

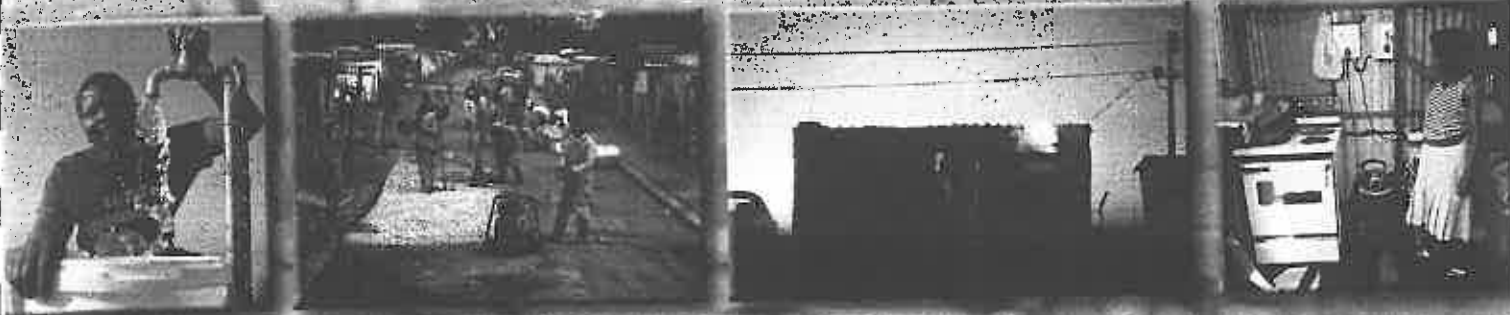
HSRC RESEARCH OUTPUTS

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# EVALUATION OF GOVERNMENT'S POVERTY RELIEF PROGRAMME

FINAL PROJECT REPORT

JULY 2005



Prepared for: Office of the Public Service Commission (OPSC)



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**PUBLIC SERVICE COMMISSION**

**REPORT ON AN AUDIT OF GOVERNMENT'S  
POVERTY REDUCTION PROGRAMME AND PROJECTS**

**2005**

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## FOREWORD

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## GLOSSARY

AGIS	Agricultural Georeferenced Information Systems
CASP	Comprehensive Agricultural Support Programme
CMIP	Consolidated Municipal Infrastructure Programme
DBSA	Development Bank of South Africa
DPLG	Department of Provincial and Local Government
EPWP	Expanded Public Works Programme
FSDP	Free State Development Programme
FSGDS	Free State Growth and Development Strategy
GCIS	Government Communications and Information Systems
GIS	Geographic Information Systems
GPS	Global Positioning Systems
HSRC	Human Sciences Research Council
IDP	Integrated Development Plans
IDT	Independent Development Trust
IFSNP	Integrated Food Security and Nutrition Programme
ILO	International Labour Organization
ISRDP	Integrated Sustainable Rural Development Programme
LED	Local Economic Development and Social Plan Grant
LEDF	Local Economic Development Framework
LRAD	Land Redistribution for Agricultural Development
M&E	Monitoring and evaluation
MIG	Municipal Infrastructure Grant
MOS	Measure of Size
NDA	National Development Agency
NSDP	National Spatial Development Perspective
NSNP	National School Nutrition Programme (NSNP).
NSS	National Statistical System
OPSC	Office of the Public Service Commission
PDF	Portable Document Format
PGS	Provincial Growth Strategies
PoA	Programme of Action
PPS	Probability Proportional to Size
SLAG	Settlement and Land Acquisition Grant
STATS SA	Statistics South Africa
URP	Urban Renewal Programme

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## EXECUTIVE SUMMARY

### 1. Background

South Africa has a legacy of inequalities that the democratic government of the country has been dealing with since 1994. To address these inequalities the government dramatically increased the proportion of funds being allocated for social related initiatives. This was in line with the thinking laid out in the White Paper on Reconstruction and Development in 1994 that looked at addressing poverty, access to land and improving the imbalances in access to services and infrastructure so that the quality of life of all people could be improved. Now eleven years after the ushering in of the democratic state in South Africa the government is still challenged by poverty and the need to reduce it by half by 2014 in line with its commitments to the Millennium Development Goals (MDG).

The interventions implemented by government have largely been allocating funds to the neediest areas in the country. However, the impact of these programmes, especially amongst the ultra poor, has been limited, which has contributed to the Gini Coefficient becoming worse over recent years. Factors that have been identified as contributing to a lack of performance of these programmes include poor coordination, poor integration of service delivery, lack of processes, exclusionary practices and a lack of monitoring and evaluation. President Mbeki in his State of the Nation address in 2005 described a new framework within which the government is to address the poverty and service imbalances in South Africa.

To achieve the goals within this new framework requires an improvement in the way the State operates. There will also be the need for acceleration in social development. Poverty relief programmes will have to be implemented more effectively to ensure that targeted communities, especially the poorest members, benefit. To enable the Office of the Public Service Commission (OPSC) to assess the extent to which government is having success in implementing its poverty relief programmes, a project was implemented to gain a more thorough understanding of the criteria and definitions used to describe poverty. The project also collected information on projects of as many programmes within national and provincial departments as possible. This information is required to enable the OPSC to draw a sample of the programmes and projects so that an evaluation of government's poverty relief programme can be done.

### 2. Methodology

A review of international and South African literature was done to get an understanding of the definitions used to describe the different types of poverty relief programmes and the criteria used to categorize them. Key informant interviews were also conducted with selected national government departments. The intention of the interviews was to get a perspective on how



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need for government to develop a system that allows programmes and projects be provided with unique identifier codes or numbers. It is also critical that geographic information on the projects to be provided and that the sub-place names database of Stats SA become the official source of names to use for geo-locating projects.

### **Sample design for the evaluation phase**

It is recommended that data from the integrated database and the additional electronic and hardcopy information that is to be received on national and provincial programmes and their projects after the completion of this study be considered as two separate target populations. The two populations will be stratified by province and programme and a sample of 300 projects will be drawn from each with probability proportional to size (pps). The Measure of Size (MOS) will be the total number of projects in each stratum.

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of the President has already commissioned such research and the findings of the study are presently awaited. Another outcome of the project is that a list of programmes that are known to occur in the different national and provincial departments with their contact details has been compiled, which provides a ready source of information for future studies that may want to add to what has been collected in this project.

#### **4. Conclusions and recommendations**

The project has successfully accomplished the three main objectives that it set out to achieve. In the first instance, a definition was provided for government to use when describing programmes that have a focus on poverty. Secondly, a mechanism of categorizing poverty programmes was described and the criteria for the inclusion of programmes into the different categories provided. Finally, an integrated database of programmes and their projects was developed that can be used for the selection of a sample to conduct an evaluation of government's poverty relief programme. However, much more could have been done in the development of an integrated database of programmes and projects if government processes and systems were in place and the necessary capacity was available in national and provincial departments to make the necessary information available. It is with this context in mind that the following recommendations can be made.

#### **Recommendations**

##### **Definitions and categories**

The definitions and categorizations suggested in this report should be communicated to relevant stakeholders for their consideration and input. Mechanisms should be examined as to how these definitions and categories can start to be incorporated into the business processes of national and provincial departments.

##### **Development of a database**

A national strategy and Norms and Standards for the implementation of poverty relief programmes should be developed. A standardized set of variables and indicators for each programme and project should be collected. The Office of the President has been identified in the Programme of Action to take forward the development of government's monitoring and evaluation system. It is further recommended that the Office of the President take responsibility in consultation with the National Treasury, Statistics South Africa (Stats SA) and the OPSC, for the development and maintenance of the database of government poverty relief programmes and their projects on an annual basis.

Part of the requirements of a system is the development of appropriate business processes to ensure the proper recording of information on programmes and projects. In this regard, there is a

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In selecting criteria or a categorization of programmes, two issues were considered. In the first instance, the categorization should lend itself to any future monitoring and evaluation and in the second instance; it should resonate with the way that decision makers see their various endeavours. Considering the above two categorization issues, two approaches were considered. The one approach focuses on poverty types and the second on programme/activity types. The first approach defines programmes by the type of poverty that they are addressing (e.g. income, capability, asset, special needs and social insurance) and the interventions that are implemented. The second approach simply defines programmes based on the existing programme interventions (e.g. social security, free basic services, subsidized services, housing, land reform, income generating and public works) and the advantage of this approach is that it already aligns with governments thinking. It is the second approach that is the more favoured by the OPSC.

An integrated database of more than 40 programmes was produced that contains more than 29 900 projects. These projects have been captured into a database design developed during the study that may well form the basis of a database structure used by government to standardize the reporting on programmes and projects in the future. With the incorporation of some of the largest programmes such as that of the Expanded Public Works Programme (EPWP), Integrated Sustainable Rural Development Programme (ISRDP), Free State Growth and Development Strategy (FSGDS), Land Redistribution for Agricultural Development (LRAD), Settlement and Land Acquisition Grant (SLAG) and the Comprehensive Agricultural Support Programme (CASP) a solid foundation has been developed. However, many more important national and provincial programmes could have been incorporated if the support was forthcoming from the different departments. More specifically, the Department of Housing's Housing Subsidy Programme and the Department of Provincial and Local Government's Municipal Infrastructure Grant (MIG) and the Consolidated Municipal Infrastructure Programme (CMIP) as well as the registers that have been set up by some of the Premier's offices, could have been provided.

A further finding of the project was that there was no central national database of poverty relief programmes and projects. This meant that the information had to be sourced from the national and provincial departments themselves. Furthermore, both programmes and projects did not normally have sets of unique numbers to distinguish themselves from one another, which means that it was difficult to pick up duplicate projects in the data sets and to be able to do comparative analyses of programmes and projects from one year to another. A future requirement of any central database is to identify both a core set of variables for which information on programmes and projects needs to be collected and a set of indicators for measuring the impact of programmes. Norms and Standards should also be developed around how information on programmes and their projects are collected and stored in a database.

A system that allows the capture of information on programmes and their projects is required that takes into consideration the points that have been presented in the previous paragraph. The Office

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government officials defined poverty and what criteria they used to categorize the different programmes and projects into the different poverty types.

Before any information on the programmes and projects were collected, a database was designed to house data collected and to create a potential framework for future reporting on programmes and their projects. A relational database was designed that should be used in the future to collect information on programmes and projects. This was done through consultation with national government departments and by reviewing programme databases already in existence. Two main approaches were then used to collect information on programmes and projects. Firstly, the annual reports of every national and provincial department was collected and examined to identify all programmes that were developmental, poverty relief or conditional grants.

Searches of the literature and the web were also done to identify programmes and to access any information on them or the projects undertaken within them. Government officials responsible for these programmes were contacted and information on the programmes and their projects solicited. Unfortunately, through this approach little information was obtained on the programmes and the projects. Secondly, workshops were held with national and provincial departments to get further information on definitions, criteria and data on their programme projects. Information received on projects belonging to programmes was then captured into databases before being integrated into one overall project database.

### **3. Findings**

President Mbeki's "three pillar formulation" is the government's most recent portrayal of how it is to address the multi-dimensional nature of poverty and under development in South Africa. This involves encouraging growth and development in the First Economy, increasing the potential to create jobs, implementing programmes to address the challenges in the Second Economy and building a social security net to bring about poverty alleviation. It is within this framework that the OPSC recommends that "poverty reduction" be used as the term to describe all of government's programmes that focus on poverty and underdevelopment. Poverty reduction can be defined as 'an initiative, project or programme that seeks to improve the livelihood or quality of life of poor individuals or households'.

The advantages of this term are that it is sufficiently broad and generic to be able to incorporate all programmes presently being implemented by government from the 'welfarist' to the "developmental" and 'structural' programmes. This is the wish expressed by government officials when consulted during the workshops conducted in the study. Furthermore, 'poverty reduction' implies a long term and large-scale effort by the government in addressing the different forms of poverty in South Africa.

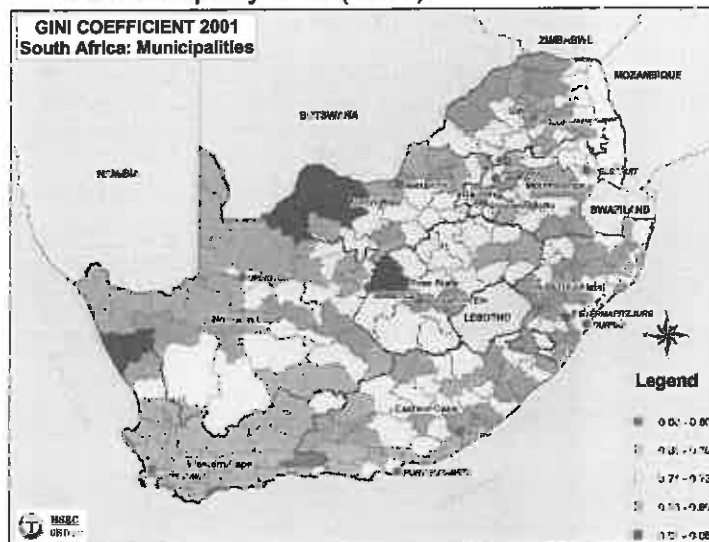
# 1. INTRODUCTION

## 1.1 Background

Since the new government came into power in 1994, it has shown great commitment in addressing the many inequalities that came from the previous apartheid government. Over the last eleven years the government has dramatically increased the proportion of public resources being allocated to social-related spending. This they have done through many different initiatives and have shown their willingness to invest heavily in meeting the basic needs of the people of South Africa. They have done this by delivering infrastructure and services through initiatives such as the Expanded Public Works Programme (EPWP) to the many poor communities distributed across the country. Research conducted by the Human Sciences Research Council (HSRC) as part of the Ten Year Review showed that largely the government was targeting the poorest areas in the country (Aliber and O'Donovan, 2004).

Other impressive programmes of the government have been the provision of social grants to the elderly, children, disabled and other beneficiaries. They have also provided free or subsidized services such as free basic water and electricity, free primary health care and subsidized education. Through other initiatives they have shown their commitment to improving the human capital base of the country. However, these programmes have not had the impact that was anticipated, especially amongst the ultra poor, and this will have contributed to an increase in the Gini Coefficient or income inequality of the South Africa. Figure 1 shows that the municipalities with the highest levels of income inequality are located in the North West, Northern Cape and Free State provinces.

Figure 1: Gini Coefficient at a municipality level (2001)



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The persistence of under development, poverty and inequality in the country has resulted in President Mbeki outlining a new approach to addressing these problems (Mbeki, 2005). The approach will be based on three pillars, namely: encouraging growth and development in the First Economy; increasing the opportunity for jobs and addressing the challenges of the Second Economy and building a social security net to bring about poverty alleviation. Analysts have pointed out the elements of this approach are largely the same as those laid out in the White Paper on Reconstruction and Development of 1994 (Aliber and Nhlapo-Hlope, 2005). The main principles of the RDP was to improved the standards of living and quality of life for all South Africans and to create a sustainable democracy by prioritizing poverty eradication, access to land and providing basic services to people within a peaceful and stable society characterized by equitable economic growth.

Several factors have been identified that have inhibited the government achieving these objectives. One of these factors is the inappropriate processes and exclusionary practices that have infiltrated into the governance and implementation of government programmes. Research conducted by the Office of the Public Service Commission (OPSC) into the national housing subsidy scheme showed that it was being constrained by factors such as poor coordination and the poor integration of service delivery systems and processes (PSC, 2003). Other problems that have been identified by the OPSC are that project management systems are often not introduced, criteria for support are not clearly defined and results are not monitored. This has resulted in the government concluding as part of the Ten Year Review that more direct interventions is possibly needed and in fact, this has been called for by some departments attending workshops as part of this study.

To achieve the objective of halving poverty by 2014 as stipulated in the Ten Year Review, released in October 2003, it is essential to improve the performance of government. The OPSC's State of the Public Service Report of 2004 highlights the importance for government to accelerate social development and address poverty more effectively to ensure that the above objective is achieved. Research undertaken by the HSRC has pointed out that it is not only about a reduction of poverty through improved performance but it is also about identifying the prevailing conditions in areas and using the natural, human and economic resources to bring about economic growth where the poor share equally in the proceeds (Aliber and Nhlapo-Hlope, 2005). Improving road access to economic centres where people can find employment, raising the standard of education and improving access to health facilities are all factors that need to be considered when implementing programmes aimed at improving the standards of living of people in South Africa.

It is against this background that the OPSC has identified the need to evaluate government's poverty relief programme to see to what extent it is having an impact on under development, poverty and inequality in the country, especially in relation to the three pillars highlighted by President Mbeki. Of great importance to any evaluation of this nature is to determine the extent to which an integrated approach to development is being achieved and whether this is happening

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within a "comprehensive, coherent and co-ordinated framework" (PCAS, 2003). To undertake such an evaluation requires as thorough an understanding as possible of all government programmes at a national and provincial level so that the universe for sampling purposes can be defined. From this sampling frame a realistic and representative sample of projects will be identified to conduct the evaluation as part of a second phase of this project.

## **1.2 Purpose and objectives**

The purpose of the project is to provide all the necessary definitions, criteria and data on government programmes aimed at poverty relief. The idea is that once a universe of projects within the programmes being implemented by the national and provincial departments has been developed that a realistic and representative sample can be drawn. This will enable the OPSC to implement Phase 2 of the project that will involve evaluating the impact of selected programmes and projects.

To achieve the purpose of evaluating government's poverty relief programmes and projects, the following three objectives were set for the project:

- To define what is meant by poverty relief (and related terms) programmes and projects.
- To develop criteria for the classification of poverty relief programmes and projects
- To develop and populate a database on poverty relief programmes and projects in all government departments at national and provincial level.

## **1.3 Mandate of the Public Service Commission**

The Office of the Public Service Commission is an independent and impartial institution established in terms of Section 196 of the Constitution of South Africa (1996). On its creation it was tasked and empowered to investigate, monitor and evaluate the organisation and administration of the Public Service. This mandate also entails the evaluation of achievements, or the lack thereof, of government programmes at all levels.

Linked to the aforementioned powers, the OPSC is also tasked with the promotion, throughout the public service, of measures that ensure effective and efficient performance, as well as promoting the values and principles of public administration as set out in the Constitution.

Having established that this project falls within the mandate of the OPSC, as determined by the South African constitution, the project employed the methodology detailed below, to achieve the set objectives.

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## **1.4 Scope**

The scope of this project was to include all programmes and projects aimed at poverty relief that are implemented at the national and provincial spheres of government. To carry out the scope, it was necessary to identify all programmes that in some way have a poverty or developmental focus. The setting of these objectives and scope are in line with the mandate of the Public Service Commission, which was outlined in the previous section.

## **1.5 Methodology**

The methodological approach adopted by the investigating team to fulfil the objectives of the projects, were the following:

### **1.5.1 Definition of poverty relief projects/programmes and criteria for the classification of poverty relief projects**

The definition and categorization of 'poverty relief' and associated concepts was examined through a review of the South African and international literature. South African literature included recent academic treatments, government documents, white papers, the State of the Nation address and budget reviews by the National Treasury. International literature included that of the International Labour Organisation (ILO), the World Bank and the Overseas Development Institute, amongst others. A summary of the relevant points extracted from the literature is provided in Addendum 1.

It is important to note that the approach had to be somewhat reflexive, in the sense that one can establish working definitions at the beginning of the project that might change on completion of the project or even after the project has ended. There remains a likelihood that these definitions will and should be amended as the project progresses and a more comprehensive idea of 'what is out there' and what constitutes a useful definition is obtained.

In addition, interviews were conducted with government officials in key departments as to their understanding of 'poverty relief' and their respective considerations as to what constitutes a 'project' and a 'programme'. The interviews were targeted at the Departments of Social Development, Health, Agriculture, Provincial and Local Government, Public Works, Land Affairs and Science and Technology. The Policy Co-ordination and Advisory Services Unit in the Office of the President and the National Treasury was also approached for interviews on the definition. Government officials interviewed in the selected departments are listed in Table 1.



Table 1: List of officials interviewed in selected national departments

DEPARTMENT	NAME(S) AND DESIGNATION(S)
Social Development	Sadi Luka – Chief Director, Integrated Development
Health	GH de Klerk – Deputy Director, Nutrition
	A Behr – Assistant Director, Nutrition
Agriculture	Salome Modiselle – Deputy Director, Farmer Settlement
Provincial and Local Government	Chris Malehase – Director, M&E Free Basic Services
	Amanda van Schoor – Deputy Director, Municipal Infrastructure Grant
	Neliswa Nolabankulu – Deputy Director, Free Basic Electricity
	Monthe Moatshe – Deputy Director, Free Basic Water and Sanitation
National Treasury	Julia de Bruyn – Senior Manager, Intersectoral Programmes
	(formerly Programme Manager, Special Allocation for Poverty Relief Infrastructure Investment and Job Summit projects)
Policy Co-ordination and Advisory Services, Office of the President	Vusi Gumede – Chief Director, Social Sector
	Mastoera Sadan – Director, Social Sector
	Lawrence Matemba – Deputy Director, Social Sector
Science and Technology	Isaac Lusunzi – General Manager, Poverty Reduction
Public Works	Stanley W. Henderson – Chief Director: Monitoring and Evaluation Specialist, Expanded Public Works Programme
Land Affairs	Carmen van der Merwe – Director, Redistribution Policy and Systems

Interviews were also centered around questions on the respective department's contribution to resolving South Africa's poverty problem, whether their efforts are working and the reasons for their success or failure with respect to poverty relief. Questions were also asked as to the department's reliance on a formal monitoring and evaluation (M&E) system.

## 1.5.2 Developing a database on poverty relief projects

### 1.5.2.1 Design of the database

Since there was no centralized national database on all poverty relief programmes and projects in South Africa, and it was assumed that no such database existed at a provincial level, it had to be designed from the beginning. The structure of the database had to allow all the required information of programmes and projects to be collected and, thereby, enable the scope of the project to be achieved. Furthermore, the database design was implemented to meet the future requirements of the Public Service Commission and ultimately, the government. In developing the database design, the project team examined databases from various national government departments.

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The database design drew from available project databases of the Department of Agriculture (Land Care Programme), Department of Housing (Housing Subsidy Scheme), the Department of Public Works (Community Based Public Works Programme) and the Department of Science and Technology (Database on technologically-oriented poverty reduction projects). The database was designed to contain fields relating to the main pieces of information needed to populate an extensive database of projects. These fields included the programme and project name, principal activities, contact details, budget information, location of projects (by municipality), outputs, beneficiaries, etc. An initial meeting between members of the project team, focused on discussing database design issues and the establishing of the database.

In order to test the utility of such a database design, that is one that will aim to capture relevant and useful data elements, a workshop with selected national government stakeholders was held. Representatives of the Department of Public Works, Department of Provincial and Local Government, Department of Social Development, the Public Service Commission and the Human Sciences Research Council (HSRC) attended. The workshop initially provided participants with the relevant context of the project and the database design. A preliminary database design was also presented to provide some framework to the discussions. This included a description of the tables to be incorporated in the database design, their attributes/fields and the relational links between them. Examples of code tables and values that need to be categorized were also presented.

The main discussion points that were touched on were:

- Programmes and projects to be captured in the database;
- Description of fields and the type of data to be stored in each (e.g. numeric or text);
- Defining values of programme and project types, categories or classifications;
- Fields that should be added (e.g. what data is required to aid classification later);
- Hierarchical relationships between programmes and projects and what data should be stored at each level;
- Identification of critical versus nice-to-have fields;
- A discussion on what data is readily available for all fields.

This workshop also offered the project team a rare insight into the functioning of government departments and highlighted the phenomenon of 'reporting fatigue', especially during the period leading up to the end of the financial year. During this time senior government officials are inundated with requests from directors-general, MECs, premiers and national ministers for relevant data in various formats to be included in budget and State of the Nation speeches. Following the workshop, amendments were made to the database design before a final report was produced.

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### 1.5.2.2 Developing a database on government's programmes and projects

This phase of the project involved several different activities including conducting searches of the web and relevant literature in identifying national and provincial programmes and getting contact details of individuals that were responsible for such programmes. It also involved accessing and capturing data on programmes and projects so that the database could be populated. The geographic coordinates or place names associated with projects were also used to map them.

The main approach followed by the project team in identifying national and provincial programmes was to obtain the annual reports from all national and provincial government departments (Addendum 2). A team of researchers obtained the contact details of national and provincial government departments from the web and through telephonic contact. The team then made contact with the departments and organized for couriers to collect the annual reports. However, most of the reports were obtained from the Government Printers in Pretoria and from the National Treasury that had already sourced and received the annual reports from most provincial departments. In the initial project plan, it was indicated that this would be undertaken over a period of a month but because of the difficulty in contacting the relevant government officials, this process eventually took much longer.

Having received the annual reports, researchers then scanned through them to identify any poverty or developmental related programmes and projects. The list of programmes identified from the annual reports in the different departments is provided in Addendum 3. The criteria used to identify relevant programmes and projects in the annual reports are listed below:

- All poverty relief programmes;
- All conditional grant allocations;
- Programmes that provided some form of services and/or infrastructure to communities or the people

The annual reports were also used to obtain information on programme objectives and projects. The list of programmes and their associated information that were identified in the annual reports are presented in Addendum 3. The national and provincial government departments were then contacted telephonically to obtain the names of government officials responsible for the identified programmes. Direct contact with government officials was made through telephone, fax, e-mail and personal visits. An example of the letter faxed to each of the departments requesting information on programmes and projects is provided as Addendum 4. The reasons for the direct contact were threefold: i) to verify information that were already available via existing databases; ii) to collect more information about programmes and projects for which only partial information was available; and iii) to identify 'new' poverty relief initiatives and to collect the necessary information about them in the format set out in the database design.

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Written material describing these government programmes was also accessed by undertaking internet-based searches for literature and accessing departmental web sites to assist in getting the contact details of government officials. Information obtained from the web and from the government departments themselves was used to populate the database with information on programmes and projects. The official website of the South African government ([www.gov.za](http://www.gov.za)) was also used to access contact information of departments at national and provincial levels. The website carried a file in portable document format (PDF) compiled by the Government Communications and Information Systems (GCIS).

At the national level, the directors-general offices, the chief director, the chief financial officer or the person responsible for the programme was contacted. The approach of the project team at the provincial level was to contact the head of the department. The contact details of the person heading up the poverty relief programme and its activities in that department were then requested. These responsible persons were contacted to get access to information on the programme and to request access to the database of all projects undertaken in 2004/05 in the programme.

The project team worked closely with the national and regional OPSC offices to get access to contact details of government officials. These officials were then able to assist by suggesting contacts within government departments that were more directly linked to the different programmes. Officials of the OPSC's national and regional offices accessed these contact details personally and forwarded them to the project team. Although this avenue of enquiry yielded positive results, it was not significantly more successful than the approach described in the previous paragraph.

The approach of identifying the programmes and contacting relevant departments at a national and provincial level to get in touch with the government official responsible for the programmes so that the project databases could be accessed did not prove very successful. The main reasons for this was that few government official responsible for the programmes could be identified, those responsible for programmes could not be contacted after numerous attempts were made, the project team was informed that no project database existed and managers of programmes took a long time to provide any data on projects or provided no information at all. Consequently, after much time had been allocated to the gathering of information on programmes and project databases with limited successes, it was decided by the project team that workshops with government departments would be held in each of the nine provinces and at a national level.

Table 2 below shows the dates on which the different workshops were held. The regional offices of the OPSC assisted by making all the necessary arrangements for the workshops, including organizing a venue and contacting all the relevant provincial government departments. This was after a letter had been sent by the OPSC to all national and provincial departments (Addendum 5).

Regional directors also welcomed delegates to the workshop and it was envisaged that they would continue to assist on the project by following up with the provincial departments. Members of the investigating team provided a brief overview of the project rationale and an understanding of what the objectives of the project were and how they would be undertaken.

Table 2: Dates of workshops with national and provincial departments.

DATE	WORKSHOP
30-May-2005	Western Cape
31-May-2005	Northern Cape
1-Jun-2005	Free State
1-Jun-2005	Kwazulu-Natal
3-Jun-2005	Mpumalanga
3-Jun-2005	Limpopo
6-Jun-2005	North West
7-Jun-2005	Gauteng
7-Jun-2005	Eastern Cape
9-Jun-2005	National Departments

Having introduced the project to the workshop delegates, discussions were held on what types (e.g. income, capability, asset, special needs or social insurance) and categories of poverty relief programmes (e.g. social security, free/subsidised basic household services, subsidised individual services, housing, land reform, income generating projects and SMMEs, public works) were being implemented in the provinces. The definitions that were being used to describe poverty relief, alleviation, reduction or eradication in the provinces were also discussed. The monitoring and evaluation (M&E) systems and/or activities taking place in the departments to assess the impact of these programmes and projects were also talked about. However, the main purpose of the workshops was to get an understanding of what databases were available on projects within the poverty-relief programmes at a national and provincial level. The discussion document used in the workshops is included as Addendum 6.

The contact details of provincial and national representatives at the workshops were used to follow up with government departments to get access to as many project databases as possible. The list of delegates that attended the workshops from the different national and provincial departments is provided in Addendum 7. This information in combination with the list of government officials responsible for the different programmes that were obtained from the Internet searches is of great value, as it will allow researchers to make contact with these programmes in the future so that current data on projects can be sourced.

During the project, electronic databases and hardcopy lists of projects in the different programmes was obtained from a number of departments. The databases received were integrated into the database structure developed at the onset of the project. The project data was stored in Microsoft Excel because it is the easiest to use in manipulating and analysing the data. It also provides much

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functionality including the ability to transpose data. Data capturers are also able to enter the project data quickly into the database. Hardcopy lists of projects were captured into the database structure by data capturers. Finally, the databases of all the programmes were integrated into a single database.

To enable projects to be geolocated to the smallest geographic place possible, the spelling of place names where projects were implemented had to be corrected and stored in a separate variable. Unfortunately, the geographic level that was provided for projects in the database varied from village to district municipality level. Consequently, a variable was included in the database that indicated to what geographic level each project in the database was geolocated. The projects were geolocated using Atlas GIS and the place names databases of Statistics South Africa, generated from the 1996 and 2001 censuses, were used to geolocate the projects.

## **1.6 Resources available to the project team**

A team of more than fourteen researchers participated in the project. The team members were skilled in the collection of information on programmes and their projects as well as capturing this information into designed databases. Researchers with a background in poverty, monitoring and evaluation, database design and implementation and Geographic Information Systems (GIS) formed part of the team. Personnel based at the national and regional offices of the OPSC assisted on the project by making the necessary contact with national and provincial government departments. These officials also assisted in organizing workshops with national and provincial government departments.

The project team had access to all necessary modern information and communication technologies and facilities required to implement the project. This included access to telephones, faxes and the Internet to make regular contact with officials responsible for the national and provincial government programmes and to access any electronic or hardcopy documents forwarded to the project team. Researchers used Microsoft Excel and Access to design and capture the information on programmes and projects into an electronic database. The project team also had access to GIS software, namely Atlas GIS and ArcMap, to produce the necessary maps.

## **1.7 Limitations**

The project was limited by the fact that it was initialised towards the end of the 2004/5 financial years. This meant restricted and delayed access to senior officials within government. At this time, a major task was supplying information that had to be fed into the annual budget speech by the Minister of Finance, as well as the completion of departmental activities for the financial year-end.

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The project was severely limited by the lack of a central database on programmes and projects. Furthermore, the seemingly limited capacity and lack of resources at national and provincial departments to deal with requests for information on programmes and projects also prevented the project from completing its objectives fully.

## **2. DEFINITION OF POVERTY RELIEF PROJECTS/PROGRAMMES AND THE CRITERIA FOR THE CLASSIFICATION OF POVERTY RELIEF PROJECTS**

### **2.1 A definition of poverty**

Over the course of the past two decades, there has been increasing attention to the fact that poor people's experience of poverty involves a great deal more than inadequate income or consumption (Chambers, 1994; Kanbur and Squire, 1999). This has been forcefully illustrated in South Africa by means of a number of qualitative research initiatives, of which perhaps the most ambitious is the excellent South African Participatory Poverty Assessment, or "SA-PPA" (1998). All of this leads to ways of describing poverty that seek to reflect poverty's multi-dimensional nature. A good example is South Africa's draft Comprehensive Social Security Framework, which seeks to ensure a social safety net that addresses "income poverty," "service poverty," and "asset poverty," among others.

In addition to these increasingly comprehensive and elaborate ways of describing poverty, there also exist many theoretical and methodological perspectives on poverty that purport to explain what poverty is, what is at its root, and/or how best to really understand it. These would include for example the 'capabilities approach,' the 'multiple livelihoods framework,' the 'entitlements approach,' etc.

Because government policy does in fact recognize the multi-dimensional nature of poverty, as evidenced by its attempts to address poverty in a number of different ways, the OPSC is adopting a working definition of poverty that is as broad and encompassing as possible. That is, an individual or household is said to be in a state of poverty when they are unable to meet her/his/its basic human needs.

### **2.2 Definitions of activities aimed at addressing poverty**

There is no firm, internationally accepted typology of anti-poverty activities. However, there is a tendency to distinguish interventions according to the extent to which they are designed to meet immediate needs of those who otherwise cannot fend for themselves (i.e. 'welfarist'), or empower poor people to better their own circumstance (i.e. 'developmental'), or reconfigure the economy so that the structural aspects of poverty are minimised or removed.

The following definitions from Henriot (2002, p.6) are a typical example:

- *“Poverty Alleviation: this is the work of lessening the suffering of the poor, meeting their immediate pressing needs with welfare handouts and social security, providing safety nets, dealing with widows, orphans, the elderly and the handicapped. This is basically charitable assistance.”*
- *“Poverty Reduction: this is the task of lowering the numbers of those living below the poverty line and eliminating them from the rolls of the deprived. This involves providing people with jobs which pay wages above the poverty line, providing health and education services, providing credit for small business enterprises and other opportunities to rise above the poverty line. This is, basically, commitment to development.”*
- *“Poverty Eradication: this is the challenge of restructuring society so that there is no longer growing poverty and absolute numbers of the impoverished decrease to minimal exceptional cases. This calls for planning – for setting priorities, for shifts in power, for restructuring society, for radical social and economic changes. This is basically the transformation of society through policies based on justice, compassion and inclusiveness. However, this article will use the term ‘addressing poverty’ to cover all of the above. Specific distinctions will emerge in the discussion of each approach. One can identify five approaches currently used for addressing poverty. They are not mutually exclusive but rather are interlinked.”*

Mafeje (2002) attempts to provide some historical explanation for the use of different terminology. He contends that “poverty alleviation” as a distinct concept arose among international development institutions (especially FAO, IFAD, and UNDP) in the late 1970s as they became increasingly disillusioned with the failure of conventional development policies to ‘trickle down’ to the poor. In other words, the emergence of the use of the term “poverty alleviation” was an acknowledgement of the need for more active measures to combat poverty in developing countries. Mafeje further contends that “poverty eradication” was a later coinage, this time as a reaction to the failure or limitations of structural adjustment policies; the distinction was more or less the same as that reflected in Henriot’s definitions above, i.e. in contrast to “poverty alleviation,” “poverty eradication” implied more attention to (developing) the self-reliance of the poor, and/or to addressing the social and economic conditions that perpetuate poverty.

However, it is fair to say that there is only modest consistency in the use of these and related terms in the international literature, notwithstanding the near-universal acknowledgement that it is important, inter alia, to distinguish safety-net type measures from those that are more developmental.



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Turning now to the case of South Africa, it is evident that the situation is much the same. There is little or no consistency in the manner in which different terms are used (i.e. "poverty alleviation," "poverty relief," "poverty eradication," etc.), but there is, broadly speaking, an understanding that there are in fact different types of interventions aimed at addressing poverty. This is confirmed by both the scan of the literature and the interviews with government officials. The central distinction, as with the case of "poverty alleviation" versus "poverty eradication" cited above, is that between 'welfare' and 'development,' as most visibly illustrated by the shift in thinking that was reflected in the name change from Department of Welfare to Department of Social Development. However, it is also important to point out that in South Africa the meaning of "poverty eradication" is somewhat different than described above vis-à-vis some of the international literature: it is not a function of the type of intervention, but rather is taken to mean the ultimate, longer-term goal of eliminating poverty, regardless of how it is achieved.

At one level, the distinction between welfare interventions and developmental interventions is very real: clearly the activity of disbursing grants is entirely different from supporting an income-generating project or financing the transfer of land to poor people. However, at another level – that of impact – it is important to be cautious: it appears that it is not correct to assume that grants only assist poor people in terms of short-term relief from income poverty, while developmental interventions, by contrast, 'teach them to fish' (or whatever they do). There is credible research to the effect that South Africa's social grants are in fact quite developmental, while a lot of would-be developmental initiatives are not. One implication of this is that when the OPSC evaluates some of these programmes in the future, it must not restrict itself to an examination of impacts related to their stated objectives only.

### **2.3 Brief overview of South Africa's anti-poverty 'strategy'**

Before proceeding to the proposed categorizations, a very brief summary of the prevalent view in government as to what their anti-poverty strategy consists of is provided. This is needed to address the possibility that an official typology of government's anti-poverty measures exists that may already suit the needs of the OPSC.

In fact, there is really only one recent, official statement as to government's anti-poverty policy that can be considered a candidate. In particular, we suggest that it is important to take note of the 'three pillar formulation' offered by President Mbeki in a speech to Parliament in May 2004:

*"At the core of our response to all these challenges is the struggle against poverty and underdevelopment, which rests on three pillars. These are: encouraging the growth and development of the First Economy, increasing its possibility to create jobs; implementing our programme to address the challenges of the Second Economy; and, building a social security net to meet the objective of poverty alleviation" (Mbeki 2004).*

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This formulation is important in at least three respects. First, it accurately reflects the view of many in government and elsewhere that a central key to resolving poverty does not relate to targeted poverty alleviation initiatives at all, but rather to fostering a stronger and, hopefully, more inclusive, economy. Second, it confirms the distinction drawn above between the welfare-type interventions associated with the third pillar, and the developmental interventions covered in the second-economy pillar. And third, the two-economy language is now firmly ensconced in government's lexicon, for example serving as an organizing principle for the economic cluster in the government's Programme of Action (POA).

Arguably, however, it has three shortcomings. The first shortcoming is that the second and third pillars each are extremely broad and, in fact, heterogeneous. This is not to fault the three-pillar formulation as shorthand for communicating with the public, but as a way of understanding the organization of government's anti-poverty strategy it is limited. The second, related shortcoming is that it is difficult to determine where poverty reduction through improved access to services is situated. It is noted that, if only for organizational purposes, the roll out of the Municipal Infrastructure Grant is listed as a second-economy intervention in the POA.

At the same time, provision for free basic services and subsidized healthcare and education are typically associated with the Social Cluster. The third concern with the three-pillar formulation is that it lends the impression of greater coherence to government's anti-poverty activities than can fairly be claimed. As 'pillars' go, interventions in the second economy are diffuse, uncoordinated, and generally are not established at a scale that is commensurate with the problems they seek to address.

#### **2.4 Proposed definition of 'poverty reduction' for OPSC's purposes**

The OPSC requires a broad definition of activities aimed at addressing poverty, which can be unambiguously linked to a single term. OPSC has determined that a useful general term to be used is 'poverty reduction,' which can be defined as 'an initiative, project, or programme which seeks to improve the livelihood or quality of life of poor individuals or households.' The reason for using 'poverty reduction' rather than 'poverty alleviation' or 'poverty relief' is that the latter are frequently understood to mean short-term palliatives. The advantage of 'poverty reduction' over 'poverty eradication' is that the latter is often interpreted to imply a long-term, large-scale effort with near-complete results.

The downside of 'poverty reduction' is that it is sometimes also construed with a specific meaning, as illustrated with the example above. However, the general observation is that, of all of the terms generally in use in South Africa, 'poverty reduction' is the broadest and most generic, which is suitable for the OPSC's purposes. The proposed definition itself aims to be quite inclusive, and

indeed very clearly includes welfare, improved services, and developmental interventions. However, it does stress deliberate interventions, that is, it would not include indirect or passive lessening of poverty due to job growth in the formal sector.

## 2.5 Proposed systems of categorization

An important component of the present exercise is to propose a way of categorizing anti-poverty initiatives to serve the purposes of the OPSC. This means first and foremost that whatever way of categorizing that is proposed lends itself conveniently to any future monitoring and evaluation the OPSC may wish to do. An additional consideration is that, if possible, it would be desirable if whatever is proposed were to resonate with the way in which South African policy makers tend to see their various endeavours.

Two main approaches to categorizing were explored, one by the type of poverty the initiative is meant to address, and the second by the nature of the activities the initiatives consist of.

The 'poverty type' option (e.g. "income poverty" versus "service poverty" versus "asset poverty," etc.) is very attractive on the face of it, since it would seem desirable to categorize poverty reduction initiatives according to the functional manner in which they address poverty. However, in practice there would be serious drawbacks to this approach. The main drawback is that in fact it proves quite difficult to categorize a number of actual poverty reduction initiatives, because one can easily rationalize that they address two or more types of poverty. A case in point is the example given above about the under-recognized developmental impact of social grants. A second example is public works programmes, which in some countries are considered a type of welfare, and in others a form of capacity building (see e.g. Appendix 1 in the evaluation of the 'RAP-85' programme). A third example is government's Land Redistribution Programme, which explicitly seeks to address both income and asset poverty.

The second proposed way of categorising anti-poverty initiatives is by the type of activity, where this is defined more or less intuitively in line with major types of existing programme interventions. The table below illustrates:

Table 3: Categories based on types of activities

PROGRAMME TYPE	PROGRAMMES
Social security	<ul style="list-style-type: none"> <li>• Child support grant</li> <li>• Old age pension</li> <li>• Disability grant</li> <li>• Food parcels</li> </ul>
Free/subsidised basic household services	<ul style="list-style-type: none"> <li>• Water and sanitation</li> <li>• Electricity</li> </ul>

PROGRAMME TYPE	PROGRAMMES
	<ul style="list-style-type: none"> <li>• Transport</li> <li>• Refuse removal</li> </ul>
Subsidised individual services	<ul style="list-style-type: none"> <li>• Education and training</li> <li>• Healthcare</li> </ul>
Housing	<ul style="list-style-type: none"> <li>• RDP housing</li> </ul>
Land reform	<ul style="list-style-type: none"> <li>• Land redistribution</li> <li>• Land restitution</li> <li>• Land tenure reform</li> </ul>
Income generating projects and SMMEs	<ul style="list-style-type: none"> <li>• Ntsika, Khula, etc.</li> <li>• Various departmental programmes (DSD, DEAT, DTI, etc.)</li> </ul>
Public works	<ul style="list-style-type: none"> <li>• CBPWP</li> <li>• Working for Water</li> <li>• LandCare</li> <li>• CoastCare</li> <li>• other 'components' of the EPWP, etc.</li> </ul>

The advantage of this rather simple approach – apart from the fact that it is simple – is that it does not rely on a preconception of what a programme does or seeks to do, and it is aligned with government activities as they are presently defined.

Although in principle both approaches are serviceable ways of categorizing poverty reduction initiatives, in the sense that both could figure as fields in the database of initiatives, and thus serve as a means of disaggregating or drawing a stratified sample, it is felt that the second, simpler approach by types is preferred.

The reader may wish to know why, having delved into the semantics of “poverty alleviation” etc. that some sort of typology based on these terms is not proposed. The reason is twofold. First, it is felt that these terms are over-used and at the same time interpreted too variously to be useful, especially if and when the OPSC may wish to communicate with the outside world in respect of its poverty-related work. Second, the terms as described above are likely too coarse to be of much use.

## 2.6 Thinking ahead to monitoring and evaluation

The recent trend in Monitoring and Evaluation (M&E) is to focus on outcomes rather than primarily on inputs. ‘Results-Based M&E’ has been developed to support governments in designing and adjusting their projects, programmes and policies. Essentially, Results-Based M&E comprises the following activities (Kusek and Rist, 2004):

- 
- Formulate outcomes and goals
  - Select outcome indicators to monitor
  - Gather baseline information on the current condition
  - Set specific targets to reach and dates for reaching them
  - Regularly collect data to assess whether the targets are being met
  - Analyze and report the results.

A key question behind selecting and designing an M&E approach to or system for South Africa's 'Poverty Reduction Programme' is what are the strategic goals and what outcomes are or could be attached to these goals? In the absence of a national poverty reduction strategy, goals could be deduced from current types of programmes and/or projects aimed at poverty reduction as these are listed in Table 3. However, an alternative approach is to use poverty reduction categories based on a typology of poverty and to base the goals of poverty reduction on these poverty types.

The advantages of M&E based on the poverty type categorization include the following:

- The types cover various aspects or dimensions of poverty, whereas programmes and programme goals might be too specific and fail to impact on important poverty components.
- They provide a theoretical base against which dimensional assessments can be made and are thus less vulnerable to ad hoc and short evaluations. Programme goals are being defined once a programme comes into existence. Evaluation of the impact of a programme is therefore often limited to programme activities and duration per se and fails to incorporate developments, which are not necessarily directly related or synchronous to the programme.
- They allow for intergovernmental (integrated) assessments, whereas with regard to programmes intergovernmental activities are defined by programme design. This might result in one or few government departments involved and assessed. The poverty typology on the other hand allows for the evaluation of departments on the poverty dimensions irrespective of government programmes per se.

Disadvantages include:

- Interventions might relate to more than one typology; the typologies are not exclusive. Overall assessments of interventions/programmes might therefore become complicated.
- There is no certain level of importance and relevance or weight attached to each type and the interdependency among types of poverty might be contextual. This undermines the

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possibility to evaluate a programme, which touches on various types of poverty.

Having said this, one should also consider current efforts to develop an integrated anti-poverty strategy, which is not necessarily based on either a poverty typology or existing programmes. According to Kusek and Rist (2004), the creation of a results-based M&E system often works best when linked with other public sector reform programs and initiatives, such as creating a medium-term public expenditure framework, restructuring public administration, or constructing a National Poverty Reduction Strategy. Linking the creation of M&E systems to such initiatives creates interdependencies and reinforcements that are crucial to the overall sustainability of the systems. Developing an anti-poverty strategy and an M&E system thus goes hand in hand.

### **3. DEVELOPING THE DATABASE ON POVERTY RELIEF PROJECTS**

#### **3.1 Design of the programme and project database**

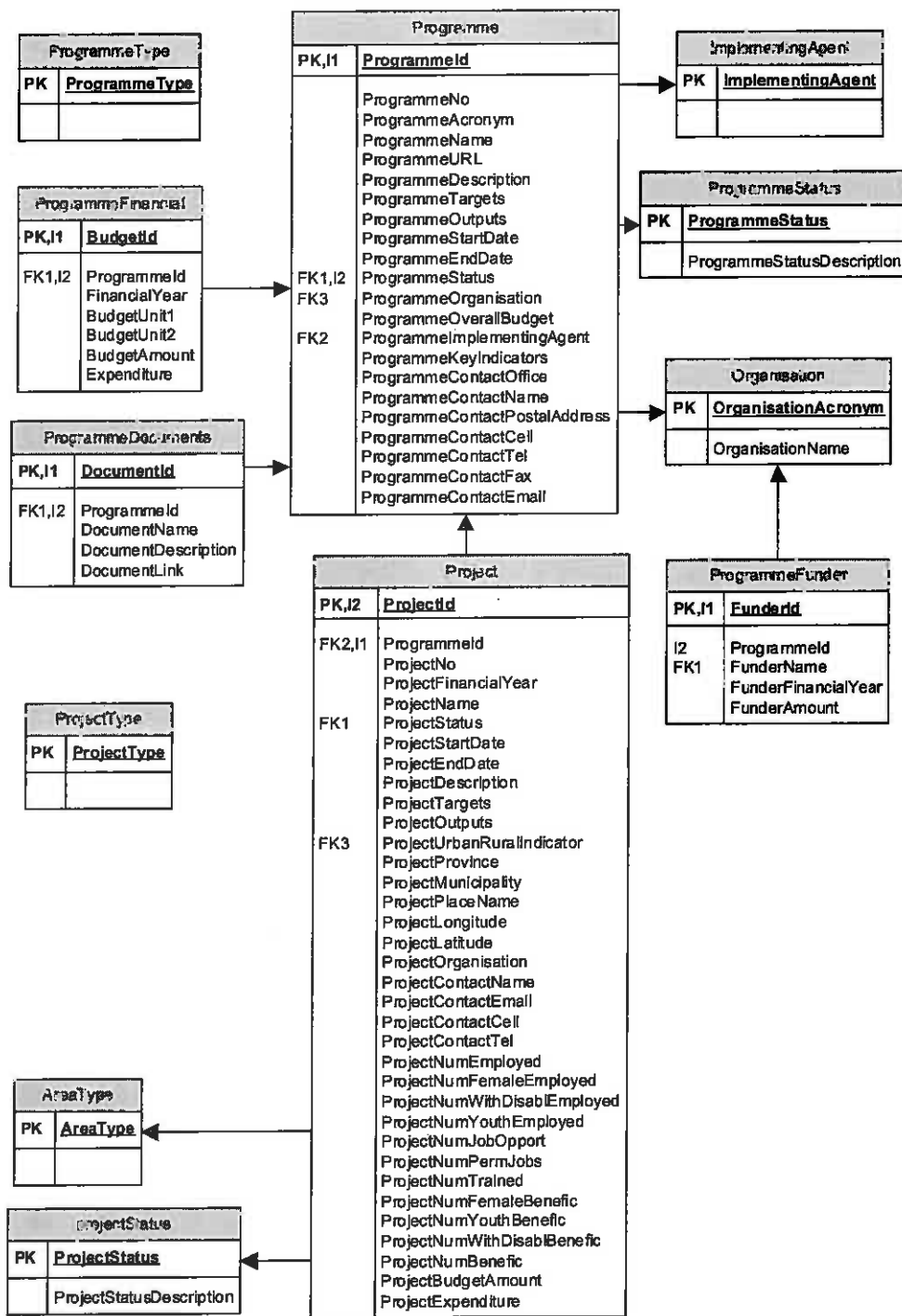
The database designed during the initial stages of the project uses a relational database configuration. A relational database design allows information on distinct entities to be stored separately but can be joined together using a key column or primary key (e.g. Programmeld) and, therefore, provides access to only the relevant data at any particular time. In the relational database design of this project, individual databases provide information on six main entities (Figure 2), namely: the programmes, projects, implementing agent, responsible department/organization and the funder. Another reason for developing this design is that it provides government with a format that potentially can be used in the future at a national and provincial level for recording information on programmes and their projects.

In terms of the relational database design, each programme may have several projects within it but a project belongs to one specific programme only. The individual databases and the information that they contain on the different entities and how they link to one another are schematically represented in Figure 2. What Figure 2 also shows is that each programme may have one or more funders, documents, financial data or projects. The primary key (e.g. Programmeld) is used to link the programme to its corresponding funders, documents, financial data or projects. The database design has been integrated in Microsoft Access and is available on CD.

Project information is provided by financial year because the budgets and expenditure are allocated according to a financial year as required by the National Treasury. The database design caters for this by providing data on projects by department and for data to be captured on an annual basis (per financial year). In developing the database design it was assumed that programmes and projects would not necessarily have a unique project number. Therefore, the matching of projects from year to year would be a tedious and time-consuming process with a high

potential for error. However, by sorting on various project fields, trends associated with projects can be examined from year to year.

Figure 2: Data flow diagram



A description of the fields contained in the more important component databases is described below. For the description of the fields in all the component databases, Addendum 8 is provided. The description of the fields contained in the programme database and their type are provided in Table 4. The purpose of this database is to provide descriptive information about each of the national and provincial programmes. Ideally, each programme should be registered at a central

government facility and have a unique identifier number or acronym (e.g. Expanded Public Works Programme - EPWP). Where this does not exist it should be generated programmatically. Critical fields of information that should be maintained are the contact details of the government official who are responsible for each programme in the country. This information will allow government officials and researchers to get ready access to information on the programmes, but more especially, data on the projects that are being conducted under each programme.

Table 4: Description of fields in programme database

	Programme	Description	Type
Description	Id	Numeric primary key to uniquely identify a programme programmatically because there is not an alternative in the form of consistent unique identifiers. These values will however be hidden to any user.	Number
	Inc	Unique descriptor for a programme. It is left for future use but will not currently have values as programmes do not have an identifying number at this stage.	Text
	Acronym	Acronym for the programme. Programmes are currently uniquely identified by their acronyms even though every programme may not have an acronym	Text
	Name	Name of the programme	Text
	URL	Web Address of the programme if it is available on a website	
	Description	Provide an overall description of the programme including the mission, aims and objectives of the programme	Text
	Targets	Describes the list of tangible outputs intended to be produced by the programme e.g. 10 km of road built or 20 mobile clinics. These will differ between programmes.	Text
	Outputs	Describes the list of tangible outputs actually achieved by the programme. These will differ between programmes.	Text
	StartDate	The date or year that the programme started.	Text
	EndDate	The date or year that the programme was completed or discontinued.	Text
	Status	Status of the project: <b>Planned:</b> Programme has been approved and is in the planning phase. <b>Implemented:</b> Programme is currently in process and actively achieving objectives. <b>Reviewed:</b> Programme has been running for a while and is now in process of being Reviewed. Programme activities still continue taking place during this phase. <b>Completed:</b> The Programme has successfully completed its activities.	Text
	Organisation	The name of the organisation or department that owns and is responsible for the programme.	Text
	OverallBudget	OverallBudget contains the total budget assigned to the programme and could span several years. Percentage of budget allocated and spent per year may then be calculated.	Number
	ImplementingAgent	The agent that will be implementing the programme. Valid values are: national, provincial and municipality.	Text
Contact	KeyIndicators	This will list the key indicators for the programme such as 40% of workforce must be female and all projects in the programme would be expected to comply with these indicators.	Text
	ContactOffice	Office, department, directorate or section to contact regarding the programme.	Text
	ContactName	Name of the person to contact for information regarding the programme.	Text
	ContactEmail	Email address of the person to contact for information regarding the programme.	Text
	ContactCell	Cell number of the person to contact for information regarding the programme.	
	ContactTel	Telephone number of the person to contact for information regarding the programme.	Text
	ContactFax	Fax number of the person to contact for information regarding the programme.	Text
ContactPostalAddress	Postal address of the contact person for the programme.	Text	

The project database links to the programme database by the ProgrammeID, which should be unique to ensure the correct linkage of projects to the programme that they belong to. Each project should also have a unique number assigned to it by the programme coordinator or



programmatically and should include the unique programme ID or acronym as a prefix (e.g. EPWP0001). Like the programme database, the project database contains descriptive and contact detail fields. This database also contains critical fields on where the project is geographically located (e.g. local municipality, latitude/longitude coordinates) and information on key performance indicators (e.g. number of people employed). Summary information on the budget allocated and the amount that has been spent on the project each financial year is included.

Table 5: Description of fields in project database

	Project	Description	Type
Describe	ProjectId	Meaningless numeric primary key to uniquely identify a project programmatically because there is not an alternative in the form of consistent unique identifiers. These values will however be hidden to any user.	Number
	ProgrammeId	Link to the programme which supports this project. Using this value any of the programme fields may be displayed for the project.	Text
	ProjectFinancialYear	Financial Year of the project. A project may span budget years. Format: yyyy/yy	Text
	ProjectNo	Unique Reference Number assigned to a project to identify it.	Text
	ProjectName	The name of the project or in it's absence the name of the community where the project is taking place.	Text
	ProjectStatus	Status of the project: <ul style="list-style-type: none"> <li>Planned: Project has been approved and is in the planning phase</li> <li>Implemented: Project is currently in process and actively achieving objectives</li> <li>Reviewed: Project has been running for a while and is now in process of being Reviewed. Project activities still continue taking place during this phase.</li> <li>Delayed: The Project did not start on its planned start date and is delayed for various reasons.</li> <li>Discontinued: The Project will no longer continue its activities or receive funding for various reasons.</li> <li>Completed: The Project has successfully completed its activities</li> </ul>	Text
	ProjectStartDate	The planned start date of the project. If the project does not start at its planned start date for various reasons then the project status 'delayed' may be used to indicate that the project has been delayed.	Date
	ProjectEndDate	Actual date of completion of the project. It was decided not to store PlannedEndDate at this stage.	Date
	ProjectDescription	Provide an overall description of what the project is about. Include the description, aims and objectives of the project.	Memo
	ProjectTargets	Describes a list of tangible outputs intended to be produced by the project e.g. 300 people trained	Memo
	ProjectOutputs	Describes the tangible outputs actually achieved by the project e.g. 250 people trained.	Memo
	UrbanRuralIndicator	Indicates whether a project is taking place in an urban or rural area. Valid values are Urban or Rural.	Text
	GeoLocation	The lowest spatial (geographic) level to which the project could be geocoded (e.g. GPS, placename, local or district municipality, province or Unknown)	Text
	Source	The department or agency (where it could be determined) from whom the project data was received. This is not necessarily the same as the department which implements the project.	Text
	Type	The format in which project data was received (e.g. hard copy or digital/electronic format)	Text
Location	ProjectProvince	Province within which the project is located and operating	Text
	ProjectMunicipality	The local municipality where the project is taking place and not the district municipality. The district municipality can be identified from the local municipality.	Text
	ProjectPlaceName	Name of place where project is located or operating	Text
	ProjectLongitude	Latitude of the project location	Text
	ProjectLatitude	Longitude of the project location	Text
Contact	ProjectOrganisation	Organisation undertaking to do the project.	Text
	ProjectContactName	Name of the contact person for the project.	Text
	ProjectContactEmail	Email of the contact person for the project.	Text

	Project	Description	Type
Key Performance Indicators	ProjectContactCell	Cell number of the contact person for the project.	
	ProjectContactTel	Telephone number of the contact person for the project.	Text
	ProjectNumEmployed	No. of workers employed. From CBPWP Key Performance Indicators	Number
	ProjectNumFemaleEmployed	No. of women workers employed. From CBPWP Key Performance Indicators	Number
	ProjectNumWorkWithDisablesEmployed	No. of workers with disabilities employed. From CBPWP Key Performance Indicators	Number
	ProjectNumYouthEmployed	No. of youth (people between the ages of 18 and 35) employed. From CBPWP Key Performance Indicators.	Number
	ProjectNumJobsOpport	No. of job opportunities created.	Number
	ProjectNumPermJobs	No. of permanent jobs created. From CBPWP Key Performance Indicators	Number
	ProjectNumTrained	No. of local labour being trained. From CBPWP Key Performance Indicators	Number
	ProjectNumFemaleBenefic	Number of females benefitting from the project.	Number
	ProjectNumWithDisabiBenefic	Number of people with disabilities benefitting from the project.	Number
	ProjectNumYouthBenefic	Number of youth (people between the ages of 18 and 35) benefitting from the project.	Number
	ProjectNumBenefic	No. of individuals benefitting from the project. From Dept Agric. Landcare Programme Projects	Number
	Finance	BudgetAmount	Amount in rands of budget allocated
Expenditure		Amount in rands that were spent	Number

It is strongly recommended that the place (i.e. suburb in metropolitan areas; village, town or local municipality in rural areas) be defined for each and every project and that Statistics South Africa's 2001 sub-place geographical name database be used as the standard. Examination of the various databases that have been received so far show that the extents to which projects having a unique number vary from programme to programme. Furthermore, in comparison to the list of database fields presented above, most programmes provided limited data. It is the contention of the project team that government should standardize on a core set of fields to be used in reporting on all programme projects. It is also recommended that a unique number be provided for each and every programme and project being implemented at a national and provincial level. This will facilitate much faster access to programme data and will enable much easier comparisons of programmes from one year to another.

It is also recommended that summary information on what agency is funding a programme, in what financial year and the amount of funding is provided (Table 6). This is for several reasons, including getting an understanding of where the funds are coming from so a complete picture of who is funding what and where can be obtained. For example, a project might be implemented under the EPWP but its funding is coming from a provincial department. Tracking this information will also allow more effective reporting to the funding agent and assist in monitoring whether there is duplication of expenditure on programmes.

Table 6: Description of fields in programme funder database

	Programme	Description	Type
Funder	Name	Name of the funder e.g. World Bank.	Text
	Financial Year	Financial Year for which funding was received.	Text
	Amount	The amount received from the funder.	Number

The purpose of the programme financial database is to provide summary data on various aspects of the programme (Table 7). This includes providing budget and expenditure data at various administrative levels (i.e. province and local municipality) and for different components (e.g. training, salaries, etc). Financial information is also provided over the financial years for which the programme is operational.

Table 7: Description of fields in programme financial database

	Programme	Description	Type	
Financial	Financial	Budgets and Expenditure are done by varying units e.g. province and are allocated per financial year. Allows budget and expenditure to be stored for several years per unit allocated.	Table	
		<b>FieldName</b>	<b>FieldDescription</b>	
		BudgetYear	Year for which budget was allocated	Text
		BudgetUnit1	Unit e.g. province to whom allocation was made. This allows for some breakdown of the budget instead of just storing one global amount.	Text
		BudgetUnit2	Unit for breakdown of budget if needed to breakdown budget further eg by training or salaries within province.	Text
		BudgetAmount	Amount in rands of budget allocated	Number
		Expenditure	Amount in rands that were spent	Number

A final database component that will be described in the text here is that of the programme document database (Table 8). In this database information is provided on secondary documents that relate to the programme and in which format they are stored. Provision is made in the database to hyperlink to the actual document or to gain access to documentation on a relevant web page. This information is of great value for evaluation purposes as it provides secondary information that may not be stored in a database (e.g. vision, objectives, etc).

Table 8: Description of fields in programme document database

	Programme	Description	Type	
Documents	Documents	Name and link to any document (.doc,.pdf,.xls), database or report related to this programme. Allows several documents to be listed.	Table	
		<b>FieldName</b>	<b>FieldDescription</b>	
		DocumentName	A short name to identify the document.	Text
		DocumentDescription	A more detailed description of what the document contains.	Text
		DocumentLink	The fully qualified filepath and filename to the physical file so that it may be opened and viewed. Note: Affects portability as there is a hardcoded reference to the filepath.	Hyperlink

For specific fields in the database, the design has catered for the selection of a value from a predefined list. Code tables have been created to provide an understanding of what the predefined list of values mean (Addendum 9). For example, these include ProgrammeStatus, ProjectStatus, ImplementingAgent and AreaType. When accessing these specific databases the code value is used as the primary key, which makes the export and extraction of programme and project data

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much simpler. An organisation table has also been created to ensure the consistent use of organisation (or department) names in the database. This table supplies values for ProgrammeOrganisation (Department that owns the programme) and FunderName (funder for the programme). The acronym of the organisation is used as the linking field and is also the primary key for the organisation table and is thus required for all organisations.

For this database to be implemented in the future, it is recommended that the data be stored in a true relational database, such as Microsoft Access. Microsoft Access can also be customized and a form created that will allow the capture of standardized information on programmes and projects.

### **3.2 Development of the programme/project database**

#### **3.2.1 Accessing information on programmes**

The identification of poverty relief programmes, making contact with the relevant government officials and integrating the data received into a database proved to be the most difficult and time-consuming aspect of the entire project. Presently, there is no readily available central database or list of poverty relief projects in South Africa. Contact was made with the Government Communication and Information Systems (GCIS) to get access to information on programmes and projects and they confirmed that no list of this kind exists. All they could do was to point the members of the project team to each department at a national and provincial level. For this purpose GCIS provided their list of contact details in PDF format (Addendum 10).

Discussions were held with both the National Treasury and the Office of the President on the project and the existence of a central database and they confirmed that there was none. This was largely confirmed also when holding the workshops with the national and provincial departments, although the Premiers Office's of some provinces have started to put together a register of poverty relief projects. The National Treasury stated that they had been successful over the last three years in getting national and provincial departments to adopt a new reporting structure that is based on international standards. This has resulted in the quality of data being provided to the National Treasury improving dramatically but this is at an aggregate level (i.e. provincial or national) and not a project specific level. They acknowledge that accessing data from government departments remains a problem. This is partly because of the provinces being flooded with requests for data and the lack of proper project information systems.

The Office of the President has identified the need for a strategy to be developed for data on programmes and projects to be collected in a systematic way at a national and provincial level. To accomplish this, the Office of the President feels that there is a need for systems to be put in place and a consultant is presently undertaking this research as part of their delegated responsibility in the PoA. The National Treasury is of the opinion that government departments should get their

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business processes in place before any systems are developed to collect data on projects. In this regard, the Office of the President feels that the Premiers Office's in the nine provinces should play a coordinating role. This is beginning to happen but there is still a long way to go before all the necessary information is available for monitoring and evaluation purposes in South Africa.

Similar difficulties experienced during a national survey undertaken by the HSRC in collaboration with the CSIR and University of Fort Hare on 'Technology transfer for poverty reduction', were also encountered during this project (HSRC, 2004). The main difficulty was that to assemble a list of programmes and/or projects required an enormous number of person-hours just to make contacts and follow-up contacts with government staff. This research project further showed that sending official requests for information, in this case a letter of introduction signed on behalf of the Director-General of the OPSC (Addendum 3), can not on its own succeed in getting access to lists or databases of poverty relief projects or programmes. Experience in conducting similar research as part of the Ten Year Review confirms that departments do not feel compelled to provide such data when being requested to do so by even the Office of the President. During this research it was concluded that this was mainly because of a lack of systems and standards but a lack of capacity must also be included.

The second element of the stipulated methodology employed by the investigating team was to contact departments directly for access to databases. One such department was the Department of Public Works, for access to its database of Expanded Public Works Programme (EPWP) projects. Quarterly updates were available from the programme's website, but a more comprehensive database of all projects for the last financial year, could only be made available to the project team during July 2005. The EPWP is a prominent and well-publicised anti-poverty programme of government and it was important to include this programme in the project. The project team had specifically identified this programme at the start of the project and followed-up regularly with the department but only received the required information several months later.

Many other national and provincial departments were approached, but the responses were not always forthcoming or helpful. One notable exception was the Premiers Office in the Free State, which could extract individual project data from their Free State Development Programme (FSDP) website to supply to the project team with all the poverty relief projects for the province. Although the EXCO Programme of the Mpumalanga province was not as comprehensive and was provided in hardcopy format rather than in an electronic database, it is another example of how quickly departments and provinces can respond to a request for information on their poverty relief programmes. The number of programmes and projects received from departments in either an electronic or hardcopy format are presented Tables 9 and 10 below.

The approach that the project team followed from the onset of the project was to identify self-standing programmes that exist in each and every national and provincial department. Early on in

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the project, databases were received from provinces, especially the Premiers Office's, that contained information on projects for a number of different departments and programmes (e.g. Mpumalanga). It was only after the workshops that it became clear that many of the national and provincial departments were implementing their poverty relief programmes through other programmes, such as EPWP. As has been stated earlier, some of the provinces have begun to collate their poverty relief programmes/projects through their Premier's office (e.g. Mpumalanga, North West, Free State) or in the case of Gauteng province, the Gauteng Interdepartmental Sectoral Development Unit.

What is apparent is that there are certain programmes, such as the EPWP of the national Department of Public Works and the Integrated Sustainable Rural Development (ISRDP), Urban Renewal Programme (URP), Local Economic Development and Social Plan Grant, Consolidated Municipal Infrastructure Programme (CMIP) and Municipal Infrastructure Grant (MIG) of the Department of Provincial and Local Government (DPLG) that contain a majority of the poverty relief projects being implemented for national and provincial departments. However, there are still national and provincial departments that are implementing smaller programmes such as the Department of Social Development's Food and Emergency Relief Programme and the HIV and AIDS programme. Furthermore, provinces are implementing poverty relief projects using their own funds that are not being registered in the databases of the larger programmes and, therefore, the necessity for the Premier's Offices to collate information of their poverty relief programmes at a provincial level.

A complexity of these project databases is that they may be incorporated into both national and provincial databases resulting in records possibly being duplicated. Without a unique programme or project identification code, the ability to identify these duplicate records is limited and can only be done through a comparison of project names, which is extremely difficult to do and very time consuming. This suggests that only the programme project databases of national departments should be used to conduct evaluations of the poverty relief programmes because they contain a majority of the poverty relief projects being implemented across the country. It also confirms the necessity for a system to report on a standardized set of poverty relief programme indicators.

Another aspect of the database development was to access as much information as possible on the programmes and projects so that the designed database could be populated. Requests for this information were made to departments at the same time as approaching them for project databases. Information on programmes was also sourced from annual reports, internet-based literature, other material accessed from various sources and from departmental web sites. What became immediately apparent is that there is little to no standards in the fields of information provided on poverty relief programmes and their projects.

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Clearly, this points to the necessity for the departments to adopt business approaches (e.g. Norms and Standards, indicators) as suggested by the National Treasury. There is also the need for a system that will allow the information from national and provincial departments to be centrally stored so that this information can be easily accessed for especially monitoring and evaluation purposes. Thus, the project team had to accept what it received and had to integrate the data from the different programmes into a single database as best as possible. This in itself meant spending many person-days on the integration.

As has been explained in Section 1.5.2.2, the project team used criteria to sift through annual reports, such as identifying poverty relief programmes, conditional grants or by identify developmental activities that indicated a direct benefit to people or communities. Using these criteria, programmes were not always easily identifiable in the annual reports. Even though a broad list of programmes was identified (Addendum 3), no reference to individual projects related to these programmes was available to the project team. Consequently, direct contact with government officials through telephone, fax and e-mail had to be made. The aim of this approach was to verify information contained in existing databases, to collect more information about programmes and projects for which only partial information was available, and to identify 'new' poverty relief initiatives.

This proved a most frustrating endeavour for the project team members working on the project. Having contacted government departments it became clear that frontline staff within departments did not have an understanding of what poverty relief programmes were being undertaken in their department and as a consequence, project members either made no headway or were given the run around. Inputs received from the provincial workshops confirmed that there is not much knowledge amongst departmental staff on the different programmes and it was suggested that structures need to be put in place for more effective communication on these matters to occur. To progress, team members used information from the annual reports to make contact with chief directors responsible for certain programmes and when this did not work requests were made to be transferred to the Chief Financial Officer, the M&E units if they existed and even the IT divisions of departments.

Access to databases, where these existed, was also highly dependent on the availability of senior management who seemed to be not available for a myriad of reasons. Even more frustrating was that requests left for these managers to return calls or to provide information did not happen. Letters signed by the Director-General of the OPSC were sent to many departments to formalize the investigating team's requests, but these did not yield many positive results.

Many departments stated that their project databases were not up to date and used this as an excuse to delay or not provide any data. Even though incomplete data is not ideal, it did provide the project team with a starting point to populate the database. These and other projects were

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included in the final database of 29 966 projects and are presented in the integrated database. In the future considerations must be given to how information on poverty relief programmes become "official" statistics that can be incorporated into the National Statistical System (NSS) and contain the necessary endorsements from departments that the data provided is accurate and complete.

In the sections above, issues arising from the approach implemented by the project team and problems encountered, are described. However, much progress was made and has hopefully provided a foundation from which information on all poverty relief programmes in South Africa can start to be collected on an annual basis. In this regard several departments must play a role. The Office of the President in consultation with the National Treasury needs to develop guidelines and Norms and Standards for the implementation of businesses processes to record a standard set of fields on all poverty relief programmes. The database design developed by the project team in this project would be a good starting point.

Statistics South Africa as custodians of the National Statistics System should provide advice on indicators to use in their reporting on poverty relief programmes. The Office of the President would have to play a facilitation role to get the necessary systems in place that would allow the data on poverty relief programmes and projects to be recorded into a central database as is suggested in the PoA. At this stage it is recommended that the Office of the President be the custodian of the central database. Ultimately, the data should be archived in the NSS at Stats SA. Having such a system and central database will allow the OPSC and departments to get ready access to the information they require to undertake monitoring and evaluation of government programmes. The OPSC with their regional offices could also play a facilitation role in ensuring that national and provincial departments have the necessary resources and capacity to capture this information into a central system.

### **3.2.2 Findings of the workshops held with national and provincial departments**

After several months had passed and a small number of programme project databases had been received, workshops with representatives from the different national and provincial departments were organized. Researchers working on the project then travelled to each of these workshops. In hindsight, it would probably have been a better approach to organize the workshops at the onset of the project. Findings of the workshops largely confirm what has been stated in the previous section but a clearer understanding of the complexity within which departments operate and are able to monitor their programme projects was gained. This understanding will be expanded upon in this section.

One of the main findings is that many of the line department programmes being implemented have an outreach to communities and, therefore, can be considered poverty relief programmes. According to the government officials most of these programmes either have a direct (e.g. job



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creation) or indirect (e.g. skill development) impact on poverty. This is because national and provincial policies and strategies guide departments to ensure that the needs of the people are being addressed in their programmes. What was also highlighted was that the focus of government is moving away from poverty relief programmes and towards what they term "investment" programmes.

It was acknowledged that outside of the line departments there are distinct poverty relief programmes such as those that receive conditional grant funds. Furthermore, there are large poverty relief programmes being implemented by national and provincial departments that are often independent of line department functions. The programmes that were consistently identified were the Expanded Public Works programme (EPWP), Integrated Sustainable Rural Development Programme (ISRDP), Urban Renewal Programme (URP), Local Economic Development Programme (LED), Municipal Infrastructure Grant (MIG) and the Consolidated Municipal Infrastructure Programme (CMIP). The importance of these different programmes changes from province to province as the emphasis shifts from the building of schools to the building of clinics as an example.

Other programmes that were identified to form part of the poverty relief programmes of the country are those that provide free basic services or subsidies. An important programme that has over the years had a dramatic impact on poverty in South Africa and should be incorporated into any evaluation by the OPSC is the social grants provided by the national Department of Social Development. A database of over 8 000 pay points exists in the department and can be used to evaluate the impact of this programme on the beneficiaries. Presently, the M&E division of the Department of Social Development is conducting an evaluation of the social grant programme in South Africa.

Outside the line departments and large poverty relief programmes of the national and provincial departments are agencies that are implementing poverty relief programmes. One of these is the National Development Agency (NDA) that receives its funding mainly from the Department of Social Development and another is the National Lottery Board of the Department of Trade and Industry. Within some of the provinces development agencies have been established and if they are allocating funds independently of provincial governments for poverty relief programmes then they should be monitored. Agencies like the Independent Development Trust (IDT) and the Development Bank of South Africa (DBSA) who assist departments in the implementation of the projects and also provide their own funding for the implementation of programmes should also incorporate their information in the central database. This is to ensure that the evaluation of poverty relief programmes in South Africa provides a holistic understanding of the impact.

What became clearer in the workshops is the extent to which the national Department of Public Works and the EPWP plays a role in poverty relief initiatives in the country. This department and

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programme have provided guidelines and definitions of poverty that are being extensively used at a national and provincial level. They are not only keeping detailed information on all the EPWP projects being implemented across the country but are also undertaking the monitoring and evaluation of projects. Many provincial departments indicated that their projects, which receive funds from outside the EPWP, are being implemented through this programme.

In fact many provincial departments indicated that they did not keep a database of their poverty relief projects or developed M&E units because this was being undertaken by the EPWP. Within the national departments M&E is much more established than most of the provincial departments. Some of the provinces, especially the better off ones like Gauteng and the Western Cape, are beginning to establish their M&E units. It was also mentioned that because national departments, the National Treasury, provincial Treasury's and the Office of the President (Programme of Action) are doing reporting and M&E, the need for individual departments to do it as well was not really necessary. In fact departments raised a concern about the amount of reporting they are doing and that it affects their ability to implement their programmes.

The workshops clearly pointed out that no integrated central database of poverty relief programmes and projects exist at either a national or provincial level. Databases are mainly available within the larger programmes and Premiers Offices in some of the provinces are starting to develop their registers. There has also been some indication that individual departments have poverty relief programme databases. It is accepted that this is probably the situation but the problem remains that to access many of these databases is largely impossible without a team working on the project full time throughout the year. Another area of concern is that without a central database there is a strong chance that projects are either being duplicated or they are being left out when integrating the databases from the myriad of sources.

For M&E to be effectively implemented in South Africa and to address the above problem makes the development of an integrated central database in South Africa a necessity. National and provincial departments have stressed that such a central database should be developed within the framework of a national strategy, which the Office of the President is presently busy with. Furthermore, a department will have to be identified that will drive the entire process of implementing and maintained such a system. There are several potential role players that have been identified in a previous section but are worth mentioning again here.

These main role players are the Office of the President, the National Treasury, Office of the Public Service Commission and Statistics South Africa. Other parastatals like the CSIR and HSRC could well play a role considering their research capacity. The Office of the Premier has been identified as having an important responsibility in coordinating the collection of information on poverty relief programmes from the different departments and ensuring that the information is captured into the central database. These departments would also have to facilitate the development of Norms and

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Standards and a standard set of indicators to be incorporated into the central database and to measure the impact of the poverty relief programmes.

### **3.2.3 Integration of programme project databases**

Throughout the project, programme managers were requested to provide the data in a digital format. Digital formats ranged from documents supplied in Microsoft Word format and as Microsoft Excel workbooks with either one or multiple sheets. They were also requested to provide specific data that could be used to populate the database design. It was realized early on in the project that the investigating team would have to be satisfied with whatever format they received the data in and with whatever variables the programme managers could provide. This was because the initial databases received in hardcopy/electronically were very different from one another.

Many of the programmes provided a list of poverty relief projects in hardcopy format. Documents that appeared on websites were usually in a PDF format and these were printed and treated as hard copies, since extracting text from PDF documents was regarded as too time-consuming. Project team members were responsible for compiling the integrated database from the digital and hard copies, respectively. In developing the integrated database, the process of 'cutting-and-pasting' was employed for data from digital sources, whilst standard data typing was employed to capture data from the hard copy sources. Regular quality checks were performed during these onerous tasks, to ensure that data capturing errors were kept to a minimum.

Although care was taken during the integration of both hard copy and digital sources of data, no guarantee can be given on quality of the data. The reasons for this are twofold. In the first instance, the significant variation in the variables incorporated into the programme databases and documentation made it extremely difficult to integrate. In the second instance, the erratic spelling of programme and project names and especially variables containing geographic information (e.g. place name, local and district municipality) has made it largely impossible to map the projects within the time frame of this project. Having integrated the data into the database considerable editing had to be done. However, this too was an enormous task that will require more person hours than are available in this project to complete.

The population of core data fields was also highly dependent on the entries supplied in digital and hardcopy format by the various government departments. Significant errors were discovered with data in fields not matching the variable names. One example is that the project owner may be a local municipality or a provincial government department. However, in the project owner field the record provided does not refer to who is the source/custodian of the data. Thus the field, ProjectMunicipality, had records that mainly contained municipality names, while another

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contained 'Agriculture'. These obviously inaccurate entries were edited in the database and the record of the project was retained.

In many cases, the spelling of geographical place names was not the same. Furthermore, there were mismatches between the data provided and the names of the variables. For example, a village name would be entered into the ProjectMunicipality field and in other instances; there was a mixture of district and local municipalities in the same field. Variations in spelling, the truncation of names and the complete omission of data from fields, but especially geographical place name, has made it largely impossible to develop an integrated spatial database of sufficient quality. All of the above talks to the necessity of standards in capturing programme information and the core set of variables that all programmes should collect for M&E purposes.

It is anticipated that reports and data on programmes will continue to be received after closure of this phase of the project and the publication of the report by the OPSC. Therefore, consideration must be given as to how the electronic, hardcopy and late submissions of programme projects can be used for sampling in the evaluation phase of the project. One such example is the 'Project Analysis Reports' that was made available by the DPLG on the Integrated Sustainable Rural Development Programme (ISRDP). The report lists project linkages, stakeholders, objectives and several projects specific details are provided in a Microsoft Word document. Even if this report were received in a digital format, it would have been difficult to glean specific attributes for individual projects without engaging officials who are closer to the actual project. Thus data in the report could not be integrated into the standardised format of the database designed by the investigating team.

What has been received and been integrated into the database is summarized in the tables below. A total of 29 966 projects spread across the nine provinces and from several different programmes that are implemented at a national and provincial level have been integrated into the database (Table 9). The provinces with the highest number of projects are the Eastern Cape (6781), Free State (4606), KwaZulu-Natal (4179) and Limpopo (3568). The main reason for the Free State having such a high number of projects is because of the excellent work that the Office of the Premier has done in establishing their project register. In the Eastern Cape there is quite an even spread of projects amongst several programmes with the highest number coming from the national Department of Land Affairs's Land Reform Programme. In most of the provinces the majority of projects captured into the database was from the Department of Education's National School Nutrition Programme (NSNP).

Table 9: Analysis of projects integrated into database by province and source.

Province	Source of Programme Information	Number of Projects
Cross Border	Agriculture	16
	<b>Sub-Total</b>	<b>16</b>
Eastern Cape	Agriculture (AGIS)	213
	Department of Education	4834
	Department of Housing	454
	DPLG	173
	Eastern Cape Dept of Housing, Local Government and Traditional Affairs	95
	Eastern Cape Economic Affairs, Environment & Tourism	189
	Eastern Cape Social Development	6
	Land Affairs	467
	Public Works	344
	Unspecified	6
	<b>Sub-Total</b>	<b>6781</b>
Free State	Agriculture (AGIS)	36
	Department of Education	1167
	Department of Housing	1
	DPLG	12
	Free State Local Economic Development	30
	Free State Office of the Premier	2712
	Land Affairs	477
	Limpopo: Office of the Premier	22
	Public Works	107
	Social Development	38
	Unspecified	4
	<b>Sub-Total</b>	<b>4606</b>
Gauteng	Agriculture (AGIS)	16
	Department of Education	1718
	DPLG	9
	Gauteng Social Development	204
	Land Affairs	142
	Limpopo: Office of the Premier	35
	Public Works	912
Social Development	21	

Province	Source of Programme Information	Number of Projects
	<b>Sub-Total</b>	<b>3057</b>
KwaZulu-Natal	Agriculture (AGIS)	282
	Department of Education	3069
	Department of Housing	3
	DPLG	42
	KwaZulu-Natal Arts, Culture and Tourism	15
	Land Affairs	320
	Limpopo: Office of the Premier	3
	Public Works	362
	Social Development	70
	Unspecified	13
	<b>Sub-Total</b>	<b>4179</b>
Limpopo	Agriculture (AGIS)	99
	Department of Education	2119
	Department of Housing	8
	DPLG	18
	Land Affairs	218
	Limpopo: Office of the Premier	809
	Public Works	193
	Social Development	63
	Unspecified	41
	<b>Sub-Total</b>	<b>3568</b>
Mpumalanga	Agriculture (AGIS)	66
	Department of Education	1545
	Department of Housing	11
	DPLG	16
	Land Affairs	252
	Limpopo: Office of the Premier	189
	Mpumalanga Office of the Premier	412
	Public Works	534
	Social Development	51
	Unspecified	17
	<b>Sub-Total</b>	<b>3093</b>
North West	Agriculture (AGIS)	188
	Department of Education	1973
	Department of Housing	3

Province	Source of Programme information	Number of Projects
	DPLG	11
	Land Affairs	147
	Limpopo: Office of the Premier	20
	Public Works	113
	Social Development	38
	Unspecified	3
	<b>Sub-Total</b>	<b>2496</b>
Northern Cape	Agriculture (AGIS)	38
	Department of Housing	13
	DPLG	24
	Land Affairs	157
	Northern Cape Agriculture and Land Reform	23
	Public Works	98
	Unspecified	3
	<b>Sub-Total</b>	<b>356</b>
Western Cape	Agriculture (AGIS)	97
	Department of Education	214
	Department of Housing	2
	DPLG	18
	Land Affairs	362
	Public Works	382
	Social Development	11
	Unspecified	16
	Western Cape Social Services and Poverty Alleviation	39
	<b>Sub-Total</b>	<b>1141</b>
Province	Department of Education	4
Unspecified	Department of Housing	2
	DPLG	2
	Limpopo: Office of the Premier	202
	Public Works	439
	Unspecified	24
	<b>Sub-Total</b>	<b>673</b>
<b>TOTAL</b>		<b>2966</b>

To look more closely at the distribution of projects that have been received and integrated into the database, an analysis of the programmes has been done and is presented in Table 10. The largest programme database that was received was that from the NSNP followed by the Office of the Premier in the Free State. This was followed by the projects contained in the different components

of the EPWP. The Poverty Management Information System with 1195 projects was the fourth largest programme. The national Department of Agriculture provided the next largest source of data from their Land Redistribution for Agricultural Development (LRAD), Settlement and Land Acquisition Grant (SLAG) and Comprehensive Agricultural Support Programme (CASP).

The Integrated Sustainable Rural Development Programme, the Municipal Infrastructure Grant (MIG) and the Consolidated Municipal Infrastructure Programme (CMIP) could not be made available by the national DPLG, but some of their project data were included as part of provincial department submissions to the project team. Flagship poverty relief programmes, such as the EPWP and the National School Nutrition Programme, have been obtained centrally from the Departments of Public Works and Education, respectively.

Table 10: Analysis of projects by programme.

Programme Name	Number of Projects
National School Nutrition Programme (NSNP)	16641
Free State Growth and Development Strategy (FSGDS)	2712
EPWP Infrastructure	1915
EPWP Environmental & Culture	1281
Poverty Management Information System (MIS)	1195
Land Redistribution for Agricultural Development (LRAD)	971
Settlement and Land Acquisition Grant (SLAG)	884
Comprehensive Agricultural Support Programme (CASP)	737
Restitution Discretionary Grant	528
Project Linked Subsidy	447
Executive Outreach	412
Land Care	295
Unspecified	252
EPWP Social	218
Poverty Alleviation by Local Authorities	204
LED Poverty Relief Projects	180
Local Economic Development Framework (LEDF)	131
Commonage Grant	124
LED/REDZ/ISRDP	89
Sustainable Resource Management	85
Food Security	82
EPWP Economic	70
Women	68
Aged	58



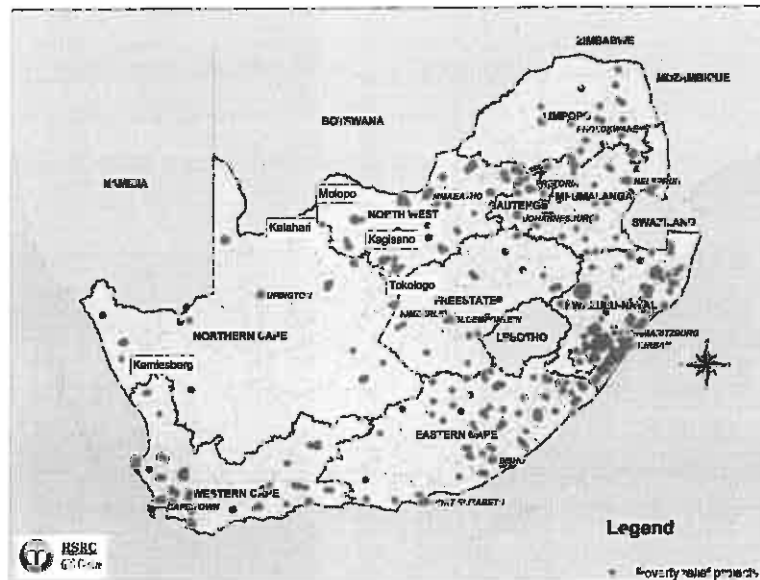
Programme Name	Number of Projects
HIV/AIDS	55
NLP	54
Poverty Relief	48
Projects under an unspecified programme Land Affairs	36
Consolidation Subsidy	32
Poverty Alleviation Allocations	30
Local Economic Development (LED)	30
Projects under an unspecified programme Social Development	21
Institutional Subsidy	18
ISRDP Anchor Projects	16
Poverty Alleviation KZN	15
PGDP Service Delivery Programme	13
Youth Development Programme	7
Poverty Alleviation Eastern Cape	6
Projects under an unspecified programme Eastern Cape Economic Affairs	5
Integrated Food Security and Nutrition Programme (IFSNP)	1
<b>Total</b>	<b>29966</b>

A copy of the integrated database and the individual programme databases has been compiled on CD. A file containing all the hardcopy documents of programme projects has also been put together. This information will be used by the OPSC in drawing a sample for Phase 2 of the project. It also gives an understanding to government of which national and provincial departments provided information on their programmes. An examination of the different programme databases also shows their differences in terms of variables included and the way the data has been captured. Very importantly it provides programme managers with information in an electronic format that can now be checked for its content and accuracy.

### 3.2.4 Mapping the programme project databases

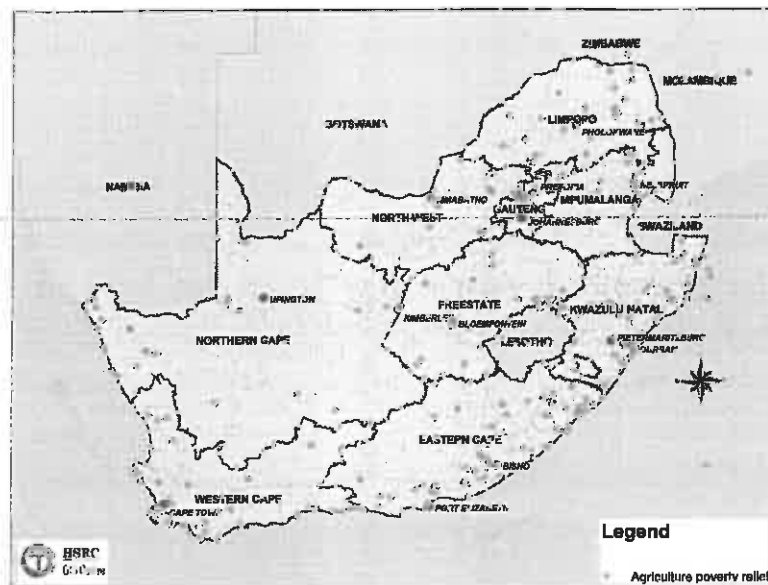
The exact geographic coordinates of projects in the field would have been the ideal but the data received did not contain this level of spatial detail. The project team would have preferred that programme databases included the geographic coordinates created through the use of Global Positioning Systems (GPS) but only the national Department of Environment Affairs and Tourism was able to supply such data (Figure 3).

Figure 3: Poverty relief projects of the Department of Environment Affairs and Tourism.



The Department of Agriculture provided geographic information for their Comprehensive Agricultural Support Programme (CASP) that had been geolocated to the local municipality level (Figure 4). It would have been preferred if the data could have been geolocated to at least the sub-place level as this will allow people doing fieldwork to navigate more accurately to within a short distance of where the project is located. The intention was to geolocate as many projects as possible in the integrated database of all programmes to the sub-place level. However, this was not possible because of the poor quality of the geographical names provided in the database.

Figure 4: Comprehensive Agricultural Support Programme (CASP) of the Department of Agriculture.



Furthermore, many of the programme project databases provided information on the geographic location of projects to only the local or district municipality level. Thus, what the integrated

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database provides is, firstly, a comprehensive list of projects that gives a universe from which a sample of projects can be drawn. Secondly, the projects geolocated to the municipality level can be aggregated to provide statistics at the local or district municipality level. For the purposes of identifying the geographic location of projects to enable them to be properly evaluated it would have been better to have the locations of the projects at their exact or sub-place name levels. This is something that the government will have to look at in the future to facilitate better M&E in South Africa.

### **3.3 Matching the database to the poverty reduction categories**

Having developed the database, it is now possible to disaggregate the list of projects according to the main poverty reduction programme or activity types as identified in Section 2.5. Two main caveats are in order. First, the process of categorising projects is not always straightforward. In some instances, projects appear to straddle more than one type of programme (for example, some agriculture projects have as their aim both income generation and food security, the latter of which is a form of social security).

The process of assigning projects to categories was in fact quite time consuming, requiring inspection of four different fields within the database ('Programmeld,' 'ProjectName,' 'ProjectDescription,' and 'ProjectOutputs'). This process also resulted in about 12% (3 590 out of 29 966) of the projects being eliminated from the database on the grounds that, after closer inspection, they did not qualify as poverty reduction initiatives in the sense described in Section 2.4. In addition, about 5% of the remaining project records could not be categorised, because the information provided and captured in the database does not allow an adequate understanding of what the projects do. In principle, some of these probably would not qualify as poverty reduction initiatives if more were known about them, but they were maintained in the database because many of them presumably do fit the definition of a poverty reduction initiative, even if it is not clear exactly how.

The second caveat is that, by design, this exercise did not seek to capture information about all types of poverty reduction in the database. For example, although 'social security' is regarded as a central component of government's poverty reduction efforts (see Table 11), it would have been impracticable and purposeless to attempt to capture information on old age grants and child support grants in this database. The situation is much the same in respect of free/subsidised basic household services, subsidised individual services and housing. Therefore, the coverage of social security and subsidised individual services is extremely partial, while there is no coverage at all of free/subsidised basic household services or housing.

The projects in the database that are categorised as social security are almost all part of the National School Nutrition Programme (where the participating school is the 'project'), while all of

the very small number that are categorised as subsidised individual services involve home-based care that is not organised as part of the Expanded Public Works Programme. With these caveats in mind, Table 11 reports the overall composition of the database in terms of the programme categories.

Table 11: Breakdown of projects in the database according to programme category

Programme Category	Number	Share
Social security	16,697	63.3%
Individual services	122	0.5%
Land reform	2,513	9.5%
IGPs and SMMEs	2,014	7.6%
Public works	3,682	14.0%
Not categorised	1,348	5.1%
Total	26,376	100.0%

The dominance of social security is obvious, with public works showing as a distant second. On the face of it, however, one must be mindful of certain arbitrariness in these relative figures, owing to the fact that what constitutes a 'project' could in principle be different. For example, if a project within the National School Nutrition Programme were defined not as a participating school, but as, say, a participating district, then the numbers of projects would obviously be far lower. It is therefore important to go beyond the project numbers. There are two additional perspectives explored here; the first relating to budgets, and the second to numbers of beneficiaries.

Table 12 summarises what the database reveals about budgets for the poverty reduction efforts in the various programme categories. The first thing to note is that, overall, just under one third of the projects listed in the database have budget information associated with them. The second thing to note is that the coverage of information in the database about budgets varies quite a bit from one programme category to another. For land reform and public works projects, 84% and 78% of projects, respectively, had budget information reflected in the database.

This implies a fair degree of confidence in the calculated average Rand per project figures for these two categories. For income generating projects and SMMEs, however, only one quarter of the projects in the database had budget information associated with them, meaning that there is less certainty that the average for those projects with budget information is a good measure of the average for all projects in this programme categories. For social security, the situation is somewhat intermediate: the fact that budget information was captured for only 15% of projects (schools) is somewhat mitigated by the fact that this still represents a fairly large number of projects, moreover because they virtually all belong to the National School Nutrition Programme, one can assume that there is a certain homogeneity in terms of what these projects actually entail.

Table 12: Summary of budgets for poverty reduction projects, by programme type

Programme category	Number with data	As % of projects	Average Rand/project	Extrapolation (Rand mill)	Budget share
Social security	2,434	14.6%	2,119,924	35,396	77.1%
Individual services	22	18.0%	221,918	27	0.1%
Land reform	2,114	84.1%	982,833	2,470	5.4%
IGPs and SMMEs	510	25.3%	970,895	1,955	4.3%
Public works	2,872	78.0%	1,271,694	4,682	10.2%
Not categorized	488	36.2%	1,033,805	1,394	3.0%
Total / Average	8,440	32.0%	1,741,153	45,925	100.0%

The third column from the right in Table 12 above shows the calculated average budget per project for each of the programme types, followed by an extrapolation of the total budget for projects in that programme type. As with the preceding table based on project numbers, social security is dominant, despite the fact that most of government's attention to social security is not even included here.

Table 13 below is structured in a similar fashion to the preceding table. First, there is an indication of how many and what share of projects in the database has information (in this case regarding the number of beneficiaries) relative to the total number of projects. Overall, coverage of the number of beneficiaries is much better than for budgets: about three quarters of the projects listed have indicated the number of beneficiaries indicated. However, again there is quite a lot of variation from one programme category to the next, with social security having excellent coverage, public works having good coverage, and most of the rest being rather poor or even terrible.

Table 13: Summary of the number of beneficiaries of poverty reduction projects, by programme type

Programme category	Number with data	As % of projects	Average beneficiaries/project	Extrapolation total beneficiaries	Beneficiary share	Average Rand/Beneficiary
Social security	16,597	99.4%	334	5,583,015	86.9%	6,340
Individual services	2	1.6%	18	2,135	0.0%	12,681
Land reform	560	22.3%	124	310,800	4.8%	7,947
IGPs and SMMEs	174	8.6%	59	118,930	1.9%	16,441
Public works	2,578	70.0%	69	254,752	4.0%	18,380
Not categorized	58	4.3%	114	153,904	2.4%	9,055
Total / Average	19,969	75.7%	244	6,423,537	100.0%	7,149

Nonetheless, the average number of project beneficiaries is calculated for each of the programme types, followed by an extrapolation of the total number of beneficiaries implied for that programme type. The dominance of social security again comes through. One last consideration must be borne in mind when contemplating these figures, namely that they do not all accrue to a single year. In fact, as shown below in Table 14, for about 58% of projects, the financial year is not given at all, meaning that for those projects we do not know in which year the projects were financed.

Among those projects for which financial year is indicated, most are for 2005/06, and most of the rest for 2004/05.

Table 14: Project numbers by financial year, in aggregate and by programme category

Financial year	All	Social security	Individual services	Land return	IGPs and SMMEs	Public works	Not categorised
2001/02 and before	3.4%	0.0%	0.0%	35.2%	0.0%	0.2%	0.0%
2003/04	0.6%	0.0%	0.0%	0.0%	5.8%	0.1%	3.3%
2004/05	14.5%	0.3%	9.8%	0.0%	6.4%	94.4%	11.4%
2005/06	23.9%	36.9%	0.0%	0.0%	6.6%	0.0%	0.0%
Not given	57.7%	62.8%	90.2%	64.8%	81.2%	5.3%	85.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

#### 4. CONCLUSIONS AND RECOMMENDATIONS

Through the extensive literature reviews and key informant interviews that were done by the project team, a set of definitions for the various terms used to describe poverty, both internationally and locally, could be provided. Considering the multi-dimensional nature of the poverty, government policy and the recent trend to move towards "investment" type programmes, it was recommended that a broad and encompassing definition be used. Inputs from national and provincial departments consistently emphasized this point and they requested that all programmes that have an outreach to communities, whether they have a direct or indirect impact, be incorporated. It was also emphasized that programmes within line departments, poverty relief programmes, conditional grant programmes, free access to services and subsidies, large developmental programmes and work being done by agencies outside of government (e.g. NDA, IDT, DBSA) be considered.

To facilitate having such a broad definition, the project team recommends that the term 'poverty reduction' be used to describe programmes and projects that have a focus on 'improving the livelihoods or quality of life of low-income individuals and households' or those people living in poverty. Furthermore, the use of this terminology implies a long term and large-scale effort in addressing the different forms of poverty in South Africa. It also ensures that all forms of intervention, whether they be welfarist, service orientated or developmental can be included. Linked to this thinking in defining poverty programmes in South Africa, is the need for a set of criteria to categorize programmes and projects and this was provided in the project.

Two criteria listed for categorizing programmes and projects was that they should lend themselves to undertaking monitoring and evaluation and they should echo the thinking of policy makers in terms of their approaches to addressing poverty in South Africa. In this regard, it is suggested that poverty programmes and projects can be categorized by type and activity (see Tables 3). Government officials attending the workshops were generally happy with this approach but suggested that there were additional components that could be added to the categories and that ideally, the type and activity categorizations should be hybridised into one single system, as is now

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presented in Table 3. The message received from government officials was - the simpler the better, and therefore the definitions and categories that have presented by the project team provide a solid start.

Another component of the project was to develop a database of all poverty relief programmes and projects at a national and provincial level. To accomplish this, the project team had to identify what programmes were being implemented by the different national and provincial departments. Information on these programmes was access from annual reports, undertaking Internet searches and accessing information from departmental web pages. Contact was also made with these departments by telephone, fax and E-mail to access information on programmes, get project databases and to solicit information on what other poverty relief programmes were being implemented. Workshops with national and provincial departments were also conducted to communicate to government officials about the project, to solicit input on definitions, categories and to gain a first hand understanding of what programme project databases existed.

An integrated database of over 29 900-programme projects has been developed that covers the entire country and encompasses many of the key poverty relief programmes in the country. It is believed that this database for purposes of doing an evaluation of government's efforts in addressing poverty will suffice. By no means is the integrated database and supporting documents totally encompassing of all governments poverty relief programmes. The ideal would have been for this to be accomplished in the project. Unfortunately, both at a national and a provincial level there is no readily available central source of this information and the lack of capacity, systems and standards has inhibited this objective of the project being fully accomplished.

The integrated database that has been developed, even with its limitations, has gone some way towards the establishment of a centralized database of poverty relief projects in South Africa. Hardcopy and electronic databases of programmes continue to be received, which will form part of the overall universe of programme and project information. The project has also developed a large source of information on national and provincial government departments and has developed a contact list of government officials responsible for programmes that in many ways is worth its weight in gold. The project has also developed a database design that could well form the foundation of government's future efforts in establishing a central standardized database and system for monitoring and evaluation in South Africa.

## **4.1 Recommendations**

### **4.1.1 Definitions and categories**

In terms of the definitions and categorizations suggested in this report it is recommended that they be communicated to relevant stakeholders for their consideration and input. Further to this,

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mechanisms should be examined as to how these definitions and categories can start to be incorporated into the business processes of national and provincial departments. Clearly, the Office of the President, National Treasury, Statistics South Africa and the departments themselves has an important role to play.

#### **4.1.2 Development of a database**

The integrated database that has been developed needs to be improved and as many poverty relief programmes as possible added. This is not necessarily for the evaluation phase but it is to provide the country with a more comprehensive list of poverty relief projects for reporting and monitoring and evaluation purposes. Clearly there is the need for a national strategy and Norms and Standards for the implementation of poverty relief programmes. There is also the need for a standardized set of variables to be collected for each programme and for systems to be put in place, whether manual or electronic, that ensure consistent and accurate access to information on poverty relief programmes and projects. A "champion" that can take this forward needs to be identified within government.

There are several different agencies that might fit the mould of a "champion" and these include the National Treasury, OPSC, Statistics South Africa and the Office of the President. However, with the Office of the President being identified within the Programme of Action to mobilize the public service and align planning and implementation of government programmes, including the National Spatial Development Perspective (NSDP), Provincial Growth Strategies (PGS) and the Integrated Development Plans (IDP) it makes sense for the project team to recommend that they champion the development and maintenance of the database on programmes and projects. Furthermore, the Office of the President has been identified to take overall responsibility for the design, improvement and roll out of government's monitoring and evaluation frameworks and systems.

A web-enabled system should possibly be considered for the capture, transfer and dissemination of information on programmes and their projects. The use of such web based systems is cost effective as people in remote centres can access the system and will ensure that standardized variables and formats are used by national and provincial programmes alike. As has been pointed out by the National Treasury, business process will still have to be developed to ensure that proper recording of information on programmes and projects happens so that the data can eventually be captured into the web based monitoring and evaluation system. The web-enabled data capture system will need to be developed with all the appropriate security checks built in. It is strongly recommended that the present integrated database be updated on an annual basis up until such time as the government has been able to implement an appropriate system.

To be able to effectively assess the impact of projects on communities it is a necessity for geographic information on the projects to be provided. In this regard, it is strongly recommended



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that the sub-place names database of Stats SA become the official source of names to use for indicating where projects are being implemented. If this is not possible, then the name of the local municipality in which the project is located should be a minimum. The need for projects and place names to have unique numbers associated with them cannot be over emphasized. It is also important that government investigate the mechanisms by which this information at its project or aggregated levels can be made available to government officials and the broader public of South Africa.

#### **4.1.3 Sample design for the evaluation phase**

Consultation with a sampling statistician has enabled the project team to recommend the following sample design for Phase 2 or the evaluation phase of this project. Information on the unique set of national and provincial programmes with their individual projects that have already been received and integrated into the database can be considered as one population. Any additional information on national and provincial programmes and their projects received in electronic databases or in hardcopy after the completion of Phase 1 of the project can be considered another population. The OPSC plans to draw a sample of individual projects within each of the national and provincial programmes forming part of the two populations to be able to undertake the evaluation.

It is the intention of the OPSC to draw at least 300 projects from the different national and provincial programmes to be able to report with sufficient precision on the overall impact of government's poverty relief programme in the country. Thus, the reporting domain of Phase 2 of the project will be at the national level. Data from the two populations will be stratified by province and programme. Within the defined strata a random sample of poverty relief projects will be selected from the two populations. The sample of projects will be drawn with probability proportional to size (pps) with the total number of projects in each programme and in each province being the Measure of Size (MOS). Thus, the larger national and provincial programmes will have more projects selected for the evaluation than the smaller ones.

Once the projects have been drawn that are going to be evaluated, their geographic coordinates or the names of the places where they are situated will be used to map their locations. This will enable effective route planning to be done and for the evaluation teams to accurately find the location of the projects in the field. Having completed the evaluations and captured data on each sampled project, weighting of the data will be done by a sampling statistician. This will enable the OPSC to conclude on the impact of government's poverty relief programme in South Africa.

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**ADDENDUM 1**

**SUMMARY OF LITERATURE REVIEW**

## SUMMARY OF LITERATURE REVIEW

### Government sources

Source	Year	Summary regarding poverty
RDP 'base document'	1994	<ul style="list-style-type: none"> <li>▪ "But an election victory is only a first step. No political democracy can survive and flourish if the mass of our people remain in poverty, without land, without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of a democratic government." (s.1.2.9)</li> <li>▪ "Although a much stronger welfare system is needed to support all the vulnerable, the old, the disabled and the sick who currently live in poverty, a system of 'handouts' for the unemployed should be avoided." (s. 2.3.3)</li> <li>▪ "Our central goal for reconstruction and development is to create a strong, dynamic and balanced economy which will: ... eliminate the poverty, low wages and extreme inequalities in wages and wealth generated by the apartheid system, meet basic needs, and thus ensure that every South African has a decent living standard and economic security...." (s.4.2.2)</li> </ul>
Constitution of the Republic of South Africa	1996	<ul style="list-style-type: none"> <li>▪ "(1) Everyone has the right to have access to adequate housing.</li> <li>▪ "(2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right." (Chapter 2, 26)</li> <li>▪ "(1) Everyone has the right to have access to               <ul style="list-style-type: none"> <li>a. health care services, including reproductive health care;</li> <li>b. sufficient food and water; and</li> <li>c. social security, including, if they are unable to support themselves and their dependants, appropriate social assistance.</li> </ul> </li> <li>▪ "(2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights." (Chapter 2, 27)</li> <li>▪ "Every child has the right...               <ul style="list-style-type: none"> <li>c) to basic nutrition, shelter, basic health care services and social services...." (Chapter 2, 28)</li> </ul> </li> </ul>
Dept. Social Development, <i>Annual Report 1999-2000</i>	2000	<ul style="list-style-type: none"> <li>▪ "Transformation of social welfare services in our country requires moving away from a traditional approach towards designing and providing services that lead to self-sufficiency and sustainability. The central theme to this approach is social development and a critical aspect of this approach is the recognition that while there is a need to address the symptoms of problems through material relief grants, sustainable development strategies are those that focus on building institutional capacity." (p.1)</li> </ul>

<p>Dept. Social Development, <i>Annual Report 2003-04</i></p>	<p>2004</p>	<ul style="list-style-type: none"> <li>▪ "journey from welfare to social development" (p.1)</li> <li>▪ "social cohesion and protection as key instruments" (p.1)</li> <li>▪ particular need to protect the "vulnerable" (p.4)</li> <li>▪ cash grants = response to "income poverty" (p.5)</li> <li>▪ "[S]ustainable human development requires building human capacity whilst providing for opportunities to access resources for their own development" (p.5)</li> <li>▪ Programme 5 (p.59-63) = "Development Implementation Support has four subprogrammes: 1) "Poverty Eradication"; 2) "Community Development"; 3) "HIV/AIDS"; 4) "Non-profit organisations".</li> <li>▪ See table p.59 – key objective of "poverty eradication" is to "Develop, implement, manage and co-ordinate sustainable poverty relief projects"</li> <li>▪ "During the current MTEF period, the Department will concentrate on the successful completion of the Poverty Relief Programme. The Department will use the experiences and lessons gained in the past seven years of implementing the Poverty Relief Programme to inform the development of a comprehensive Poverty Reduction Programme." (p.65)</li> </ul>
<p>DSD, "Lessons Learnt From The Poverty Relief Programme For Unemployed Women With Children Under Five Years, Initiated By The Department Of Social Development In South Africa"</p>	<p>no date</p>	<ul style="list-style-type: none"> <li>▪ "In November 1995 the Departmental Committee on Developmental Social Services (DCDSS) jointly decided that a flagship programme that depict new focus of the department, i.e. prevention and development in welfare planning and service delivery, should be implemented. This new approach is in contrast with the approach of the past focus and practices that was largely rehabilitative and institutional care orientated." (p.2)</li> <li>▪ "The aim of the programme was to provide unemployed women and their young children with the opportunity to break out of their situation of hardship and poverty and reduce their potential dependency on the State." (p.2)</li> </ul>
<p>Z. Skweyiya, at the launch of Food Emergency Scheme</p>	<p>March 2003</p>	<ul style="list-style-type: none"> <li>▪ "...aimed at addressing the plight of the households most vulnerable to food insecurity and hunger."</li> <li>▪ "...the tide has indeed turned against hunger and starvation."</li> <li>▪ "Ladies and gentlemen, in July this year the Cabinet lekgotla will ponder the possibility of introducing a comprehensive social security system, which is currently being investigated. This system is expected to address, in a holistic manner, the health, education, social security, transport and employment needs of the poorest of the poor."</li> </ul>
<p>DSD, "Integrated National Business Plan for the National Food Emergency Scheme for the 2003/04 to 2005/06 Financial</p>	<p>2003? (no date)</p>	<ul style="list-style-type: none"> <li>▪ "Of the many factors associated with poor communities and families, food insecurity is one of the major indicators linked to poverty and vulnerability. Cognisant of this reality, the Reconstruction and Development Programme identified the priority goal of achieving food security as part of addressing the legacy of the apartheid socio-economic and political order." (p.3)</li> </ul>



Years		<ul style="list-style-type: none"> <li>▪ "...the South African Constitution enshrines the right of access to sufficient food and obliges the state to provide legislation and other supporting measures to ensure that all citizens are enabled to meet their basic food needs." (p.3)</li> </ul>
DSD, "National Consultative Process: Ten Point Programme of Action"	2001	<ul style="list-style-type: none"> <li>▪ "Minister outlines welfare priorities"</li> <li>▪ "The country is sitting on a time bomb of poverty and social disintegration. We need to act now and correct the weaknesses in our welfare system."</li> </ul>
PCAS, The Presidency, "Towards a Ten Year Review: Synthesis Report on Implementation of Government Programmes"	2003	<ul style="list-style-type: none"> <li>▪ "The central programme of the social sector focuses on Poverty alleviation through a range of programmes that address income, human capital and asset poverty. It is in this intersection between access to services, income and assets that the issue of the overall poverty trends since 1994 should be examined." (pp.16-17)</li> <li>▪ "At least two major programmes of the Government address income poverty in the form of income grants and public works programmes." (pp.17-18)</li> <li>▪ "Social services such as education, health, water and sanitation, and electrification are critical to improving the human capital of the nation." (p.19)</li> <li>▪ "Provision of clean water is a major tool for protecting human capital and for reducing social asset poverty." (p.24)</li> <li>▪ "The housing and land programmes are the two lead programmes relating to the elimination of asset capital poverty." (p.25)</li> <li>▪ "In order to alleviate inequality in access to services, human income and asset poverty and to address the social exclusion characteristic of Apartheid, many fundamental changes have been made through legislation and policy." (p.29)</li> </ul>
T. Mbeki, "Speech on the Occasion of the Consideration of the Budget of the Presidency"	June 2001	<ul style="list-style-type: none"> <li>▪ "...the eradication of poverty..."</li> <li>▪ "We have taken the necessary decisions to end the poverty and dehumanisation that continue to afflict millions of our people, who cannot lead lives of dignity because they have no jobs, no houses, no land, no capital and no means to prevent themselves from falling ill from avoidable diseases."</li> </ul>
T. Mbeki, State of the Nation address	Feb. 2002	<ul style="list-style-type: none"> <li>▪ "We know this as a matter of fact that the struggle to eradicate that poverty and underdevelopment in our own country is fundamental to the achievement of our own national goal to build a caring and people-centred society."</li> <li>▪ "...towards a society free of poverty and underdevelopment."</li> </ul>
T. Mbeki, State of the Nation address	Feb. 2003	<ul style="list-style-type: none"> <li>▪ "Last year when we spoke from this podium, we said our country has a continuing task to push back the frontiers of poverty and expand access to a better life for all."</li> </ul>

		<ul style="list-style-type: none"> <li>▪ “Over the past few years we have worked hard to lay the basis for the advances we must make to meet the goal of a better life for all. At the centre of this are the related objectives of the eradication of poverty and the fundamental transformation of our country into one that is non-racial, non-sexist and prosperous.”</li> <li>▪ “The one [economy] is modern and relatively well developed. The other is characterised by underdevelopment and an entrenched crisis of poverty.”</li> <li>▪ “The expansion of social provision must reach this sector of our society, to relieve the poverty and suffering afflicting these masses of our people.”</li> <li>▪ “The government recognises the importance of the micro-enterprise sector with regard to the task of poverty alleviation.”</li> </ul>
<p>T. Mbeki, State of the Nation address</p>	<p>Feb. 2004</p>	<ul style="list-style-type: none"> <li>▪ “The work we will do must move our country forward decisively towards the eradication of poverty and underdevelopment in our country. We must achieve further and visible advances with regard to the improvement of the quality of life of all our people, affecting many critical areas of social existence, including health, safety and security, moral regeneration, social cohesion, opening the doors of culture and education to all, and sport and recreation.”</li> <li>▪ “We already have the policies and programmes that will enable us to translate all the strategic objectives we have just spoken of into a material factor in achieving the goals of the expansion of the frontiers of human fulfilment, and the continuous extension of the frontiers of the freedom, of which Nelson Mandela spoke a decade ago.</li> <li>▪ “We have already identified the challenges posed by the Second Economy, which economy constitutes the structural manifestation of poverty, underdevelopment and marginalisation in our country. We must therefore move vigorously to implement all the programmes on which we have agreed to ensure that we extricate all our people from the social conditions that spell loss of human dignity.</li> <li>▪ “These include the urban renewal and rural development programmes, the expanded public works programme, the expansion of micro-credit and small enterprises, the provision of adult basic education and modern skills, and the development of the social and economic infrastructure.”</li> <li>▪ “This will increase the resources available for social expenditures focused on investing in our people further to empower them to become better activists for reconstruction and development, away from trapping large numbers within the paradigm of poverty alleviation.”</li> </ul>
<p>T. Mbeki, State of the Nation address</p>	<p>Feb. 2005</p>	<ul style="list-style-type: none"> <li>▪ “This means that during each one of the years that make up our Second Decade of Liberation, including this one, we must achieve new and decisive advances towards: ... eradicating poverty and underdevelopment, within the context of a thriving and growing First Economy and the successful transformation of the Second Economy....”</li> <li>▪ “The gross annual value of the social wage was about R88 billion in 2003 with the poor being the largest beneficiaries. The democratic state will not walk away from its obligation to come to the aid of the poor,</li> </ul>

		bearing in mind available resources.”
Dept. of Public Works, “Strategic Plan, 2004-2007”	2004	<ul style="list-style-type: none"> <li>▪ “The Department is also charged, through the coordination of the Expanded Public Works Programme (EPWP), with the national goal of alleviating poverty and unemployment in the country through training, job creation and the provision and maintenance of infrastructure.” (p.2)</li> <li>▪ “STRATEGIC GOAL 3: Contributing to the National Goal of Poverty Alleviation and Job Creation Government and its social partners have prioritized poverty alleviation and job creation at the Growth &amp; Development Summit in June 2003; unemployment has to be reduced by 50% by 2014.” (p.12)</li> </ul>
National Treasury, “2003 Budget Review”	2003	<ul style="list-style-type: none"> <li>▪ “Key elements in Government’s development strategy include: ... Progressive broadening of the income security net, revitalised health services and targeted poverty reduction initiatives....” (p.1)</li> <li>▪ “The 2003 Budget seeks to strike a balance between meeting the inter-linked social objectives of poverty reduction and development, and the economic goals of growth, job-creation and investment.” (p.51)</li> </ul>
National Treasury, “2004 Budget Review”	2004	<ul style="list-style-type: none"> <li>▪ “Improved economic performance over the next ten years will be built on four broad platforms: ... A poverty reduction strategy that includes promotion of work opportunities, creating sustainable communities and safe neighbourhoods and consolidation of the social security system.” (p.1)</li> <li>▪ “In preparing the annual budget, Government seeks to balance competing policy considerations – investment and job creation, poverty relief and social development, upgrading residential neighbourhoods, promoting the rule of law, development and peace in the African continent.” (p.16)</li> <li>▪ “In addition, R1,2 billion is set aside for emergency food relief over the next three years, as part of the broadening of Government’s approach to income security and poverty relief.” (p.21)</li> </ul>
T. Manuel, “2003 Budget Speech”	2003	<ul style="list-style-type: none"> <li>▪ “In just under nine years we have worked hard to push back the frontiers of poverty, to rebuild a tattered economy, to return pride to our people, to build confidence, to care for the poor and most vulnerable.”</li> <li>▪ “The 2003 Budget extends and strengthens our growth and development strategy and progressively realises the social and economic rights of our people. It embodies a set of policies aimed at pushing back the frontiers of poverty whilst supporting growth and creating opportunities. It seeks to empower people by expanding their capabilities.”</li> <li>▪ “The 2003 Budget: Gives priority to reducing poverty and vulnerability; Extends the child support grant and increases spending on the primary school nutrition programme; Increases spending on social grants, text books, medicines, hospital buildings and equipment; Further reinforces the enhanced response to HIV\Aids; Gives municipalities additional resources for free basic services, investment in infrastructure and job creation; Accelerates spending on land restitution; Supports further restructuring of universities and technikons; Invests in skills development; Strengthens the fight against crime; Increases spending on foreign representation and support for NEPAD; and Gives generous tax relief.”</li> </ul>

		<ul style="list-style-type: none"> <li>▪ “This Budget once again recognises that making the right choices is not just about delivering a better quality of life to our people for a year or two. It is about ensuring that the policy choices we make today are affordable and sustainable ten or twenty years from now. This is important, because we must recognise that eradicating poverty is complex and takes time. Seemingly simple solutions that rely on weak and generalised assumptions about who the poor are, where they live, what they need and what they want, are destined to fail.”</li> <li>▪ “<i>Addressing poverty and vulnerability</i>: Social assistance grants provide critical income support to vulnerable groups – the elderly, young children and people with disabilities. This is our largest and most effective redistribution programme.”</li> </ul>
T. Manuel, “2004 Budget Speech”	2004	<ul style="list-style-type: none"> <li>▪ “We can celebrate the many ways in which we have pushed back the tide of poverty, and pushed forward the frontiers of our freedom and humanity. But as we look forward to the second decade of democracy, we know that we still have far to walk. Too many South Africans are trapped in the “second economy”, characterised by poverty, inadequate shelter, uncertain incomes and the despair of joblessness. And many of those whose circumstances are most vulnerable are young and marginalised.”</li> <li>▪ Over the past decade, Government has made concerted efforts to redress poverty and inequality through a substantial redirection of public spending towards key social and economic programmes.”</li> </ul>

### Programme evaluations

Source	Year	Summary regarding poverty
Department of Welfare, “The Flagship Programme: Development Programme for Unemployed Women with Children under Five Years”	1999	<ul style="list-style-type: none"> <li>▪ “Poverty manifests itself in various ways: a lack of income and productive resources to ensure a decent living. Hunger, malnutrition, ill-health, limited or no access to education and other basic services, homelessness or inadequate housing, unsafe environments and social discrimination and exclusion.” (p.2)</li> <li>▪ “In November 1995 the Departmental Committee for Developmental Social Services (DCDSS) jointly decided that a programme had to be implemented which would depict the new emphasis on prevention and development in welfare planning and services. This is in contrast with the approach of the past which was largely rehabilitative and institutional care oriented.” (p.3)</li> <li>▪ “... the greatest challenge facing Government was the extent to which it could impact positively on reducing poverty and unemployment.” (p.4)</li> </ul>
Everatt, D., “Self-critical	2003	<ul style="list-style-type: none"> <li>▪ “The Integrated Sustainable Rural Development Strategy (ISRDS) was a simple idea, premised on better</li> </ul>

		<p>provide jobs and, in so doing, encourage community development; impact on rural areas; impact positively on households with female breadwinners; and be sustainable.”(p.13)</p> <ul style="list-style-type: none"> <li>○ 1999/00: “In relation to the unallocated funds a new process was established. Departments were invited to apply for funds for projects that are targeted at poverty alleviation and employment intensive infrastructure investment which will be financially sustainable in the long-term.” (p.15)</li> <li>○ 2000/01: “The main criteria which would be used to evaluate the submissions was the programme’s demonstrated effectiveness in employment creation, poverty alleviation and delivery. These were elucidated into four core objectives. Projects would need to: relieve poverty in the poorest areas, especially in rural areas; promote human development and capacity building; provide jobs and involve the community; and seek to ensure their sustainability.” (p.16)</li> <li>○ 2001/02: “The main condition for allocation was a proposal’s demonstrated effectiveness.” (p.16)</li> </ul>
<p>Urban Econ and Mawatsan, “Socio-Economic Impact of Poverty Relief Funded Projects,” study commissioned by the Department of Environment and Tourism</p>	<p>2003</p>	<ul style="list-style-type: none"> <li>■ “The goal behind the Department of Environmental Affairs &amp; Tourism’s (DEAT) Poverty Relief Programme is to manage and administer poverty relief proposals and spin-off projects in the tourism and environment sectors, with a special focus on infrastructure investment and product development (such as heritage sites, rock art and conservation.” (s. I.1)</li> <li>■ “DEAT’s Poverty Relief Programme is part of a broader Government project set up mainly to alleviate poverty amongst South Africa’s poorest communities. Where possible, this is done in a manner that should create sustainable work opportunities.” (s. I.1)</li> <li>■ “DEAT follows an approach in ensuring that the Poverty Relief programme either supports broader Government initiatives (like spatial development initiatives) or policies, such as pollution and waste management. Areas of poverty relief are prioritised on the basis of social conditions (the prevalence of unemployment, underdevelopment and neglect), emerging market trends and national tourism strategy.” (s. I.1).</li> <li>■ “In order to have a common understanding of the concepts applied in the project to determine the impacts of 157 Poverty Relief Funded Projects poverty was defined as ‘the inability to attain minimal standard of living, measures in terms of basic consumption needs or the income required satisfying them.’ It is conventional to draw up a ‘poverty line’ reflecting the monetary value of consumption which separates the ‘poor’ from the ‘non-poor’ (Report prepared for the Office of the Executive Deputy President and the Inter-Ministerial Committee for Poverty and Inequality, 1998).” (s. I.7.1)</li> <li>■ “...Poverty Relief Programme focuses on alleviating poverty amongst the poorest of the poor.” (s. I.7.6)</li> <li>■ “The Poverty Relief Fund has a special focus on infrastructure investment and product development that can explain the specific allocation of funds. Tourism infrastructure projects are not projects that are</li> </ul>

<p>Governance: the Evolution of the Integrated Sustainable Rural Development Strategy," report commissioned by the Independent Development Trust</p>		<p>co-ordination of existing government resources and programmes across all three spheres, with the legally required Integrated Development Plan (IDP) providing the mechanism for integration of multiple services and alignment of different spheres of government." (p.3)</p> <ul style="list-style-type: none"> <li>▪ "The ISRDS also requires a change of mindset – away from a focus on individual projects and individual delivery agencies to broader understandings of public goods and seamless government." (p.3)</li> <li>▪ "The ISRDS has been renamed the ISRDP, reflecting the fact that it is not merely a set of ideas but a set of implementable activities."</li> <li>▪ "...if the ISRDS comes to be seen as a delivery programme – precisely the impression given by the anchor projects – it will collapse. Moreover, by concentrating on delivering anchor projects, sector departments are allowed to escape from the real challenge facing them: aligning their delivery with IDPs and ensuring that development is demand – and not supply driven." (p.14)</li> </ul>
<p>Strategy &amp; Tactics, "RAP-85 Literature Review," report commissioned by the Department of Public Works</p>	<p>2000</p>	<ul style="list-style-type: none"> <li>▪ "Public Works Programmes (PWP) have changed their role and status in sub-Saharan Africa, moving from short-term emergency relief to permanent features of anti-poverty and job-creation strategies. In South Africa this took place in the context of government adopting both an anti-poverty approach and a neo-liberal economic framework. The result has been intense pressure on all 'welfarist' interventions, including PWPs, to 'prove' their worth in economic as well as social terms." (p.1)</li> <li>▪ "RAP-85 was a fast-track anti-poverty intervention... This programme is therefore expected to bring about reconstruction and development of those areas that would result in sustainable economic growth, employment and peace." (p.2)</li> <li>▪ "PWPs traditionally suffer from tensions between the need to achieve efficient delivery and the slowness of developing local capacity and ownership." (p.2)</li> <li>▪ "PWPs were widely used in South Africa during the global economic depression of the 1930s. More modest than their better known North American counterpart, the PWPs were specifically geared to tackling the 'poor white' problem." (p.2)</li> <li>▪ "PWPs were regarded as a job creation exercises, reflected in the literature of the time as well as the ANC's RDP." (p.2)</li> <li>▪ "The CBPWP was initially a broad-based, application driven public works programme which sought to distribute assets as widely as possible among poor communities." (p.5)</li> <li>▪ "The status of public works in South Africa has changed over in the mid-to-late 1990s. Initially, they were regarded as short-term job creation interventions, representing unavoidable spending by government in the poorest areas which should cease soon as possible. Moreover, PWPs are fairly expensive job creation exercises (initially the case with the Department of Finance) the value of training, completed assets and other factors is discounted. Public works in this view are welfarist and provide short-term relief: much of the battle has been to win recognition of PWPs as developmental with a long-term role in triggering economic activity and increasing social cohesion as well as short-term job creation, training</li> </ul>

		<ul style="list-style-type: none"> <li>▪ and related function.” (p.5)</li> <li>▪ “Traditionally, PWP’s are classified as safety net or emergency programmes, deployed to help ‘the poorest of the poor’ who can thereby ‘earn their welfare.’” (p.10)</li> <li>▪ “Public works programmes are frequently overloaded with multiple goals. This is particularly true in South Africa. The literature reflects the multiple goals – which in turn reflects the different conceptions of PWP’s, with different authors identifying of the following requirements of PWP’s: <ul style="list-style-type: none"> <li>○ To create employment for the most needy;</li> <li>○ To create valuable and technically sound assets;</li> <li>○ To resource impoverished communities helping transform the local economy;</li> <li>○ To try stem rural out-migration;</li> <li>○ To generate local awareness of development and socio-economic rights.”</li> </ul> </li> <li>▪ “To equip workers with basic skills needed for asset maintenance as well as small-scale entrepreneurship.” (p.11)</li> </ul>
<p>Strategy &amp; Tactics, “RAP-85 Survey Report,” report commissioned by the Department of Public Works</p>	<p>2001</p>	<ul style="list-style-type: none"> <li>▪ “PWP’s are meant to transfer benefits to the poorest of the poor.” (p.23)</li> </ul>
<p>Palmer Development Group, “Special Poverty Relief Allocation Review,” report commissioned by the National Treasury</p>	<p>2003</p>	<ul style="list-style-type: none"> <li>▪ “... a process was put in place which sought to ensure that the performance of the programmes funded by the Special Poverty Relief Allocation (SPRA) would be monitored against certain key objectives, most notably the creation of jobs, the targeting of those jobs to poor people, women, youth and the disabled; and the delivery of services/infrastructure in poor areas.” (p.11)</li> <li>▪ “SPRA has undergone two significant changes in orientation. The first was in 1998/99 when its character changed from being a special employment programme to that of a short-term poverty relief programme, then in 1999/00 when Job Summit commitments were incorporated into its remit. These changes are borne out by the changes made to allocations from the SPRA over the course of its existence.” (p.11)</li> <li>▪ The criteria set by Cabinet for the allocation of funds changed as follows: <ul style="list-style-type: none"> <li>○ 1997/98: “... programmes funded must target the poorest of the poor; they must be cost effective in their alleviation of poverty; they must be sustainable; the skills (and wages) profile of employees of projects must make no impact on the formal job market; infrastructure or services must be delivered to poor people; and projects should be selected on the basis of their scalability.”(p.13)</li> <li>○ 1998/99: “... but two slightly different sets of criteria were designed for the allocation of funds for poverty relief projects, on the one hand, and infrastructure projects on the other. Criteria applied for poverty alleviation funding applications were that the project must relieve poverty in the poorest provinces; assist with human development and capacity development;</li> </ul> </li> </ul>

		<p>themselves sustainable with regard to employment creation, but these projects lead to the necessary infrastructure being developed in order to further, more sustainable projects to be implemented. It is stated that DEAT's approach is to either support broader Government initiatives (like spatial development initiatives) or policies such as pollution and waste management." (s. IV.3.1)</p>
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**Academic sources**

<p>S. Parnell, "Constructing a Developmental Nation – The Challenge of Including the Poor in the Post-Apartheid City," paper commissioned for DBSA/HSRC/UNDP conference on Overcoming Underdevelopment in South Africa's Second Economy</p>	<p>2004</p>	<ul style="list-style-type: none"> <li>▪ "...the tardiness in building an appropriate institutional foundation from which to run a developmental local state that is capable of responding to current and future urban development imperatives means that a large section of the urban population experience institutional poverty." (p.4)</li> <li>▪ "...in urban and rural areas the redistributive capacity of the municipal indigent package is potentially more significant in both monetary terms and as a lever for protecting the basic social and environmental rights of the poorest than the BIG would be." (p.15)</li> </ul>
<p>HSRC, "The Social Wage in South Africa," report commissioned by DWAF on behalf of the Social Cluster</p>	<p>2004</p>	<ul style="list-style-type: none"> <li>▪ "The approach to the Comprehensive Social Security Framework (CSSF) has advocated a 'package approach' in which poverty and social security are approached from different angles simultaneously. Drawing on the Taylor Committee's report, the team tasked with the development of the CSSF has advocated a social security package incorporating five main 'areas of need', each of which in itself requires a number of initiatives. These five areas of need are: income poverty, service poverty, asset poverty, special needs, and social insurance. The social wage focuses on efforts to address service poverty.</li> <li>▪ "The CSSF is considered to have three pillars of which the first addresses basic universal protection; the second the contributory cover paid for by income earners; while the third is purely discretionary for those who can and wish to pay for it. The social wage is part and parcel of the first pillar.</li> <li>▪ "The other main components of the first pillar on basic universal protection are i) social grants; ii) laws and regulations that protect the interests of all South Africans and in particular the poor; and, presumably, iii) public goods. Consideration of these other elements of the first pillar leads to two observations. Of these three, the social wage is most comparable in nature to social grants, and indeed the value and distribution of the social wage is best considered in conjunction with the value and distribution of social grants.</li> </ul>



		<p>“Since the short-term, private value of both regulation and public goods is extremely difficult to estimate and by definition almost impossible to target (except, say, geographically), it is the social wage and social grants that comprise that part of the first pillar which lends itself to quantification and targeted delivery. This suggests that, for the purposes of any future CSSF, periodic estimation of the distribution of the social wage, is essential for monitoring government’s performance in effecting the universal protection promised by the first pillar.” (p.6)</p> <ul style="list-style-type: none"> <li>▪ See also page 42 of Taylor Commission report (reproduced below)</li> </ul>
EPRI, “The Social and Economic Impact of South Africa’s Social Security System”	2004	<ul style="list-style-type: none"> <li>▪ “Social grants in South Africa play a critical role in reducing poverty and promoting social development.” (p.1)</li> <li>▪ “The evidence in this report documents the substantial impact of South Africa’s social security system in reducing poverty and destitution.” (p.2)</li> <li>▪ “The results of this study provide evidence that the household impacts of South Africa’s social grants are developmental in nature.” (p.2)</li> <li>▪ “Poverty and its associated consequences erode the opportunities for children and youth to attend school, fomenting a vicious cycle of destitution by undermining the household’s capacity to accumulate the human capital necessary to break the poverty trap.” (p.2)</li> </ul>
“The People’s Budget 2005-2006”	2005	<ul style="list-style-type: none"> <li>▪ “Ending poverty is not just about spending more and better. Perhaps even more importantly, it is about economic and political power. The government must step in to empower the poor economically and socially by improving social protection, redistributing wealth and redirecting the economy to create employment. That means that we need measures to give the poor greater access to jobs, productive assets and skills, ensuring greater investment in industries. Only this type of programme can reverse apartheid’s legacy of impoverishment.”</li> </ul>

### International development organisations

Source	Year	Summary regarding poverty
D. Narayan, <i>Empowerment and Poverty Reduction: A Sourcebook</i> , Washington DC: World Bank	2002	<ul style="list-style-type: none"> <li>▪ “Empowerment is the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives.” (p.14)</li> <li>▪ “Successful efforts to empower poor people, increasing their freedom of choice and action in different contexts, often share four elements: (1) access to information, (2) inclusion and participation, (3)</li> </ul>

		<ul style="list-style-type: none"> <li>▪ accountability, and (4) local organisational capacity.” (p.18)</li> <li>▪ “Because poverty is multidimensional, so are these assets and capabilities.” (p.14)</li> <li>▪ “Assets refers to material assets, both physical and financial. Such assets – including land, housing, livestock, savings, and jewellery- enable people to withstand shocks and expand their horizon of choices.” (p.14)</li> <li>▪ “[E]xtreme limitation of assets [...] severely constrains their capacity to negotiate fair deals for themselves and increases their vulnerability” (p.14)</li> <li>▪ “Capabilities [...] are inherent in people and enable them to use their assets in different ways to increase their well-being.” (p.14)</li> <li>▪ “Human capabilities include good health, education, and production or other life-enhancing skills.” (pp. 14-15).</li> <li>▪ “Social capabilities include social belonging, leadership, relations of trust, a sense of identity, values that give meaning to life, and the capacity to organise.” (p.15)</li> <li>▪ “Political capabilities can be individual or collective.” (p.15)</li> <li>▪ “poor people are often unable to take advantage of opportunities to invest in their assets or exercise their individual rights.” (p.15)</li> <li>▪ “For poor people, the capacity to organise and mobilise to solve problems is a critical collective capability that helps them overcome problems of limited resources and marginalisation in society.” (p.15)</li> </ul>
<p>World Bank, <i>World Development Report 2000: Attacking poverty</i>. Oxford: Oxford University Press</p>	<p>2000</p>	<ul style="list-style-type: none"> <li>▪ “Attacking poverty in three ways: promoting opportunity, facilitating empowerment, and enhancing security.” (pp.6-7)</li> <li>▪ Promoting opportunity &gt; material opportunities: jobs, credit, schools, water, sanitation, and health services. This requires action by the state to support the build-up of human, land, and infrastructure assets that poor people own or to which they have access.</li> <li>▪ Facilitating empowerment &gt; Achieving access, responsibility, and accountability is intrinsically political and requires active collaboration among poor people, the middle class, and other groups in society. Active collaboration can be greatly facilitated by changes in governance that make public administration, legal institutions, and public service delivery more efficient and accountable to all citizens - and by strengthening the participation of poor people in political processes and local decision making. Also important is removing the social and institutional barriers that result from distinctions of gender, ethnicity, and social status.</li> <li>▪ Enhancing security &gt; Reducing vulnerability – to economic shocks, natural disasters, ill health, disability, and personal violence- is an intrinsic part of enhancing well-being and encourages investment in human capital and in higher-risk, higher-return activities. This requires effective national action to manage the risks of economy wide shocks and effective mechanisms to reduce the risks faced by poor people, including health- and water-related risks. It also requires building the assets of poor people, diversifying</li> </ul>

		<p>household activities, and providing a range of insurance mechanisms to cope with adverse shocks- from public work to stay-in-school programmes and health insurance.</p> <ul style="list-style-type: none"> <li>▪ Enhancing opportunities (pp.8-9): <ul style="list-style-type: none"> <li>○ Encouraging effective private investment and complementary public investment</li> <li>○ Expanding into international markets</li> <li>○ Building the assets of poor people</li> <li>○ Addressing asset inequalities across gender, ethnic, racial, and social divides</li> <li>○ Getting infrastructure and knowledge to poor areas-rural and urban</li> </ul> </li> <li>▪ Empowerment (pp.9-10): <ul style="list-style-type: none"> <li>○ Laying the political and legal basis for inclusive development</li> <li>○ Creating public administrations that foster growth and equity</li> <li>○ Promoting inclusive decentralisation and community development</li> <li>○ Promoting gender equity</li> <li>○ Tackling social barriers</li> <li>○ Supporting poor people's social capital</li> </ul> </li> <li>▪ Security (p.10-11): <ul style="list-style-type: none"> <li>○ Formulating a modular approach to helping poor people manage risks</li> <li>○ Developing national programmes to prevent, prepare for, and respond to macro shocks- financial and natural.</li> <li>○ Designing national systems of social risks management that are also pro-growth</li> <li>○ Addressing civil conflict</li> <li>○ Tackling the HIV/AIDS epidemic</li> </ul> </li> <li>▪ Dimensions of poverty include (p.19): <ul style="list-style-type: none"> <li>○ Income poverty measured by income and consumption</li> <li>○ Health and education important poverty/well-being indicators</li> <li>○ Vulnerability is the risk that an individual will experience an episode of income or health poverty over time. But vulnerability also means the probability of being exposed to a number of other risks. Voicelessness and powerlessness</li> </ul> </li> </ul>
<p>S. Guttal, A. Bendaña, and H. Wanguza, "The World Bank and the PRSP: Flawed Thinking and Failing Experiences," Jubilee South, Focus on the Global South, AWEPON, and the Centro de Estudios Internacionales</p>	<p>2001</p>	<ul style="list-style-type: none"> <li>▪ "In the name of poverty reduction, the World Bank and the IMF are seeking an expanded basis for sustaining externally driven structural adjustment plans. Our review of the actual PRSP processes confirms pre-existing doubts as to whether these processes represented fundamental changes in Bank-Fund programs and thinking. In every case examined the most important element of the PRSPs or interim PRSPs devised are the mandatory policy matrices. These orientations detail the now standardized Bank-Fund assortment of policy reform, including liberalization, privatization, fiscal and administrative reform, assets management. Fighting poverty becomes the newest justification for the aging prescriptions</li> </ul>

<p>with the support of the World Council of Churches; Ottawa, 16 November</p>		<p>geared to increasing the overall opening of the host country to external economic actors and free market rules.” (p.2)</p> <ul style="list-style-type: none"> <li>▪ “Reducing the discussion of poverty to poverty alleviation instead of the development model and economic globalization can be intentionally deceptive. There are a number of elements that are <i>not</i> included in PRSPs because they do not fit within the obligatory neoliberal parameters. Policy and political measures indispensable in many cases to effective poverty <i>and inequality</i> reduction mentioned included land and agrarian reform, progressive taxation, support for domestic markets and protection, food sovereignty, the protection of environment and labor vis-à-vis investors, assurances of social rights and entitlements, and other forms of governmental protection vis-à-vis the free market. In most official PRSPs and PRSPs these elements did not appear even in the diagnosis, and if the poverty diagnosis is incorrect, so too will the emerging strategy. This is why we believe that the policy matrices that appeared in most PRSP processes seldom show a demonstrable connection with actual poverty reduction.” (p.2)</li> <li>▪ “In practices, CSOs and governments came to complain, for different reasons, that the two dynamics – poverty alleviation and debt relief – became intertwined, hopelessly confused and subject to different expectations” (p.3).</li> </ul>
<p>United Nations, <i>Poverty in the Human Development Perspective: Concept and Measurement</i></p>	<p>1997</p>	<ul style="list-style-type: none"> <li>▪ “If human development is about enlarging choices, poverty means that opportunities and choices most basic to human development are denied – to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-respect and the respect of others. The contrast between human development and human poverty reflects two different ways of evaluating development. One way, the ‘conglomerative perspective,’ focuses on the advances made by all groups in each community, from the rich to the poor. This contrasts with ... the ‘deprivational perspective,’ in which development is judged by the way the poor and the deprived fare in each community.” (p.15)</li> <li>▪ Three perspectives on poverty (p 16):</li> </ul>

		<p>resources the need for employment and participation.</p> <ul style="list-style-type: none"> <li>• <i>Capability perspective:</i> Poverty represents the absence of some basic capabilities to function—a person lacking the opportunity to achieve some minimally acceptable levels of these functionalities. The functionalities relevant to this analysis can vary from such physical ones as being well nourished, being adequately clothed and sheltered and avoiding preventable morbidity, to more complex social achievements such as partaking in the life of the community. The capability approach reexamines the notions of absolute and relative poverty since relative deprivation in incomes and commodities can lead to an absolute deprivation in minimum capabilities.</li> </ul>
<p>United Nations Statistics Division, "Millennium Indicators Database" (<a href="http://unstats.un.org/unsd/mi/mi_goals.asp">http://unstats.un.org/unsd/mi/mi_goals.asp</a>)</p>	<p>Jan. 2005</p>	<ul style="list-style-type: none"> <li>▪ "Human poverty index concentrates on deprivation in longevity (death at early age), knowledge (literacy rate) and decent living standard (access to health services and to safe water, malnourished children under age of 5)." (p.18)</li> <li>▪ <i>Goal 1. Eradicate extreme poverty and hunger</i> <ul style="list-style-type: none"> <li>○ Target 1. Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day</li> <li>○ Indicators</li> <li>○ Proportion of population below \$1 (1993 PPP) per day (World Bank)</li> <li>2. Poverty gap ratio [incidence x depth of poverty] (World Bank)</li> <li>3. Share of poorest quintile in national consumption (World Bank)</li> <li>○ Target 2. Halve, between 1990 and 2015, the proportion of people who suffer from hunger</li> <li>○ Indicators</li> <li>4. Prevalence of underweight children under five years of age (UNICEF-WHO)</li> </ul> </li> </ul>

5. Proportion of population below minimum level of dietary energy consumption (FAO)

International academic

<p>A. Sen, <i>Development as Freedom</i>, Oxford University Press</p>	<p>1999</p>	<ul style="list-style-type: none"> <li>▪ “Freedoms are not the only primary ends of development, they are also among its principal means. [...] <b>Political freedoms (in the form of free speech and elections) help to promote economic security.</b> Social opportunities (in the form of education and health facilities) facilitate economic participation. Economic facilities (in the form of opportunities for participation in trade and production) can help to generate personal abundance as well as public resources for social facilities. Freedoms of different kinds can strengthen one another.” (p.11)</li> <li>▪ Sen favours the capabilities approach to development.</li> <li>▪ “The capabilities a person has, are the substantive freedoms he or she enjoys to lead the kind of life he or she has reason to value. In this perspective, poverty must be seen as the deprivation of basic capabilities rather than merely as lowness of incomes, which is the standard criterion of identification of poverty.” (p.87)</li> <li>▪ Poverty can be sensibly identified in terms of capability deprivation; the approach concentrates on deprivations that are intrinsically important (unlike low income, which is only instrumentally significant).</li> <li>▪ There are influences on capability deprivation – and thus on real poverty – other than lowness of income (income is not the only instrument in generating capabilities)</li> <li>▪ The instrumental relation between low income and low capability is variable between different communities and even between different families and different individuals (the impact of income on capabilities is contingent and conditional)” (pp.87-88)</li> </ul>
<p>A. Coudouel, J. S. Hentschel, and Q. T. Wodon, “Poverty Measurement and Analysis,” in <i>The World Bank Group (eds.) Poverty Reduction Strategy Sourcebook: Volume 1 – Core Techniques and Cross-Cutting Issues</i>, Washington DC: World Bank (<a href="http://www.worldbank.org/pover">http://www.worldbank.org/pover</a>)</p>	<p>2002</p>	<ul style="list-style-type: none"> <li>▪ “Various definitions and concepts exist for well being, and this chapter focuses on three of its aspects. First, it addresses what is typically referred to as poverty, that is, whether households or individuals possess enough resources or abilities to meet their current needs. This definition is based on a comparison of individuals’ income, consumption, education, or other attributes with some defined threshold below which individuals are considered as being poor in that particular attribute. Second, the chapter focuses on inequality in the distribution of income, consumption, or other attributes across the population. This is based on the premise that the relative position of individuals or households in society is an important aspect of their welfare. In addition, the overall level of inequality in a country, region, or population group, in terms of monetary and nonmonetary dimensions, is in itself also an important summary indicator of the level of welfare in that group.... Finally, the chapter considers the vulnerability</li> </ul>

<p>ty/strategies/sourctoc.htm)</p>		<p>dimension of well-being, defined here as the probability or risk today of being in poverty – or falling deeper into poverty – at some point in the future. Vulnerability is a key dimension of well-being, since it affects individuals' behavior (in terms of investment, production patterns, coping strategies) and their perception of their own situation." (p.29)</p> <ul style="list-style-type: none"> <li>▪ <i>"Health and nutrition poverty.</i> The health status of household members can be taken as an important indicator of well-being. Analysts could focus on the nutritional status of children as a measure of outcome as well as the incidence of specific diseases (diarrhea, malaria, respiratory diseases) or life expectancy for different groups within the population. If data on such health outcomes are unavailable, input proxies could be used, such as the number of visits an individual makes to hospitals and health centers, access to specific medical services (such as pre- and postnatal care), or the extent to which children receive vaccinations in time as an input for their future health status." (p.33)</li> <li>▪ <i>"Education poverty.</i> In the field of education, one could use the level of literacy as the defining characteristic and some level judged to represent the threshold for illiteracy as the poverty line. In countries where literacy is nearly universal, one might opt for specific test scores in schools as the relevant outcome indicator to distinguish among different population groups. Another alternative would be to compare the number of years of education completed to the expected number of years that, in principle, should be completed." (p.33)</li> </ul>
<p>C. Ruggeri Laderchi, R. Saith and F. Stewart, "Everyone Agrees We Need Poverty Reduction, But Not What This Means: Does This Matter?" Paper for WIDER Conference on Inequality, Poverty and Human Well-being, Helsinki, 30-31 May 2003</p>	<p>May 2003</p>	<ul style="list-style-type: none"> <li>▪ "While there is worldwide agreement on poverty reduction as an overriding goal, there is little agreement on the definition of poverty. The paper reviews four approaches to the definition and measurement of poverty- the monetary, capability, social exclusion and participatory approaches. It points out the theoretical underpinnings of the various measures, and problems of operationalising them. It argues that each is a construction of reality, involving numerous judgements, which are often not transparent. The different methods have different implications for policy, and also, to the extent that they point to different people as being poor, for targeting. Empirical work in Peru and India shows that there is significant lack of overlap between the methods with nearly half the population identified as in poverty according to monetary poverty not in capability poverty, and conversely. This confirms similar findings elsewhere. Hence the definition of poverty does matter."</li> </ul>

## Appendix 2 – List of interviewees and list of discussion questions

### List of interviewees

Department	Name(s) and designation(s)
Social Development	▪ Sadi Luka – Chief Director, Integrated Development
Health	▪ GH de Klerk – Deputy Director, Nutrition ▪ A Behr – Assistant Director, Nutrition
Agriculture	▪ Salome Modiselle – Deputy Director, Farmer Settlement
Provincial and Local Government	▪ Chris Malehase – Director, M&E Free Basic Services ▪ Amanda van Schoor – Deputy Director, Municipal Infrastructure Grant ▪ Neliswa Nolabankulu – Deputy Director, Free Basic Electricity ▪ Monthe Moatshe – Deputy Director, Free Basic Water and Sanitation
National Treasury	▪ Julia de Bruyn – Senior Manager, Intersectoral Programmes ▪ (formerly Programme Manager, Special Allocation for Poverty Relief Infrastructure Investment and Job Summit projects)
Policy Co-ordination and Advisory Services, Office of the President	▪ Vusi Gumede – Chief Director, Social Sector ▪ Mastoera Sadan – Director, Social Sector ▪ Lawrence Matemba – Deputy Director, Social Sector
Science and Technology	▪ Isaac Lusunzi – General Manager, Poverty Reduction
Public Works	▪ Stanley W. Henderson – Chief Director: Monitoring and Evaluation Specialist, Expanded Public Works Programme
Land Affairs	Carmen van der Merwe – Director, Redistribution Policy and Systems

### List of discussion questions

- In what way does your department contribute to resolving South Africa's poverty problem?
- Are these efforts working? Why are they working, or why not?
- How do you know whether or not they are working? Does the department rely upon a formal M&E system in order to ascertain what is working?
- Would you describe these measures as “poverty relief”? “Poverty alleviation?” “Poverty reduction?” “Poverty eradication?”
- Does your department subscribe to any particular definitions for these terms? Or are they used loosely and interchangeably? Has there been any change over time in the terminology that is used? From where does your department get its terminology? Are any particular criteria applied that justify categorising different interventions according to these different labels?
- Do you think that your department's role in addressing poverty fits within a comprehensive, government-wide anti-poverty strategy? Please explain.
- What do you see as a ‘project’, versus what do you see as a ‘programme’?



## **Appendix 3 – Draft chapter for DBSA’s *Development Report 2005***

### **“Why Do Underdevelopment and Poverty Persist? An Overview of Current Debates”**

**Michael Aliber (HSRC) and Josephilda Nhlapo-Hlope (DBSA)**

#### **1 Introduction**

Eleven years on from South Africa’s transition to democracy, it is clear that underdevelopment and poverty persist. People might argue as to whether they have become marginally more or less widespread or severe, but there is no argument that, on the whole, underdevelopment and poverty have not greatly changed from what they were. For many of those South Africans and others who welcomed the new dispensation, this is not what was expected. Surely with the shackles of Apartheid removed, the re-inclusion into the international order, and the bringing together of the best minds, development would take off dramatically and major inroads into poverty would soon become visible. Were these merely vain hopes fuelled by euphoria over the ‘South African miracle’? Did government make serious mistakes, in the absence of which things might have turned out better? Is globalisation to blame, or have unforeseen circumstances prevented the overcoming of underdevelopment? Or, more ominously, are there structural obstacles that impede efforts to address underdevelopment and poverty?

The purpose of this chapter is to explore debates as to what may be contributing to the persistence of South Africa’s underdevelopment, poverty, and indeed inequality. The discussion is structured largely around the main areas of intervention identified by the government in addressing poverty. Very broadly, the government’s approach to poverty reduction is as summarised by President Mbeki in a speech to Parliament in May 2004:

“At the core of our response to all these challenges is the struggle against poverty and underdevelopment, which rests on three pillars. These are: encouraging the growth and development of the First Economy, increasing its possibility to create jobs; implementing our programme to address the challenges of the Second Economy; and, building a social security net to meet the objective of poverty alleviation” (Mbeki 2004).

Thus in respect of the ‘First Economy’ pillar, we examine the debate about the government’s macroeconomic policy. In terms of the ‘Second Economy’ pillar, there are two issues, first, understanding what makes such a pillar necessary in the first place, and second, what can be said of government’s efforts to actually intervene in the second economy. As for the third pillar, we touch on the debate as to whether the social security net, which in large measure means social security grants, has the effect of dulling people’s initiative, or stimulating it. The chapter begins however with a brief consideration of how the project of poverty reduction was initially conceptualised by the government taking power in 1994.

## 2 Early thinking – how poverty and underdevelopment were expected to fade away

Prior to the elections in April 1994, as sort of an election manifesto, the ANC put out the ‘base document’ of the Reconstruction and Development Programme.<sup>i</sup> The RDP was more a statement of vision and broad framework than a ‘programme.’ Nelson Mandela’s preface stated that “The process now underway is that of developing the detailed policy and legislative programme necessary to implement the RDP.”

There is broad recognition that, because it sought to be a statement that was mutually acceptable to all members of the ANC-COSATU-SACP alliance, the RDP base document was vague and sometimes confusing. The debate as to its meaning centred mainly, as it still does, on the question of the country’s macroeconomic orientation, the role of the state versus the private sector, and labour policy.

As for how the RDP proposed to address poverty, it is summarised succinctly in the following passage:

“The central objective of our RDP is to improve the quality of life of all South Africans, and in particular the most poor and marginalised sections of our communities.... The strategy for meeting basic needs rests on four pillars, namely:

- creating opportunities for all South Africans to develop to their full potential;
- boosting production and household income through job creation, productivity and efficiency, improving conditions of employment, and creating opportunities for all to sustain themselves through productive activity;
- improving living conditions through better access to basic physical and social services, health care, and education and training for urban and rural communities, and
- establishing a social security system and other safety nets to protect the poor, the disabled, the elderly and other vulnerable groups.” (s 2.2.3 & s 2.2.4)

The first thing to note is that, though structured differently, the excerpt above contains the same elements as those in President Mbeki’s three pillar / two economy formulation from 10 years later.

Secondly, in terms of the economic emancipation of the poor, more or less equal weight is given to job creation on the one hand, and the development of under-developed areas on the other hand. The second bullet might appear to prioritise jobs – by which we understand formal sector jobs – over forms of informal sector employment and self-employment, i.e. “productive activity.” However, there are other instances in the RDP document that appear to emphasise what we now refer to as the development of the second economy:

“The key to this link [between growth, development, reconstruction and redistribution] is an infrastructural programme that will provide access to modern and effective services like electricity, water, telecommunications, transport, health, education and training for all our people. This programme will both meet basic needs and open up previously suppressed economic and human potential in urban and rural areas. In turn this will lead to an increased output in all sectors of the economy....” (s 1.3.6)

As both of the previous quotes make clear, an important theme is that the new dispensation would facilitate the realisation of pent-up potential. Coming to our third point, presumably this is why social security, though embraced as a necessary part of the overall duty to address

poverty, was always seen as a measure that had to be limited. In language that still resonates today,<sup>ii</sup> the RDP document stated that:

“Although a much stronger welfare system is needed to support all the vulnerable, the old, the disabled and the sick who currently live in poverty, a system of ‘handouts’ for the unemployed should be avoided.” (s 2.3.3)

In other words, notwithstanding the fact that there may not be enough formal sector jobs for everyone, most able-bodied people should be able to find a way to cope. Because, given freedom and a bit of state investment in infrastructure and services, people can, should and will get busy with improving their own lives and thereby contributing to general economic renewal.

In the event, the delivery of infrastructure and services has been impressive, and in some instances even stunning, but the general economic regeneration has not taken place. The informal sector remains perplexingly small relative to that of otherwise comparable middle-income countries.<sup>iii</sup> Commercially-oriented small-scale agriculture is stagnant if not shrinking, which is especially unfortunate in light of the fact that agricultural land represents the productive asset most widely available to rural blacks, notwithstanding its uneven quality. And perhaps most seriously, although macroeconomic stability has been achieved, growth has been disappointing and formal sector job creation has consistently lagged behind growth in the labour force. Indeed, the growth of the labour force is itself identified as a result of post-apartheid freedom: “...unemployment grew as the number of new jobs failed to keep up with the number of people liberated into the job market” (Hirsch 2004, p.1).

Leaving aside for a moment the question of job creation in the formal sector, why does it appear that the assumption that political freedom would unleash economic potential was incorrect or incomplete? The *Ten Year Review* observes that, “There are weaknesses in those areas that are least dependent on direct government action, at the coalface of interaction with the public and in the supervision and management of implementation” (PCAS 2003, p.202). The implication is that transformation is not occurring spontaneously to the extent desirable, such that more depends on direct government intervention than one might have hoped.

Seemingly part of the answer is the severity of the legacy left by apartheid, not least in respect of the under-investment in the education of black people. According to the 2001 census, 22% of Africans are completely illiterate whilst only 5% have some form of tertiary education, as compared to 30% of whites. As late as 1989 the state continued to spend 4.4 times more on a white child than on a black child – this having fallen from 16.6 times in the 1970s (UPETD 2004). Though black students are admitted to institutions of higher learning in significant numbers, they drop out soon after due to lack of support, mentoring, and cultural belonging (E. Surty 2004). On the other hand, some observers draw attention to the rising numbers of unemployed graduates, as well as the fact that the South African population enjoys a level of primary and secondary education that compares favourably with many other developing countries (Magketla 2004). One possible rejoinder is that one should not confuse formal qualifications with real skills, with some people claiming that South Africa is producing too many people with the former who lack the latter, with the result that poverty and inequality are perpetuated (Pillay 2004). The challenge is indeed immense: to democratise access to education at all levels, while improving standards; and at the same time, catering for the fact that the educational needs of the first and second economies may be quite different.

A second, rather different, factor is an unfriendly environment for small business. Initially, the focus of government was on trying to improve access to credit and training; it is now

acknowledging the need to examine how the regulatory and tax environment impinges on small business,<sup>iv</sup> and simultaneously attempting to improve the environment for businesses of all sizes through the Micro-Economic Reform Strategy (Hirsch 2004). The advisability of these measures is not in doubt; whether their collective impact will be great or small, however, is difficult to say, not least because one of the key constraints on small business – and in particular on small business towards the micro-end of the scale – appears to be lack of effective demand.

And a third factor, the effects of which we are only now beginning to feel, is the HIV/AIDS epidemic. The manner in which AIDS-affectedness interferes with poorer households' ability to cope, never mind accumulate and thrive, is well known (see e.g. Steinberg *et al.* 2002). The extent to which the epidemic does or will adversely affect the economic chances of less directly affected households, particular as the death toll from the epidemic grows, is less understood.

### **3 The role of the first economy**

In the intense international debate regarding the relationship between growth, poverty, and inequality, much of which is based on different attempts to undertake multi-country, longitudinal statistical analyses, a relative consensus has emerged on two counts. First, it is uncontroversial that a country's economic growth generally contributes positively to a reduction of its poverty (Sumner 2003, Lopez 2004), or at least that it is a necessary condition for significant poverty reduction (Mosley 2004). But second, there is general agreement that the extent to which the poorest benefit from economic growth depends to a large degree on 'initial conditions.' In particular, the greater is income and/or asset inequality, the less the poor (and especially the poorest of the poor) will benefit from growth (Birdsall *et al.* 1997, Birdsall *et al.* 1999). The policy implication is clear: a country must choose its initial conditions wisely. Failing that – if for example it has the misfortune to inherit huge inequalities such as those that typified apartheid South Africa – then it must compensate somehow. How best to compensate, however, is not at all clear. Few would disagree with the emphasis placed on raising the standard of education and increasing the opportunities for skills training among those already in the labour force. But what about redistribution? Redistribution of what?

Where the international debate has been most acrid recently is not on the relationship of growth to poverty and inequality, but rather on what determines growth in the first place. Drawing a huge amount of fire has been the so-called 'globalisation thesis' associated with World Bank economists David Dollar and Aart Kraay (2001). The globalisation thesis, for which Dollar and Kraay provide statistical evidence from their own multi-country study, maintains that free trade policies (as well as other macro policies generally favoured by the World Bank and IMF) tend to promote the growth in which the poor share equally with everyone else, i.e. the 'poverty elasticity' of the poorest quintile relative to growth is approximately equal to one.

In response there has been a flood of critiques from left-leaning academics, variously criticising Dollar and Kraay's methodology and dataset, questioning their interpretation of their own results, and re-analysing their data using different techniques. Dollar and Kraay have replied by suggesting that much of the criticism addressed to them has been more of a reproach to caricaturised versions of their argument, rather than to their actual argument (Sumner 2003).

Whether or not this is true, it is interesting that a similar pattern has evolved in the debate over macroeconomic policy in South Africa. On the one side, critics charge that government's

macroeconomic policies are slavishly neo-liberal, the consequence of which is that fiscal conservatism is preventing necessary investment in poverty reduction, while unnecessary over-exposure to the forces of globalisation is hobbling the economy and in particular leading to job losses and/or to near-jobless growth. Government meanwhile asserts that its policies are misconstrued, that they are not at all inconsistent with the principles and objectives of the RDP, and that fiscal conservatism is not a choice but a reality that was forced on the government and the country by circumstances. Moreover, government points out, probably rightly, that too much is made of fiscal stringency as a constraint on poverty-directed spending, because in fact the amount of money channelled into social grants and social services is large and ever rising.<sup>v</sup> The bigger problem is how to spend this money to greater effect, as government itself is blunt in acknowledging.<sup>vi</sup>

As for labour policy, there continues to be a debate as to whether the labour market is too rigid, or too flexible. In favour of the latter perspective is the observation that, were the labour market truly so rigid, then we would not have witnessed the loss of jobs from the mining sector on such a large scale (Magketla 2004). On the other hand, there is land doubt that the introduction of the minimum wage into the agricultural sector is only aggravating an already bad situation. Agricultural employment has historically been the single largest source of formal sector employment in rural areas, but it has declined by about 29% since 1985.<sup>vii</sup> While the wish to see agricultural wages increase is certainly understandable, doing anything that strengthens the trend of job loss in places where there are so few alternatives is to be regretted. Moreover, as with mining and other industries, the downsizing of the agricultural labour force appears to most strongly affect those with the least skills, who in general are those with the fewest options.

Whatever might be the 'correct' answer in respect of labour market policy, it is likely secondary to the overarching question of how South Africa identifies its comparative advantage and proposes to exploit it. As explained in the *Ten Year Review*, "In terms of overall balances, government had to make various trade-offs...between: actively promoting the modernisation and improvement of productivity of both the public and private sectors even though it was recognised that there would be negative implications for some of the unskilled components of the workforce" (PCAS 2003, p.74). This decision was almost certainly correct, given how changes in the global trade of manufactures have left middle-income industrialising countries in a position where they are fast losing any competitive edge in low technology, labour-intensive products, leading to a stagnation or even loss of formal sector employment (Kaplan 2004). Thus the observation that much of South Africa's growth is regrettably concentrated in industries that are capital intensive is not a reflection of flawed policy (though some observers certainly feel otherwise), but rather of the private sector attempting to adapt to economic realities. Unfortunately, this sort of transition must occur on a much larger scale, and more rapidly, to compensate for the loss of jobs in more low-tech industries. It turns out that the project of building the economic skills base, which would have been daunting enough in a less globalised world, must also chase a moving target.

An informal poll of policy makers in the National Treasury and the Policy Co-ordination and Advisory Services (PCAS) unit of the Presidency, reveals a common conviction that the solution to South Africa's poverty problem depends first and foremost on achieving higher economic growth. Growth must simply be higher than it has been over the past decade, so as to enable the economy to absorb more job seekers. The main culprit for inadequate growth to date has been identified by government as the insufficient rate of investment. is reflected for example in the data on gross fixed capital formation, which declined from a high of almost 30% of GDP in the early 1980s to about 16% today, with the corresponding figures for the

share of public sector capital formation being about 12% and 4% (Hirsch 2004, pp.3-4). Accordingly, government has announced bold moves to take the lead in boosting investment, having in the past year “developed strategies and investment plans upward of R180-billion in relation to transport logistics, electricity and water resources” (Mbeki 2005). The Minister of Finance has meanwhile designated a governmental task team to identify ways to increase economic growth to a target of at least 6%, a rate deemed necessary to make serious inroads into unemployment. What will come out of the task team’s work is not yet known. However, there is little reason to believe that a dramatically different macroeconomic orientation is in the making. While media reports have been buzzing for the past year with speculation that government thinking is shifting in favour of a more interventionist role, it is unlikely that this will amount to more than a variation on the established policy of anti-inflationary fiscal conservatism and trade liberalism. In particular, the types of public investment identified are mainly geared towards improving the country’s economic infrastructure, not necessarily promoting specific sectors.<sup>viii</sup> Secondly, there is an evident lack of urgency in developing a robust industrial policy, with Trade and Industry’s apparent hesitation recently to come to the defence of the decimated textiles industry being merely the most publicly acrimonious example.

How all-important is the first economy in terms of reducing poverty and inequality? Supposing the rate of employment growth were more along the lines of the 300 000 jobs per year that MERG projected if its proposals were followed, or the up to 400 000 jobs per year forecast by GEAR a couple of years later. Back-of-the-envelope calculations suggest that under these two scenarios – which in retrospect appear to have been highly optimistic – the number of unemployed individuals would today be between one fifth and one third fewer, not taking into account secondary effects. One can infer that the incidence of poverty would be far less than it is today, though depending on one’s interpretation of recent poverty trends, this job growth would have prevented an increase in poverty more than it would have allowed for a decrease in poverty. Either way, we would still be having a discussion about what to do about enduringly high levels of poverty.

#### **4 Redistribution?**

The word ‘redistribution’ is used in a number of different senses in official government policy. Early in the evolution of its thinking on economic policy, the ANC favoured an approach broadly called ‘growth through redistribution,’ in which a strong developmental role for the state was called for, broadly after the model of the Asian Tigers. Redistribution in this instance did not generally mean of assets or even of wealth. Rather it meant the provision of “basic services, affordable housing and infrastructure” (ANC 1992, p.12), as well as higher wages to low-income earners, which would contribute both to higher savings and to greater demand. This sort of spending was considered good in itself, but more importantly it would stimulate the productive sector, and thereby push the economy onto a higher growth path.

However, the ANC was eventually persuaded that ‘growth through redistribution’ was risky ‘macroeconomic populism,’ in that the stimulus to demand, through what would necessarily be deficit spending, would likely be inflationary and detrimental to the balance of payments (Nattrass 1994). An under-appreciated consequence of the decision to downplay ‘growth through redistribution,’ the logic of which was to stimulate the economy by means of boosting domestic demand, is that it potentially had much more to offer the informal and SMME sectors in the short and medium term than anything else government could come up with.<sup>ix</sup> This is not to suggest that the ANC made the wrong decision in respect of macroeconomic policy, but to

underline that the decision did nonetheless have major unfortunate consequences for the informal sector and SMMEs. In the event, the informal sector does appear to have grown over the past 10 years or so, but arguably not for the right reasons and not in an optimal way.<sup>x</sup>

When GEAR was introduced in 1996, critics were quick to point out the lack of content associated with the last word of its name – where was the “redistribution”? The only viable interpretation is that it inheres in the tax-expenditure system, but as Pundy Pillay (2004) has pointed out, in this context the redistribution was expected to be the consequence of growth, whereas in the ‘growth through redistribution’ approach it was in principle meant to be the other way around.

In fact it is difficult to say whether the tax-expenditure system that South Africa does possess is consequence or cause of growth – arguably it is some measure of both. One thing that is absolutely clear is that South Africa’s tax-expenditure system is decidedly progressive, i.e. it does indeed have the effect of redistributing income (van den Berg 2005, HSRC 2004). What is interesting, however, is that the direct redistribution of assets comprises a very small share of this system (pretty much only housing and land), and of *productive* assets comprises even less (only land). (Indeed, in his 2004 Budget Speech, the Minister of Finance Manuel referred to social security grants as “...our largest and most effective redistribution programme”.) The policy question is, does asset-focused redistribution have a measurable effect in addressing the inequality which, as the international literature would indicate, impedes the poorest from sharing equally in the benefits from economic growth? On this score there is very little known. What information we have points to an ironic conclusion. Rather than being “...the central and driving force of a programme of rural development” (ANC 1994, s 2.4.2), land reform is performing so indifferently as to suggest that, perhaps, we just lack the capacity to undertake direct asset redistribution successfully.<sup>xi</sup> On the other hand, there is some incipient evidence that social grants – never mind that they are frequently denigrated as ‘welfare’ and ‘handouts’ – enable their recipients to play a more active role in the economy than they would otherwise, be it through funding their job search (EPRI 2004) or facilitating their participation in small-scale agriculture (Mthethwa *et al.* 2005).

## **5 The second economy as a function of economic exclusion?**

When President Mbeki introduced the two economy discourse with his speech to the National Council of Provinces in November 2003, the second economy was described as the space within which those who are marginalised from the first economy operate. Growth in the first economy cannot be expected to benefit those in the second economy, precisely because they are too marginalised to be able to share in its benefits: “Despite the impressive gains made in the first economy, the benefits of growth have yet to reach the second economy, and with the enormity of the challenges arising from the social transition, the second economy risks falling further behind if there is no decisive government intervention” (PCAS 2003, p.97). Moreover, as articulated in a recent piece in *ANC Today*, the second economy is, “...unable to generate the internal savings that would enable it to achieve the high rates of investment it needs. Accordingly, on its own, it is unable to attain rates of growth that would ultimately end its condition of underdevelopment” (ANC 2004).

As Paul Krugman (2002) has written in a different context, “Bad metaphors make bad policy.” The two-economy metaphor has not been received altogether favourably by South African academics and even some policy makers, largely on the grounds that it seems to set up too stark and simplistic a divide.<sup>xiii</sup> Moreover, the two economy metaphor lends itself to simplistic

follow-on metaphors that purport to explain how the second economy should be dealt with – e.g. ‘eliminated,’ ‘united with the first economy,’ etc. Notwithstanding these considerations, the introduction of the two-economy discourse has had the benefit of stimulating introspection and discussion, particularly valuable given that the debate over macroeconomic and labour market policies take up so much space. Hopefully our continued attention to poverty over the next 10 years will involve, among other things, more careful probing into the nature of the second economy, and more importantly the nature of the relationship between it and the first economy, which understanding must ultimately be drawn down to different sectors, settlement and household types, etc.

For now, we relate two concerns having to do with the idea that the second economy is a function of exclusion from the first economy.<sup>xiii</sup> First, the implication of this interpretation is that there are intrinsic qualities of the formal economy that conspire to keep people in poverty. This characterisation of the relationship can be quite inaccurate. For example, in some respects members of marginalised communities are a very important customer base of powerful first economy industries (du Toit 2004); the ethics of marketing and pricing policies could be debated, but it is difficult to imagine that these industries and numerous others would not wish to see income growth in this clientele. A second example is the cost to the first economy of crime, poor health, and lack of skills associated with the second economy. In fact the economic logic of colonial and apartheid South Africa, which sought to exclude, among other things, so as to create a cheap labour pool, no longer applies. The effect is to under-estimate the benefits to the first economy of directly and aggressively investing to address the problems of those who reside in the second economy. Unfortunately, such benefits to the first economy of investing in the second economy are characterised by some observers as an unfortunate leakage,<sup>xiv</sup> when in fact they might rather be exploited to argue for an even more progressive tax-expenditure system.

The second observation in respect of the limitations of exclusion as the crux of the two-economy metaphor, is that it fails to take into account the fact that the relationship of economic activities in the second economy relative to those in the first economy, can be either as complements or as substitutes. An under-appreciated feature of the last two decades is the extent to which the under-performance of the formal economy has negatively impacted the informal/second economy. There is qualitative evidence to the effect that the ability to perform small-scale agriculture in the former homelands (a quintessential second economy activity) is strongly correlated to incomes from formal sector employment, often in the form of remittances (Mthethwa *et al.* 2005). Although this has not yet been established with empirical rigour, the gradual increase in participation in small-scale agriculture over the past few years may be a function of the similarly gradual increase in formal sector employment over this same period. As for substitutes, it is certainly the case that at least some share of the increase in informal sector employment over the past 10 years is by way of people losing their jobs in the formal sector. Perhaps in a sense they have been excluded from the formal sector and thus are forced to take refuge in the informal sector. However, this dilutes the meaning of the word ‘exclusion.’ It is sufficient to say that the economy is changing, and that unfortunately those with the fewest resources to begin with tend to be the casualties.

## **6 Second economy interventions – what do they add up to?**

In late 2004 the Office of the Public Service Commission gazetted a public tender for an “Evaluation of Government’s Poverty Relief Programme.” As sensible as this sounds, the ordinary citizen might be surprised to learn that the two main objectives of this work were 1)

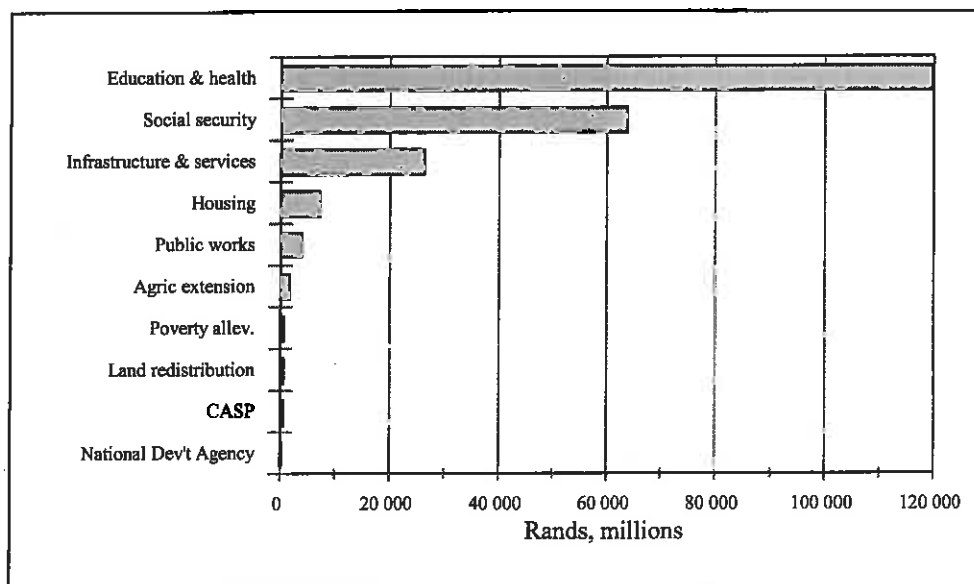


“to define poverty alleviation projects/programmes”, and 2) “to develop a database on all departments’...poverty alleviation projects/programmes” (OPSC 2004). (The actual ‘evaluation’ part will presumably follow in a subsequent tender.) In other words: there is no ‘Poverty Relief Programme’ as such, but rather sundry activities undertaken by various government departments, some of which might be characterised as forms of poverty relief; and national government itself does not have a comprehensive grasp of what these activities are, thus the tender.

How is it that an important statutory body like the OPSC can imagine that the government’s ‘Poverty Relief Programme’ is simply the collection of existing poverty reduction activities, whatever these may be? And yet that is precisely right. There is no question that government is engaged in poverty relief – in fact there are literally dozens of initiatives, as we know – but is it doing so according to a coherent, comprehensive strategy? Arguably not. Even the *Ten Year Review* acknowledges that, “Although the RDP and subsequent policy documents, Budget Reviews, and State of the Nation Addresses have attempted to set out the nation’s changing priorities, these pronouncements need to be integrated and distilled into a comprehensive, coherent and co-ordinated framework” (PCAS 2003, p.87).

A second observation is that there is an enormous discrepancy in the amount of spending between different types of initiatives that are predominantly aimed at the poor. As shown in the figure below, on the one hand, the amount of spending on core social services such as health and education, on social grants, and on infrastructure and service delivery, is on an entirely different plane from that on what we might call direct second economy initiatives.

Approximate budgets for main interventions to support the poor, 2004/05



Sources: Figures for Education, Health, Social Security, Infrastructure & services, and Housing are taken or calculated from National Treasury (2005a). Figures for Poverty alleviation, Land redistribution, CASP (Comprehensive Agricultural Support Programme), and the National Development Agency come from National Treasury (2005b). The figure for ‘Public works’ refers to expenditure on infrastructural and environmental interventions within the ambit of the EPWP, and calculated as one fifth of the five-year budgets indicated in EPWP (2005). The figure for Agricultural extension is taken from Düvel (2002) and adjusted for inflation.

Notes: that the figure for Land redistribution refers only to expenditure on grants, i.e. it excludes administration and management; expenditure on land restitution is not reflected on the grounds that its aims are not primarily developmental. The figure for Poverty alleviation

refers only to expenditures budget for by the Department of Social Development (designated as 'Poverty Alleviation and Food Security'), and thus may be a slight under-statement.

What accounts for this discrepancy? There is probably not one single answer, but one reason is certainly that, for certain types of initiatives, government departments actually struggle to spend the budget that they have. The inability of the Department of Welfare to spend its poverty project funds allocated by Treasury as part of the Poverty Alleviation Fund, was initially spectacular (IDASA 2000), but even now the Department (now the Department of Social Development<sup>xv</sup>) is still spending money that Treasury allocated for three years ago. As with other instances of under-spending, much of the problem comes down to lack of capacity, particularly because responsible departments were and are venturing into types of activities in which they had limited expertise. (To be fair, there were also instances of transfers from Treasuring occurring late in the budget year.) In theory, capacity can always be augmented by creating new posts, but it turns out that this is easier said than done, especially in an environment where government as a whole is averse to expanding the size of the civil service.

The second economy initiatives that have probably attracted the most praise are the various public works programmes, which prior to the introduction of the Expanded Public Works Programme were independent from one another, e.g. the Community Based Public Works programme (Department of Public Works), the Working for Water programme (Department of Water Affairs and Forestry), the LandCare (Department of Agriculture), etc. Working for Water in particular has been widely lauded as successful and efficient, which in many respects is absolutely justified. However, this should not distract us from the fact that benefiting a few tens of thousands of people a year makes little difference given the overwhelming scale of the unemployment problem. Even taken collectively, the total number of beneficiaries within the various public works initiatives did not number more than 120 000 across the country in a given year, nor does it appear that the Expanded Public Works programme is truly much of an expansion.

Taken together, these two observations point to one thing, namely that second economy initiatives are not generally guided by an overall, coherent framework that explains the respective role of each main contributing department, or the scale that the initiatives should seek to achieve. In fact it is rather a paradox. On the one hand, government is certainly not stingy when it comes to spending money on the poor. On the other hand, it appears incapable of effecting the shift that it has often declared so essential, i.e. away from welfare and towards development. (The asymmetry between the spending levels has if anything been growing rather than shrinking in recent years.) One of the reasons for this – apart from the manifest difficulty in spending money developmentally – is the apparent lack of strategic coherence when it comes to second economy initiatives. This is all the more peculiar in light of the fact that one of the departments chiefly responsible for second economy initiatives, namely the Department of Social Development, quite successfully manages the much, much larger social security programme. The contrast between, say, the comprehensive social security framework, which looks to formulate a meaningful, inter-departmental system for dealing with vulnerability, and the much more disparate collection of second economy initiatives, could not be more stark.

## **7 The social security net**

South Africa's social security net is justifiably regarded with simultaneous pride and worry. On the one hand, it represents a principled undertaking on a massive scale to help the most vulnerable, which it turns out is not a small number of people. On the other hand, it is a fiscal burden which government is struggling to contain. Beyond social grants such as the old age

pension, the child support grant, and the disability grant, which are received by almost 30% of households, there is even greater expenditure in the form of the 'social wage,' including free basic water and electricity, free primary health care, subsidised education, and so on, of which more than 90% of households received some benefits (HSRC 2004).

Arguably the most important policy question in respect of the social security net is whether it induces dependency or rather whether it acts as an economic stimulus. Indeed, these are not necessarily mutually exclusive – it could be that beneficiaries of, say, grants, do indeed exert themselves less to find or create work, but by spending their grant money provide essential liquidity into the local economy. Given the centrality of this question and the amount of money at stake, it is surprising we know so little.

Reference was made above to EPRI's hugely important recent research report, which among other things seeks to understand how the receipt of grants affects people's economic behaviour. The overall findings run very much against the supposition of those who worry about grant dependency: everything else held equal, the members of households that receive grants are more likely to be employed and even earn higher wages, while children in such households are more likely to attend school, and the household as a whole is likely to spend less on healthcare.<sup>xvi</sup> The conclusion is that grants do not merely reduce the symptoms of poverty, but in fact are 'developmental.' The study further shows that the redistributive aspect of the social grant system shifts aggregate consumption expenditure in favour of sectors produced with greater domestic content (e.g. food, clothing, and personal care). The trade-offs with non-consumption expenditure are not explored, and these may be more worrying, especially given the observations made above about inadequate levels of investment. Another open question is how much the beneficial employment effects at household level relate to the overall numbers of people gaining employment, versus who it is that is able to secure the limited employment opportunities that are available. Nonetheless, the findings of the study should placate policy makers who worry that the social grant system is merely a drain on the economy. Whether they will find encouragement to more seriously consider introducing the basic income grant is another matter.

## **8 Conclusion: prospects for the future?**

The main purpose of this chapter was to identify core debates about the durability of South Africa's situation of underdevelopment and poverty, which to a large degree consist of debates as to why post-apartheid South Africa has not made more progress in remedying them over the past 11 years. For the most part we did not attempt to resolve these debates.

We conclude by summarising what appear to be the prospects for the 'three pillars' to reduce underdevelopment and poverty into the future. First, in respect of the first economy pillar, there is reason for cautious optimism. Macroeconomic circumstances continue to improve, the government's commitment to increasing real investment is applauded, and most of all the continued commitment to improve the human capital base, notwithstanding difficulties, is what the country requires under any scenario. But what should be absolutely clear is that poverty reduction on a massive scale is not going to occur quickly by this strategy alone, and indeed it may still be years before much evident progress is made.

The limited short and medium-term potential of first economy growth to remedy poverty, is a principal argument in favour of robust interventions in what we are now calling the second economy. The chapters that follow will illustrate in greater detail, but the general picture that

emerges is that it is here that government has the furthest to go in improving its performance. The implicit theory that political freedom would beget economic freedom has proven false, and this is clearly recognised. It is also noted with approval that government is somewhat candid about the need for improvements, as expressed for example in the President's most recent State of the Nation address. But it is doubtful that government in general has an adequate appreciation of how overwhelmingly inadequate its so-called second economy interventions are. The challenge of shifting attention away from 'welfare' and towards development is no doubt very difficult, but what is unclear is whether there is sufficient appreciation of the magnitude of the challenge. The absence of a more coherent, scale-appropriate second economy strategy is a major impediment.

Having said that, we have raised the ambiguity as to whether there is such a clear distinction between 'welfare' and 'development.' Given that what has traditionally been considered mere welfare also appears to be developmental, albeit to some extent indirectly and/or accidentally, then perhaps, having examined the data further, might one conclude that second economy interventions are unnecessary (not to mention how difficult they appear to be)? This is unlikely, and not only because of the fact that social security grants are limited to certain types of people and households. But perhaps it does suggest that one should no longer think so strictly of social security and second economy development interventions as alternatives, when they could operate very much as complements. More to the point, second economy interventions, if they were to be conducted more effectively and at a much larger scale, could in principle broaden people's economic opportunities more deliberately, not least in preparing them to link to the first economy.

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<sup>i</sup> The term 'base document' is commonly used to distinguish it from the *RDP White Paper*, which came out later in the same year.

<sup>ii</sup> In an October 2004 address to the National Assembly, the Minister of Finance, Trevor Manuel, said "We need to acknowledge that our social security net is under severe strain. Rapid growth in disability and foster care grant applications indicate both rising income support needs and apparent deficiencies in administrative systems. A sustainable social security system must balance bringing in everyone who is entitled to grants and keeping out everyone who is not entitled to them" (2004a). Much of the resistance to the basic income grant is likewise out of concern for the fiscal implications of introducing what would be a much more ambitious and costly commitment to social security spending.

<sup>iii</sup> For Brazil and India informal sector employment account for 51% and 56% of total employment, respectively (ILO 2002). The comparable figure for South Africa is 18%, based on the Labour Force Survey (March 2004), but re-classifying domestic employees as formal sector workers in keeping with the definitions used in Brazil and India.

<sup>iv</sup> From Minister Manuel's 2005 Budget Speech: "We must address the barriers to small business development and job creation that arise from cumbersome municipal planning and approval procedures, or from overly burdensome administration of the tax laws, environmental regulations or labour market controls."

<sup>v</sup> Between 1992/93 and 2004/05, the share of the non-interest government budget occupied by social grants rose from 10% to almost 18%. Real expenditure on health and education have risen over the same period, though sometimes this growth was faster than that of the budget, and sometimes slower. (Calculated from the National Treasury's *Budget Review* of 1996, 2000, and 2004.)

<sup>vi</sup> From Minister Manuel's 2004 Budget Speech: "In spite of our successes over the last ten years, there is further room for improvement. We need to seek an improved balance between the expansion of social services and reinforcement of investment in infrastructure and economic development. More work needs to be done to improve the quality of spending, especially in the areas of housing, health services and school education.

<sup>vii</sup> This is derived by comparing the figures from the Agricultural Survey of 1985 (CSS) with those of the Census of Commercial Agriculture 2002 (Stats SA).

<sup>viii</sup> The Micro-Economic Reform Strategy does identify nine "priority growth and employment sectors," but these are very broad and do not appear to be backed by aggressive plans for promotion, still less protection. The stated emphasis of the Strategy is in any event freight transport and logistics (Hirsch 2004, p.6).

<sup>ix</sup> The use of the word "downplay" rather than "abandon" is informed by the observation that, objectively, much of what was called for in the growth through redistribution approach was in fact done, though not at the scale that its proponents may have had in mind.

<sup>x</sup> At one point COSATU publicly declared that the evident increase in the number of people employed and self-employed in the informal sector was a form of "disguised unemployment," meaning that it represented an adjustment to hardship and, not least, loss of jobs in certain key sectors (COSATU 2000).

<sup>xi</sup> The irony is that, based on estimates from the Labour Force Survey, during the past three to four years there has been a steady increase in the number of Africans engaged in agriculture. The magnitude of this increase is over 800 000 households, which is over six times as many households as have 'benefited' from land reform since 1995. (The reason for writing 'benefited' in inverted commas is because a large but unknown proportion of those acquiring land through land reform do not benefit from it at all, or very modestly.)

<sup>xii</sup> See for example the transcript of the proceedings of a seminar hosted on 22 July 2004 by the Southern African Regional Poverty Network, involving Francie Lund of the University of KwaZulu-Natal, Andries du Toit of the

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University of the Western Cape, and Alan Hirsch of the PCAS, Office of the President (<http://www.sarpn.org.za/documents/d0000925/index.php>). See also Pillay (2004, pp.1-2).

<sup>xiii</sup> Indeed, official government statements are with increasing frequency peppered with allusions to exclusion being a key cause of poverty, and by the same token with feel-good prescriptions to counter-act exclusion: "...we must make more rapid progress in building a society founded on solidarity..." (Manuel 2004).

<sup>xiv</sup> "The level of underdevelopment of the Second Economy also makes it structurally inevitable that the bulk of such resources as flow into the Second Economy will inevitably 'leak' back into the First Economy" (ANC, 2004).

<sup>xv</sup> In 1997 the Department of Welfare introduced the *White Paper on Social Development*. The most significant aspect of the White Paper was its announcement that the Department would henceforth enlarge its brief to include 'developmental' interventions, with the ultimate aim of reducing dependence of social security grants. The Department of Welfare changed its name to Department of Social Development in 2002. The repeated under-spending of the Department of Social Development in respect of its developmental poverty reduction initiatives received a lot of attention in the late 1990s. At that point the Department transferred much of the responsibility for the implementation of poverty reduction projects to the Independent Development Trust.

<sup>xvi</sup> In fact, labour force participation is much more positively affected by receipt of grants than household employment rates, meaning that receipt of grants results in more people who are, by definition, unemployed. A perverse interpretation is that the growth of the social grant system may be partially responsible for the fact that the 'liberation' of people into the job market that was noted above has so exceed the capacity of the job market to absorb them.