



NDA

National
Development
Agency



RESEARCH REPORT

THE RELATIONSHIP BETWEEN SKILLS
DEVELOPMENT AND CIVIL SOCIETY
ORGANISATIONS' SERVICE DELIVERY

JANUARY 2024

RESEARCH REPORT

THE RELATIONSHIP BETWEEN SKILLS DEVELOPMENT AND CIVIL SOCIETY ORGANISATIONS' SERVICE DELIVERY

JANUARY 2024



National Development Agency

26 Wellington Road

Parktown

Johannesburg

2193



Email: info@nda.org.za

Website: www.nda.org.za

Tel: 011 -018 5500

ISBN: 978-0-621-51801-6

The findings, interpretations, views, and conclusions expressed in this publication do not necessarily represent NDA policies or those of partner institutions who contributed to this publication. The NDA does not guarantee the accuracy of the data included in this report and accepts no consequence of its use. The NDA encourages wide dissemination of its work and will normally grant permission to reproduce portions of the work. The NDA is not liable for any views expressed or misprinted in the publication.

© 2024 National Development Agency Publications

AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
ASGISA	Accelerated and Shared Growth Initiative South Africa
CBO	Community-Based Organisation
CPI	Consumer Price Index
CSDA	Centre for Social Development in Africa
CSG	Child Support Grant
CSO	Civil Society Organisation
CWP	Community Works Programme
DSD	Department of Social Development
DPRU	Development Policy Research Unit
EPWP	Expanded Public Works Programme
ETDP-SETA	Education, Training and Development Practice Sector Education and Training
FDI	Foreign Direct Investment
GBV	Gender Base Violence
GEAR	Growth Economic, Acceleration and Reconstruction
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
HRDS-SA	Human Resource Development Strategy of South Africa
IDC	Industrial Development Corporation
IDT	Independent Development Trust
MDG	Millennium Development Goals
MTSF	Medium-Term Strategic Framework
NACS	National Anti-Corruption Strategy
NDA	National Development Agency
NEET	Not in Education, Employment or Training
NGO	Non-governmental Organisation
NHI	National Health Insurance
NPO	Non-profit Organisation
NSDS	National Skills Development Strategy
NSF	National Skills Fund
QLFS	Quarterly Labour Force Survey
RDP	Redistribution Development Plan
SAMPI	South African Multidimensional Poverty Index
SARB	South African Reserve Bank
SANGOCO	South African National NGO Coalition
SASSA	South African Social Security Agency
SD&T	Skills development and training
SRD	Social Relief of Distress
SDG	Sustainable Development Goals
SETAs	Sector Education and Training Authorities
SOCs	State-Owned Companies
SONA	State of Nation Address
TIMSS	Trends in International Mathematics and Science Study
TVET	Technical and Vocational Education and Training
WTO	World Trade Organization

ACRONYMS

TABLE OF CONTENTS

ACRONYMS	1
EXECUTIVE SUMMARY	4
SECTION ONE: INTRODUCTION	9
1.1 PURPOSE	9
1.2 NATIONAL DEVELOPMENT AGENCY	10
1.3 PROBLEM STATEMENT	12
1.3.1 Economy	12
1.3.2 Poverty	13
1.3.3 Unemployment.....	15
1.3.4 Inequality	16
1.3.5 Inflation	16
1.3.6 COVID-19	17
1.3.7 Civil Unrest	17
1.3.8 Xenophobia	18
1.3.9 Natural disasters	18
1.3.10 Illegal Mining	18
1.3.11 Corruption	18
1.3.12 Electricity Crisis	19
1.3.13 Dysfunctional Municipalities	19
1.3.14 Crime	20
1.3.15 CSO Skills Development Needs.....	20
1.3.16 Social Ills.....	20
1.4 THE RELATIONSHIP BETWEEN SKILLS DEVELOPMENT AND SERVICE DELIVERY	21
1.5 ADVOCATING FOR INCREASED STATE INTERVENTION.....	22
1.6 SELF-FUNDING OPPORTUNITIES FOR NGOs.....	23
1.7 CSO ROLE TRANSITION.....	25
1.8 RESEARCH QUESTIONS.....	27
1.9 OBJECTIVES.....	28
1.10 LAYOUT.....	28
1.11 RESEARCH METHODS	29
SECTION TWO: ECONOMIC AND SOCIAL POLICY CONTESTATIONS	30
2.1 POST-APARTHEID ECONOMIC POLICIES.....	30

2.2 FREEDOM CHARTER	30
2.3 DEMOCRATIC GOVERNMENT	31
2.4 KEY ECONOMIC INDICATORS	38
2.5 STATE CAPTURE	41
2.6 ECONOMIC ASSESSMENT	41
2.7 SOCIAL POLICIES.....	42
2.7.1 Social Grant System.....	42
2.7.2 Unsustainable Social Grants System	44
SECTION THREE: STAKEHOLDER CONSULTATIONS.....	47
3.1 INTRODUCTION	47
3.1.1 The Involvement of CSOs in Skills Development.....	47
3.1.2 Role of CSOs in Skills Development	48
3.1.3 Barriers hindering CSO participation in Skills Development.....	49
3.1.4 Major Challenges	50
3.1.5 Government's assistance to CSOs in fighting Unemployment, Poverty, and Inequality.....	52
3.1.6 CSO assists in fighting Unemployment, Poverty, and Inequality.....	53
3.1.7 Reasons for the high rate of Unemployment, Poverty, and Inequality	54
3.1.8 Major Skills needed for CSO staff	56
3.2 CONCLUSION	56
SECTION FOUR: SURVEY FINDINGS.....	59
4.1 PARTICIPATION	59
4.2 FUNDING.....	60
4.3 EMPLOYEE SIZE.....	61
4.4 BENEFICIARIES.....	61
4.5 SKILLS LEVIES	62
4.6 SETA INVOLVEMENT	63
4.7 AWARENESS AND PARTICIPATION IN SKILLS DEVELOPMENT	64
4.8 CSO SERVICE-DELIVERY CHALLENGES.....	65
4.9 CAPACITY-BUILDING NEEDS.....	66
4.10 OBSTACLES PREVENTING CSOS FROM ACQUIRING NEEDED SKILLS.....	67
4.11 CSO TRAINING	68
4.12 CSO STAFF TRAINING.....	69
4.13 CSO BENEFITS OF UNDERGOING TRAINING.....	70
4.14 CONCLUSION	71
SECTION FIVE FINDINGS AND RECOMMENDATIONS.....	72

5.1 FINDINGS AND RECOMMENDATIONS	72
5.2 CONCLUSION	81
REFERENCES.....	82

LIST OF EXHIBITS

<i>Exhibit 1: Economic indicators</i>	<i>12</i>
<i>Exhibit 2: Poverty rate in South Africa (1993-2023).....</i>	<i>13</i>
<i>Exhibit 3: Percentage change in price indices</i>	<i>17</i>
<i>Exhibit 4: Municipality audit outcomes.....</i>	<i>19</i>
<i>Exhibit 5: Murder rates (2019-2020).....</i>	<i>20</i>
<i>Exhibit 6: Violence against women</i>	<i>21</i>
<i>Exhibit 7: GDP growth.....</i>	<i>38</i>
<i>Exhibit 8: GDP per capita</i>	<i>38</i>
<i>Exhibit 9: Unemployment in SA.....</i>	<i>39</i>
<i>Exhibit 10: Gross debt</i>	<i>40</i>
<i>Exhibit 11: SA current account balance.....</i>	<i>40</i>
<i>Exhibit 12: Social grant expenditure from (1994-2022)</i>	<i>44</i>
<i>Exhibit 13: Main activities.....</i>	<i>59</i>
<i>Exhibit 14: Funding sources.....</i>	<i>60</i>
<i>Exhibit 15: Number of employees</i>	<i>61</i>
<i>Exhibit 16: Beneficiaries</i>	<i>61</i>
<i>Exhibit 17: Skill levies and SETA members.....</i>	<i>62</i>
<i>Exhibit 18: SETA involvement</i>	<i>63</i>
<i>Exhibit 19: Awareness and participation</i>	<i>64</i>
<i>Exhibit 20: CSO challenges</i>	<i>65</i>
<i>Exhibit 21: Capacity building needs</i>	<i>66</i>
<i>Exhibit 22: Obstacles preventing CSO's from acquiring skills.....</i>	<i>67</i>
<i>Exhibit 23: Staff support and accredited training</i>	<i>68</i>
<i>Exhibit 24: Training undergone by staff</i>	<i>69</i>
<i>Exhibit 25: CSO benefits of undergoing training</i>	<i>70</i>

EXECUTIVE SUMMARY

The study examines why South Africa's economic and development policies fail to eradicate high unemployment, poverty and inequality after three decades of democracy. It then analyses the role of skills development and civil society organisations (CSOs) in contributing to sustainable livelihoods. Furthermore, it identifies the CSOs' skills development needs.

SECTION ONE: INTRODUCTION

The proposals of the inter-departmental national working group on poverty alleviation in the *Acceleration Plan to achieve NDP targets by 2030* identified the following problems:

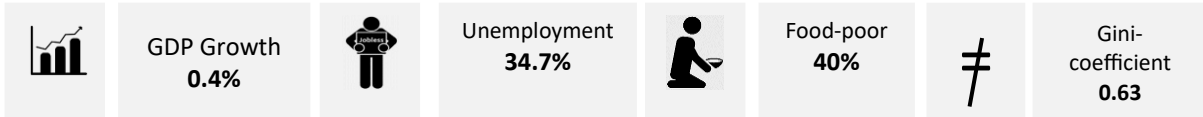
- ⇒ **R1,3 trillion** spent has not adequately resulted in poverty outcomes.
- ⇒ **Small-scale interventions** that do not match the scale of need.
- ⇒ **Fragmentation** results in duplication with varying degrees of focus, scale, budget and impact.
- ⇒ The need for vision and a scalable **strategy for the MSME sector, the informal sector and livelihoods** are glaring.
- ⇒ Departments **focus on inputs** and not results in their M&E frameworks.
- ⇒ Need to maximise the results of the **social wage** by strengthening the delivery system for social services.
- ⇒ **Layered interventions per household**, prioritising those below the poverty line.
- ⇒ SA's Gini coefficient is **0.63**, demonstrating that it is the most unequal society in the world.

Other issues such as poor economic performance, the COVID-19 pandemic, civil unrest in July 2021, xenophobia, natural disasters, illegal mining, state corruption, inflation, water and electricity crisis, dysfunctional municipalities, crime, CSO skills deficits, and social ills like gender-based violence are contributing to hardships.

SECTION TWO: ECONOMIC AND SOCIAL POLICY CONTESTATIONS

The NDA is concerned with "*the failures of economic and development policies in yielding or creating reasonable growth in job creation in South Africa*". It expects the government, civil society and the private sector to do more to reduce unemployment, poverty and inequality.

The country's economic and development policies have not effectively addressed high unemployment, poverty and inequality. The economy has not diversified from its minerals-energy complex, and deindustrialisation is apace. Today, the financial and services sector dominates the economy. The government abandoned its heterodox economic policy stance to fully embrace mainstream economics within two years after the 1994 elections. The consequence after 30 years is a faltering economy.



Approximately one in three South Africans benefit from a social grant, while nearly two-thirds of the population are directly and indirectly system beneficiaries. Evidence shows that social assistance transfers have significant positive impacts on reducing poverty and inequality in South Africa and boosting development outcomes¹.

Transfers are equivalent to 7.3% of household expenditure, 60% in quintile 1 (the poorest 20%). It is a way in which the government supports the poorest and most vulnerable. High coverage rates are primarily due to the size of the programme of child support grants and the Social Relief of Distress (SRF) programme².

In 2022, 29 million South Africans receive monthly grants, with 18 million receiving state grants and 11 million receiving the R350 SRF grant. The country's small tax base (7.4 million taxpayers) is unsustainable. South Africa is the only African country giving over half of its population grants.

According to the National Treasury, the current social security protection system is unsustainable. In a presentation to Parliament, the Treasury noted that 46% of the population currently receives social grants, representing an unusually high coverage for a developing country. The Treasury indicated that if job creation continues to be poor, the sustainability of the system and the overall fiscal position will become a concern.³

SECTION THREE: STAKEHOLDER CONSULTATIONS

Fifty-eight in-depth interviews were conducted with civil society organisation (CSO) representatives.

The main issues that surfaced were the following:

- ⇒ Most interviewees mentioned that they are not actively involved in skills development strategies, plans, programmes, or interventions. National, provincial, and local government entities plan skills development in silos and sideline stakeholders.
- ⇒ Interviewees stated that the economy cannot create enough job opportunities for its population size. NGOs with their grassroots footprints understand this problem and have been helping people learn new skills that are in demand to find jobs or start their businesses and care for their families.
- ⇒ There is consensus that CSOs play a role in non-formal and informal skills development programmes. CSOs empower, represent, and reach vulnerable and socially excluded groups. They also foster economic and human development, social cohesion and

¹ Ibid

² Roodt, D. (2023). *South Africa, 29 million South Africans receive grants with only 7.4 million taxpayers*. Daily Investor. 2023

³ <https://businesstech.co.za/news/finance/543560/the-areas-in-south-africa-where-more-people-rely-on-grantsthat salaries/>

innovation. Furthermore, CSOs engage in initiatives to develop the skills, competencies, knowledge, and attitudes to support employment.

- ⇒ Most interviews stated that there is no stable funding and appropriate incentives for training providers, individuals, and enterprises. Skills development provided by NGOs is not taken seriously by employers CSOs are not accredited.
- ⇒ Young people are far from skills development opportunities. The government does not do enough to ensure opportunities for those young people.
- ⇒ Most interviewees revealed that they experience overreliance on donor funding, difficulty obtaining funding, limited funding, and competition for funding; donors are unwilling to fund operational costs and prescribe how funds should be used.
- ⇒ There is a lack of trained CSO staff and funding for training. It limits the CSOs' ability to achieve goals and objectives.
- ⇒ The call is for the government to provide training in:
 - Governance and finance
 - Technology and data systems
 - Program implementation, monitoring, and assessment
 - Fundraising and donor relationships
 - Volunteer, staff, and board management and building collaborative partnerships

SECTION FOUR: SURVEY FINDINGS

- ⇒ An online survey was administered to determine whether CSOs participated in national skills development plans and strategies, their capacity to deliver training and their skills needs. A total of 97 CSOs responded to the survey.
- ⇒ Most CSOs have skills development as their main activity: ECD (20%), youth development (18%), and skills development (17%). Entrepreneurship (6%) can also fall into skills development. The "other" category (19%) represents teacher development.
- ⇒ 38% of respondents are self-funded, 31% receive donor funding, and 32% receive state funding.
- ⇒ 56 (58%) have 1-10 employees, 22 (23%) have 11-20 employees, and 19 (20%) are self-funded.
- ⇒ 37 (38%) of the CSOs have under 250 beneficiaries, 14 (14%) over 500 beneficiaries, and 46 (47%) have between 250 and 499 beneficiaries.
- ⇒ 19 (20%) of the CSOs pay the skills development levies, compared to 78 (80%) that do not. 22 CSOs are SETA members, compared to 75 that are not.
- ⇒ Of the 97 CSO participants, only 23% are involved with SETAs. It shows that most CSOs are outside the SETA skills development system.
- ⇒ There is a high percentage of representation from the 22 CSOs in the ETDP SETA (38%), HWSETA (21%), and MICT SETA (17%). This demonstrates that CSO skills training funded by the SETAs is focused mainly on education & training, health & welfare, and information & communication technology.
- ⇒ Most NGOs (67 CSOs, 69%) are not adequately funded to meet their obligations.
- ⇒ According to 94 (97%) CSOs, local communities appreciate NGOs' work.
- ⇒ Most NGOs believe that the government does not recognise the importance of NGOs.

- ⇒ 77 (79%) of the CSOs support online staff training, while 58 (60%) indicated that staff undergo annual training.
- ⇒ 49 (51%) of the CSOs indicated that accredited training is more beneficial than non-accredited training. This indicates that non-accredited and accredited training have roughly the same significance among CSOs.

SECTION FIVE: FINDINGS AND RECOMMENDATIONS

Finding and recommendations: Since 1996, South Africa's shifted from heterodox economic policies to mainstream economics. After three decades of post-apartheid, economic policies have not effectively addressed unemployment, poverty and inequality. Orthodox policies have shaped the government's role in the economy, its policy choices, and the country's development outcomes.

- ⇒ *The government should fundamentally shift from neo-liberal economic policies, which have not worked, to heterodox economic policy approaches.*
- ⇒ *Rethink and expand the toolkit of economic policies which advance employment outcomes and targets. It requires the periodic assessment of past macroeconomic and industrial policies in light of employment impacts.*

South Africa has a strong policy environment. However, the policy effectiveness is undermined by poor implementation, budgetary and human resource deficits, cadre deployment, poor monitoring and evaluation, and weak consequence management. For instance, the National Development Plan, the country's apex roadmap to growth and development, has not been implemented.

- ⇒ *The measures to improve policy effectiveness should be focused on policies, participation, stakeholder involvement, and M&E.*

Although civil society is a social partner, deliberations on policy issues tend to be dominated by employers, workers and the state. Part of the reason is that civil society representatives lack the skills to advocate a pro-poor agenda.

- ⇒ *Civil society (CS) representatives should be carefully selected to serve on government structures based on their knowledge, skills, experience and expertise.*
- ⇒ *Their principals should brief CS representatives to fulfil their groups' mandates and policy positions.*
- ⇒ *CS representatives should receive skills training in key areas such as leadership, governance, management, finance, negotiation and the economy.*

From several skills development plans, we have found that civil society organisations are sidelined from interventions. Their role tends to be peripheral compared to employers and workers who receive the most interventions and are the biggest beneficiaries.

- ⇒ *CSOs should contribute to developing policies, strategies and plans in all government tiers.*

⇒ *CSO representatives should not sign off on policies, strategies and plans that are not pro-poor.*

⇒ *Policies, strategies and plans should allocate adequate funding windows and projects to CSOs.*

The stakeholder consultations and survey accentuated the need for CSO capacity-building.

⇒ *Fundraising, project management, financial management, monitoring and evaluation, and digital skills should be developed.*

⇒ *CSO representatives should ensure that strategies and plans in all government tiers include a capacity-building intervention or project for participating CSOs.*

⇒ *CSO representatives should lobby the government for mainstreaming the sector in skills development.*

There was an expression of the lack of opportunities to access NSDP benefits. CSOs do not know how to gain access to funds.

⇒ *CSOs should make a significant contribution to the National Skills Development Plan.*

⇒ *CSO representatives should discuss the NSDP before negotiations, and mandated policy positions should be adopted.*

⇒ *The NSDP should allocate adequate funding windows and projects to CSOs.*

Financial constraints were undoubtedly the greatest challenge highlighted by interviewees. Without funding, the work of CSOs cannot continue. The government is required to allocate more funding to CSOs. Government support is required for CSOs to flourish financially and in terms of access to resources.

⇒ *The government should facilitate partnering CSOs with the private sector for additional funding and support.*

⇒ *Simplify application processes for funding and skills programme accreditation and improve application response times.*

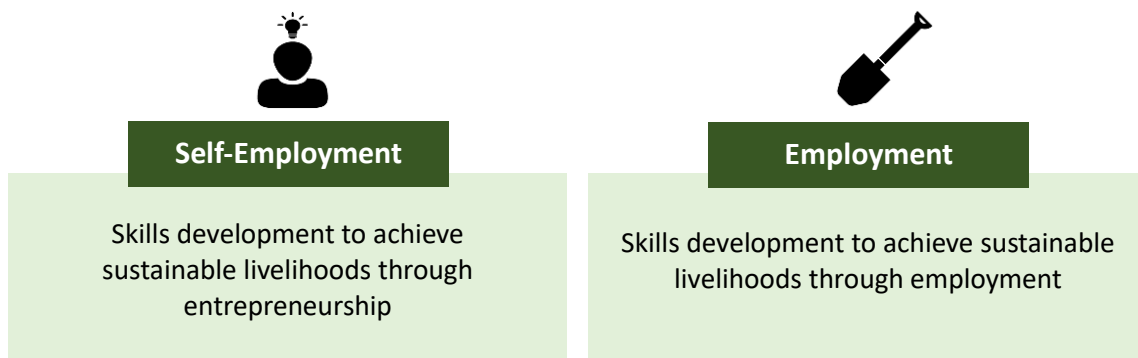
SECTION ONE: INTRODUCTION

1.1 PURPOSE

The study examines why South Africa's economic and development policies fail to eradicate high unemployment, poverty and equality after three decades of democracy.



Secondly, it analyses the role of skills development and CSOs in contributing to sustainable livelihoods. Skills development is viewed from two perspectives:



Thirdly, it identifies the CSOs' skills development needs.



1.2 NATIONAL DEVELOPMENT AGENCY

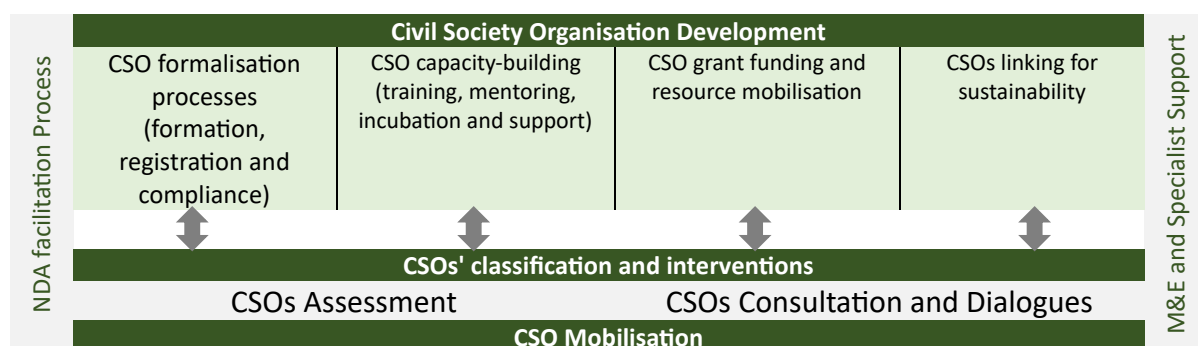
Purpose: The study was commissioned by the National Development Agency (NDA), established by the *National Development Act 1998*. The NDA reports to the National Assembly of the Republic of South Africa⁴ and was formed in response to the challenge of poverty and its causes in South Africa. It advocates for ownership of the means of production by the community, which derives from its new turnaround strategy.⁵

Mission: The NDA's mission is to mobilise resources, including funding, goods, services, and capacity building, for low-income families and communities to establish and grow social enterprises to provide livelihoods for households and communities that are dependent on social protection. The vision is a South Africa free from poverty and unemployment.⁶

Overcoming poverty is not a gesture of charity. It is the protection of a fundamental human right, the right to dignity and a decent life.

Nelson Mandela

Role functions: The NDA does the following:



The programme focuses on research and evaluations to inform the national development agenda. The research programme creates platforms for debates and dialogues between the state organs, the private sector and the CSO sector on national development issues.

Research: The research programme produces best practice publications in the social development sector. These are in the form of:

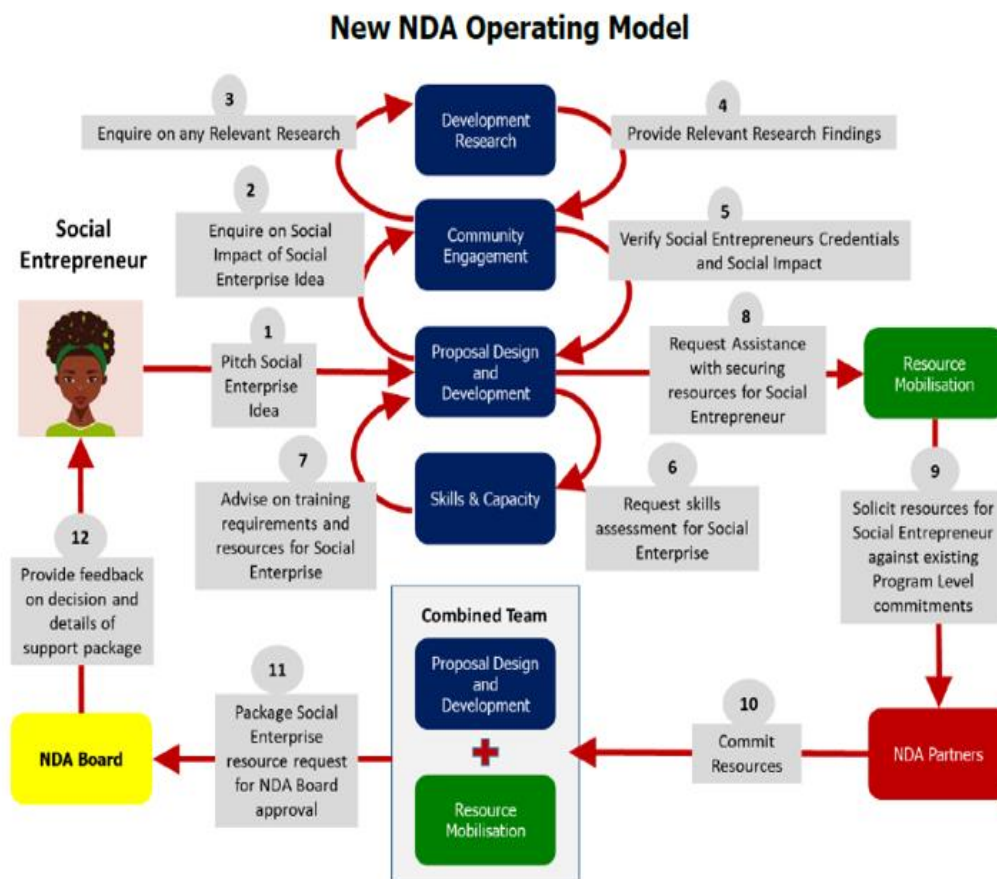
- Case studies
- Policy briefs
- Research reports
- Evaluation reports

⁴ *Skills Development Act, 1998 (Act no. 97 of 1998)*: Promulgation of the National Skills Development Plan (NSDP)

⁵ NDA (2022). National Development Agency Turnaround Strategy. 2022

⁶ Ibid

Operating Model: The NDA's model:



- The NDA's success is measured in the number of people it can responsibly remove from the SASSA grant recipient lists and indigent registers maintained at the municipal level.⁷
- The NDA enables low-income people to organise self-help income generation groups to start community-based economic activities.
- They use the co-operative model to achieve a common goal and shared outcomes for all members. The NDA works with local civil society organisations, government institutions and the private sector to provide a range of integrated interventions.
- Needs assessments measure the skills, capabilities, interests, available local resources and support to design interventions for sustainable livelihoods⁸.

⁷ NDA (2022). National Development Agency Turnaround Strategy. 2022

⁸ Ibid

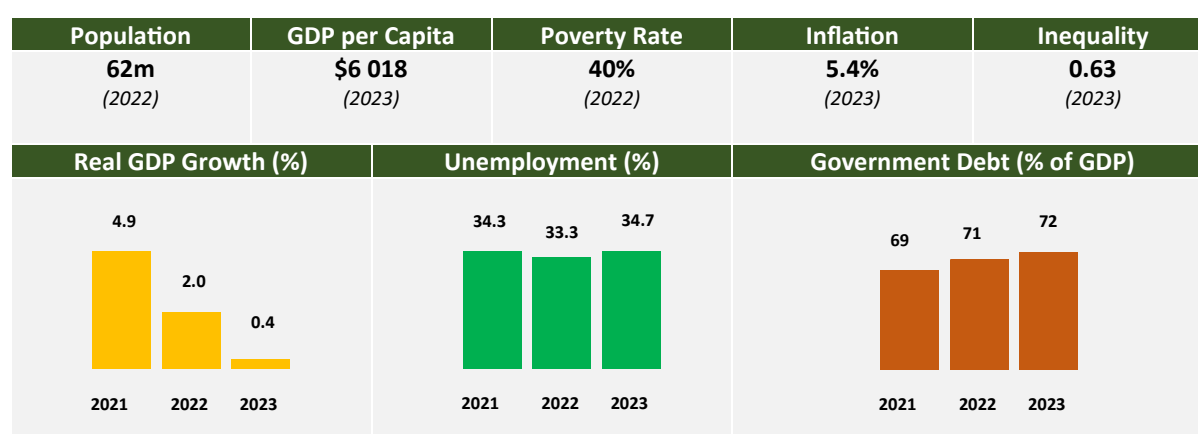
1.3 PROBLEM STATEMENT

1.3.1 Economy

The NDA is concerned with "*the failures of economic and development policies in yielding or creating reasonable growth in job creation in South Africa*". It encourages government, civil society and the private sector to do more to reduce unemployment, poverty and inequality.

Since South Africa's democratic transition in 1994, the government has taken notable action to improve living standards, especially for the previously disadvantaged people who suffered under apartheid. Despite these efforts and some initial gains, South Africa faces mounting unemployment, poverty, and inequality.

Exhibit 1: Economic indicators



Source: IMF (2023)



The economy is expected to grow by 0.8% in 2023. Crippling power cuts, logistic bottlenecks, corruption, high-interest rates, and a weak rand is fomenting unemployment, poverty and inequality.



Public debt is among the highest in emerging markets, limiting the government's ability to expand monetary policy and create further stimulus packages.



Unemployment at 34.7% is close to an all-time high. Expanded unemployment is 41.2%, and youth unemployment is 60.7%.



South Africa has the highest inequality rate in the world, at 0.63. China is 0.38, India is 0.35, Russia is 0.37, and Brazil is 0.53. Income inequality has risen in the post-apartheid era.



About 40% of South Africans are food-poor, meaning they cannot afford food to make up a healthy diet.

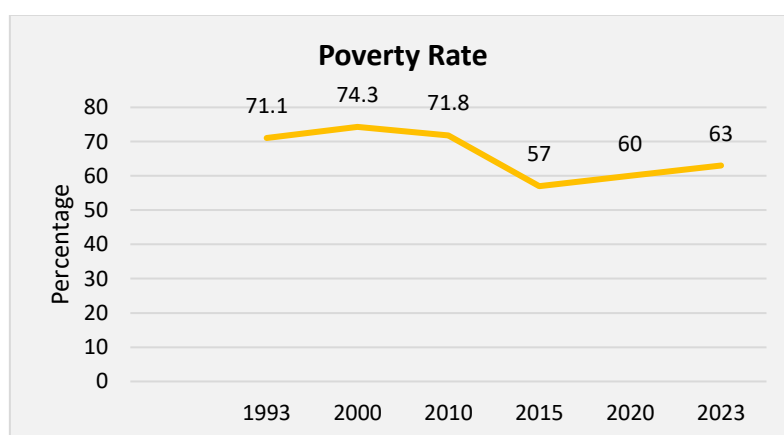


Per capita income in 2014 was \$6 252; in 2023, it is \$6 018.

1.3.2 Poverty

South Africa has pursued many initiatives to reduce poverty since 1994 but it has remained high.⁹ As of 2023, around 18.2 million people in South Africa are living in extreme poverty, with the poverty threshold at 1.90 U.S. dollars daily. It means that 162,859 more people were pushed into poverty compared to 2022. Moreover, the headcount was forecast to increase in the coming years. By 2030, over 19.1 million South Africans will live on a maximum of 1.90 U.S. dollars daily.¹⁰ Based on the outlook, the poverty rate will remain high, close to 63%, from 2023 to 2025¹¹.

Exhibit 2: Poverty rate in South Africa (1993-2023)



Sources: World Bank Poverty Rate in South Africa (1993-2023)

Fifty-five percent live below the upper bound of the poverty line (hunger and malnutrition), especially among children; 25.2% of the population were food poor, and 40% below the lower-bound poverty line. The government provides a Social Relief of Distress Grant to counter this trend, reaching around 7.8 million people.¹²

The proposals of the inter-departmental national working group on poverty alleviation in the **Acceleration Plan to achieve NDP targets by 2030** identified the following problems:



Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life. While poverty persists, there is no true freedom.

Nelson Mandela

⁹ Gumede, V. (2021). *Revisiting poverty, human development and inequality in democratic*, South Africa, University of Mpumalanga, 2021

¹⁰ Cowling, N. (2023). *Number of people living in extreme poverty in South Africa 2016-2030*, Statista, 2023

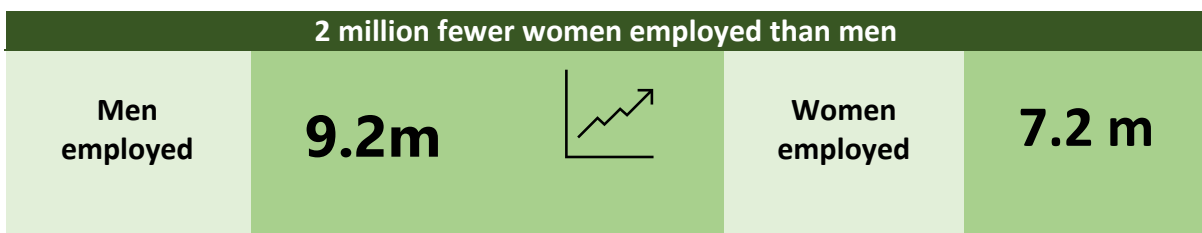
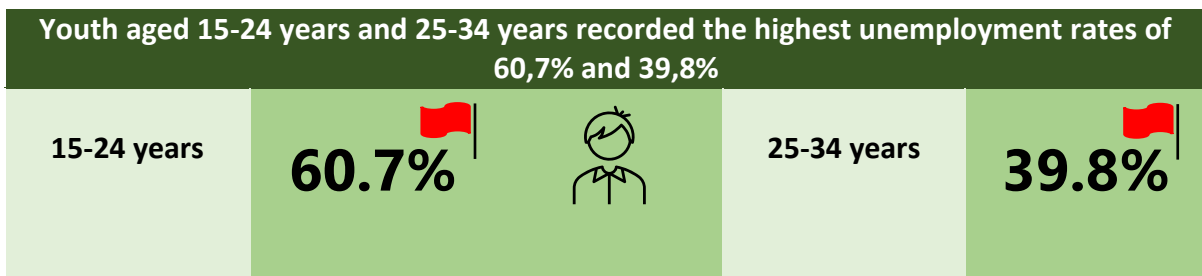
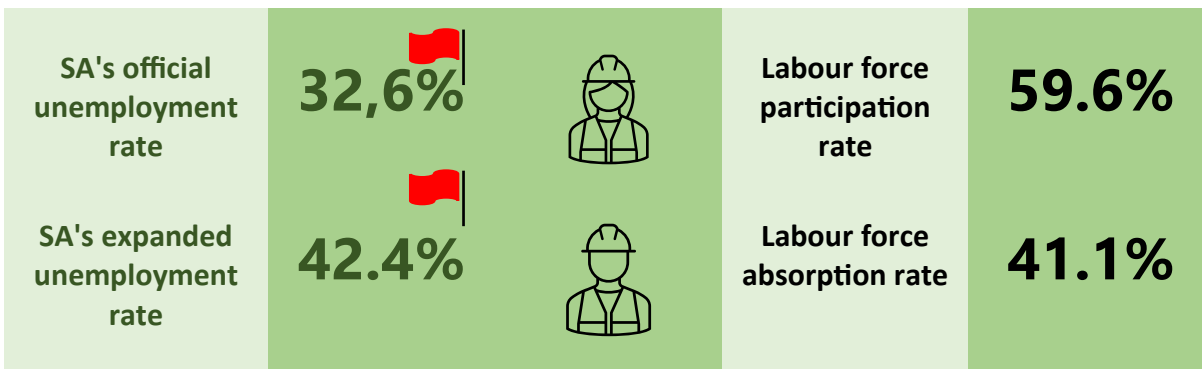
¹¹ <https://thedocs.worldbank.org/en/doc/>.

¹² SONA (2023). *Cost of SA living is leading to a deepening of poverty*, State of National Address 2023

- ⇒ **R1,3 trillion** has not adequately resulted in poverty outcomes, i.e. eradicating poverty and breaking the cycle of generational poverty.
- ⇒ **Small-scale interventions** that do not match the scale of need are implemented by Departments, thus benefiting a small number of people or households.
- ⇒ **Extreme fragmentation results in duplication with varying degrees of focus, scale, budget and impact.** Interventions benefit the same individuals in some instances. The result is weak impact and resource wastage in MSME interventions, livelihood programmes, and, to a lesser extent, public employment interventions.
- ⇒ **The need for vision and a scalable strategy for the MSME sector, the informal sector and livelihoods are glaring,** as these sectors are critical for poverty alleviation, income generation & employment creation.
- ⇒ **Departments focus on inputs and not results in their M&E frameworks** without considering impact as a critical measure of success. **Impact = how many people exited poverty permanently.**
- ⇒ **Need to maximise the results of the social wage** by strengthening the delivery system for social services at the household level to leverage the multiplier effect of various elements of the social wage.
- ⇒ **Layered interventions per household,** prioritising those below the poverty line, should be designed so that their combined impact helps households graduate out of poverty.
- ⇒ **Inequality:** SA's Gini coefficient is 0.63, demonstrating that it is the most unequal society in the world.

1.3.3 Unemployment

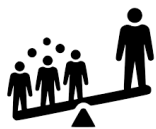
South Africa labour market profile in Q2:2023¹³:



¹³ Statistics South Africa (2023) Quarterly Labour Force Survey. StatsSA. Pretoria.

1.3.4 Inequality

South Africa is the world's most unequal, ranking first among 164 countries in the World Bank's global poverty database¹⁴.



The richest 10% of South Africans earn 66.5% of the country's total income and own 85.7% of the total wealth.

Countries aim for a Gini Coefficient of 0.2, a negligible level of income inequality among citizens. The South African Gini coefficient is 0.63. China's is 0.38, and India's is 0.35. Russia's is similarly relatively low at 0.37. Brazil, like South Africa, has a much higher level of inequality at 0.53. In South Africa, the evidence suggests that income inequality has risen in the post-apartheid period, though it has fluctuated. What is clear is that levels of inequality are not decreasing.¹⁵

There are several drivers:

- ⇒ Large numbers of South Africans are unemployed and report no or very low incomes.
- ⇒ From the employed, many earn very low wages. Of those who do have work, about 3 million people exist in the informal economy, where incomes are very low. Another 900 000 people work in agriculture, and about 1 million as domestic workers with very low incomes. Even in the formal sector, wages are extremely low, especially for non-unionised workers.
- ⇒ The incomes at the top end of the income distribution are very high. The richest 10% South African households are responsible for 52% of all expenditures. The poorest 10% of households contribute only 0.8% of all expenditure.¹⁶

1.3.5 Inflation

As inflation increases, so does the cost of living, as it decreases the purchasing power of money. Inflation¹⁷ in South Africa decreased by 0.4% to 5.5% between October and November 2023. Over the same period, the consumer price index (CPI) declined by 0.1%, owing mainly to a 5.5% fuel price index decrease. The CPI is a significant indicator of inflation and quantifies the percentage change in the prices of a 'basket' of household goods and services. Exhibit 3 depicts two bar graphs. The percentage change in price indices between November 2022 and

¹⁴ The World Bank (2022), *Inequality in Southern Africa: An Assessment of the Southern African Customs Union*, 2022

¹⁵ Valodia, I. (2023). *South Africa can't crack the inequality curse. Why, and what can be done?* The Conversation. September 2023

¹⁶ Ibid

¹⁷ The increase in prices which affects the cost of living

2023 is reflected on the left. The percentage change in price indices between October and November 2023 is reflected on the right. The prices of potatoes, sweet potatoes and eggs were on the list of increases between November 2022 and 2023. Sweet potatoes and eggs maintained their position in the top 3 for goods and services, having increased in price between October and November 2023.

Exhibit 3: Percentage change in price indices



Source: Stats SA (2023)

1.3.6 COVID-19

The pandemic had devastating impacts and caused over 102 000 deaths between 2020 and 2022. The country suffered a very large output contraction – 6.3% in 2020. There was a sharp rise in poverty, with a higher proportion of female-headed than male-headed households falling into poverty, households experiencing less secure employment and a greater likelihood of poverty, and unskilled workers being hit the hardest with job losses. Health sector services were stretched, the education system suffered, and gender-based violence (GBV) surged, as did xenophobia.

1.3.7 Civil Unrest

There was civil unrest in July 2021, described by the South African Human Rights Commission as a “violent culmination of deep-rooted political and social challenges” with which the country was struggling.¹⁸ The timing of events, it is reported, coincided with former president Jacob Zuma's imprisonment, which led to the perception that both events were interconnected. However, evidence on the intention of the July unrest remained inconclusive.

The unrest spread through KwaZulu-Natal and later to Gauteng. It quickly escalated to looting and destruction of properties, culminating in a loss of 330 lives and more than 2 500 arrests. It affected food systems and value chains, with many South Africans experiencing hunger and

¹⁸ South African Human Rights Commission (SAHRC). (2024). *July's people. The national investigative hearing report into the July 2021 unrest in Gauteng and Kwa-Zulu Natal*. Johannesburg: SAHRC.

poverty in the affected provinces. The costs inflicted by the unrest on property, businesses and livelihoods were estimated at R50 billion – 1.2% of South Africa's gross domestic product (GDP), with damages to big and small businesses, warehouses and factories.

1.3.8 Xenophobia

Tensions and threats of xenophobic attacks on migrants in South Africa have increased. Migrants have been accused of selling drugs, robbery, taking local jobs and opening businesses in townships. The government lacks a plan for how to deal with xenophobia.

1.3.9 Natural disasters

Flooding in KwaZulu-Natal and droughts in other provinces indicate that South Africa must build resilience to withstand future socio-economic, political or environmental shocks. The floods that hit KwaZulu-Natal and parts of Eastern Cape in 2022 and the Northern Cape in 2023 caused significant property and infrastructure damage and colossal loss of lives and livelihoods. Roads, bridges, telecommunication, power lines and water structures were damaged, causing transport and logistics disruptions, including to Durban port, which services the whole of southern Africa.

1.3.10 Illegal Mining

There has been a surge in illegal mining and miners known as 'zama zamas'. Some zama zamas are migrants, including smuggled migrants and victims of people trafficking. Criminal syndicates often organise these illegal and dangerous activities. The South African government has yet to eliminate illegal mining.

1.3.11 Corruption

Corruption is a problem in the country that impacts low-income households the most. It undermines state institutions and the state's ability to deliver basic services. Since September 2015, great strides have been made toward anti-corruption. The National Anti-Corruption Strategy was initiated by Government, which considers all existing institutional structures and efforts to fight corruption – with its framework having been endorsed by the Anti-Corruption Inter-Ministerial Committee.¹⁹

¹⁹ South African Government (2016). *National anti-corruption strategy*. Pretoria: Government of South Africa
<https://www.gov.za/AntiCorruption>

1.3.12 Electricity Crisis

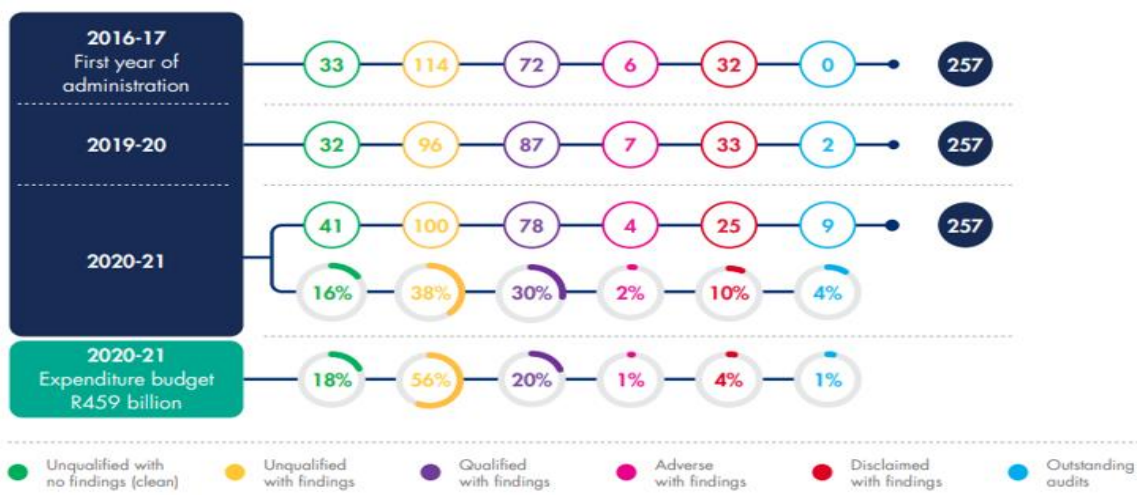
The electricity crisis complicated the situation further, with load-shedding increasing significantly in 2022 and 2023. Electricity stoppages are wreaking havoc on businesses, investments, food supply chains, logistics, and infrastructure systems such as service delivery, water and transport. In addition to the economic disruption, this deteriorating situation is causing major societal and political tensions, sporadic protests and vehement criticism from political actors.

The deterioration of utilities alone explains upwards of 40% of the country's growth underperformance since the global financial crisis (Hausmann et al., 2022). The most immediate of these challenges is electricity; projected load-shedding is severe and lowers current growth forecasts by more than 2 percentage points, according to the South African Reserve Bank.
Hausmann (2022)

1.3.13 Dysfunctional Municipalities

There is a breakdown in public service delivery in most municipalities. It includes irregular and unclean piped water supply, electricity stoppages, and poor maintenance of roads, parks, and other public spaces. The 2021-2022 audit outcomes of the Auditor-General's office found that out of the 257 municipalities, 41 (15%) received unqualified audits, 100 (40%) unqualified with findings, 78 (30%) qualified with findings, 4 (2%) adverse with findings, 25 (6%) disclaimed with findings, 9 (7%) outstanding audits. Improper planning, procurement irregularities, inadequate financial controls, skills shortages and capacity constraints, and governance and accountability drive dysfunctionalities.

Exhibit 4: Municipality audit outcomes

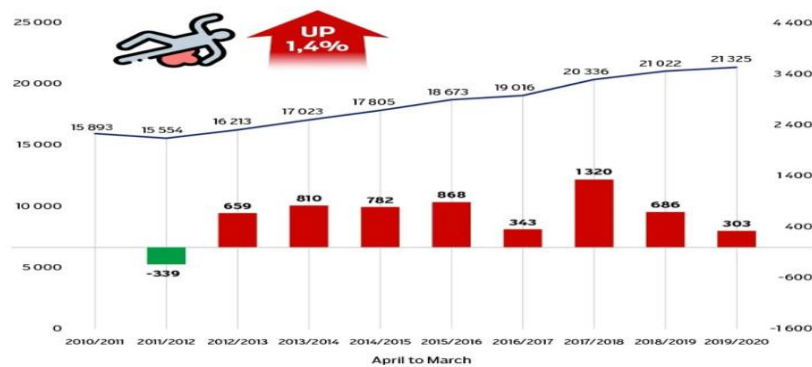


Source: Auditor-General's Office

1.3.14 Crime

South Africa has a high crime rate, which impacts on foreign investment. High crime rates are linked to low education standards, alcohol abuse, a lack of skills, poor housing and living conditions, and a lack of parenting skills. Gender-based violence is a growing trend.

Exhibit 5: Murder rates (2019-2020)



Source: 2019-2020 crime statistics

1.3.15 CSO Skills Development Needs

Lack of skills is a key challenge facing CSOs, especially with effective management and governance. There is a concern about inadequate management skills and leadership. Personnel leave CSOs to take up government posts. More training to improve managerial capacity in CSOs is needed.²⁰

It implies that many organisations are staffed with individuals who are not qualified to perform their jobs effectively. The quality of service to disadvantaged communities is affected, and millions in donor funds are inefficiently used.²¹

Another concern is low salaries. It leads to poor service delivery due to recruiting people with virtually low skills and education required to shoulder responsibilities and ascribed roles.²²

1.3.16 Social Ills

Women are disproportionately affected by gender-based violence (GBV). The government has transformative policies and legislation to advance women's empowerment and gender equality. There is notable progress. However, women are still faced with gender-based

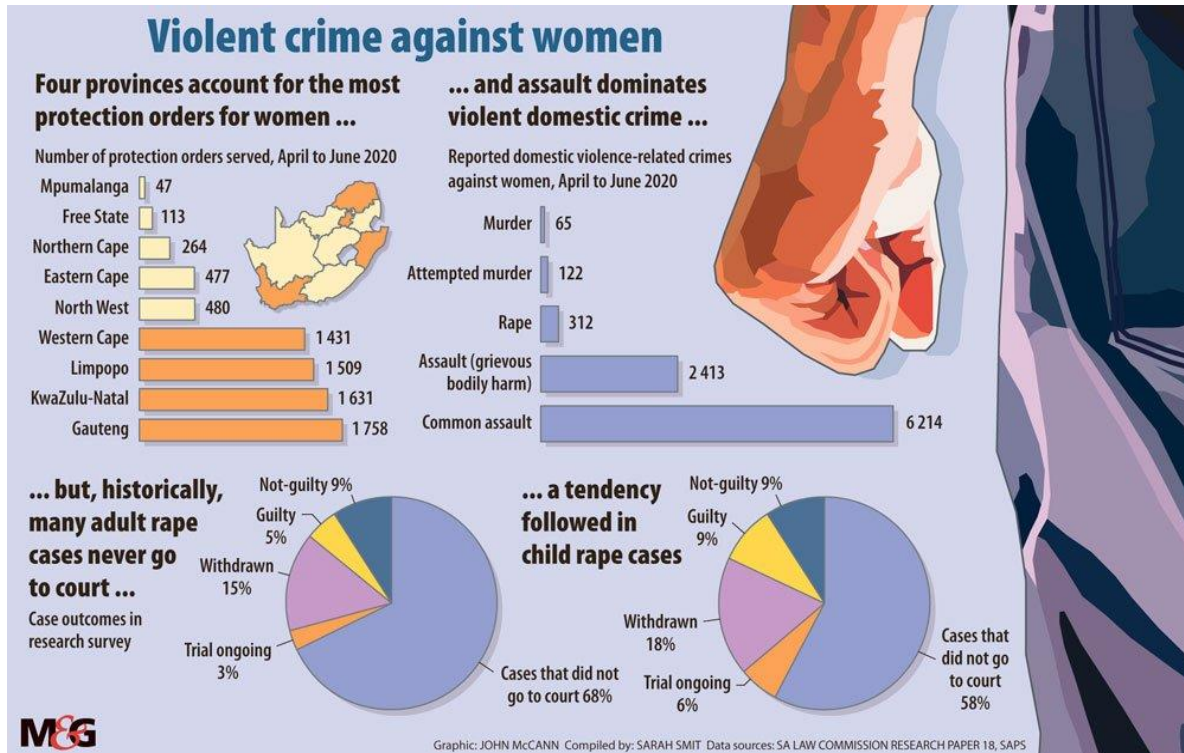
²⁰ Ibid

²¹ NDA (2013). Funding Constraints and Challenges Faced by Civil Society in South Africa. 2013

²² Ibid

violence²³. Furthermore, some communities are faced with other deep-seated social problems, such as drug abuse and gangsterism, especially rife in the Cape Flats²⁴.

Exhibit 6: Violence against women



1.4 THE RELATIONSHIP BETWEEN SKILLS DEVELOPMENT AND SERVICE DELIVERY

Individuals undertake skills development and training (SD&T) to either develop new skills and competencies or to build on existing ones. There are numerous individual and organisational benefits associated with SD&T. These include developing confidence in their field of expertise, developing their technical capabilities, and enabling the individual to become more productive and efficient.²⁵ For an organisation, benefits include employee retention, maximisation of employees' potential, improved staff morale and more motivated staff.²⁶

Technological and digital advancements drive the need to find new and innovative ways of operating. This further drives the need for SD&T to equip workers with the necessary skills to

²³ StatsSA (1991). The Status of Women's Health in South Africa. Evidence from selected indicators, Report No. 03-00-18. 1991

²⁴ Van der Westhuizen, M. & Gawulayo, S. (2021) Youth in gangs on the Cape Flats: if not in gangs, then what? *Social Work/Maatskaplike Werk* 2020 57(1). 118-132. <http://dx.doi.org/10.15270/52-2-810>

²⁵ Goldman, 2016 cited by Public Service Commission (2021) *Effectiveness of continuous employee development in enhancing capacity and service delivery in the public service*. Pretoria: The Public Service Commission.

²⁶ Service Commission (2021) *Effectiveness of continuous employee development in enhancing capacity and service delivery in the public service*. Pretoria: The Public Service Commission.

perform efficiently and effectively. Similarly, there is a need for continuous development in early childhood development centres, basic health care, and various social services (e.g. support for victims of abuse).

A study²⁷ conducted on a local municipality by Nama *et al.* found that training and development affect employee performance and that quality training and development could improve employee performance. It further found that training and development positively affected service delivery, and such programs can enhance employees' capabilities, skills, and performance. Similarly, a study²⁸ by Mpofo and Kendrick, also based on a local municipality, concluded that conducting quality employee training and development programmes is key to improving the performance of employees in organisations and that this consequently results in the improved provision of services to clients.

Muzambi²⁹ aptly summarises the relationship between NPO skills and service delivery. He discusses how NPOs use various methods to identify societal needs, and typically respond to those needs which resonate with their missions and policies. In light of this, he adds that the lack of necessary skills may obstruct service delivery and counteract NPO accreditation by community members. The same applies to CSOs in general.

In an article by Coetzee³⁰, the need for skills by CBOs is highlighted as being urgent. He notes that capacity-building programmes ought to be coupled with provision of grants to CBOs, as many lack the requisite management skills. Thus, “intensive and ongoing support” is required to assist them in establishing themselves, and with meeting delivery and reporting requirements of donors. He also notes that CBOs require support with developing suitable technical skills to enable them to “deliver the CBO’s projects effectively”. It can therefore be deduced that capacity-building (SD&T) will aid CBOs with effective service delivery.

1.5 ADVOCATING FOR INCREASED STATE INTERVENTION

There are various ways in which the NDA may advocate for increased State intervention. These include, but are not limited to, the following:

- a. **Networking:** The NDA should partner with those organisations which have the same or similar visions and objectives. This networking strategy will allow for greater collaboration, and increase the extent and impact of projects. This, in itself, will advocate for increased State intervention.

²⁷ Nama, K., Daweti, B., Lourens, M. & Chikukwa, T. (2022). *The impact of training and development on employee performance and service delivery at a local municipality in South Africa*.

²⁸ Mpofo, M. & Kendrick, C. (2014). Quality employee training and development in improving service delivery: The case of a selected municipality. *Journal of Leadership and Management Studies*, 1(1), 30-21.

²⁹ Muzambi, T. (2019). *A skills training framework for staff of nonprofit organisations: an adult learning perspective*. [Doctoral Dissertation, University of the Free State]. University of the Free State Dspace Repository. <https://scholar.ufs.ac.za/server/api/core/bitstreams/0654a4e5-b389-4112-8db6-55ba9d4a047e/content>

³⁰ Coetzee, M. (2006). *CBOs need corporate support for grassroots success*. Corporate Social Investment Handbook, 9th ed. Cape Town, SA: Trialogue. <https://www.marcuscoetzee.com/essay-cbos-need-corporate-support-for-grassroots-success/>

- b. Advocacy:** Advocacy is the act of gaining support from others to express views and conduct work (in this case, for the benefit of South African communities). To gain such support, the work and visions of the NDA should be promoted. This can be achieved through improved marketing and communication strategies, targeting the private sector and public at large. Such strategies should demonstrate past achievements of the NDA, as well as future visions and plans.
- c. Debates:** These can be leveraged as a useful tool to both promote the position of the NDA, as well as highlight areas for improvement and issues which require attention. Engaging in debate allows for constructive dialogue on important issues, and has the ability to promote critical thinking regarding issues raised and innovative solutions.
- d. Seminars:** These have a range of benefits, some of which are discussed below. Seminars enable the NDA to: (i) educate interested stakeholders; (ii) improve awareness of the NDA's work and achievements; (iii) engage with stakeholders and build relationships (assists with networking); (iv) share innovative ideas; and (v) encourage and motivate interested stakeholders to support the work of the NDA.
- e. Publications:** Disseminating information on the work and future intentions of the NDA will itself create an awareness of its efforts and encourage support for and promote the NDA. This will draw attention to the NDA's work and promote State intervention. Publications include annual reports, project achievements and research reports.

1.6 SELF-FUNDING OPPORTUNITIES FOR NGOS

Many NGOs receive funding from various sources, such as donor funding and grants. Yet there are numerous benefits³¹ derived from self-funding activities. These include greater flexibility in terms of resource expenditure, prioritisation of funding toward highest-priority projects, responding to emergency issues sooner, better strategic and long-term planning, and expanding the portfolio of goods and services, thereby promoting innovation in the organisation.

NG Europe³² outlines methods whereby NGOs can generate self-funding as follows: (i) membership fees; (ii) service provision; (iii) product sales; (iv) donations; (v) sponsorships; (vi) crowdfunding³³; (vii) fundraising campaigns; and (viii) exchange of goods and services.

The method of funding generation will differ largely from CSO to CSO, based on the services they provide. Some may be able to generate funding through service provision, while others may be able to generate income through the sale of goods they produce, for example.

Some case studies exhibiting self-funding innovations by NGOs follow.

³¹ One Vibe Africa (2018). *Self-funding NGOs*. Seattle, US: Omprakash. <https://www.omprakash.org/dialogue/155/self-funding-ngos>

³² NG Europe (2017) 107. *Survival guide for NGO founding and funding*. <https://ngeurope.net>

³³ Raising of small amounts of funds from a large number of people to finance business ventures or projects.

The Sani Foundation, Zambia

This foundation was established in 2013, with the purpose of advocating for the inclusion of persons with intellectual abilities in all facets of society. Youth aged 14 to 35, with various intellectual abilities, are targeted. Initially, youth were offered training through classroom-setting simulated work experience, focusing on individual learning and coaching. The foundation has since transformed into a social enterprise, restructuring its training model from a Supported Employment Model to a Work-based Learning Model.

As a result, the foundation developed the DICE (Disability Inclusive and Customised Employment) Juice Bar in July 2017. This bar is intended to provide jobs for the intellectually disabled while raising awareness that “disability is not inability”. The DICE juice bar further offers trainees real-life, hands-on work experience, while generating an income for the foundation.

Source: sanifoundationzambia.org

Awamaki, Peru

Awamaki is a non-profit, community-driven social enterprise, which aims to link Andean weavers with global markets through training and provision of market access. The organisation collaborates with 8 rural, women-led Andean (Quechua) artisan cooperatives, creating grassroots programmes and sustainable economic opportunities to support these indigenous women’s efforts toward educational and financial independence.

These cooperatives handcraft items like handbags and clothing, using a range of techniques, such as weaving, knitting, spinning, and sewing. Awamaki offers them training in areas such as quality control, product development and technical skills improvement. The goods produced by the cooperatives are then sold on Awamaki’s online store to generate profits for the community.

Source: www.awamaki.org

While self-funding is a viable option for NGOs, these organisations often cannot rely solely on this type of funding. Svidroňová and Vaceková argue that NGOs are yet to reach “such a level of economic and managerial professionalism to be able to exist solely on sources from self-financing activities”.³⁴ They further argue that self-funding is not the goal of NGOs, and that this practice is contradictory to many of their financing principles, e.g. the non-distribution constraint and multi-sourcing. There are often setbacks experienced with self-funding, as indicated in the case study below.

³⁴ Svidroňová, M. & Vaceková, G. (17-18 January 2013). *Self-financing of non-government organizations versus general benefit of their goals* [Paper Presentation]. 17th International Conference of The Current Trends in Public Sector Research, Brno, Czech Republic.

Lifesong Halfway House - Nairobi, Kenya

This organisation was founded with the intent to aid boys and young men in developing tangible skills and mindsets which enable them to succeed in all spheres - at home, school, and in their communities.

Lifesong is funded on a small scale by individuals and institutions monthly. But this funding is insufficient. Hence, it required another funding source, turning to self-funding. The organisation attempted to start a business offering mobile money banking, and selling eggs, chicken and other goods.

While the shop served as a resource centre for youth to pick books and read at the premises, taking money from the business to pay for its rent and at the same time fund the organisation's activities began eating into and affecting the business. Lifesong had to stop spending small profits generated by the business and return to requesting more support from the community.

Source: www.omprakash.org

1.7 CSO ROLE TRANSITION

The CSO sector in South Africa has undergone vast changes over the past decades. During apartheid, the CSO sector could be described as "either serving white interests or aligned to the state, or in opposition to the state".³⁵

Pre-1994, the CSO sector can be described as being effective, vibrant and unified in their opposition to the apartheid Government.³⁶ CSOs played an important role in social services and community organisation, following the Soweto uprising in 1976, as part of the anti-apartheid movement.³⁷

Following the country's first democratic elections in 1994, NPOs were named important development partners in the Reconstruction and Development Programme.³⁸ This led to the replacement of hostile apartheid-period relationships between the State and the non-profit sector with cooperative partnerships.

There was disorder experienced by the CSO sector, following the 1994 elections, when it struggled to redefine its position within the context of the new democratic structure along with newfound democratic liberties.³⁹ It is further discussed how two major factors led to the

³⁵ NDA (2008). *Review of the State of Civil Society Organisations in South Africa*. Braamfontein: NDA.

³⁶ Weidemann, M. (2015) *The changing status of Civil Society Organisations in South Africa, 1994 to 2014*. HSF Background Report South Africa, 2015. Southern Africa: Hanns Seidel Foundation.

³⁷ Warshawsky, D. N. The perpetual uncertainty of civil society: case study of an anti-hunger organization in South Africa. *Nonprofit Policy Forum* 2015; 6(1), 91-109.

³⁸ Burger, R., Jegers, P., Seabe, D., Owens, T. & Vanroose A. (2013). *NPO Accountability in a disconnected and divided South Africa*. University of Stellenbosch. Stellenbosch.

³⁹ Weidemann, M. (2015) *The changing status of Civil Society Organisations in South Africa, 1994 to 2014*. HSF Background Report South Africa, 2015. Southern Africa: Hanns Seidel Foundation.

contraction of the sector and its impact, post-apartheid. These were: (i) the significant decrease in donor funding to the sector, due to a decrease of funding to the country; and (ii) skilled and experienced CSO staff accepting Government roles, decreasing the CSO sector capacity, and forcing a scaling-down of operations.

The Government formally institutionalised CSOs into society with the introduction of the 1997 Nonprofit Organisations Act, 1997 Lotteries Act, and the 1998 National Development Agency Act.⁴⁰

In the early 2000s, there was another shift in the CSO sector, in response to Government's Growth, Employment and Redistribution (GEAR) strategy adoption in 1996.⁴¹ The role of CSOs in the design and implementation of GEAR were significantly limited, and while this limitation and the reduced success of the strategy may not be directly linked, it would have resulted in a greater impact had CSOs been involved, due to their wider reach.⁴²

Habib and Kotzé⁴³, cited in Burger *et al*, discuss how post-apartheid changes in the political and donor environment largely reshaped the NPO sector. There was more emphasis on accountability to both donors and government, instead of emphasis on the communities and beneficiaries who legitimise the NPO existence. Numerous small, informal organisations could not meet these new requirements and did not survive these circumstances.

Nonetheless, to this day, CSOs address a range of public and community issues. These include issues like urban services and environmental degradation, strongly reflecting the fundamental and civil rights of South Africans, with CSOs playing a general charity role.⁴⁴ They assist communities in provision of basic socio-economic services, including those which are beyond the State's immediate capacity.

In a media statement, the important role NGOs play in the realisation of the National Development Plan and the 2030 Agenda for Sustainable Development were acknowledged.⁴⁵ The sector's role in skills development and job creation were also recognised, especially in terms of jobs created for the vulnerable groups of youth and women. 276 000 sustainable jobs were created between the first and second quarters of 2022. The NGO sector was also quoted by Minister Lindiwe Zulu as being "in the forefront of our national rapid response, recovery and rebuilding efforts", especially in light of the COVID-19 pandemic and the 2023 floods.

⁴⁰ Warshawsky, D. N. The perpetual uncertainty of civil society: case study of an anti-hunger organization in South Africa. *Nonprofit Policy Forum* 2015; 6(1), 91-109.

⁴¹ Weidemann, M. (2015) *The changing status of Civil Society Organisations in South Africa, 1994 to 2014*. HSF Background Report South Africa, 2015. Southern Africa: Hanns Seidel Foundation.

⁴² Asuelime, L. E. (2017) Civil society and the South African developmental state: an appraisal. *Journal of Social Development in Africa*, 32(1), January 2017. <https://www.researchgate.net/publication/323255107>

⁴³ Habib, A., & Kotzé, H. (2003). Civil society, governance and development in an era of globalisation: The South African case. In Mhone, G , Edigheji, O. (eds). *Governance in the new South Africa: The challenges of globalisation*. Cape Town: UCT Press, 246-270. cited by Burger, R., Jegers, P., Seabe, D., Owens, T. & Vanroose A. (2013). *NPO Accountability in a disconnected and divided South Africa*. University of Stellenbosch. Stellenbosch.

⁴⁴ Asuelime, L. E. (2017) Civil society and the South African developmental state: an appraisal. *Journal of Social Development in Africa*, 32(1), January 2017. <https://www.researchgate.net/publication/323255107>

⁴⁵ Department of Social Development (2023). *Minister Lindiwe Zulu applauds the critical role played by non-governmental organisations* [Media Statement]. Pretoria: Department of Social Development.

1.8 RESEARCH QUESTIONS

The investigation answers to the following research questions:

How effective have South Africa's economic and development policies been in combatting unemployment, poverty and inequality since 1994?

What should be done to improve policy effectiveness?

What is the role of social partners (state, employers, workers and civil society) in changing the economic and development policy trajectory?

What is the relationship between skills development and CSO service delivery?

What are the skills needs of CSOs in rendering community services effectively?

Do CSOs have access to and participate in the NSDP?

What are the recommendations to improve CSO capacity?

The research study explores the economic and development policies debates since the advent of democracy, reviews strategies and plans, and determines CSO skills needs and participation in the NSDP for effective community service delivery.

1.9 OBJECTIVES

The research objectives are to:

⇒ Assess whether South Africa's economic and development policies achieve economic growth, job creation, poverty alleviation, and inequality reduction.

⇒ The social partners should do an outline to change the policy trajectory.

⇒ Examine the relationship between skills development and CSO service delivery.

⇒ Identify the CSOs' skills needed to participate effectively in poverty alleviation.

⇒ Determine whether CSOs participating in national skills development initiatives such as the National Skills Development Plan.

⇒ Make recommendations to improve CSO skills development and service delivery.

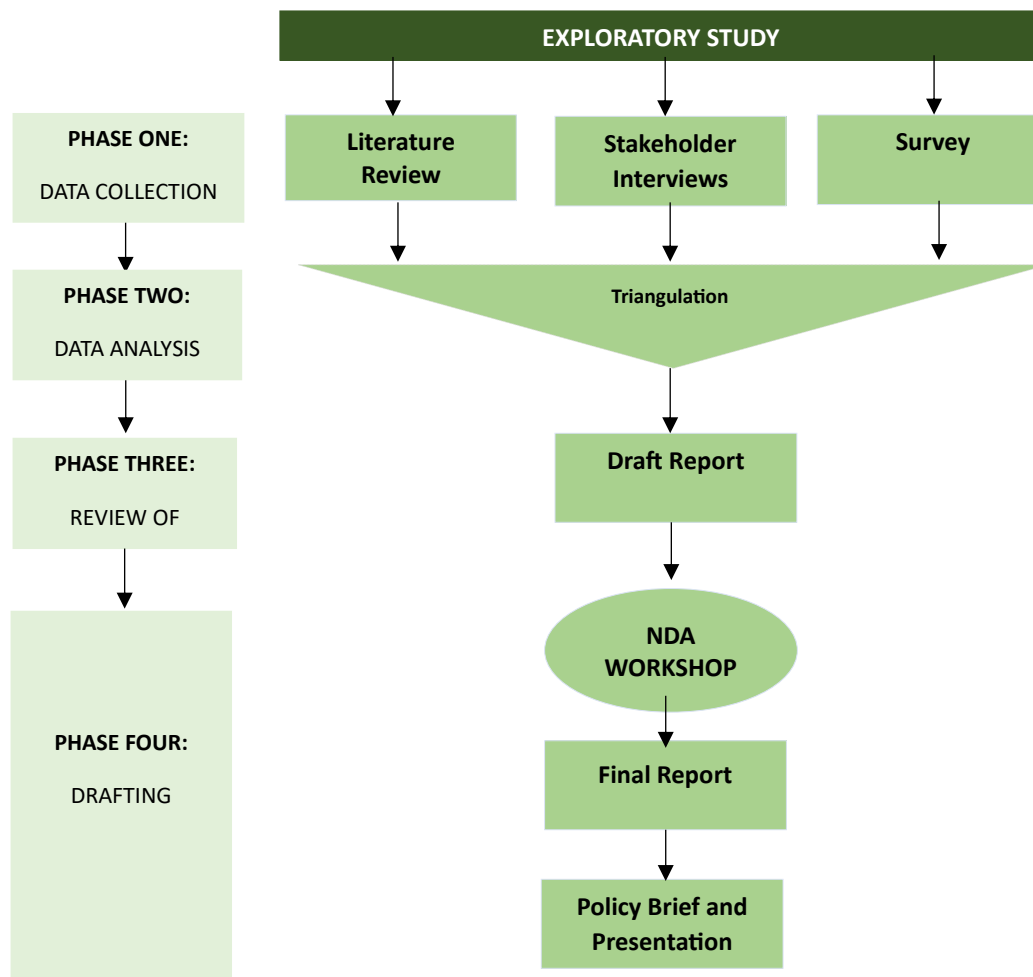
1.10 LAYOUT

The research study layout is the following:

Section One	Introduction
Section Two	Economic and Social Policy Contestations
Section Three	Stakeholder Consultations
Section Four	Survey Findings
Section Five	Findings and recommendations

1.11 RESEARCH METHODS

Research design: A mixed-method research approach is used to achieve the aims and objectives of this study. Mixed methods research refers to a process of using several primary and secondary data collection instruments to investigate a research problem. Collecting qualitative and quantitative data through several sources can acquire a deeper and more holistic understanding of the phenomenon being investigated.



Literature review: The literature review comprised relevant legislation, strategies, plans, and grey literature on skills development and the CSO sector.

Interviews: Interviews were conducted with 57 stakeholders in the skills development and CSO community of practice.

Survey: An online survey will be administered to a sample of CSOs to ascertain their involvement in skills development programmes, especially the NSDP.

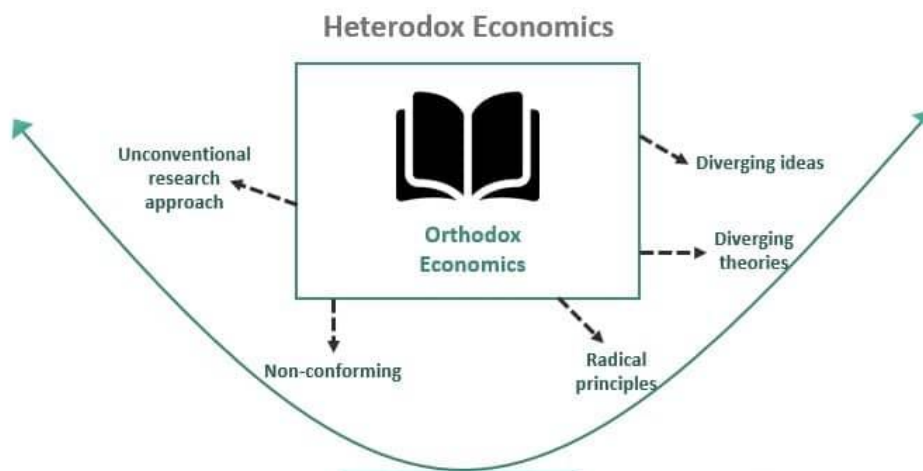
Workshop: A workshop was conducted with the NDA to present the draft report and elicit feedback.

Data Analysis: The data collected from the sources were triangulated and integrated to produce the report.

SECTION TWO: ECONOMIC AND SOCIAL POLICY CONTESTATIONS

2.1 POST-APARTHEID ECONOMIC POLICIES

The section analyses economic and social policy contestations through heterodox economic policy perspectives. Heterodox economics refers to theories and principles that do not conform to orthodox economic schools of thought, such as neoclassical economics. It aims to offer alternative economic theories and perspectives that challenge the assumptions and limitations of mainstream neoclassical economics.



2.2 FREEDOM CHARTER

The struggle against apartheid was aimed at achieving a democratic society with 'equal rights and opportunities for everyone, regardless of colour, race, sex or belief'. To this end, it was envisaged that a transformed, post-apartheid, democratic state would drive a programme of structural economic transformation to ensure inclusivity in providing social and economic services related to housing, employment, education, nutrition and healthcare.⁴⁶ Unfortunately, these ideals have not been realised after almost three decades of democracy.

It has led to debates about the effectiveness of the government's economic policies and the extent to which it is inclusive, developmental, redistributive and resilient. South Africa's economy has not diversified out of its minerals-energy complex, and deindustrialisation is afoot. In recent years, the financial and services sector has dominated the economy. Therefore, we can talk of a financialised mineral-energy complex.⁴⁷

We must ask what lessons have been learnt from the political circumstances and economic choices made since democracy in 1994 in South Africa.

V Padayachee & R van Niekerk (2019)
Shadow of Liberation

⁴⁶ Congress of the People (1955) Freedom Charter.

⁴⁷ Mapungubwe Institute of Strategic Reflection (2023) The evolving structure of South Africa's economy. MISR: Johannesburg.

2.3 DEMOCRATIC GOVERNMENT

The government changed its views from concurring with heterodox⁴⁸ economic views and policies up to the early 1990s to fully embracing mainstream economics and policies within two years of the 1994 elections. Such a change was not inconsequential. It has shaped the post-apartheid government's role in the economy, its economic policy choice, and the country's growth and development outcomes for nearly 30 years.⁴⁹

The democratically-elected government after 1994 veered towards a neo-liberal policy approach, popularised by Thatcher (UK Prime Minister) and Reagan (US President) in the 1980s and aided by the World Bank and International Monetary Fund. These institutions advocated the implementation of Structural Adjustment Programmes (SAPs) in developing countries experiencing protracted economic problems. This policy approach later called the Washington Consensus, aimed to stabilise or maintain internal and external equilibrium. SAPs advocated the following:

Economic issues must become a serious public matter and the subject of debate if new directions are to be undertaken. Meaningful reforms cannot be put over by an advisory and administrative elite that itself is the architect of the existing situation.

J Rapley (2017) *Twilight of the money Gods*

STRUCTURAL ADJUSTMENT POLICIES

- Small government because government dissaving threatens to crowd out a rise in private investment and thus suppresses economic growth.
- Focus on imperfections, rigidities and frictions as causes of market failures and make the economy resemble the textbook model of market perfection.
- Restore external equilibrium by liberalising the foreign exchange regime for current account transactions and attain foreign reserves to cover three months of imports.
- Maintain internal equilibrium by prudent fiscal and monetary policies that contain aggregate demand and inflation.
- Transform the state's role in welfare and social security (providing safety nets), industrial development, deregulating trade, labour, and finance.
- Sustain poverty reduction by creating room in the budget for more pro-poor spending and safety nets to protect people experiencing poverty from exogenous shocks.
- Build competitiveness by encouraging public financial management, tax administration and the efficiency of public enterprises.

⁴⁸ Heterodox economics refers to economic theories that diverge from mainstream or neoclassical principles. While most economists accept mainstream economic theories, they tend to rely on neoclassical theories of market equilibriums and rationality.

⁴⁹ Adelzadeh, A (2023) Why South Africa's economy is stuck in a chronic crisis. In: The evolving structure of South Africa's economy. MISR: Johannesburg.

It translates into policy targets of curbing inflation, containing the fiscal deficit, enabling the emergence of market-clearing exchange rates, and minimising the state's perceived interference with markets. This view assumes that a stable macroeconomic environment, together with a non-interventionist state that does not crowd out private investment, will generate faster economic growth, which, in turn, and as a consequence, boosts employment and improve livelihoods.⁵⁰

The impact of neoliberalism on developing countries has been severe. The SAPs reversed social and industrial development gains in many African and Latin American countries. Even the East Asian countries less inclined to adopt laissez-faire policies suffered setbacks in the wake of the Asian financial crisis due to financial liberalisation. During the 1980s and 1990s, many developing countries engaged in sweeping financial liberalisation, removing capital controls and establishing stock markets. Financial liberalisation led to massive capital inflows, largely in short-term portfolio capital flows. According to Palma,⁵¹ no matter how hard financially liberalised LDCs (least developed countries) have tried to deal with the problem of sudden and massive surges in capital inflows, they have ended up in a financial crisis.

Adelzadeh⁵² argues that the country's development can be attributed to the post-apartheid government embracing mainstream [neo-liberal] economic policies. He indicates that during the National Development Plan (NDP) period 2010-2019, the country's fiscal and monetary policy measures became tighter and more austere. He argues that the consequences of austerity and tightening over the decade were lower average growth and public and private sector investment. He warned that the government has since 2019 intensified its neo-liberal stance. However, neither the fiscal nor monetary authorities have presented evidence that financial austerity, restrictive monetary policy and supply-side measures would improve economic and developmental outcomes.⁵³

Orthodox Economic Policies	Heterodox Economic Policies
<ul style="list-style-type: none"> ▪ Dominant paradigm ▪ Neo-classical economics ▪ Mainstream ▪ Marginalism ▪ Old paradigm 	<ul style="list-style-type: none"> ▪ Non-orthodox economics ▪ Post-classical economics ▪ Radical political economy ▪ Real-work economics ▪ New paradigm economics

⁵⁰ Powell, M & Rasool, H (2021) Analytical paper to inform the planned SADC Joint Sector Meeting of Ministers of Labour, Finance, Trade and Industry, including social partners. September. SADC: Gaborone.

⁵¹ Palma, J (2000) The three routes to financial crises: The need for capital controls. Schwartz Center for Economic Policy Analysis. Working paper 2000-17. New York

⁵² Adelzadeh, A (2023) Why South Africa's economy is stuck in a chronic crisis. In: The evolving structure of South Africa's economy. MISR: Johannesburg.

⁵³ Ibid

The government's economic policies since 1994 are summarised:

Reconstruction Development Programme (RDP)	1994 – 1996
<p>The RDP was a policy framework for integrated and coherent socio-economic progress launched in 1994. It aimed to mobilise all South Africans and resources to end apartheid legacies. It addressed social challenges and contributed to economic growth through liberalisation and improved economic efficiency. It was built on the bottom-up, grassroots approach to be owned and driven by communities and organisations, allowing beneficiaries to be involved in all levels of the decision-making process⁵⁴.</p>	
<p>Main Features</p>	
<p>The aim was to establish a more equal society through reconstruction and development and strengthening democracy. The RDP identified five major programmes outlined in the White Paper on the Reconstruction and Development Programme (1995): create a strong, dynamic, and balanced economy; develop the human resource capacity of all South Africans; ensure that no one suffers racial or gender discrimination in hiring, promotion and training situation; develop a prosperous balanced regional economy in Southern Africa; and democratise the state and society. In short, this policy was aimed to address and redress the inherited gross inequalities of apartheid, socially, economically, and spatially.</p>	
<p>Successes</p>	<p>Failures</p>
<ul style="list-style-type: none"> • Social security: The government established an extensive welfare system. The system catered for the aged, disabled, children in need, foster parents, and many others too poor to meet their basic needs requirements. • Health system: free health care was implemented for pregnant women and children, and free meals were provided to between 3.5 million and 5 million schoolchildren. Five hundred new clinics were built, ensuring that five million additional people had medical services close to where they lived. • Electricity Connection: more than two million additional homes were connected to the electricity network, resulting in 63% of the population having electricity at home⁵⁵. 	<ul style="list-style-type: none"> • Economy growth was poor, and this impacted negatively on the policy itself. The New government fiscal constraints. • Organisational constraints due to the lack of an efficient public service. • The inability of the new government to prioritise the RDP and to integrate it as the guiding principle of its socio-economic policies. • The RDP ignored the gathering of new taxes, focusing far too narrowly on fiscal prudence and the relocation of existing revenues.

⁵⁴ RDP (1994). South Africa, *White Paper on Reconstruction and Development*. 1994

⁵⁵ Mosala, J. C., Venter, J.C.M. & Bain, E. G. (2017). South Africa's Economic Transformation Since 1994: What Influence has the National Democratic Revolution (NDR) Had? 2017.

Growth, Employment and Redistribution Strategy (GEAR)	1996 - 2006
<p>It is a macroeconomic policy framework introduced to stimulate faster economic growth and provide resources to meet social investment needs. The policy encompassed most of the social objectives of the RDP but also aimed at reducing fiscal deficits, lowering inflation, maintaining exchange rates stabilising capital flows⁵⁶.</p>	
<p>Main Features</p>	
<p>The strategy targeted a growth rate of 6% and the creation of 400,000 jobs per annum by 2000. GEAR set a stringent fiscal deficit target of 3% by 1999, down from the 4.5% set in 1994. The strategy further stated that this saving and increased government investment would eliminate government dissaving.⁵⁷ The country's monetary policy addressed inflation and financial stability and provided for a further relaxation in exchange controls. The trade and industry policy, in turn, focused on employment and boosting international competitiveness. Emphasis was on competitiveness and employment in the manufacturing and tourism sectors, with industrial support measures including innovation, productivity and small business support programmes, tax exemptions and tax holidays, and strengthening competition legislation. It was stated that trade liberalisation had to be accompanied by greater flexibility in the labour market.⁵⁸</p>	
<p>Successes</p>	<p>Failures</p>
<ul style="list-style-type: none"> • Fiscal deficit, inflation and government consumption targets were slightly met, reporting figures of 2.2%, 5.4 % and 18%, respectively, by the end of 2000, bringing about greater macroeconomic stability, better reporting, and increased accountability. • Management of public finances improved drastically. • The only success seen regarding GDP was that the negative growth rate of the early nineties was reversed. • Government expenditure was reduced by tightening of the monetary policy. 	<ul style="list-style-type: none"> • Private investment, job creation and GDP growth were disappointing. • No real reduction in unemployment. • Poor in success with wealth distribution. • The policy fell short concerning the social challenges of the country, most notably poverty reduction and employment creation.

⁵⁷ Mosala, J. C., Venter, J.C.M. & Bain, E. G. (2017). *South Africa's Economic Transformation Since 1994: What Influence has the National Democratic Revolution (NDR) Had?* 2017.

⁵⁸ Ibid

Accelerated and Shared Growth Initiative – South Africa (AsgiSA)	2006 - 2008
---	--------------------

The core objective was to halve poverty and unemployment by 2014, per the Millennium Development Goals (MDGs). Furthermore, it aimed to improve the country's economic performance and job creation capacity.

Main Features

AsgiSA identified 6 key binding constraints requiring interventions:

- Currency volatility is a threat to investment in tradable goods and services. It results in the diversion of investment to narrower, safer areas.
- The national logistics system's cost, efficiency and capacity resulted in the major backlogs experienced in the country concerning infrastructure and investment and have had a detrimental effect on the costs of moving goods.
- The shortage of suitably skilled labour is one of the most serious challenges facing the country's successful economic and social development. It is an extension of the prolonged and deliberately inferior education system offered to blacks. This is amplified by the irrational spatial patterns of settlements and the high labour costs.
- Barriers to entry, limits to competition, and limited new investment opportunities: These negative factors have led to the lack of diversification in the economy, leaving it concentrated on upstream production sectors and impacting negatively on service industry development.
- The regulatory environment and the burden placed on small and medium enterprises have hampered business development, notably in tax administration, labour laws, and municipal regulation. This is especially evident in the lacklustre performance of the SME sector in its contribution to GDP and employment.
- Deficiencies in state organisation, capacity and leadership are a further constraint to achieving the country's growth potential.⁵⁹

Successes	Failures
Given the short period that priority was given to AsgiSA, it is difficult to measure its success or its failures. The initiative achieved some level of success. For example, the infrastructure programme included public sector spending, which indicated an increase from 4.6% of GDP in 2006/07 to 9.6% in 2009/10.	Unemployment and poverty, however, remained unchanged or worsened after the adoption of AsgiSA by the South African government ⁶⁰ .

⁵⁹ Prof Mohammed, I. & Jahed, T. (2010). Development Bank of Southern Africa: Development Planning Division Structural Transformation of Economies: Lessons from the South, 2010, 10.

⁶⁰ Mosala, J. C., Venter, J.C.M. & Bain, E. G. (2017). South Africa's Economic Transformation Since 1994: What Influence has the National Democratic Revolution (NDR) Had? 2017.

New Growth Path (NGP)	2010 – 2012
<p>This government policy was developed to tackle mass joblessness, poverty, and inequality by accelerating economic growth in the country. The NGP also aspired to create five million more jobs by 2020 and reduce unemployment by 10%, largely through a public infrastructure programme. Furthermore, the NGP set out to reduce South Africa's economic inequalities.⁶¹</p>	
<p>Main Features</p>	
<p>The NGP's main features are its proposed strategic principles to address the identified challenges:</p> <ul style="list-style-type: none"> • To deepen democratic and regional markets by growing employment, increasing incomes, and undertaking other measures to improve equity and income distribution. • To widen the market for South African goods and services by focusing on exports to the region and other rapidly growing economies.⁶² 	
<p>NGP Successes</p>	<p>NGP Failures</p>
<ul style="list-style-type: none"> • The NGP emphasised infrastructure development as a source of employment and economic growth. • The NGP identified various areas where employment could be created. Job drivers were identified in the infrastructure and services industries, the green economy, public services, and rural development.⁶³ 	<ul style="list-style-type: none"> • It failed to meet its employment targets. • Implementation was weak. • It lacked leadership. • There was no M&E framework.

⁶¹ Mosala, J. C., Venter, J.C.M. & Bain, E. G. (2017). South Africa's Economic Transformation Since 1994: What Influence has the National Democratic Revolution (NDR) Had? 2017.

⁶² Ibid

⁶³ Ibid

National Development Plan (NDP)	2012 – 2030
<p>The NDP is the latest government macro-economic policy which emphasises economic growth to deal with the challenges of unemployment, inequality, poverty and redistribution. This plan constitutes a long-term vision and covers the period up to 2030. The NDP is a plan for the country to eliminate poverty and reduce inequality by 2030 through uniting South Africans, unleashing the energies of its citizens, growing an inclusive economy, building capabilities, and enhancing the state's and leaders' capability to solve complex problems.⁶⁴</p>	
<p>Main Features/Characteristics</p>	
<p>The NDP is a response to the three overarching challenges - inequality, unemployment, and poverty- confronting South Africa.</p> <ul style="list-style-type: none"> • The NDP's target for reducing inequality envisaged the Gini coefficient falling from 0.69 in 2010 to 0.6 in 2030. • The NDP targets reducing unemployment from 25.4% in 2010 to 6% in 2030, with interim targets of 20% by 2015 and 14% by 2020. • Eradicate poverty by 2030. 	
<p>NDP Success</p>	<p>NDP Failures</p>
<ul style="list-style-type: none"> • The average annual rate of employment creation more than doubled from 2001 to 2017, compared to the period from 1960 to 1993. • Between 1996 and 2015, 7.6 million more households lived in formal housing. • Households with access to electricity increased from 76.6% in 2002 to 84.4 % in 2017, while those with access to sanitation rose from 60.7% in 2002 to 82.5% in 2017. • Public sector infrastructure spending totalled R2.7 trillion between 1998/9 and 2016/17, rising by 5.2% annually in real terms. • School attendance rose from 91.3% in 2002 to 96% in 2017, and the proportion of learners paying no fees rose from 0.3% in 2002 to 64.8% in 2017. • Poverty rates fell dramatically, from 51% in 2006 to 40% in 2015. 	<ul style="list-style-type: none"> • South Africa remains the most unequal country in the world. • Economic growth has been disappointing. • The top decile of the South African population is estimated to own between 71% and 95% of the nation's wealth, compared to a global average of 55% to 65%.⁶⁵ • Poverty levels fell from 51% of the population to 36.4%, followed by income poverty, which affected 40% of the population by 2016. • 13.3 million people were living below the food poverty line in 2015, increasing to 19.4 million in 2020. It means that almost 32,6% of the population could not afford the minimum required for their daily energy intake. • In 2015, 49% of black African women lived in poverty compared to 45% of black African men. • The unemployment rate, which increased from 25.4 % to 27.7 % from 2012 to 2018, increased substantially over the 2018-2022 period, mainly due to measures taken to reduce the impact of the Covid-19 pandemic.

There are multiple intersecting crises: poverty, unemployment and inequality, deindustrialisation and deagrarianisation, climate change, natural disasters, rampant corruption, breakdown of municipalities, underinvestment and rapid deterioration of transport networks, social unrest, load shedding, crime, state capture, geopolitical tensions.

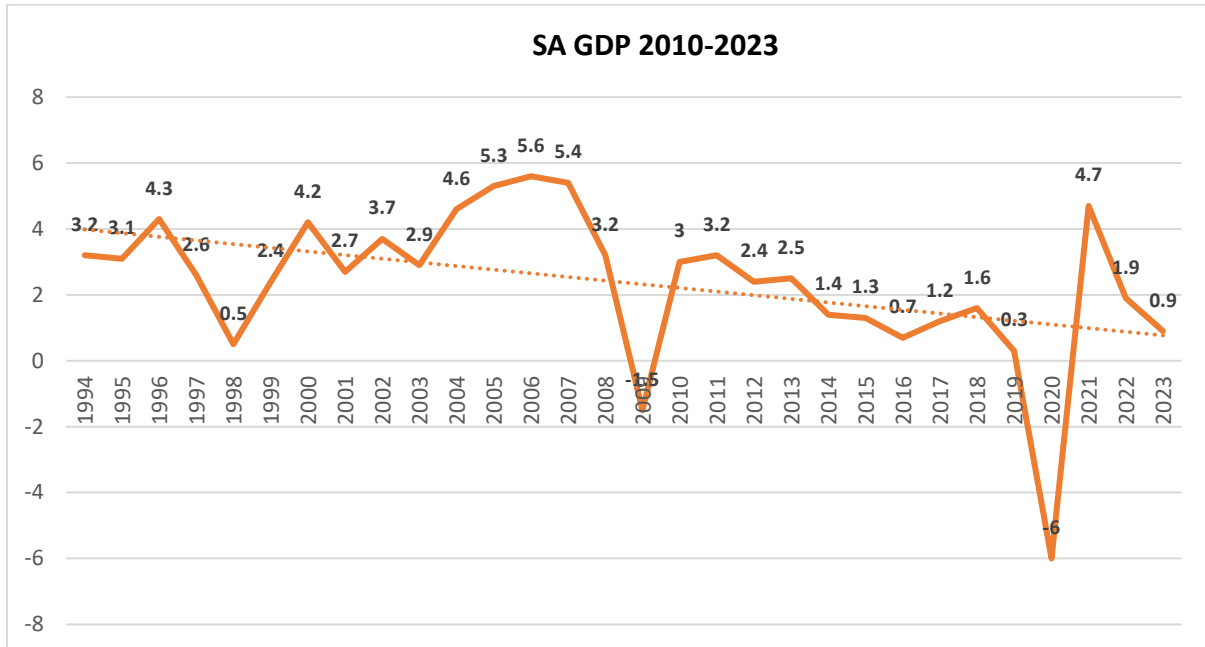
⁶⁴ NPC (2012). *The National Development Plan 2030*. Pretoria: National Planning Commission.

⁶⁵ NPC (2023). *10-year review of the National Development Plan, 2012-2022, 2023*

2.4 KEY ECONOMIC INDICATORS

After three decades of neoliberal macroeconomic policies, the South African economy performed badly long before the COVID-19 pandemic.

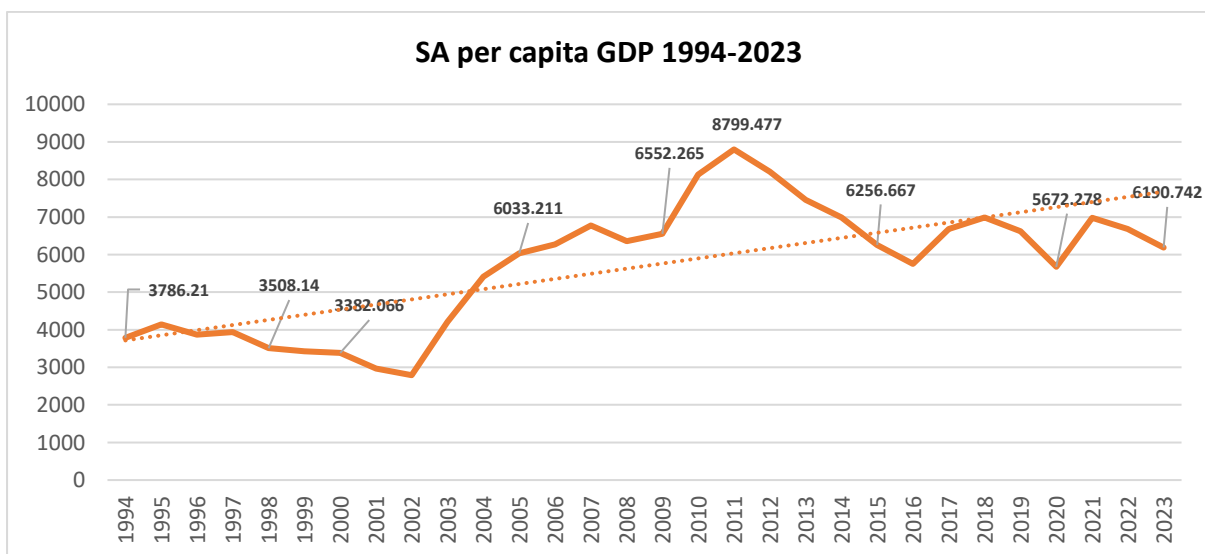
Exhibit 7: GDP growth



Source: Trading economics

- SA's GDP since 1994 is unimpressive. Except for 2004-2007, growth was mostly below 3%. The NDP target of 6% growth per annum has not been achieved. Currently, growth is under 1%. Without growth, there is no possibility of reducing unemployment, especially youth unemployment, which is an outlier.

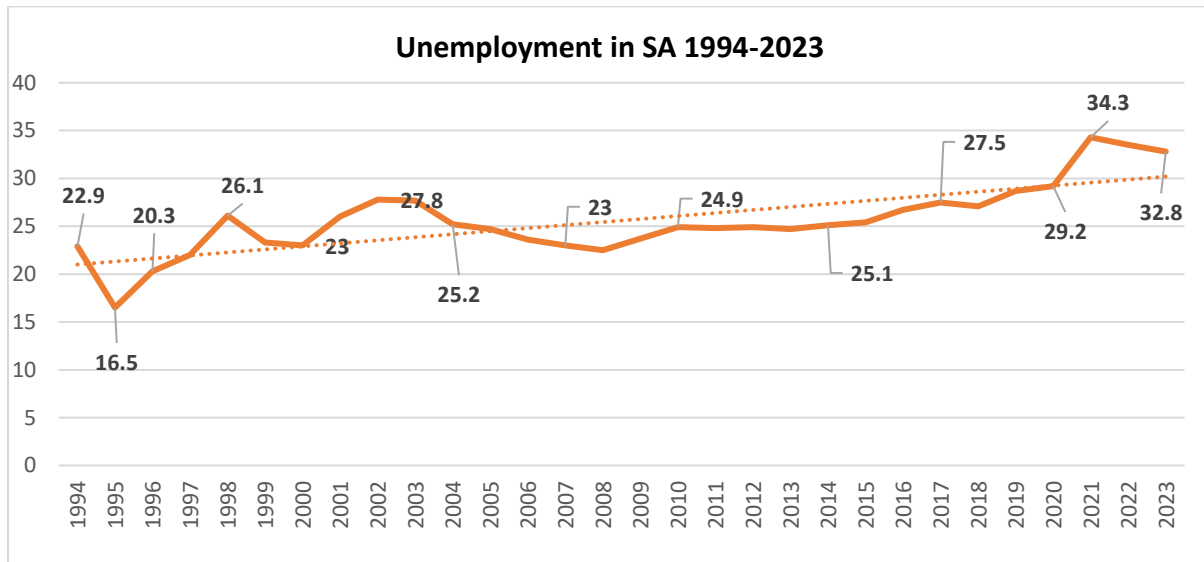
Exhibit 8: GDP per capita



Source: Trading economics

- ⇒ SA's GDP per capita grew from USD 3786 to USD 8799 between 1994 and 2010. It represents a growth of 132%. However, from 2010 to 2023, per capita GDP has declined by 30%, translating into South Africans getting poorer.
- ⇒ Wages have fallen as a share of national income, and there has been a steep rise in income inequality, fuelling consumer debt. The financialisation of the economy has channelled money towards short-term speculation and lending to households and away from long-term productive investment.⁶⁶

Exhibit 9: Unemployment in SA

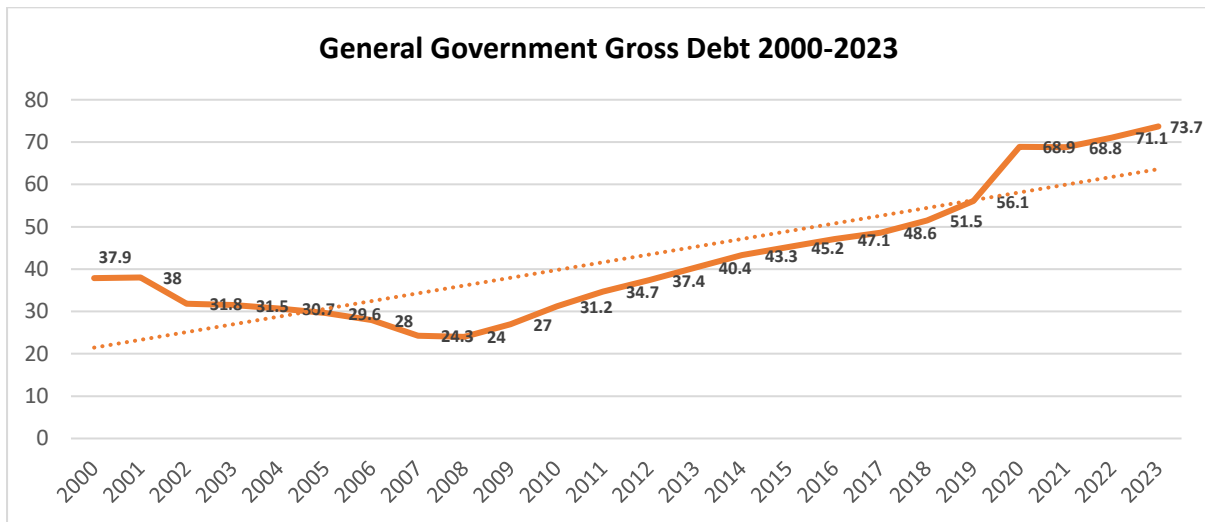


Source: Trading economics

- ⇒ Unemployment has reached unprecedented levels with distinctive racial and spatial dimensions. Between 1994 and 2023, unemployment has progressively worsened and reached an all-time high of 34.3 in 2021.

⁶⁶ Ashman, S (2023) Beyond the MEC? Limits and prospects in the development of South African capitalism. In: The evolving structure of South Africa's economy. MISR: Johannesburg.

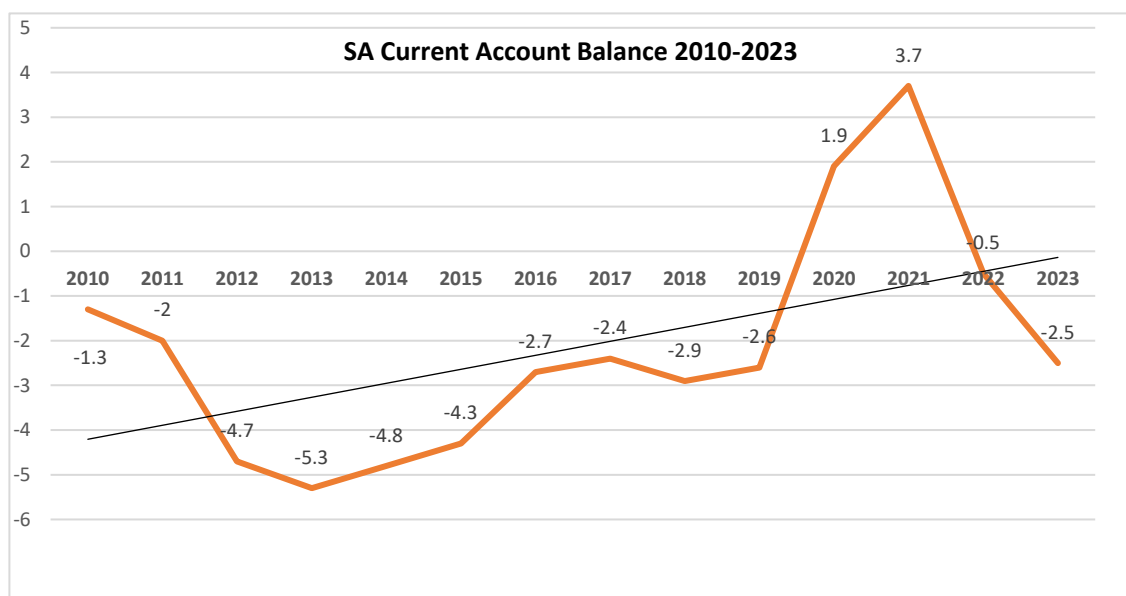
Exhibit 10: Gross debt



Source: Trading economics

- ⇒ The country is saddled with high public debt and interest payments, weak currency, inflation and a negative business cycle.
- ⇒ Gross government debt as a percentage of GDP has grown from 24.3% in 2008 to 73.3% in 2023.
- ⇒ As capital has shifted away from productive activities, the result is declining levels of fixed capital investment, particularly in sectors outside the core of the MEC, and increased capital intensity in manufacturing. The mineral-energy-finance complex is responsible for 50% of GDP but only 25% of employment. Consequently, the economy has been unable to absorb the working-age population and has seen rising unemployment.

Exhibit 11: SA current account balance



Source: Trading economics

⇒ The current account balance (CAB) is part of a country's financial inflow and outflow record. It is part of the balance of payments, the statement of all transactions between one country and another.

⇒ SA's current account balance is mostly negative, except for 2020 to 2021. A deficit reflects a government and an economy that is a net debtor to the rest of the world.

2.5 STATE CAPTURE

The country's fiscal position coincides with acute kleptocracy or state capture. State capture enabled unbridled corruption and fiscal profligacy to flourish while the state institutions were left in a state of collapse.⁶⁷ Corruption tilts the scale towards macroeconomic instability by engaging in rent-seeking, discouraging investments, and redirecting expenditure towards non-productive activities. Fiscal profligacy cannot be solely ascribed to state capture because debt-financed spending decisions, such as bailing out SoEs and providing guarantees, were approved via the normal budgetary processes.

The link between state capture and fiscal deterioration can be deduced from the loss of investor confidence, channelled into higher bond yield, interest rates, the current account, and debt service costs. Numerous structural reform measures are yet to yield desirable results because of policy design weaknesses, implementation inertia, ingrained structural complexities, and the lack of bold policy-making.⁶⁸

"It is necessary to interrogate the role of the party in actively engaging in corrupt activities for its own gain, allowing corrupt activities to continue under its watch and failing to intervene to prevent or arrest such activities, creating the framework for corruption and state capture to flourish."
Judge Raymond Zondo (2022) Report of the commission of inquiry into allegations of state capture

2.6 ECONOMIC ASSESSMENT

The Growth Lab at Harvard University has completed a deep diagnostic of potential causes of South Africa's prolonged underperformance over a two-year research project in a report titled *Growth through Inclusion in South Africa*.⁶⁹ The report asks the question of why. Why is the economy growing far slower than any reasonable comparator countries? Why is exclusion so extraordinarily high, even after decades of various policies that have aimed to support socio-economic transformation? What would it take for South Africa to include more of its people, capabilities, assets, and ideas in the functioning of the economy, and why are not such actions being undertaken already? Bluntly speaking, the report finds that South Africa is not

⁶⁷ Zondo, R (2022) Report of the commission of inquiry into allegations of state capture.

⁶⁸ Rakabe, E (2022) Vulnerability in the spotlight: reflections on macroeconomic management in a polycrisis. In: The evolving structure of South Africa's economy. MISR: Johannesburg.

⁶⁹ Ricardo Hausmann, Tim O'Brien, Andrés Fortunato, Alexia Lochmann, Kishan Shah, Lucila Venturi, Sheyla Enciso-Valdivia, Ekaterina Vashkinskaya, Ketan Ahuja, Bailey Klinger, Federico Sturzenegger, and Marcelo Tokman (2023) Growth through Inclusion in South Africa. CID Faculty Working Paper No. 434. November 2023.

accomplishing its goals of inclusion, empowerment and transformation, and new strategies and instruments will be needed to do so.

The report states that it is painfully clear that South Africa is performing poorly, exacerbating problems such as inequality and exclusion. The economy's ability to create jobs is slowing, worsening South Africa's extreme levels of unemployment and inequality. South Africans are deeply disappointed with social progress and dislike the direction the country is heading. Despite its enviable productive capabilities, the national economy is losing international competitiveness. As the economy staggers, South Africa faces deteriorating social indicators and declining levels of public satisfaction with the *status quo*.

After 15 years, attempts to stimulate the economy through fiscal policy and to address exclusion through social grants have failed to achieve their goals. Instead, they have sacrificed the country's investment grade, increasing the cost of capital to the whole economy, with little social progress to show for it. The underlying capabilities to achieve sustained growth by leveraging the full capability of its people, companies, assets, and know-how remain underutilised. Three decades after the end of apartheid, the economy is defined by stagnation and exclusion, and current strategies are not achieving inclusion and empowerment in practice.

2.7 SOCIAL POLICIES

2.7.1 Social Grant System

A fifth of the people in developing countries receive at least one form of social assistance. South Africa has one of the largest cash transfer programmes in Africa. Roughly one-third of the population benefits from social grants for older persons, people with disabilities and children. The temporary Social Relief of Distress (SRD) grant introduced for unemployed adults in 2020 in response to the COVID-19 pandemic means that just under half of the population now receive social assistance through an unconditional cash transfer. Social grants are associated with positive effects on poverty, inequality, and key social development outcomes. Today, the South African Social Security Agency (SASSA) pays 26 million social grants monthly.⁷⁰

The Social protection system is made of three main components:

- i. Social assistance includes social grants, public works programmes, and other interventions such as the National School Nutrition Programme.
- ii. The statutory funds include the Unemployment Insurance Fund and the Compensation Fund.
- iii. The voluntary funds, such as medical schemes and retirement funds. While the employment-linked statutory and voluntary funds are financed through contributions by employers and workers, social assistance is financed from general tax revenues⁷¹.

⁷⁰ Steyn D. (2023). Here's how South Africa's social grant system has changed since 1994. GroundUP. 2023

⁷¹ Ibid

South Africa's social assistance system is an effective intervention for supporting the poorest segments of the population. The system provides resources to poor households, which, at the very least, significantly reduces the depth of poverty and inequality. Further, by providing regular and dependable income, they ameliorate vulnerability. It is particularly true if the effects of social grants on other outcomes, such as health, education, and labour supply, are considered. The system is extensive regarding the number of people it covers, directly and indirectly, and the amount of scarce resources it consumes.

Approximately one in three South Africans directly benefit from a social grant, while nearly two-thirds of the population (64%) are directly or indirectly beneficiaries of the system. Evidence shows that social assistance transfers have significant positive impacts on reducing poverty and inequality in South Africa and boosting development outcomes⁷².

Transfers are equivalent to 7.3% of household expenditure, 60% in quintile 1 (the poorest 20 percent of the population). It is a way in which the government supports the poorest and most vulnerable. High coverage rates are primarily due to the size of the programme of child support grants and the Social Relief of Distress programme⁷³.

In 2022, 29 million South Africans receive monthly grants, with 18 million receiving state grants and 11 million receiving the R350. The country's small tax base (7.4 million taxpayers) is an unsustainable economic scenario. South Africa is the only country in Africa giving over half of its population grants. There are not enough taxpayers or economic growth to fund the growing welfare bill.⁷⁴ Instead of lowering the number of grant recipients, the government wants to give more people larger grants⁷⁵.

Social grants remain a crucial safety net for many, especially in the poorer provinces. Nationally, grants are the second most important source of income for households (50.2%) after salaries (59.7%). Grants were the primary source of income for one quarter (23.5%) of all households in South Africa⁷⁶.

The number of households and persons who benefitted from social grants has also increased substantially from 30.9% in 2019 to 37% in 2022 following the introduction of the COVID-19 Social Relief of Distress (SRD) grant. Moreover, the number of households that received grants concurrently jumped from 30.8% to 49.5% over the same period.⁷⁷

⁷² Ibid

⁷³ Roodt, D. (2023). *South Africa, 29 million South Africans receive grants with only 7.4 million taxpayers*. Daily Investor. 2023

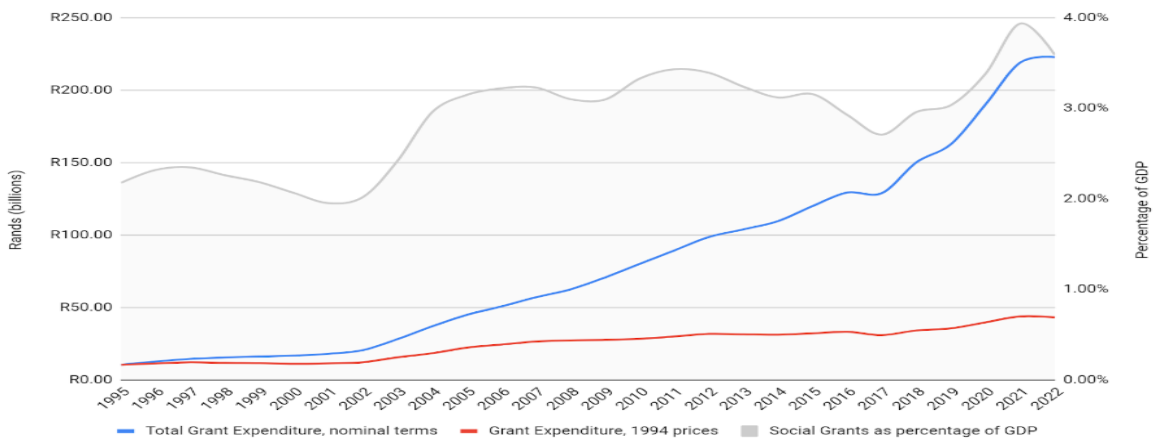
⁷⁴ Ibid

⁷⁵ SASSA (2023). *Third Statistical Report 2023/4: Social Assistance*. 2023

⁷⁶ Fraser, L. (2023). *South Africa's Shocking Dependence on Grants*, BusinessTech. 2023

⁷⁷ Ibid

Exhibit 12: Social grant expenditure from (1994-2022)



Source: National Treasury, StatsSA, and UCT's Centre for Social Science Research, 2023

- ⇒ South Africa's expenditure on social grants has risen exponentially between 1995 to 2022.
- ⇒ Social grant expenditure rose from almost zero to about 3.5% of GDP in 2022.
- ⇒ Total grant expenditure is currently around R250 billion annually.
- ⇒ However, grant expenditure has not kept pace with inflationary increases at 1994 prices.

Although grant monies are spent largely on food, there is growing evidence that social grants are also used to make productive investments in livelihood activities. According to the research conducted by the Centre for Social Development in Africa (CSDA) (Social Grants, Livelihoods and Poverty Responses of Social Grant Beneficiaries in South Africa), the SRD increased the probability of job search among beneficiaries by 25%. Despite these findings, there is still limited evidence of the nature and scope of informal livelihood activities of grant beneficiaries and how government and other social partners may be able to support people's agency and strengthen their livelihood strategies in a context of extraordinarily high rates of unemployment.⁷⁸

2.7.2 Unsustainable Social Grants System

According to the National Treasury, the current social security protection system is unsustainable. In a presentation to parliament, the Treasury noted that 46% of the population currently receives social grants, representing an unusually high coverage for a developing country. It was before SASSA gave the total number of SASSA grant recipients on 31 March

⁷⁸ Patel, L. Dikoko, V. and Archer, J. (2023). Social Grants, Livelihoods and Poverty Responses of Social Grant Beneficiaries in South Africa. 2023.

2023, which was 18 829 716. The Treasury indicated that if job creation continues to be poor, the sustainability of the system and the overall fiscal position will become a serious concern.⁷⁹

There are 27.8 million people in the system receiving grants and 9.4 million receiving the Social Relief of Distress grant. Increasing grants beyond current levels would require tough decisions at the political level on how priorities should be readjusted in government.

As the economy staggers, South Africa faces deteriorating social indicators and declining levels of public satisfaction with the status quo. After 15 years, attempts to stimulate the economy through fiscal policy and to address exclusion through social grants have failed to achieve their goals.
Richardo Hausmann (2023) Growth through inclusion in SA

The population is projected to increase from 60 million in 2021 to 71 million by 2040, resulting in more children and older people depending on child social grants, old age pension grants, basic education and health. The increased spending required from the government will place pressure on fiscal sustainability.

The National Treasury warned that additional spending of a permanent nature would require additional funding sources, either through reprioritisation of existing expenditure allocations or increased taxes that would hurt the working class. Treasury's data shows that the social wage represents 59.5% of total non-interest expenditure, mainly driven by basic education, health and social protection known as 'social grants'.

The budget provides R37.9 billion in direct in-year relief from the Covid-19 pandemic. It included the special COVID-19 social relief of distress grant, whose 9.5 million beneficiaries bring the number of social grant recipients to 27.8 million.⁸⁰

South Africa is performing poorly, exacerbating problems such as inequality and exclusion. The economy's ability to create jobs is slowing, worsening South Africa's extreme levels of unemployment and inequality. South Africans are deeply disappointed with social progress and dislike the direction the country is heading. Despite its enviable productive capabilities, the national economy is losing international competitiveness. As the economy staggers, South Africa faces deteriorating social indicators and declining levels of public satisfaction with the *status quo*.

After 15 years, attempts to stimulate the economy through fiscal policy and to address exclusion through social grants have failed to achieve their goals. Instead, they have sacrificed the country's investment grade, increasing the cost of capital to the whole economy, with little social progress to show for it. The underlying capabilities to achieve sustained growth by leveraging the full capability of its people, companies, assets, and know-how remain underutilised. Three decades after the end of apartheid, the economy is defined by stagnation

⁷⁹ <https://businesstech.co.za/news/finance/543560/the-areas-in-south-africa-where-more-people-rely-on-grants-thatsalaries/>

⁸⁰ Ibid

and exclusion, and current strategies are not achieving inclusion and empowerment in practice.⁸¹

⁸¹ Hausmann, R et al (2023) Growth through Inclusion in South Africa. CID Faculty Working Paper No. 434. November 2023.

SECTION THREE: STAKEHOLDER CONSULTATIONS

3.1 INTRODUCTION

Fifty-eight in-depth interviews were conducted with representatives of CSOs (refer to Annexure A for a list of interviewees). We have clustered the feedback around the probe questions. We assured interviewees that their confidentiality would be maintained to enable them to respond freely. Therefore, we acknowledge the interviewees without attaching comments to their names. Where an interviewee quoted, a pseudonym was used.

3.1.1 The Involvement of CSOs in Skills Development

The following question was posed:

Are CSOs actively involved in national, provincial, and local government skills development strategies/plans/programmes/interventions? Are government entities supportive of CSOs? Please elaborate to substantiate your views.

- ⇒ Most interviewees mentioned
- that they are not actively
 - involved in skills development
 - strategies, plans, programmes, or interventions. National, provincial, and local government entities plan skills development in silos and
 - sideline stakeholders.

No, not that much. They are not heard. They are not included in the implementation process. Everything takes place at Govt level. They come with something that's already drafted. People [NGOs] need to be included. They are (supported) in selected NGOs. Our Gov depts always search for thriving organisations and partner with them. That's what they call engagements. They don't partner with struggling organisations until they can help them to stand on their own.

- ⇒ Suppose the South African Government is to stimulate its economic growth prospects, eradicate poverty, and fight unemployment and equality. In that case, CSOs are actively involved in national, provincial, and local skills development strategies, plans, programmes, or interventions.

- ⇒ An interviewee receiving NDA funding for indoor organic oyster mushroom production indicated that the NDA project members had no mushroom production experience but vast experience in open-field crop production. It was done without the involvement of other stakeholders, including the Department of Agriculture (Agri- Parks), which provides skills in mushroom production, and AgriSETA, which provides funding for skills development.

⇒ An interviewee suggested that government entities should move from hierarchies to networks to enable intragovernmental collaboration to achieve intended outcomes and to eliminate silos in areas such as funding and skills development. He pleaded for public officials, business leaders, and non-profits to nurture collaborative public-private ecosystems to take advantage of shared knowledge and unique strengths to drive solutions.

⇒ One of the interviewees suggested that the District Development Model (DDM) should be adopted to break away from the silo mentality of working. DDM is an operational model for improving Co-operative Governance aimed at building a capable, ethical Developmental State. It embodies

No, they are not. Our organisation knows nothing about any skills development programme except the Sector Skills Plan that get published by the SETAs. I wonder why government can't use the District Development Model when it comes to NGO skills development. This is the model I heard of from one of the government entities, but they are not applying it instead of working in silos.

⇒ An approach by which the three spheres of government and state entities work in unison in an impact-oriented way and where there is higher performance and accountability for coherent service delivery and development outcomes.

⇒ Skills development planning should include all stakeholders. Some interviewees expressed disappointment with the lack of private sector involvement and commitment. The participation of the co-operatives in national, provincial, and local strategies and plans is lacking.

3.1.2 Role of CSOs in Skills Development

The following question was posed:

Is there a skills development role for NGOs? What should be their role?

⇒ Most stakeholders indicated that today's world has changed faster than ever, and some jobs have disappeared. This makes it hard for the South African economy to create enough job opportunities for its population. NGOs with their grassroots footprints understand this problem and have been helping people learn new skills that are in demand to find jobs or start their businesses and care for their families.

⇒ There is consensus that CSOs play a role in non-formal and informal skills development programmes. CSOs empower, represent, and reach vulnerable and socially excluded groups. They also foster economic and human development, social cohesion and innovation. Furthermore, CSOs often engage in initiatives to develop the skills,

competencies, knowledge, and attitudes supporting people's employment and realising their potential.

⇒ Similarly, an interviewee states that learning new skills is not only getting better at something but also opening doors to new opportunities. The interviewee further indicated that their organisation helps individuals learn the skills employers seek. So that more people can find good jobs and provide for their families. There are not many activities for young people in rural areas. One CSO established a relationship with the community – with the tribal council and the community stakeholders to run skills hubs. People attend weekly classes.

Our organisation annually gives 10 less fortunate youth free drivers lessons around our community for free. Remember having a driver's licence gives one hope in life and to aim high. When you have a licence, you want to have a car and for you to have a car you must find a job.

3.1.3 Barriers hindering CSO participation in Skills Development.

The following question was posed:

What is preventing CSOs from participating in skills development activities to uplift local communities in terms of legislation, regulations, policies, processes and structures?

South African government relies on CSOs to deliver social services. CSOs' services in skills development form part of South Africa's framework for achieving its long-term skills development goals. The government and CSOs shared vision for development highlights the importance of CSOs in the skills development ecosystem. The government explicitly refers to CSOs as stakeholders and development partners at the policy level. However, at the level of practice, stakeholders feel left out in planning for the skills development to which they contribute.

Most of the stakeholders indicated that there is no stable funding and appropriate incentives for training providers, individuals, and enterprises. Skills Development provided by NGOs are not taken seriously by employers, whether public or private sector, community, and education system since CSOs are not accredited.

If we give them skills [the problem is] we are not accredited. So, they are not certificated. We need to know the channels or platforms and people to engage with in Government. We need more awareness.

Young people are far from skills development opportunities. The government does not do enough to ensure opportunities for those young people. The SA Youth Mobi website works well in urban areas with opportunities. But in rural areas with limited economic activity, the platform groups people according to where they are based and then shows job opportunities. It limits young people in rural areas from taking up opportunities. The government must ensure that opportunities are spread out.

There are complex rules and regulations related to skills development. Getting funding from the government is tough because it is limited, and everyone applies- qualified and unqualified organisations. The government uses outdated skills programs, whereas CSOs experiment with programmes and technologies. Completing government tenders is challenging, and replies are virtually non-existent. Different parts of the government do not always work together, making things confusing and inefficient. Smaller CSOs do not have the resources or knowledge to deal with all these rules and policies.

3.1.4 Major Challenges

The following question was posed:

What are CSOs' major challenges in fulfilling their mandates?

CSOs address social issues, but they face challenges along the road. Despite these difficulties, these organisations have tremendous potential to develop and further their objectives. CSOs find themselves negotiating a maze of challenges. These difficulties include limited resources, cumbersome bureaucracy, and the dynamic range of societal problems. Despite their best efforts, they may have trouble adequately securing the funding and assistance needed to address these urgent issues.

Lack of Funds: Most of the stakeholders revealed that they experience serious financial resource challenges, notably, overreliance on donor funding, difficulty in obtaining donor funding, limited donor funding available, intense competition from other non-NPOs to secure donor funding; donors unwilling to fund operational costs and prescribing exactly how funds should be used; and donors signing non-binding contracts on the provision of funding. They further indicated that this has led to a tendency to shift interventions to match donor priorities.

Lack of Capacity-building: A lack of trained and experienced staff is one challenge. They indicated this is because of a lack of funding and access to training and education opportunities. This lack of skilled staff severely limits our ability to achieve our goals and objectives.

An interviewee suggested SETAs should provide capacity-building training through different grant mechanisms. The training content should be relevant to the participants and provided at an entry-level, intermediate, and advanced level.

Interviewees have limited technical and organisational capacity. Few CSOs are able or willing to pay for capacity-building. Weak capacity was identified in fundraising, governance, technical areas of development, and leadership and management.

Unorganised sector: The unorganised nature of the CSO sector is a hindrance to fulfilling mandate. The CSO sector operates in an uncoordinated manner and are unable to gain government's attention through coalitions or representation. The reality is that governments of different levels has capitalised on our fragmentation, and they use it. So, the more fragmented and divided we are, the more we cannot bring our voices together as a collective to engage the government.

It's inherently a hard sector to draw a line around, about who speaks on behalf of whom. There is a lot of contestations in the sector and it's almost always difficult to say whether you've spoken to enough organisations to say you have a representative sample. So, I think that is one of the technical challenges for government: knowing how to engage with a sector that is quite amorphous.

Pressure relating to service delivery. CSOs indicated that they are under enormous pressure relating to delivering on behalf of donors. There are many challenges CSOs face, such as offices, equipment, staff, transport and working conditions not acknowledged by donors, nor was there an attempt to assist CSOs.

Lack of Information: CSOs operate in a fluid environment in which there is a lack of comprehensive databases or systematic processes for generating information about the sector. This presents challenges for planning and implementation. The lack of efficient systems to generate comprehensive information on the CSOs creates challenges in identifying organisations and inviting them into spaces for participation.

It's actually a big problem because nobody really knows, at any point in time, the actual size and shape of the sector. We can't rely on that database at all. So, there are thousands and thousands of organizations on that database, but it's not a true picture of what the sector actually looks like and it's an issue because that would actually be useful information as well for planning.

Even though the Department of Social Development (DSD), responsible for registering NPOs, keeps a database of registered organisations, that information is dated.

Corruption: Several interviewees spoke about corruption as another big problem many NGOs face, especially when accessing funding from both the government and donors. This makes it difficult for NGOs to get things done, as they may have to deal with bribery and other forms of corruption.

There are many challenges. Check what happened in Life Esidimeni saga. Several mental ill patients died due to corruption by senior government officials colluding with some NGOs.

3.1.5 Government's assistance to CSOs in fighting Unemployment, Poverty, and Inequality

The following question was posed:

What should the government do to help NGOs fight unemployment, poverty and equality?

Financial Security: The stakeholders have indicated that the main challenge is financial insecurity. Despite the funding that the government is spending on CSOs, the politics of funding continues to dominate the CSO sector.

Stakeholders acknowledged that most of the national and provincial government departments have budget allocations for NPOs as per the provision made by the NPO Act of 1997, but this seems to be a drop in the ocean. Interviewees suggested that the level of funding from various sources is insignificant and therefore call for more.

Government should provide more funding for skills development. Particularly skills related to women and youth empowerment to start their own businesses. Provide experts to assist NGOs in the training of a specific skills they have.

Capacity Building: The interviewees indicated that most failures lie behind inadequate capacity and lack of funding. They are calling on the government to provide training or funding for capacity building in the following different areas:

- Governing and finance
- Technology and data systems
- Program implementation, monitoring, and assessment
- Fundraising and donor relationships
- Volunteer, staff, and board management
- and building collaborative partnerships

Partnerships: Interviews want the government to build partnerships with the CSOs since they need each other, especially when addressing the issues of unemployment, poverty and inequality. One of the stakeholders indicated that the government needs CSOs because of their flexibility, and they can try solutions that the government cannot. Only governments can

provide CSOs with the funding, infrastructure, and policies needed to scale their operations and increase their reach. According to interviewees, for the government to eradicate poverty by 2030 and reduce unemployment and inequality, it must prioritise CSOs. Interviewees want the government to deal seriously with corruption, especially when it comes to CSOs grant funding, because this undermines CSOs efforts in addressing the issue of poverty, unemployment, and inequality.

3.1.6 CSO assists in fighting Unemployment, Poverty, and Inequality

The following question was posed:

What should CSOs do to help the government to fight unemployment, poverty, and equality?

There is a consensus that CSOs are reliable agencies through which poverty, unemployment and inequality are addressed. The following sub-themes were identified as a means of supporting government in addressing poverty, unemployment, and inequality:

Grassroots Engagement: Unlike government entities that often take a macro perspective, stakeholders indicated that they operate at the grassroots level. They understand the intricacies and unique challenges faced by local communities. Stakeholders indicated that CSOs must continue establishing training centres, offering mentorship programs, running community-driven projects and creating avenues for job opportunities. These ventures often prioritise marginalised groups, ensuring inclusivity and equity in job distribution.

Expose Corruption: Interviewees indicated that civil society must be seen as a cure for corruption. CSOs have an important role in exposing corruption or preventing potential corruption. They call for CSOs to monitor interaction between people in the government and the business sector, alerting the public to misconduct. Also, the transparency of public sector decision-making processes can be increased by lobbying CSOs.

Skills Development and Training: Most interviewees indicated that CSOs play a crucial role in skills development. They organise workshops, training sessions, and courses in various fields, from agriculture and handicrafts to digital skills and entrepreneurship. By equipping the youth with the necessary skills, CSOs must provide immediate employment and ensure a skilled workforce.

Partnerships and Collaboration: The power of collective effort cannot be underestimated. Interviewees advocated for CSOs to collaborate with governments, local businesses, and international entities to launch larger projects. Through these partnerships, they can pool resources, share expertise, and create jobs on a more significant scale.

Job creation: Most interviewees indicated that CSOs play a huge role in job creation and can still do more. They further indicated that CSOs develop projects and programs that generate jobs and assist in improving the living conditions of those most in need.

We are already creating jobs. We train young people on decoration. From the trained some are hired on a parttime bases and at the end of the day they go home with something to put on the table.

3.1.7 Reasons for the high rate of Unemployment, Poverty, and Inequality

The following question was posed:

Why is unemployment, poverty, and inequality so high in South Africa?

South Africa is one of the most unequal countries in the world. Half of all South Africans continue to live in poverty, economic growth has stagnated, and inflation remains high while the unemployment rate continues to climb. On the other hand, it has one of the most progressive constitutions in the world, with a Bill of Rights that foregrounds expanded socio-economic rights. There are many contributing factors when it comes to the high rate of unemployment, poverty, and inequality in South Africa. Interviewees blame the apartheid legacy, corruption, education system, economic performance and employment of foreigners.

Economic performance: Most interviewees indicated that our economy needs to perform well to address the triple challenge. So far, the economy is performing significantly worse than comparable countries and even below the performance of the developed world. This has a huge impact on household spending, low business confidence weighing on investment, a decline in global commodity prices reducing export receipts and a weak rand increasing the cost of imports.

Corruption: There is a consensus that corruption is taking us back in our fight against unemployment, poverty, and inequality. It threatens sustainable economic development, ethical values, and justice; it destabilises our society and endangers the rule of law. It undermines the institutions and values of our democracy. But because public policies and resources largely benefit poor people, they suffer the harmful effects of corruption most grievously.

To be dependent on the government for housing, healthcare, education, security, and welfare makes people with low incomes most vulnerable to corruption since it stalls service delivery. Delays in infrastructure development, poor building quality and layers of additional costs are all consequences of corruption.

Education system: Some interviewees indicated that the broken education system exacerbates high unemployment, poverty, and inequality. The extreme and persistent levels of inequality which lie at the heart of the country were blamed on the unequal access to quality education.

One of the interviewees identified the education system as one of the major causes of high unemployment among the youth in the country. The interviewee further indicated that the education system in the country gives students knowledge that is contrary to what they will find in the job market. Most of the graduates end up unemployed and trapped in poverty.

Employment of foreign nationals: Some of the interviews blamed high unemployment on the employment of foreign nationals. Several employers continue to employ undocumented foreign nationals and subject them to inferior labour standards while leaving the majority of South Africans unemployed.

It's because of corrupt government officials and the hiring of foreign people for inhuman salaries. Around here, they (Govt) prefer people from outside [foreigners]. They can pay them less. It causes more problems with unemployment.

3.1.8 Major Skills needed for CSO staff

The following question was posed:

What are the major skills needs of NGO staff?

Interviewees indicated that there is a skills shortage in CSOs. Most of the CSO's failures are inadequate capacity and funding. They are calling for the government to provide training or funding for capacity building for the following skills so that to can be able to fulfil their mandate of addressing the issue of poverty, unemployment, and inequality:

They require training in:

- Governing and finance skills
- Technology and data systems skills
- Program implementation, monitoring, and assessment skills
- Fundraising and donor relationship skills
- Board management skills

3.2 CONCLUSION

Interviewees were vocal in describing the challenges faced by the CSOs in dealing with unemployment, poverty, and inequality. These challenges include lack of sufficient, appropriate and continues funding, lack of capacity and skills development for their staff, insufficient support from government, and being sidelined when it comes to skills development initiatives.

There is a need for a fundamental rethink of the regulatory environment in which public servants, who should be responsible for implementing government policies related to skills development, creating employment, and poverty eradication inequality, operate. Within the present regulatory framework, public servants are rewarded for compliance (including securing clean audits), even at the expense of service delivery. As presently constituted, the regulatory environment is a restraint on innovation and creative, timely responses to meeting the needs of communities on the ground. At the same time, it has not prevented corruption and the misuse of public funds.

South Africa is caught in a Middle Income Low-Growth Trap, with an average economic growth rate of less than 0.3%. The low growth rate imposes considerable fiscal restraint on the capacity of the state to fund CSOs in their initiatives to reduce poverty, inequality, and high levels of unemployment.

Interviewees underscored the need for a holistic skills development approach that goes beyond formal training and includes informal and non-formal learning opportunities. There is

a recognition that skills development should not just be about getting a job but about providing individuals with life skills.

Interviewees develop the following suggestions. They are not intended as recommendations but rather an attempt to avoid losing valuable ideas that surfaced during discussions. In some, there is an element of interpretation involved, and again this is not intended to shape the recommendations but rather to clarify ideas that were not fully formed but worthy of noting. The suggestions proposed to improve the CSOs' involvement in skills development and address the triple challenges South Africa faces are juxtaposed in the table below.

Challenge	Solution
The involvement of CSOs in skills development	<ul style="list-style-type: none"> ▪ There must be more clarity on CSOs' role in skills development. ▪ Making CSOs aware of their role in skills development.
Funding from government	<ul style="list-style-type: none"> ▪ There must be more clarity on how CSOs get funded by the government for skills development initiatives. ▪ Making CSOs aware of the NPO Act when it comes to funding.
Funding from Donors	<ul style="list-style-type: none"> ▪ Clarity of the procedure of applying for funding from donors. ▪ Making a database available of donors and easily accessible for CSOs.
Capacity Building for NGO	<ul style="list-style-type: none"> ▪ Clarity about whose responsibility it is to fund or build CSOs' capacity is needed. ▪ The involvement of SETAs when it comes to CSOs capacity building.
Planning in Silos	<ul style="list-style-type: none"> ▪ Apply the District Development Model.
Prioritising poverty, unemployment, and inequality	<ul style="list-style-type: none"> ▪ The government prioritise CSOs initiatives that seek to address the issues of poverty, unemployment, and inequality.
Corruption	<ul style="list-style-type: none"> ▪ Align anti-corruption measures with market, behavioural, and social forces. Adopting integrity standards is a smart business decision, especially for CSOs interested in doing business with the government and other development partners. ▪ Punishing corruption is a vital component of any effective anti-corruption effort.
Unorganised Sector	<ul style="list-style-type: none"> ▪ The unorganised nature of the sector, thus, manifests as a fragmented and uncoordinated sector with organisations working in silos. ▪ The government must develop a useful and user-friendly database for CSOs that will be updated and used for networking and service coordination.
Lack of Information on NGOs	<ul style="list-style-type: none"> ▪ Given that the NPO database is held by the Department of Social Development, which is responsible for the registration

	<p>of NPOs, means that NPOs can be more easily accessible to policy planners in municipal spaces.</p> <ul style="list-style-type: none">▪ Policy planners can generate information on this stakeholder group and understand their salience and the nature and scope of their services to engage them in the planning process and funding. At the operational level, it can also address inequitable methods of participation.
--	---

SECTION FOUR: SURVEY FINDINGS

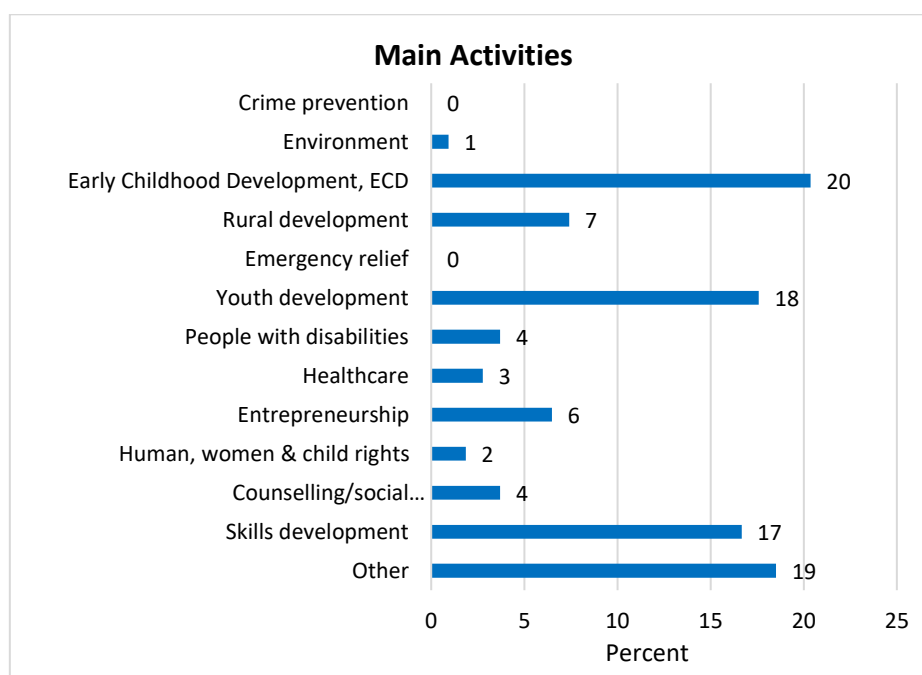
An online survey was administered to NPOs on the Department of Social Development (DSD), and to CSOs on the National Association of Social Change Entities in Education (NASCEE) and the National Development Agency (NDA) databases.

The survey aimed to determine whether CSOs participated in national skills development plans and strategies, their capacity to deliver training, and their skills needs. The survey was administered through Google Forms, WhatsApp and by telephone to CSOs. NASCEE also assisted in broadcasting the survey to its members to improve response rates.

4.1 PARTICIPATION

A total of 97 CSOs responded to the survey. Their categorisation by main activities is the following:

Exhibit 13: Main activities



⇒ All CSOs are involved in some form of skills development and capacity-building, although it may not be their main activity.

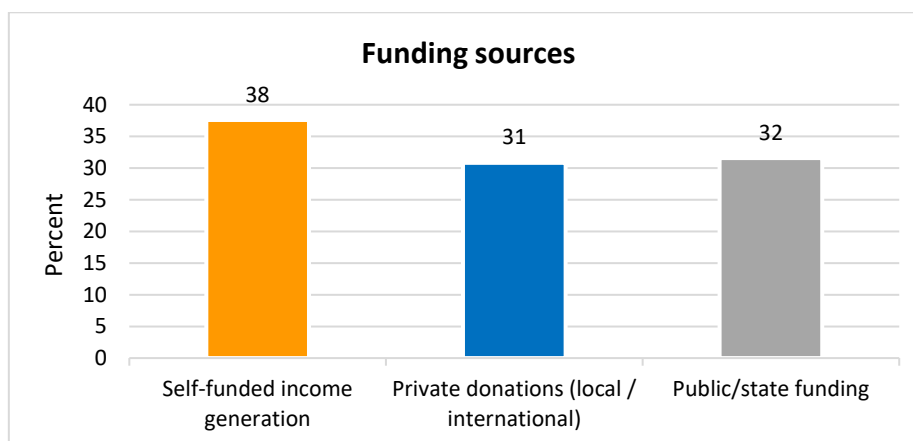
⇒ Most CSOs have skills development as their main activity: ECD (20%), youth development (18%), and skills development (17%). Entrepreneurship (6%) can also fall into skills development.

⇒ The "other" category (19%) represents teacher development, high school science, technology, engineering and mathematics (STEM) support, vulnerable groups, local economic development, health & wellness, arts education, advocacy for policy development and redress, feeding, child protection, private higher education, leadership development in education, support for under-resourced schools, humanitarian work, and sewing co-operative.

4.2 FUNDING

There are primarily three funding sources.

Exhibit 14: Funding sources



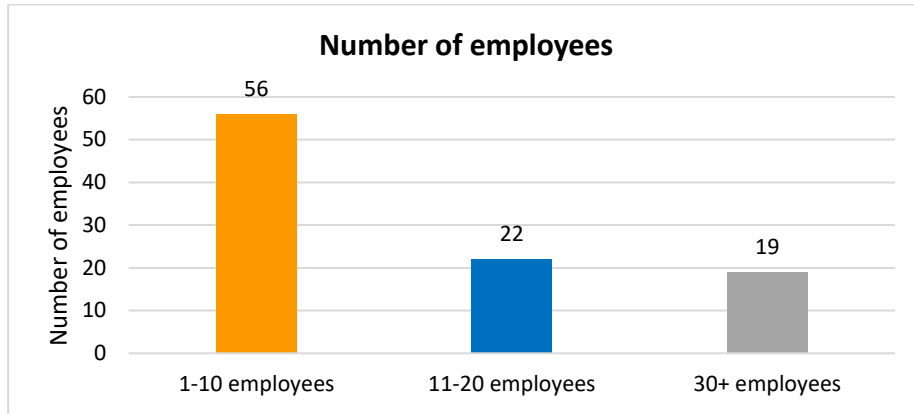
⇒ 38% are self-funded, 31% receive donor funding, and 32% receive state funding.

⇒ Some organisations have more than one funding source.

4.3 EMPLOYEE SIZE

In terms of employees in CSOs, the numbers are as follows:

Exhibit 15: Number of employees

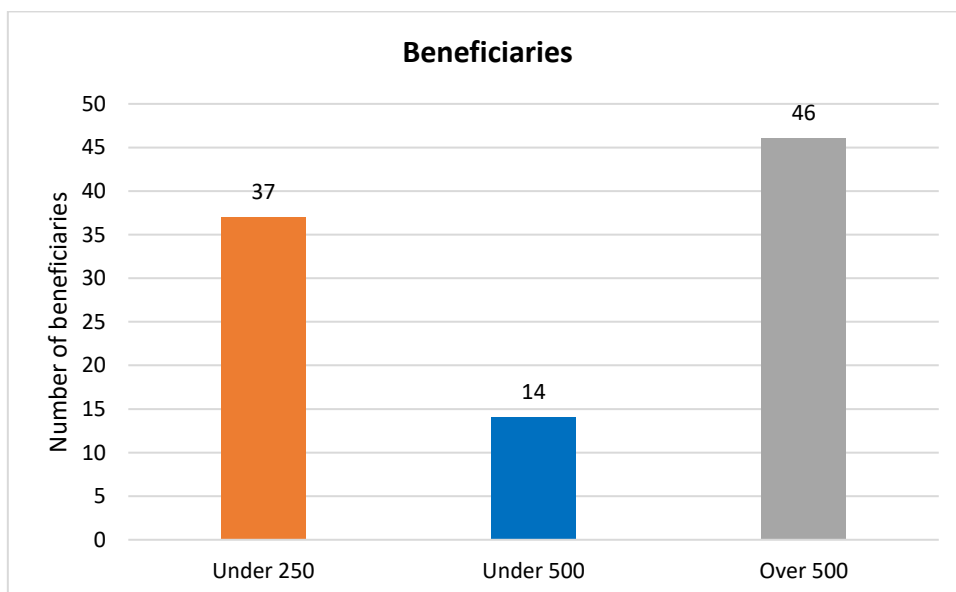


- ⇒ 56 (58%) have 1-10 employees, 22 (23%) have 11-20 employees, and 19 (20%) are self-funded.
- ⇒ Small groups of people run most CSOs.

4.4 BENEFICIARIES

In terms of beneficiaries of CSOs:

Exhibit 16: Beneficiaries

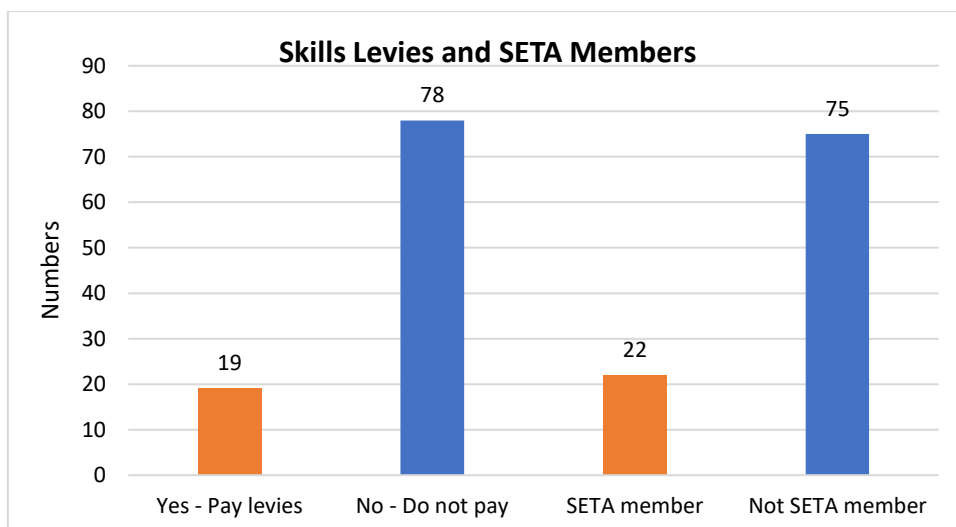


⇒ 37 (38%) of the CSOs have under 250 beneficiaries, 14 (14%) over 500 beneficiaries, and 46 (47%) have between 250 and 499 beneficiaries.

4.5 SKILLS LEVIES

From the 97 CSO responses, the following are SETA constituent members and skills levy payers:

Exhibit 17: Skill levies and SETA members



⇒ 19 (20%) of the CSOs pay the skills development levies, compared to 78 (80%) that do not.

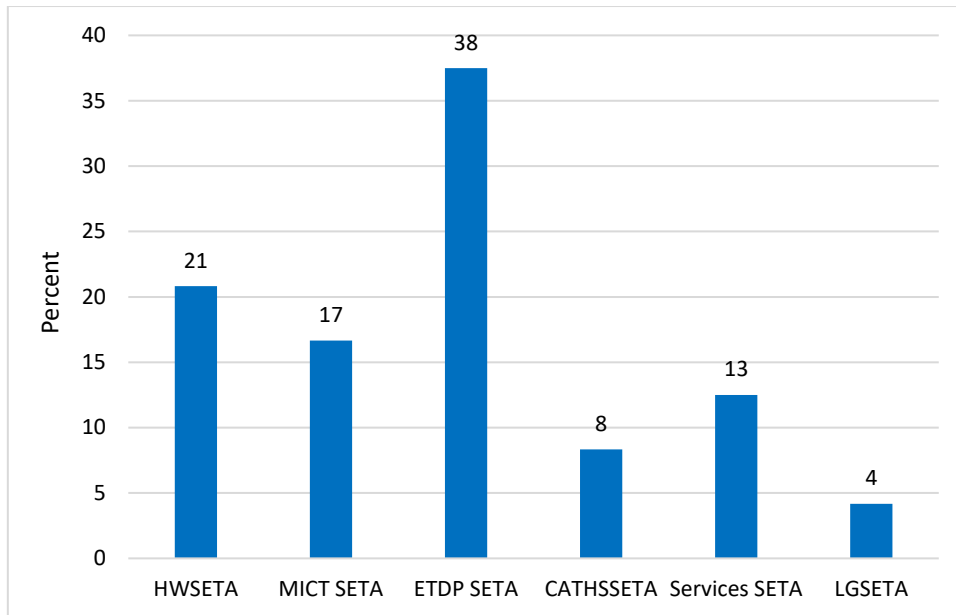
⇒ 22 CSOs are SETA members, compared to 75 that are not.

⇒ It is likely why most CSOs are not beneficiaries of SETA funding. SETAs tend to favour skills levy payers for funding over non-skills levy payers.

4.6 SETA INVOLVEMENT

The following is an analysis of SETA participation.

Exhibit 18: SETA involvement

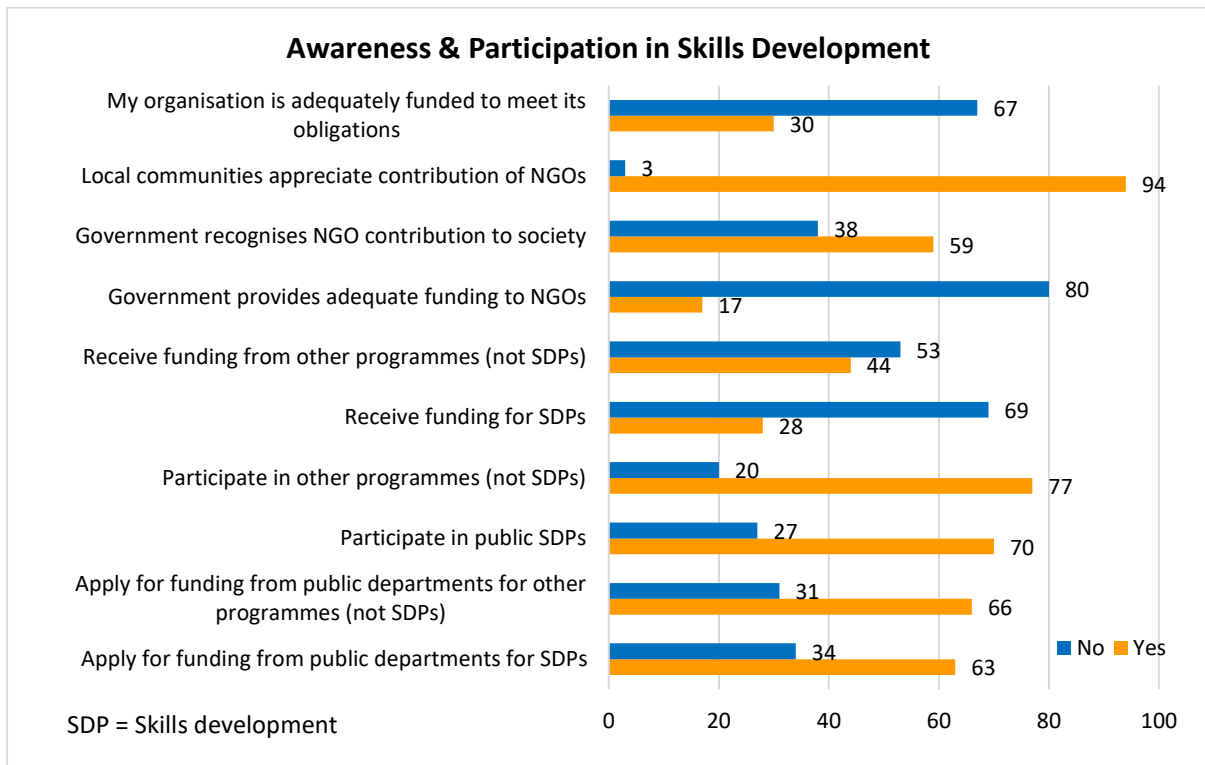


- ⇒ Of the 97 CSO participants, only 23% are involved with SETAs. It shows that most CSOs are outside the SETA skills development system.
- ⇒ There is a high percentage of representation from the 22 CSOs in the ETDP SETA (38%), HWSETA (21%), and MICT SETA (17%). This demonstrates that CSO skills training funded by the SETAs is focused mainly on education & training, health & welfare, and information & communication technology.
- ⇒ Two organisations are members of more than one SETA simultaneously.

4.7 AWARENESS AND PARTICIPATION IN SKILLS DEVELOPMENT

CSOs responded to statements on awareness and participation in the following ways:

Exhibit 19: Awareness and participation

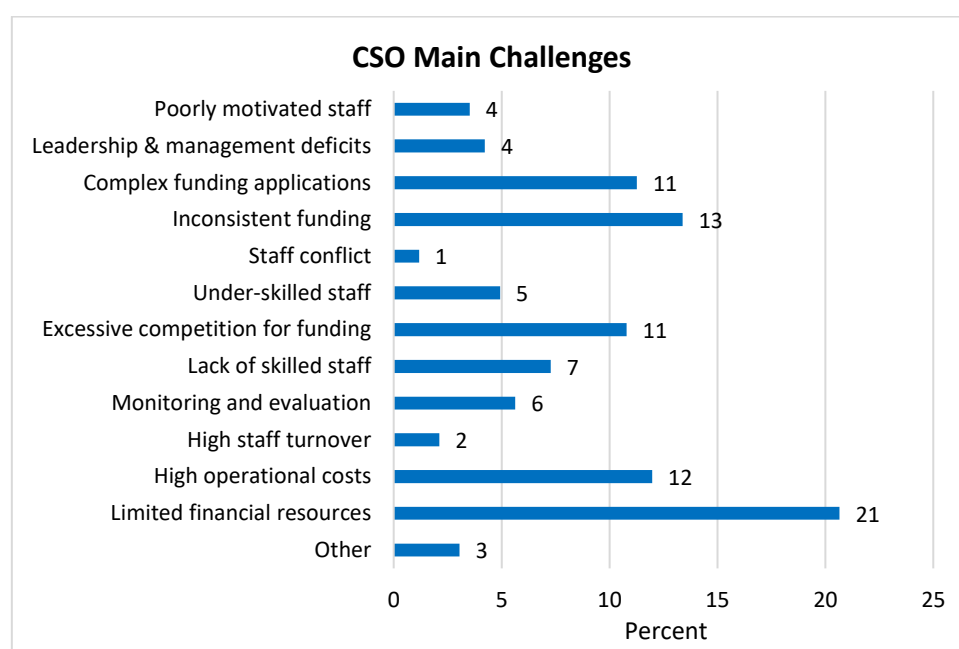


- ⇒ Most NGOs (67 CSOs, 69%) are not adequately funded to meet their obligations.
- ⇒ According to 94 (97%) CSOs, local communities appreciate NGOs' work.
- ⇒ Most NGOs believe that the government does not recognise the importance of NGOs.
- ⇒ The majority of CSOs (80 CSOs, 82%) believe Government funding provided is insufficient.
- ⇒ Most CSOs (70 CSOs, 72%) participate in public skills development programmes (SDPs).

4.8 CSO SERVICE-DELIVERY CHALLENGES

CSOs mentioned the following challenges to deliver services to communities:

Exhibit 20: CSO challenges

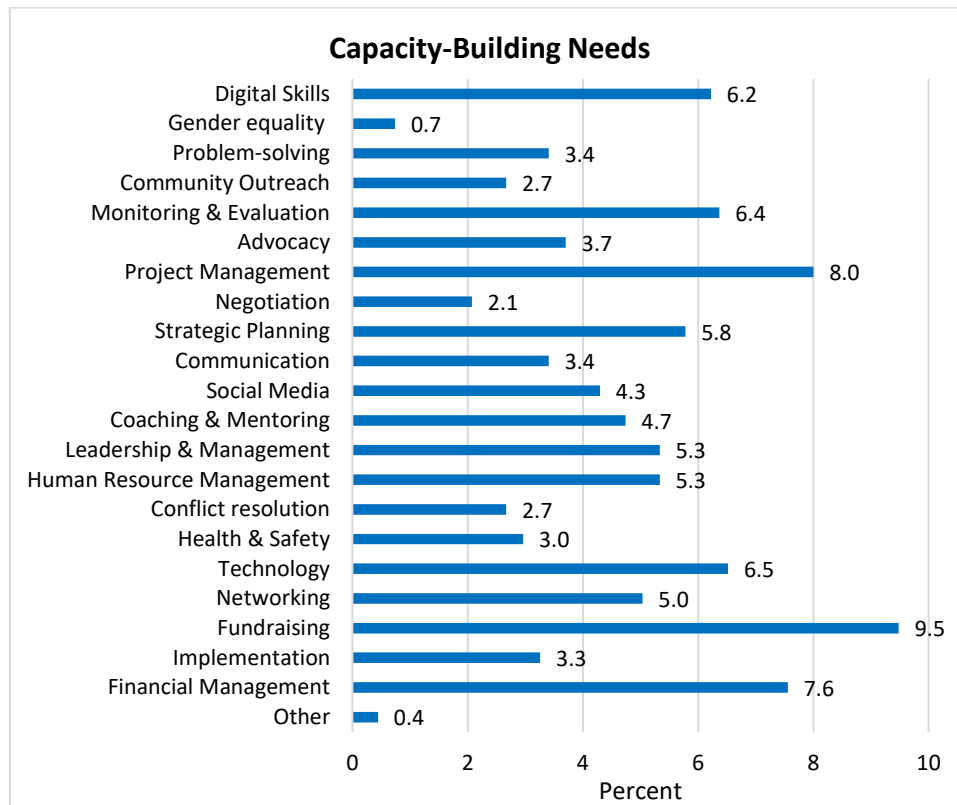


- ⇒ The major challenges of CSOs are limited financial resources, inconsistent funding, high operational costs, complex funding applications, and excessive competition for funding.
- ⇒ In all instances, there is a need to build CSO institutional capacity.
- ⇒ Several "other" obstacles were listed, including the lack of capacity to build on strategies year-to-year due to piecemeal and inconsistent funding, the general struggle to maintain working teams (due to lack of funding to pay workers), semi-functional offices, bias in tender processes, and a lack of affordable skills development for staff.

4.9 CAPACITY-BUILDING NEEDS

The capacity-building needs of CSOs are presented below.

Exhibit 21: Capacity building needs

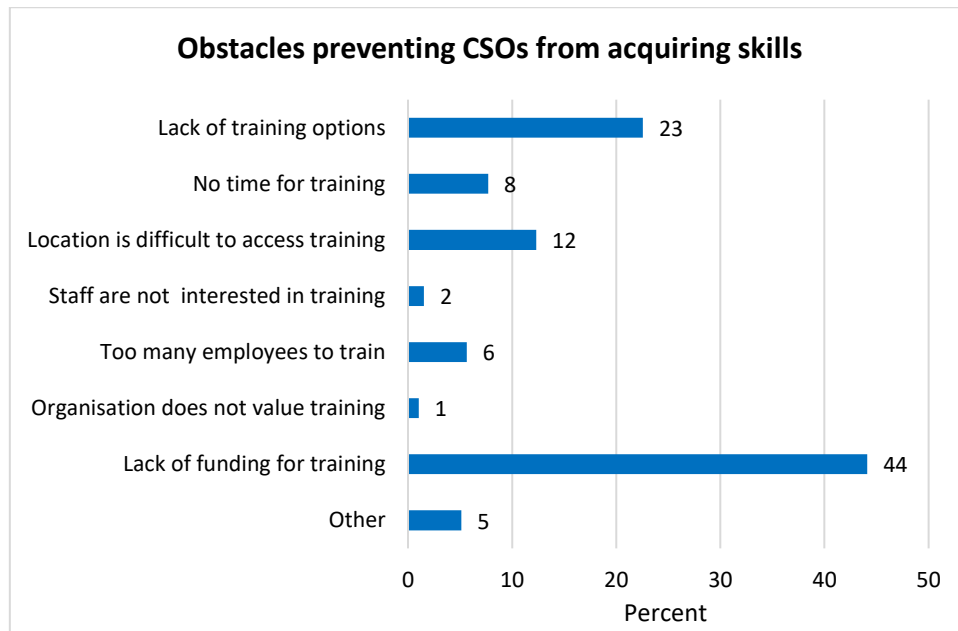


- ⇒ 9.5% of CSOs indicated that their greatest need for staff capacity-building was for fundraising, followed by 8.0% requiring project management skills and 7.6% financial management skills.
- ⇒ Other common capacity-building required monitoring and evaluation skills to track resources and organisations' progress, digital skills to keep up with rapidly changing technologies in the CSO environment, and general technological skills.
- ⇒ Gender-equality skills training was least needed (0.7%).
- ⇒ "Other" responses included staff management skills, leadership and management skills, reporting skills, and CSOs do not have the funds to employ and pay skilled staff.

4.10 OBSTACLES PREVENTING CSOS FROM ACQUIRING NEEDED SKILLS

The following issues hinder the skills acquisition of CSOs.

Exhibit 22: Obstacles preventing CSO's from acquiring skills

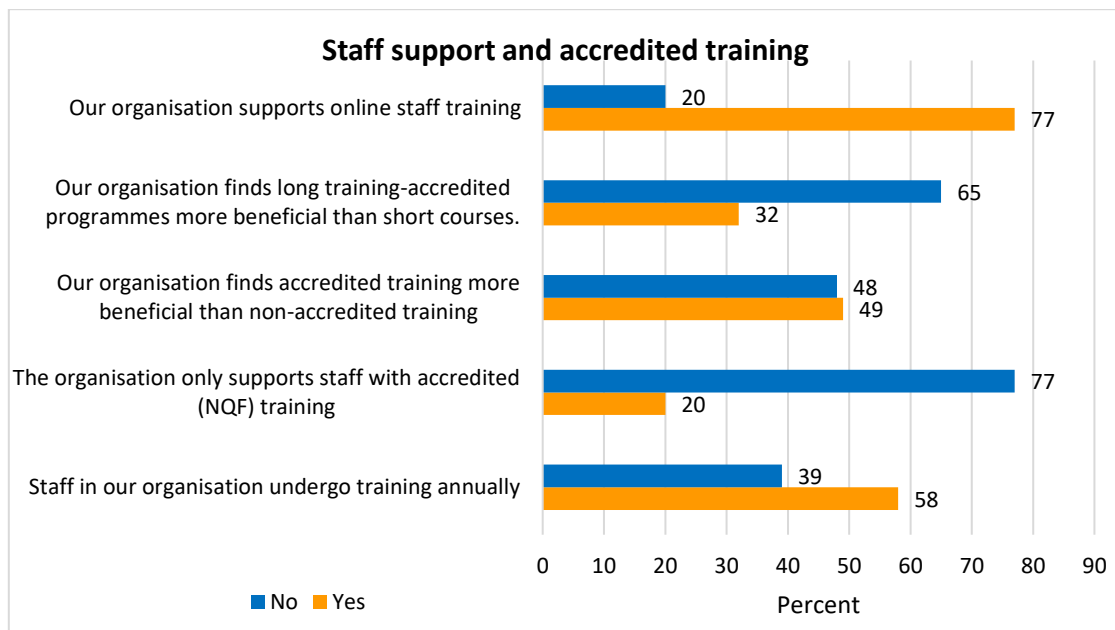


- ⇒ The greatest impediment to acquiring much-needed skills is the lack of funding for training, indicated by 44% of CSOs.
- ⇒ The lack of training options as an obstacle also ranked highly (23%).
- ⇒ "Other" obstacles listed included lack of time for training due to being understaffed and due to the workload, lack of learning pathways, favouritism of staff, and that ECD practitioners must undergo training during the school term, which requires them to pay others to supervise the children.
- ⇒ More funding and various training options to suit the various needs of CSOs are required.

4.11 CSO TRAINING

The following depicts CSO responses to staff support for training and how accredited training is viewed.

Exhibit 23: Staff support and accredited training

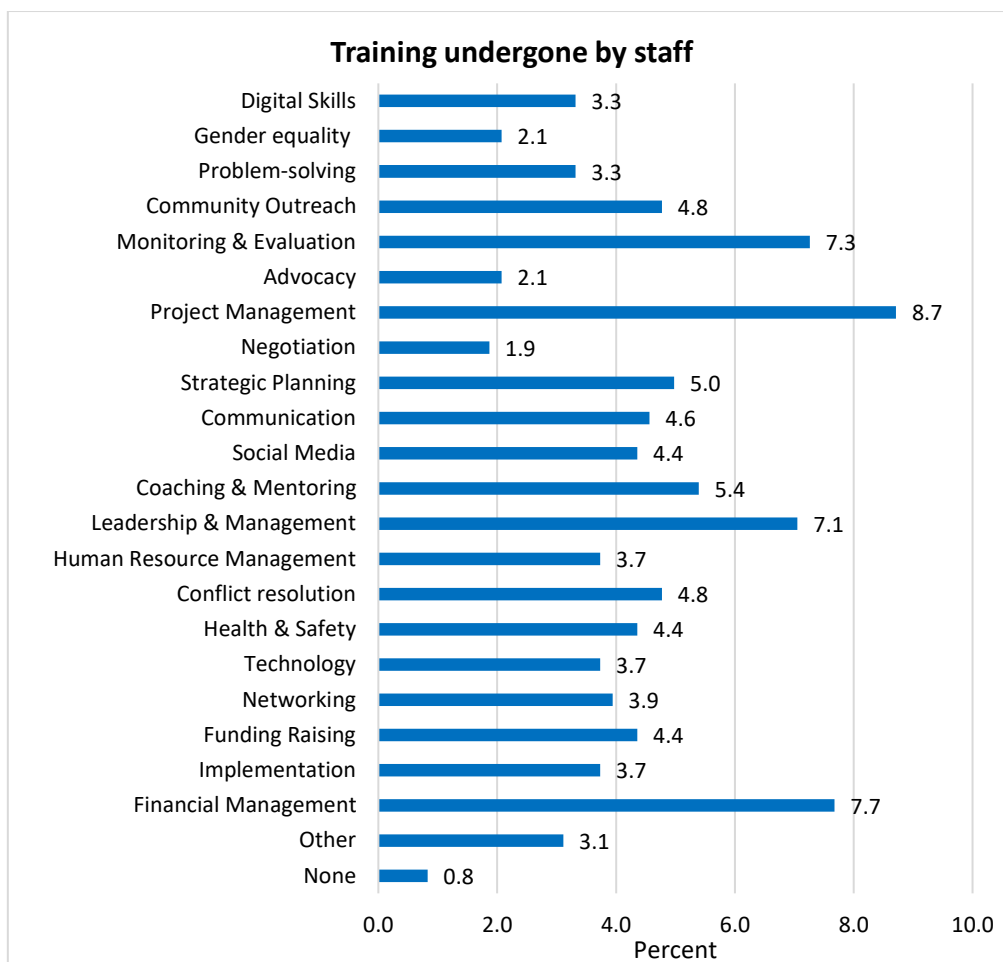


- ⇒ 77 (79%) of the CSOs support online staff training, while 58 (60%) indicated that staff undergo annual training.
- ⇒ 49 (51%) of the CSOs indicated that accredited training is more beneficial than non-accredited training. This indicates that non-accredited and accredited training have roughly the same significance among CSOs.
- ⇒ Only 20 (21%) of the CSOs indicated that staff are supported with NQF-accredited training. CSOs undertake non-accredited training if it is beneficial to their work.
- ⇒ Longer accredited training courses are not seen as more beneficial than shorter courses, as indicated by 65 (67%) of the CSOs.

4.12 CSO STAFF TRAINING

Training that CSO staff have already undergone is discussed below.

Exhibit 24: Training undergone by staff



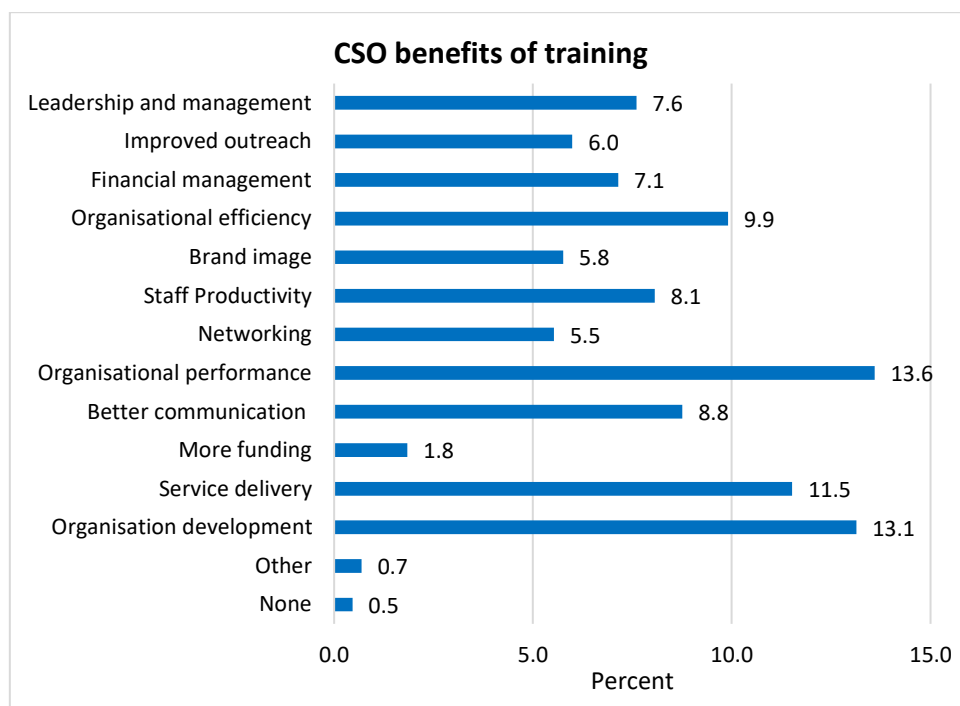
- ⇒ The majority of CSO skills training has been undertaken in project management (8.7%), followed by financial management (7.7%), monitoring and evaluation (7.3%), and leadership and management (7.1%). These skills are crucial in successfully running a CSO.
- ⇒ A marginal percentage (0.8%) had not undergone any training. This indicates that CSOs value skills training.
- ⇒ Negotiation skills training (completed by only 1.9%) was not a priority.

⇒ "Other" skills training included food handling, disaster management, first aid, industrial relations handling, socio-emotional learning, personal development, policy training, and various ECD/youth skills training.

4.13 CSO BENEFITS OF UNDERGOING TRAINING

The benefits of training for CSOs are presented.

Exhibit 25: CSO benefits of undergoing training



⇒ Training improved organisational performance (13.6%) and organisation development of CSOs (13.1%) most significantly.

⇒ The organisational efficiency of CSOs was also greatly improved (9.9%).

⇒ Only a marginal percentage (0.5%) indicated no benefits to their organisation, which could point to ineffective skills training undertaken or training which was not useful.

⇒ "Other" listed benefits of skills training for CSOs included enabling CSOs to provide a wider range of courses to underserved communities, aiding CSOs to deliver good services, and benefits for clients in helping social workers deliver better services to the community.

4.14 CONCLUSION

On completion of the survey, CSOs were asked to provide any further comments, some of which are listed below:

- ⇒ "NGOs like us implement policy on the ground with the public and strengthen government programmes. It is disheartening that government departments always indicate no funds to support our work yet rely on us to do our work and provide our statistics for training across South Africa. It is untenable that we have to constantly fight to receive funding to keep our employees employed and support and develop our people who need skills development."
- ⇒ "The national imperative that it is, and its efficacy as an intervention, with more funding to our rural based programme, skills development can go a long [way] to addressing and attaining the ideals elaborated on in the NDP."
- ⇒ "While we may possess technological expertise, NGOs, including our own, often lack the necessary soft and business skills."
- ⇒ "Complex funding applications hinder organisation development."
- ⇒ "Access to skills development in developing towns."
- ⇒ "...Short courses are more manageable for our organisation since we cannot have staff taking lengthy periods off work. While we would like to have staff on accredited courses (and we have assisted some people to get further degrees), we cannot do it ungoingly [ongoingly] due to financial and operational constraints."
- ⇒ "The government funding is not user-friendly as the organisation cannot be flexible in addressing the things that will enhance the organisation's performance. They only focus on the program they fund."
- ⇒ "NGO's are underfunded, undervalued and unrecognised by other professionals. NGOs do most of the work and [receive] none of the benefits if governmental changes occur."

SECTION FIVE FINDINGS AND RECOMMENDATIONS

5.1 FINDINGS AND RECOMMENDATIONS

The findings from the economic and social policies analysis, stakeholder consultations and surveys are analysed. The following is a summary of findings in response to the study's key research questions.

1. How effective have South Africa's economic and development policies been in combatting unemployment, poverty and inequality since 1994?

Findings: Since 1996, South Africa's shifted from heterodox economic policies to mainstream economics. After almost 30 years of post-apartheid rule, economic policies have not been effective in addressing unemployment, poverty and inequality. It has shaped the post-apartheid government's role in the economy, its economic policy choice, and the country's growth and development outcomes for nearly 30 years. For instance, South Africa's economy has not diversified from its minerals-energy complex, and deindustrialisation is afoot. In recent years, the financial and services sector has dominated the economy. The following is evident:

- ⇒ The economy is expected to grow by 0.8% in 2023.
- ⇒ Per capita income has declined from USD 8799 in 2011 to USD 6190 in 2023, meaning people are getting poorer.
- ⇒ Official unemployment is 32.8% and expanded unemployment is 42.7% in 2023. The Gini coefficient of 0.63 is the highest in the world.
- ⇒ Government gross debt as a percentage of GDP has increased from 24% in 2009 to 73.4% in 2023. It implies that interest payments offset social spending.
- ⇒ The Zondo Commission reports state corruption on an industrial scale.
- ⇒ One in three South Africans directly benefit from a social grant, while nearly two-thirds of the population are directly or indirectly beneficiaries of the system.
- ⇒ An electricity crisis, water stoppages, infrastructure decline, and the demise of SoEs and the national logistics system drag down the economy.

Recommendations

- The government should fundamentally shift from neo-liberal economic policies, which have not worked, to heterodox economic policy approaches.
- Rethinking and expanding the toolkit of economic policies which advance employment outcomes and targets. It requires the periodic assessment of past macroeconomic and industrial policies in light of employment impacts.
- Integrating employment outcomes in national planning targets by mainstreaming employment considerations and goals into national planning, sectoral, and macroeconomic policies.
- Enhancing inter-ministerial/sectoral planning for structural transformation and upgrading, prioritising certain sectors in allocating investment and spending, upgrading supportive infrastructures and skills, and advancing inter-sectoral linkages domestically.
- Incorporating SMMEs and co-operatives into domestic and global value chains to give access to markets.
- Increasing public and private infrastructure investments, leveraging public-private partnerships (PPPs) to finance large public infrastructure projects with employment targets.
- A key component is paying attention to the employment impacts of PPPs and infrastructure development through ensuring skills and technology transfer and use of 'local' labour. Direct job creation should be part of the project bidding criteria.
- Member States should also strengthen national social dialogue mechanisms by ensuring they are inclusive, involving all key partners and empowered with mandates to address issues of socio-economic importance decisively.
- Partnering with national think tanks, policy institutes, and academics is crucial for policy innovation and knowledge dissemination involving policymakers, communities, firms, and all facets of the economy, including the informal sector, women, youth and workers in general.
- While social grants provide immediate assistance to the indigent, they do not provide long-term solutions to the issues of poverty and unemployment. More sustainable solutions are required –empowering and enabling citizens to become more self-sufficient and independent of the social grant system. CSOs can be leveraged as skills development providers and job creators.

2. What should be done to improve policy effectiveness?

Findings: South Africa has a strong policy environment. However, the effectiveness of these policies is undermined by poor implementation, budgetary and human resource deficits, cadre deployment, poor monitoring and evaluation, and weak consequence management. For instance, the National Development Plan, the country's apex roadmap to growth and development, has not been implemented.

Recommendations

There are various measures which can be taken to improve policy effectiveness:

- **Focused** policies must focus on local communities' current and imminent needs. Often, assistance is given that is not required, e.g., skills programmes and resources offered which are not useful for community needs. Efforts require greater direction and purpose to be effective.
- **Participation** – Engage NGOs and CSOs in policy planning and development. Because they work at ground level, they have first-hand accounts of a host of valuable information such as what are the challenges, how to navigate them, how resources can best be distributed, opportunities and threats in the areas they serve, urgent needs of communities, and successes and failures of previous interventions.
- **Stakeholder involvement** – Engage with all stakeholders for diversified inputs and recommendations, regular assessments and evaluations of the CSO environment, knowledge-sharing and debate, greater networking, efficient leveraging of resources, and improved investment in the CSO sector and worthwhile initiatives.
- **M&E** – A sound M&E system is required. The system can be improved through regular policy evaluation, where results are used, recourse recommendations are implemented and their impacts evaluated. M&E of budgets allocated to policy implementation should also be monitored and evaluated to ensure drafted interventions are implemented.

3. What is the role of social partners (state, employers, workers and civil society) in changing the economic and development policy trajectory?

South Africa is a signatory of the International Labour Organisation, which is pillared on a Tripartite + 1 model (state, employers, workers and civil society). NEDLAC comprises the four social partners that approve economic, sectoral, development and social policies. Social partners can redirect the economic and development policy trajectory.

Although civil society is a social partner, deliberations on policy issues tend to be dominated by employers, workers and the state. Part of the reason is that civil society representatives lack the skills to advocate for a pro-poor agenda.

Employers have valuable business and entrepreneurship knowledge to support and include informal enterprises in value chains and skills acquisition. They can thus advise on business strategies and profitable ways in which policies can be implemented and adjusted. Employers in various economic sectors can also provide insights into their sector performance and opportunities.

Workers have skills. Usually, retrenched workers start micro-enterprises if they cannot find employment. They often become part of the informal sector.

Civil Society is affected by economic and development policies. CSOs represent civil society and are well-positioned to highlight communities' challenges and potential solutions to these problems. Considering these aspects, the Government can customise policies to meet the needs of its nation.

The State develops and implements policies. They are responsible for considering the stakeholders' inputs in decision-making and policy planning. Policies should be drafted to meet the needs of all groups of South Africans.

Recommendations

- Civil society (CS) representatives should be carefully selected to serve on government structures based on their knowledge, skills, experience and expertise.
- Their principals should brief CS representatives to fulfil their groups' mandates and policy positions.
- CS representatives should receive skills training in key areas such as leadership, governance, management, finance, negotiation and the economy.

- CS grouping should organise themselves to ensure representation in key forums.
- The NDA must update its database more regularly, providing stakeholders with current information, facilitating partnering of CSOs with others, and CSOs with the private sector and other stakeholders.
- CSOs need to be offered more platforms where they can be unified to network, support and empower each other, practice knowledge-sharing, and form a collective voice to increase their impact and the awareness of their work. The government can catalyse this process and facilitate such platforms.

4. What is the relationship between skills development and CSO service delivery?

Findings: There is a strong relationship between skills development and CSO service delivery. On the one hand, skills development programmes are required to be undertaken by CSOs to improve their capacity and to equip them with skills to run their organisations and perform tasks efficiently (and therefore improve their service delivery).

On the other hand, many CSOs provide skills development to their communities through workshops, learnerships, and other training interventions. In this case, they require the skills and capabilities to successfully facilitate training programmes and impart knowledge and skills to community members (i.e., in terms of part of their services delivered).

The views and recommendations of CSOs should influence Government interventions, strategies and policies more significantly. Operating at the grassroots level allows CSOs a far more in-depth view of the critical needs of communities. They should be regarded as ‘knowledge experts’ in their field and involved more in decision-making processes.

However, examining several skills development plans, we have found that civil society organisations are sidelined from interventions. Their role tends to be peripheral compared to employers and workers who receive the most interventions and are the biggest beneficiaries.

Recommendations

- CSOs must contribute significantly to developing policies, strategies and plans that affect them in all government tiers.
- Policies, strategies and plans not pro-poor should not be signed off as the CSO representatives approve.

- CSO representatives should discuss policies, strategies and plans before negotiations, and principled policy positions should be adopted.
- Policies, strategies and plans should allocate adequate funding windows and projects to CSOs.
- Provide CSOs with skills development, especially in providing entrepreneurship training to their communities. It will assist in making more citizens independent of the social grant system and more self-sufficient. Cooperatives should be used to develop practical skills, especially entrepreneurship skills.

5. What are the skills needs of CSOs in rendering community services effectively?

Findings: The stakeholder consultations and survey accentuated the need for capacity-building in CSOs. Several skills needs were identified:

- ⇒ Skills needs which emerged most strongly are fundraising, project management, financial management, monitoring and evaluation, and digital skills.
- ⇒ CSOs indicated they required training on delivering skills training/development programmes to their communities effectively and efficiently.
- ⇒ Leadership and management skills were also expressed as important, with some CSOs indicating leadership and management issues at their organisations.
- ⇒ Strategic planning, human resource management and networking skills were also seen as important to the work of CSOs.

Recommendations

- CSO representatives should ensure that strategies and plans in all government tiers include a capacity-building intervention or project for the CSO sector.
- CSO representatives should lobby the government for mainstreaming the sector in skills development.

- Offer CSOs the support required for the sector to operate with greater coordination, cohesion and formality. With Government and private sector intervention, CSOs can be offered the necessary skills (e.g., strategic planning, organisational performance, and so forth) to run individual and collective operations more efficiently and effectively.
- Rural and outlying areas require greater attention and inclusion. To address inequality and poverty, which are especially pronounced in rural and outlying areas, the Government should provide, with greater intent, opportunities considering the skills development needs of people in these areas. It includes providing more skills programmes and facilitating development (e.g., training and examination centres, internet provision, etc.).

6. Do CSOs have access to and participate in the NSDP?

Although some CSOs agree they can participate in the NSDP, most oppose this. CSOs indicated that they were unable to access or participate in NSDP activities. Interviewees suggested that while there are no specific legislations, regulations, policies and processes preventing their participation in skills development activities, other challenges exist, such as a lack of platforms to communicate with the Government and contribute to or benefit from the NSDP.

There has been a clear expression of the lack of opportunities to access NSDP benefits. CSOs do not know which paths to follow to gain this access. Moreover, a lack of knowledge of roles amongst Government employees meant to facilitate these processes exacerbates the problem.

CSOs have also indicated a lack of assistance from Government officials regarding processes to follow to apply for funding and access their application progress and outcomes. People in leadership positions (e.g. mayors and municipal managers) are unavailable for guidance and difficult to locate. It hinders their ability to access or participate in the NSDP. Some CSOs indicated that access to Government assistance is provided to organisations from which the Government can directly benefit following the provision of assistance or whose interventions Government departments favour.

Recommendations

- CSOs should make a significant contribution to the National Skills Development Plan.
- The NSDP should mainstream a pro-poor agenda before being signed off by the CSO representatives.
- CSO representatives should discuss the NSDP before negotiations, and mandated policy positions should be adopted.
- The NSDP should allocate adequate funding windows and projects to CSOs.
- Provide CSOs with skills development, especially in providing entrepreneurship training to their communities. It will assist in making more citizens independent of the social grant system and more self-sufficient. Cooperatives should be used to develop practical skills, especially entrepreneurship skills.

7. What are the recommendations to improve CSO capacity?

Financial constraints were undoubtedly the greatest challenge highlighted by interviewees. Without funding, the work of CSOs cannot continue. The government is required to allocate more funding for CSOs. Government support is required for CSOs to flourish, not only financially but also in terms of access to resources (e.g. venues to host programmes and marketing and promotion of the work of CSOs). CSOs require free skills development/training programmes from the Government to build their capacity and provide them with the necessary skills to thrive and extend the scope and reach of their work. Several organisations have complained of complex, lengthy application processes with “too much red tape”. CSOs and cooperatives must compete against each other, not with large enterprises, during tender applications. CSOs cannot secure tenders because of the current processes and skewed competition.

Recommendations

- The government should facilitate partnering CSOs with the private sector for additional funding and support.
- Simplify application processes for funding and skills programme accreditation and improve response times for applications awaiting approval.
- Improve response times for accreditation applications for CSO skills programmes. Extended waiting periods render some programmes unbeneficial as they become outdated concerning the ever-changing world of work and skills needs.
- Government resources should be mobilised for use by CSOs to conduct their work at no extra cost to the Government, e.g. the use of Government property (such as halls office space) as venues for conducting skills programmes and community meetings when not in use, unused furniture or furniture being replaced redirected for use by CSOs, and publication of CSO events and requests for donor funding.
- More access to and participation in the NSDP is required to meet CSO objectives. The government should collaborate with CSOs more regarding the interventions proposed by CSOs to meet middle-ground in achieving the visions of the Government and CSOs.
- Improve M&E processes to prevent corruption regarding handling funds intended for CSO use and awarding tenders for services, particularly. Services rendered by CSOs and cooperatives under Government contracts also require timely payment for the organisations to continue operating. There requires to be greater oversight of these processes.

5.2 CONCLUSION

South Africa has several social and economic policies, many producing greater failure than success. Additionally, social grants provided to the indigent, elderly and people with disabilities are unsustainable, given the country's current economic position.

There is great reliance by the Government on CSOs to address the socio-economic needs of communities. Yet, they are not given due support and recognition. The government must increase its support and recognition of CSOs and their contributions to the country's development to improve their reach of CSOs and catalyse their progress. It should be noted that not all support required by CSOs is monetary support. More effort should be channelled into assessing and evaluating the actual needs of CSOs so that Government initiatives, interventions and resources can be better directed. Networks between the Government, the private sector and CSOs need to be facilitated to aid and formalise the work of CSOs while promoting the Government's strategies and goals toward socio-economic development.

Moreover, simplifying application processes for access to funding and accreditation of skills programmes will significantly assist CSOs in achieving their mandates. With relevant support and guidance, the invaluable contribution of CSOs to eradicating poverty, unemployment and inequality, job creation, and general community upliftment can undoubtedly be realised.

REFERENCES

Adelzadeh, A (2023). Why South Africa's economy is stuck in a chronic crisis. In: The evolving structure of South Africa's economy. MISR: Johannesburg. 2023

Ashman, S (2023). Beyond the MEC? Limits and prospects in the development of South African capitalism. In: The evolving structure of South Africa's economy. MISR: Johannesburg. 2023

Asuelime, L. E. (2017). Civil society and the South African developmental state: an appraisal. *Journal of Social Development in Africa*, 32(1), January 2017. <https://www.researchgate.net/publication/323255107>

Burger, R., Jegers, P., Seabe, D., Owens, T. & Vanroose A. (2013). *NPO Accountability in a disconnected and divided South Africa*. University of Stellenbosch. Stellenbosch.

Congress of the People (1955). Freedom Charter. 1955

Cowling, N. (2023). *Number of people living in extreme poverty in South Africa 2016-2030*, Statista, 2023

Department of Social Development (2023). *Minister Lindiwe Zulu applauds the critical role played by non-governmental organisations* [Media Statement]. Pretoria: Department of Social Development. <https://www.dsd.gov.za/index.php/latest-news/21-latest-news/463-minister-lindiwe-zulu-applauds-the-critical-role-played-by-non-governmental-organisations>

Goldman, L. (2016). *Continuous Professional Development*. WandS Africa MAY/JUN 2016

Gumede, V. (2021). *Revisiting poverty, human development and inequality in democratic, South Africa*, University of Mpumalanga, 2021

<https://thedocs.worldbank.org/en/doc/>.

Habib, A., & Kotzé, H. (2003). Civil society, governance and development in an era of globalisation: The South African case. In Mhone, G , Edigheji, O. (eds). *Governance in the new South Africa: The challenges of globalisation*. Cape Town: UCT Press, 246-270.

Mapungubwe Institute of Strategic Reflection (2023). The evolving structure of South Africa's economy. MISR: Johannesburg. 2023

Coetzee, M. (2006). CBOs need corporate support for grassroots success. *Corporate Social Investment Handbook*, 9th ed. Cape Town, SA: Trialogue. <https://www.marcuscoetzee.com/essay-cbos-need-corporate-support-for-grassroots-success/>

Mosala, J. C., Venter, J.C.M. & Bain, E. G. (2017). *South Africa's Economic Transformation Since 1994: What Influence Has the National Democratic Revolution (NDR) Had?* 2017.

Muzambi, T. (2019). *A skills training framework for staff of nonprofit organisations: an adult learning perspective*. [Doctoral Dissertation, University of the Free State]. University of the Free State Dspace Repository.

<https://scholar.ufs.ac.za/server/api/core/bitstreams/0654a4e5-b389-4112-8db6-55ba9d4a047e/content>

Nama, K., Daweti, B., Lourens, M. & Chikukwa, T. (2022). The impact of training and development on employee performance and service delivery at a local municipality in South Africa. *Problems and Perspectives in Management*, 20(4), 42-51. doi:10.21511/ppm.20(4).2022.04

NDA (2008). Review of the State of Civil Society Organisations in South Africa. Braamfontein: NDA.

NDA (2022). National Development Agency Annual Performance Plan, 2022-2023

NDA (2022). National Development Agency Turnaround Strategy. 2022

NDA (2013). Funding Constraints and Challenges Faced by Civil Society in South Africa. 2013

NPC (2012). *The National Development Plan 2030*. Pretoria: National Planning Commission.

NPC (2023). *10-year review of the National Development Plan, 2012-2022, 2023*

Palma, J (2000) The three routes to financial crises: The need for capital controls. Schwartz Center for Economic Policy Analysis. Working paper 2000-17. New York

Powell, M & Rasool, H (2021). Analytical paper to inform the planned SADC Joint Sector Meeting of Ministers of Labour, Finance, Trade and Industry, including social partners. September. SADC: Gaborone.

Prof Mohammed, I. & Jahed, T. (2010). Development Bank of Southern Africa: Development Planning Division Structural Transformation of Economies: Lessons from the South, 2010, 10.

Public Service Commission. (2021) *Effectiveness of continuous employee development in enhancing capacity and service delivery in the public service*. Pretoria: The Public Service Commission.

RDP (1994). South Africa, *White Paper on Reconstruction and Development*. 1994

Skills Development Act, 1998 (Act no. 97 of 1998). Promulgation of the National Skills Development Plan (NSDP)

SONA (2023). *Cost of SA living is leading to a deepening of poverty*, State of National Address, 2023

South African Government (2016). *National anti-corruption strategy*. Pretoria: Government of South Africa <https://www.gov.za/AntiCorruption>

South African Human Rights Commission (SAHRC). (2024). *July's people. The national investigative hearing report into the July 2021 unrest in Gauteng and Kwa-Zulu Natal*. Johannesburg: SAHRC.

Statistics South Africa (2023) Quarterly Labour Force Survey. StatsSA. Pretoria.

StatsSA (1991). The Status of Women's Health in South Africa. Evidence from selected indicators, Report No. 03-00-18. 1991

The World Bank (2022). *Inequality in Southern Africa: An Assessment of the Southern African Customs Union, 2022*

Valodia, I. (2023). *South Africa can't crack the inequality curse. Why, and what can be done?* The Conversation. September 2023

Van der Westhuizen, M. & Gawulayo, S. (2021). Youth in gangs on the Cape Flats: if not in gangs, then what? *Social Work/Maatskaplike Werk* 2020 57(1). 118-132. <http://dx.doi.org/10.15270/52-2-810>

Warshawsky, D. N. The perpetual uncertainty of civil society: case study of an anti-hunger organization in South Africa. *Nonprofit Policy Forum* 2015; 6(1), 91-109. DOI: [10.1515/npf-2013-0006](https://doi.org/10.1515/npf-2013-0006)

Weidemann, M. (2015) *The changing status of Civil Society Organisations in South Africa, 1994 to 2014*. HSF Background Report South Africa, 2015. Southern Africa: Hanns Seidel Foundation.