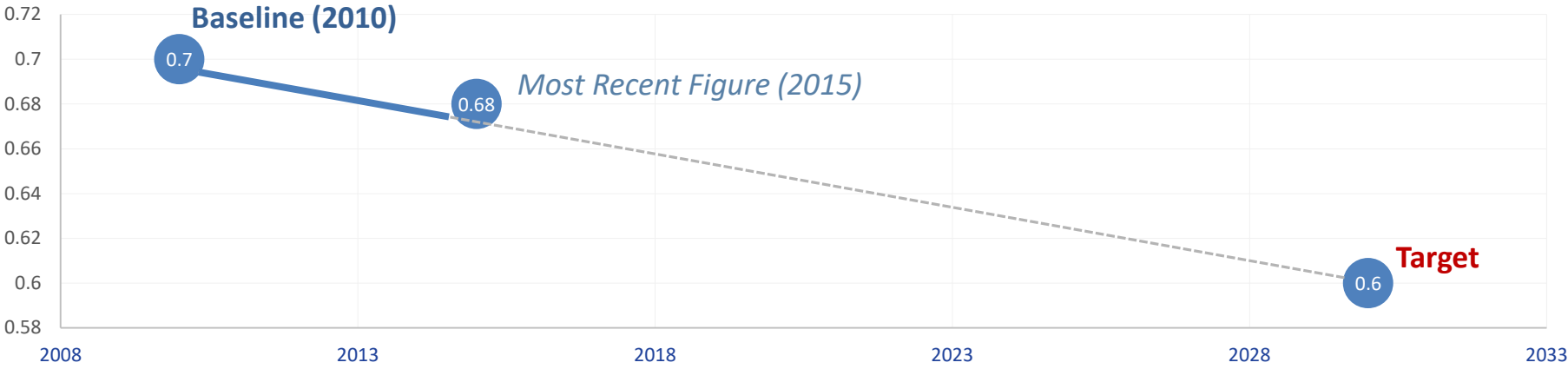
Reducing the proportion of persons living below the lower-bound poverty line from 39 per cent (in 2009) to zero by 2030



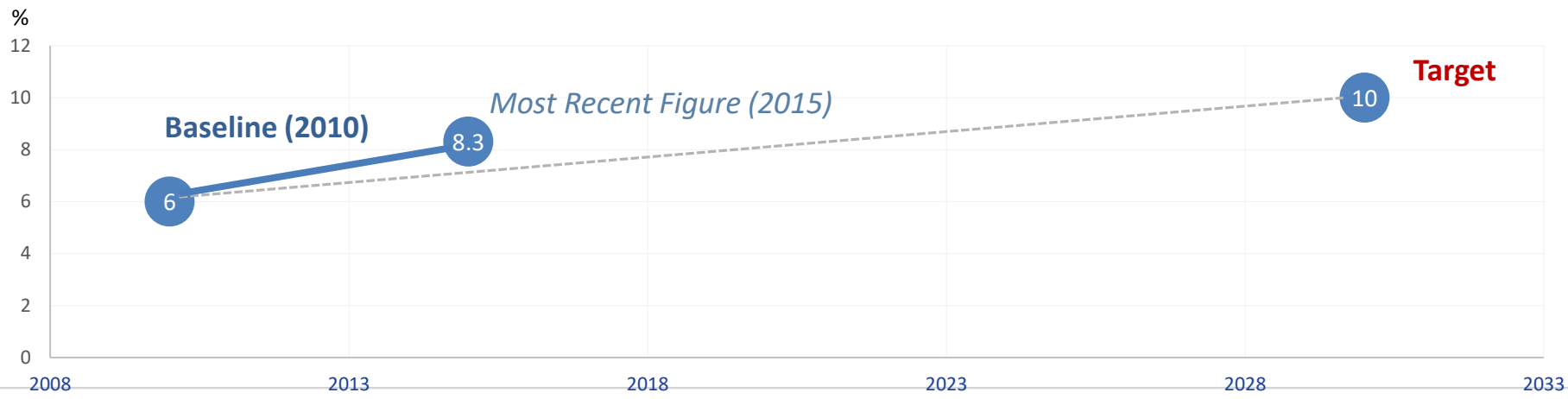
Reduce poverty-induced hunger to 0% by 2030



Reduce income inequality from 0,7 in 2010 to 0,6 by 2030



The share of income going to the bottom 40 per cent of households should rise from 6 per cent to 10 per cent



Thank you



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Poverty, inequality and social exclusion in South Africa

Findings from the NDA study

Senzelwe Mthembu and Sophie Plagerson
CSDA, University of Johannesburg



Report and policy brief



Available: <https://www.uj.ac.za/faculties/humanities/csda/Documents/NDA-Poverty-inequality-and-social-exclusion.%2012.2.2020.pdf>

Aims of the study

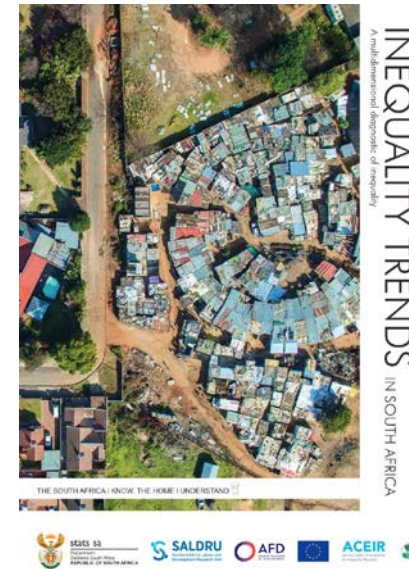
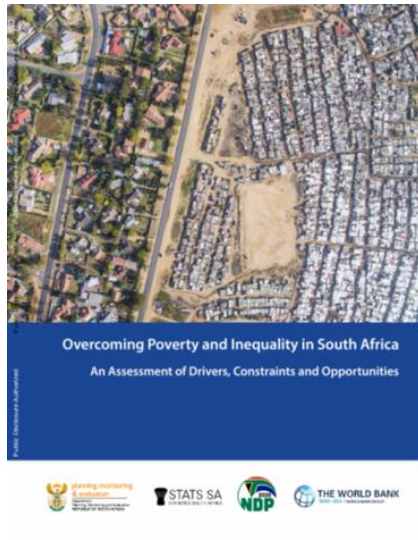
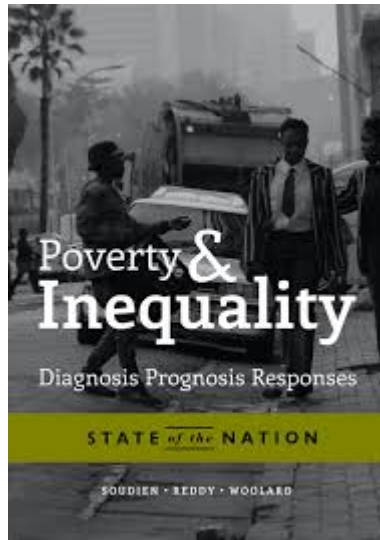
1

- **Summarize evidence** about poverty, inequality and social exclusion (with particular attention to gender, race, disability status, and spatial dimensions) in South Africa

2

- **Assess** whether poverty, inequality and social exclusion are mainstreamed across laws, policies, strategies and flagship programmes in every sector

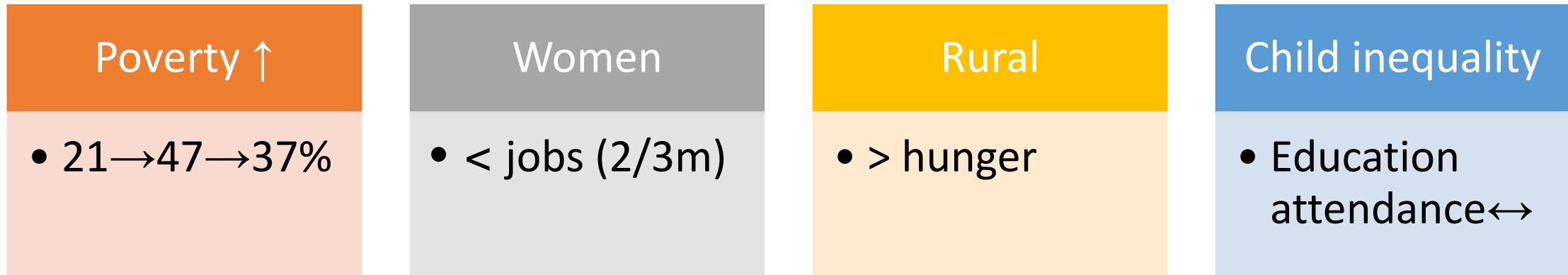
Summarising the evidence



Many excellent sources:

- Stats SA (2017, 2019)
- World Bank (2018)
- Soudien (2018)
- Spaul et al (2020)

Poverty, Inequality and Social exclusion - worse under COVID – CRAM study



Intersectional inequality

- **Poor, rural, female, unskilled and less educated** experienced the largest declines in employment

SCORECARD	Indicator	Change over 10 years (2006-2015)	Change over 5 years (2011-2015)
Poverty	Low income	Better	Worse
	Food poverty	Better	Worse
	Multidimensional poverty		Better
	Access to electricity	Better	Better
	Improved water source	Better	Better
	Unemployment	Better	Worse
Inequality	Income	Better	Better
	Wealth		Worse
	Wage	Worse	Worse
Social exclusion	Sense of alienation between groups	No change	No change
	Social cohesion index		Better

SCORECARD		Indicator	Change over 10 years (2006-2015)	Change over 5 years (2011-2015)
Gender inequality	Low income poverty - Women	Better	Worse	
	Low income - gap between men and women	Better	Worse	
Age	Low income - Children	Better	Worse	
	Infant mortality	Better	Better	
	Unemployed youth		Worse	
	Low income - Older persons	Better	Worse	
Racial inequality	Low income - Black Africans	Better	Worse	
	Low income - Gap between groups	Better	Worse	
Spatial disparity	Low income - Gap between provinces	Better	Worse	
	Low income - Rural	Better	Worse	
	Low income - Rural/urban gap	Worse	Worse	

Methods

Database – 524 legislative, policy and strategy documents (MTSF Outcomes)

- Education
- Health
- Safety and Security
- Economic growth and employment
- Skills
- Infrastructure
- Rural Development
- Human Settlements
- Local government
- Environment
- Public service
- Social Protection
- Nation-Building & social cohesion

Quantitative

- Key words
- Frequency of references
- High/ medium/low recognition
- Published before or after 2011

Quantitative

- 1.Contextual-generic
- 2.Contextual-specific
- 3.Strategic-generic
- 4.Strategic-specific

Quantitative findings

Many documents do recognise poverty, inequality and/or social exclusion.

Social protection sector - highest average number of references to poverty (58.4), inequality (70.0) and SE (116.2)

Local government, safety & security and economic growth - 'High' recognition

Policy/strategy documents (0.1 – 301.0)
>
Legislative documents (0.0 - 3.7)

Gender and spatial disparities refs common but not systematic

References to racial inequality, disability and youth NEET inconsistent

Some variation before/after 2011 (Constitution/NDP)

Qualitative findings

NDP/Constitution
guiding role

Quantity \neq Quality
(superficial references)
[e.g. Health sector]

Vulnerable groups:
targeting and
mainstreaming

Understanding the
issues



Finding solutions

NDP guiding role

- The NDP does establish a broad mandate that encompasses its sectoral mandates
- The MTSF creates a common planning and monitoring framework
- National Policy Framework and Strategy on Palliative Care (2018) *“The provision of palliative care as outlined in the resolution is also aligned to the NDP principles of overcoming inequity and poverty”* (p.28)

However,

- References to the NDP are not sufficient to ensure adequate engagement with poverty, inequality and social exclusion in order to establish a clear platform for action

Statement of values (contextual-generic)

Intergovernmental Relations Framework Act, 2005

[Public service policy sector]:

“one of the most pervasive challenges facing our country as a developmental state is the need for government to redress poverty, underdevelopment, marginalisation of people and communities and other legacies of apartheid and discrimination

Alignment with national values (strategic-generic)

Agricultural Policy Action Plan (2015) [Economic growth and employment]

“a prosperous and food secure South Africa requires that all of its farming, forestry and fisheries subsectors, large and small, are supported to become competitive and resilient. There is also a recognition, however, that we do not seek competitiveness for its own sake, but in so far as it can contribute to resolving national challenges such as unemployment, inequality and social exclusion” (p.36)

Understanding the issues: poverty, inequality and social exclusion [situational-specific]

National Environmental Management Air Quality Act (No 39, 2004)

“the burden of health impacts associated with polluted ambient air falls most heavily on the poor; And [...] air pollution carries a high social, economic and environmental cost that is seldom borne by the polluter”.

Breast Cancer Prevention and Control Policy (2017)

“Poor referral systems and problems with transport: In some cases where a woman has access to a primary healthcare facility for screening, the referral to the next level of care is delayed due to poverty or financial challenges”.

Understanding the issues: gender; disability; spatial inequalities

White Paper on Energy Policy (1998)

"Although most household consumers are women, past energy policy has largely ignored their needs".

Learner Transport Policy (2015)

"The current learner transport system does not make sufficient provision for the transportation of learners with physical disabilities to ensure the attainment of universal access to transport services"

Agricultural Policy Action Plan (2015)

"rural dwellers tend to pay higher prices for staples and other foods..."

Understanding the issues: racial inequalities

National Emergency Care Education & Training Policy (2017)

“Prior to 1994, ambulance services were racially segregated and resources were unequally distributed in favour of the white population”

Department of Communications Strategic Plan (2016)

“small commercial and community newspapers have black owners (57%) but while transformation has therefore been seen, this is still not in line with the population demographics of the country”

Finding solutions: poverty, inequality and social exclusion

Department of Social Development Strategic Plan 2020

“The grants aim to boost the income of poor households, which are hit the hardest by the unemployment, poverty and inequality that persists in the South African society”

National Health Insurance Policy (2017)

A key element of financing for Universal Health Care is that the health costs for the poor and vulnerable are shared by the whole of society” (p.36)

White Paper on Energy Policy (1998)

“The provision of basic household infrastructure is seen as a relatively low-cost and effective form of public intervention in favour of the poor, and consistent with the policy of reducing income inequalities”.

Finding solutions: gender; race; disability; spatial inequalities

South African Police Service Strategic Plan 2014–2020

“The SAPS’ recruitment drive for Public Service Act personnel should be utilised to enhance the representation of people with disabilities”

National Skills Development Strategy (NSDS III)

“Priority must be given to access to skills by women, especially black women, and skills development initiatives must contain within them specific programmes and strategies to promote gender equality”

Mineral Resources Strategic Plan 2015-2019 (2015)

“providing electricity to the rural poor can increase the productivity and economic output in rural areas, with a positive impact on GDP

Broad-Based Black Economic Empowerment Act (No 53 of 2003)

“to promote the economic unity of the nation, protect the common market, and promote equal opportunity and equal access to government services”.

Finding solutions: unpacking trade-offs

National Framework Strategy for Sustainable Development (2008)

“A commitment to sustainable development means recognising there is now a third challenge facing the nation, namely: How to decouple economic growth and poverty eradication from rising levels of natural resource use and waste per capita over time”

“Increased household consumption for the poor majority and sufficient rather than over-consumption for the rest is a pre-condition for sustainable living in the longer-term.”

Finding solutions: participation matters

Batho Pele White Paper (1997)

“It is essential that consultation should include the views of those who have previously been denied access to public services. Particular effort must be made to include the views of those who have been previously disadvantaged or who, due to geography, language barriers, fear of authority or any other reason, have previously found it hard to make their voices heard”.

Strategic use of flagship programmes

Examples

- National School Nutrition Programme (NSNP)
- Early Childhood Development Programme
- Expanded Public Works Programme (EPWP)
- Renewable Energy Independent Power Producer Procurement Programme
- Strategic Integrated Projects
- Square Kilometer Array

Variation

- Size
- Scale
- Duration
- Funding
- Geographical scope
- Targeted beneficiaries
- Technical nature of objectives
- Integration with government activities

Need for:

- Tangible linkages of programmes and programme components objectives to the national development goals of poverty and inequality reduction.
- More consistent and holistic attention to vulnerable and disadvantaged groups within programmes, especially women, persons with disabilities.

Targets and Monitoring

Frameworks

- The NDP establishes a broad mandate that creates a common monitoring framework across the different sectors of government
- National development goals can be integrated in different ways:
 - in the overall vision,
 - in the selection of Sub-Outcomes,
 - in the Indicators under each sub-Outcome
 - in the Impact Indicators.

Variation

- Scope of monitoring targets and indicators
- scale
- number and detail
- ambition
- accuracy
- measurability
- linkages to baseline data

Need for:

- Greater ownership of pathways to poverty and inequality reduction (less reliance on NDP)
- Consistent and specific references to vulnerable groups (children, women, persons with disabilities, racial inequalities and spatial disparities)
- More consistent use of baseline data in target setting

❑ Statement of values

❑ Situational analysis

❑ Strategic responses

❑ Detailed consideration of trade-offs

❑ Holistic approaches to making policy for vulnerable groups.

Participatory processes

Strategic use of flagship programmes

Target-setting and consistent use of data

Lessons learned

Conclusions



Reviewing the continuum of legislation to policy and strategy



Greater ownership within sectors of the pathways to poverty and inequality reduction



A toolkit for a systematic approach to mainstreaming poverty, inequality and social exclusion in policy



Target setting and monitoring

Reflection & Discussion Points

- How can our engagement with poverty and inequality be more meaningful?
- How do we see each department's role and contribution to the broad societal issues of poverty, inequality and social exclusion?
- How can we be more systematic in the way we make reference to social exclusion by gender, race and disability status?
- Are there any lessons which emerged from the study that can reduce the gap between the ideals of policy and the sustained high levels of poverty we experience?
- What lessons can be learned from the COVID-19 pandemic and our responses?
- What would a toolkit to support a more systematic approach to mainstreaming poverty, inequality and social exclusion within public policy look like/include? What guidance is required?

Report compiled by: NDA Research Unit

Reviewed by:

Thami Ngwenya – Senior Manager: Research



Signature:

30 November 2020

Date:

Approved by: Bongani Magongo – Executive Director: DMR



Signature:

Date: 30/11/2020