

**MANDELA INITIATIVE
DRAFT SYNTHESIS
REPORT**

29 JANUARY 2018

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DRAFT

Introduction

The advent of democracy in 1994 ushered in a new social order. A new constitution and legislative framework was put in place. Through the constitution of 1996 the foundations were laid for a democratic state founded on the values of human dignity, human rights, freedom, non-racialism, non-sexism and the rule of law. To achieve this, the democratic state had to work towards dismantling the legacy of race and class-based structural inequalities.

In September 2012, over 500 people gathered at the University of Cape Town for a five-day conference entitled, “*Towards Carnegie3: Strategies to Overcome Poverty & Inequality*”. The conference brought together academics, government officials and members of civil society organisations to take stock of progress that had been made since the advent of democracy in eliminating poverty and eliminating inequality, and to share examples of initiatives that had sprung up all over the country that were having a positive impact on improving the quality of people’s lives.

Given the alarming evidence that surfaced during the conference of seriously inadequate service delivery, especially in rural and poor communities, the deliberations at the conference gave rise to a view that a national inquiry was needed to understand why it had not proved possible to give effect to the promised constitutional rights as quickly as we had hoped and expected. A Think Tank and, subsequently, the Mandela Initiative (MI), was set up to lead this process.

The Mandela Initiative is a partnership between the Think Tank and the Nelson Mandela Foundation. The intention from the outset was to draw the research-focused first phase of the Initiative to a close at the end of 2017 or the beginning of 2018, and then to move into a second phase focused on dialogue and advocacy, with a vision for a national conversation on poverty and inequality.

The composition of the Think Tank changed over the four years since its inception. Currently, it consists of some 32 persons including two vice-chancellors, the Chief Executive Officer of the Human Sciences Research Council (HSRC), eight chairs from the South African Research Chairs’ Initiative (SARChI) of the Department of Science and Technology (DST) and the National Research Foundation (NRF), and others drawn from different sectors of society including government, civil society, business and faith-based organisations.

The Inquiry was not intended to be comprehensive. Nor was it intended to duplicate the work of other agencies, such as the Department of Planning, Monitoring and Evaluation in the Presidency, charged with reporting on how the country had progressed in realising the objectives set for itself in 1994 and implementing the National Development Plan. It was explicitly intended to bring fresh thinking to bear on understanding the reasons for the huge chasm between the policy ambitions post 1994 and the lived experiences of the majority of people on the ground, and to generate ideas for putting things ‘back on track’.

Five years have passed since the Initiative was launched. In 2014 Parliament initiated an assessment of key legislation and the acceleration of change, which was undertaken by a

high-level panel chaired by former President Motlanthe. We recommend that the Report of the panel is read in conjunction with this MI Report.

During the period of the MI, 23 multi-sectoral [action dialogues](#) and other workshops were hosted to share experiences, research and innovations on poverty and inequality topics. Over the same period, bi-annual [Think Tank](#) meetings provided leadership and strategic guidance to the Initiative, while [eight research programmes](#), funded by the Department of Science and Technology and the National Research Foundation, were set up to probe key themes that emerged from conference. In the period 2015-2017 the Nelson Mandela Foundation hosted seven dialogues associated with its Nelson Mandela Annual Lecture under the rubric of the Mandela Initiative, and convened numerous focus groups and other dialogues inspired by the Initiative's key themes – for instance, a series of conversations with AgriSA on land reform and a series of engagements (the National Education Crisis Forum) with stakeholders in tertiary education.

A collaborative way of engaging around issues came to distinguish the approach adopted by participants in the Mandela Initiative. The transformational value of this approach lies in an understanding of the fundamental role knowledge plays in confronting and changing the unequal and unjust ways in which society distributes rights and opportunities. The strength of the approach lies in a belief that it is the collaboration between researchers, practitioners, civil society organisations and government that generates the necessary set of new and different perspectives to create new knowledge and generate innovative solutions to problems. By bringing people from different parts of society together with academics to co-shape proposals, an evidence-based movement for change has been nurtured simultaneously. The participative methodology also enabled the selection of examples of innovative practices from across the country, as these were chosen and validated by peers in the Action Dialogues, organized under the auspices of the MI.

We acknowledge that many advances have been made by government in building an inclusive society, broadening access to services and establishing the institutions necessary for a democratic and transformative society. However, it also acknowledged that “eighteen years into democracy, South Africa remains a highly unequal society where too many people live in poverty and too few work”.

Since 2012 there have been significant changes in our political landscape. Given the extent of state capture, the high levels of corruption with the concomitant diversion of public resources away from initiatives sorely needed to reduce inequality and eliminate poverty, and the virtual collapse of many state entities, we are mindful that the policy environment in 2018 is very different from that in 2012. Rational arguments alone will certainly not be sufficient to change the way government is operating. Hence, we suggest that engagement with the outcomes of this Initiative should not be separated from other processes unfolding in the country to encourage citizens to reclaim their citizenry, such as the National Convention of South Africa, convened by the South African Council of Churches' and the efforts of many social movements, which are mounting challenges to state capture and corruption. All these processes have a crucial role to play in releasing imaginaries about how to build an equitable, sustainable and just society. We need to discuss how we can share the evidence

gained through the MI to help strengthen these movements. Time will be allocated in the February workshop for this purpose.

Purpose and Structure of the Synthesis Report

This Synthesis Report has been compiled to help participants prepare for the national workshop in February 2018. It is predominantly based on short summaries of some of the work that has been undertaken by researchers, reports of the Action Dialogues, and a report on a Community of Practice Workshop with DST-NRF SARChI Chairs from five universities¹. The full reports of the Action Dialogues and the Community of Practice Workshop Report are available at

<http://mandelainitiative.org.za/dialogues-workshops/past-dialogues.html>

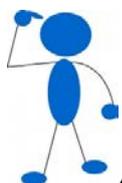
Please try to glance at these reports before the February workshop as there won't be enough time for detailed presentations of the research that has informed the recommendations, which will be discussed during the February engagement.

The contributors of the summary reports were requested to structure their contributions around the following questions

1. What are the major issues you have identified about the manifestations of structural poverty and persistent, deep inequalities, in [your focus area(s)]?
2. What do you think are the main reasons for the persistence of the deep inequalities and poverty in [your focus area(s)]?. These can include policy, capacity or implementation constraints/problems.
3. What are you recommending at a macro policy/strategic level to deal with the major issues you have identified?
4. What do you think the potential impact of the recommendations will be on eliminating structural inequality and eliminating poverty?

As is evident from the above questions, researchers were not asked to report on the details of their research and discussions, but rather to reflect on the outcomes from the perspective of the potential impact on eliminating structural inequality and eliminating poverty.

Contributors were also requested to share examples of innovative practices.



As you read the rest of the report we would like to invite you to think about these questions and actively engage with the text. We have allocated blank spaces throughout the document for you to jot down your thoughts as you go through the report.

¹¹ The Synthesis Report includes many extracts taken directly from the texts received without quotation marks. We trust that the authors will not see this as blatant plagiarism so much as an attempt to provide readers with a proper sense of the contributions. A full list of the contributors can be found in Annexure One.

The reports have coalesced around a set of themes listed below.

- The economy;
- Early Childhood Development (ECD) and the first thousand days;
- Public schooling;
- Youth, including post-school education and training;
- Sustainable development, with a particular focus on renewable energy;
- Labour market;
- Urbanisation, informality and spatial inequality;
- Transport;
- Rural economy and land reform;
- Health; and
- Social cohesion

We recognise that the contributions we received are somewhat uneven. The inputs in some of the focus areas provide a comprehensive overview of new thinking that is emerging on how to overcome structural inequalities in the focus areas; others are focused on issues in the focus areas. We are also aware of major gaps in the coverage of poverty and inequality in the MI. These include culture, universities, political distribution of power, and climate change. Nevertheless, we offer this summary of the work that has been done, as a contribution to national debates on how to reinvigorate the radical transformation of our society. Our hope is that the February engagement will continue the process of filling in some of the key gaps and carrying forward this imperative discussion. This version of the report should be treated as a draft as it will be revised after the February workshop to take account of our discussions in the engagement. The February engagement can also be used to identify priority areas for further research in the future.

The Synthesis Report is divided into the following sections:

- Section One: The realities of life in contemporary South Africa
- Section Two: Drivers of structural inequalities and poverty
- Section Three: Suggested recommendations for doing things differently
- Section Four: Cross-cutting enablers for building a more capable and responsive state

Section One: The realities of life in contemporary South Africa

All the stakeholders with whom we engaged have argued that the main reason for the persistence of unacceptable high levels of inequality and poverty in post-apartheid SA is that the apartheid legacy of race-based structural inequality continues to be a defining feature of post-apartheid South Africa.

We provide data below which illustrate how multidimensional poverty collectively constitutes an intersectional, oppressive reality for the majority of people by constraining opportunities for the majority of people to improve the quality of their lives.

The same data illustrate how, even though some of the specific processes have changed over the post-apartheid period, white people continue to access opportunities in relation to health, incomes, employment, education and living conditions which enable them to develop capacities that serve to maintain their privileged positions in South Africa.

Deep structural inequalities

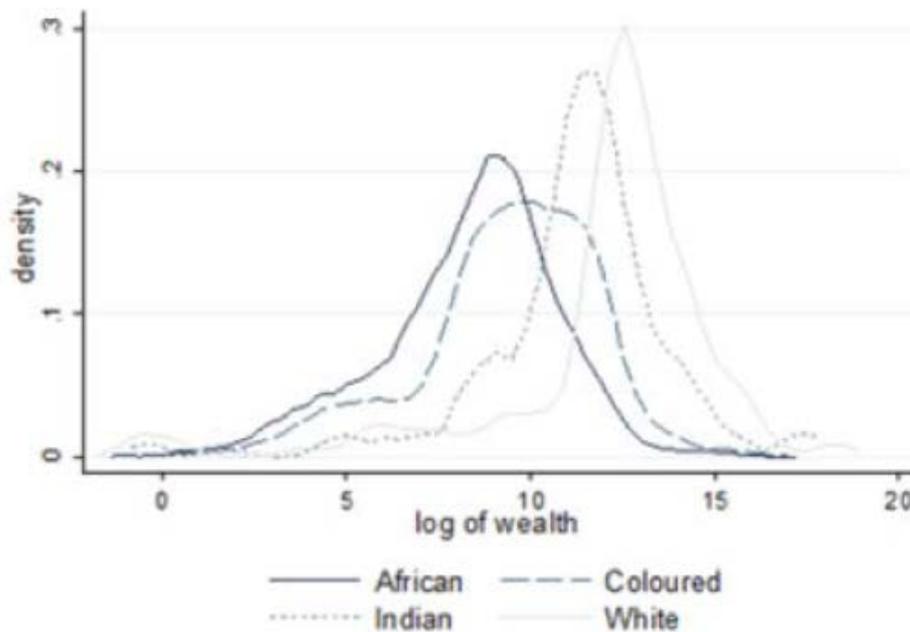
Key indicators of **deep structural inequalities**, identified across the thematic focus areas, are summarised as follows:

- **Wealth.** Wealth features prominently in contemporary discussions of persistent inequality. As stated by Orthofer (2016), data on assets are important in assessing whether households can maintain living standards during spells of unemployment or throughout retirement. Wealth also provides a basis for income generation. This is because wealth can generate its own income (such as interest, dividends, rents or capital gains) and because it can be passed on between generations. Parents can bequeath assets to their children who can further grow them by saving or re-investing the gains. Over time, small differences in assets can thus develop into large inequalities. It is for this reason that, all over the world, wealth tends to be even more unequally distributed than labour and household income. Yet there is a dearth of research on wealth inequality in South Africa. To fill this key gap, the REDI3x3 project, a partner project to the Initiative, facilitated access to the personal income tax data that is required to do research in this area.

Orthofer's valuable work shows that for income, the South African Gini coefficient is around 0.7, while for wealth it is at least 0.9–0.95. Both these values are higher than in any other major economy for which such data exist. Using tax records and data from the National Income Dynamics Survey (NIDS) she goes on to estimate that the wealthiest 10% of the population own at least 90–95% of all *wealth*, whereas the top - 10% in the income distribution receive a smaller proportion (55–60%) of *income*. The next 40% of the population — share about 30-35% of all income, but only own 5-10 % of all wealth. This research suggests that while there may be a growing middle class in income terms), there is no middle class with regard to wealth: the middle 40% of the wealth distribution is almost as asset-poor as the bottom 50%. Moreover, as shown in the Figure below, the white racial group (solid grey line) dominates the top-end of the wealth distribution. Indeed, it sits so far to the right of the African group (solid dark line),

that the two distributions overlap only at the very bottom tail of the white distribution and the top tail of African distribution.

South African Wealth Distribution by Population Group: NIDS data 2010-2011



Source: Orthofer (2016)

- **Income poverty** continues to be strongly associated with race: 65% of African youth live below the poverty line, compared to just over 4% of white young people. 30.4 million of South Africa's 55-million citizens in 2015 – three million more than in 2011 – lived in poverty, or below the upper poverty line of R992 per person per month. One in three South Africans lived on less than R797 per month, or half of the country's 2015 mean annual household income of R19,120. More women are affected than men, and children and the elderly are hardest hit, while racial inequalities continue to define poverty as largely an African issue and challenge. Two thirds of the population are less than 34 years of age and one third is between the age of 15 and 34 years. Unemployment is particularly high amongst youth (15 to 34 years) and this is increasing as more young people join the labour force.
- The **racially segmented labour market**, coupled with large power and class disparities between employers and employees in a job scarce economy, is largely intact. Pay inequalities as evidenced by our extreme earnings differentials are deeply entrenched in the salary and wage structures in the formal economy. Many women and men continue to face unequal opportunities in the labour market. The South African labour force is made up of 15 million employed and 7.5 million unemployed persons. Three quarters of the employed and 90% of the unemployed are from the African population group.
- Colonialism and apartheid spatially carved South Africa into three categories: white dominated commercial farming rural areas; the former impoverished 'ex-homelands' for Africans and urban areas where whites **had near exclusive monopoly**. The above features of colonialism and apartheid remain intact. Racialised inequalities in both access to, and ownership of, land persist to this day. **The agrarian structure**

remains divided and 'dualist' in character, with relatively few large farming, forestry and fishing enterprises dominating most sub-sectors and even fewer agri-business companies, increasingly multi-nationals, up- and down-stream of farm production. Processes of concentration have resulted in a minority of farm producers (mainly white) being responsible for the bulk of produce and exports; around 20% are responsible for around 80% of agricultural value. Approximately 50% of commercial farmers now own over 90% of the land and only 5% of farmers generate 52% of total gross farm income. Barriers to entry to commercial farming are high due to high costs of land and capital, as well as demanding standards for quantity and quality of products in formal value chains. Forestry and fisheries are similarly structured.

- **Spatial inequality** intersects with many other dimensions of inequality such as gender, ethnicity, race, class, income, level of education, social contacts and access to political power. Where people live and work matters as livelihood opportunities, physical infrastructure and public services are distributed extremely unevenly across space. To be confined spatially in a poorly resourced or isolated place severely reduces life chances.
- **Excessive proportions of disposable household income are allocated to transport costs** by those who earn the lowest incomes as a result of living long distances away from work opportunities and excessive time is spent on travel activities. Public transport services, including unscheduled paratransit services and scheduled mass transit services, are often unreliable, with respect to both frequency, service span and coverage. There is a disproportionate burden of personal security risks on low income households when walking to public transport, waiting for public transport, and travelling in public transport vehicles.
- **Temporary labour migration**, which separates parents from children, remains a persistent feature of African households needing to find sources of income. Most labour migrants continue to be men (although female labour migration has also increased over the past two decades). African children are far more likely than other children having to live only with mother and no father.
- **Public services are distributed extremely unevenly across socio-economic groups.** There is a bimodal education system where the distribution of test scores at every level exhibits the sharp dualism between the smaller part of the school system, mainly those schools that historically served whites and Indians, which perform similarly to schools in developed countries, and the bigger parts of the system, historically serving mainly black and coloured children, which performs extremely weakly, also in comparison to much poorer African countries. The national public transport system is inequitable across cities and modes and is poorly targeted towards passengers in greatest need. There remain substantial inequalities in health status between socio-economic groups in South Africa, with the poorest bearing the heaviest burden of ill-health not only in terms of what have been seen traditionally as 'diseases of poverty' such as communicable diseases (e.g. TB, HIV, diarrhoea and malnutrition) but also increasingly in terms of non-communicable diseases (e.g. hypertension/high blood pressure and diabetes). Poverty and inequality in a range of socio-economic factors contribute to ill-health and inequalities in ill-health; conversely, ill-health can contribute to poverty such as through the loss of productivity and through having to pay for sometimes costly health services.

- Entrenchment of inequality has been abetted **by the dysfunctional education system**, numerous problems in the skills development system causing a mismatch between the skills that workers in the economy can offer, and the skills demanded of workers by employers (also known as the skills gap) and an associated high level of **structural unemployment**. Large-scale producers in agriculture, forestry and fisheries, input suppliers, processors and retailers which have been labour intensive are all investing heavily in new technologies to improve labour productivity and remain competitive. The number of workers employed per hectare is dropping, and the overall trend in the rural economy is to employ smaller numbers of highly skilled and better-paid workers. Employment of temporary and casual labour remains important for some operations.

Intergenerational Poverty

The extensive and embedded nature of structural inequality in South Africa has caused **intergenerational poverty** which only a few manage to escape. Research on earnings of parents and their children shows that if parents are at the bottom of the earnings distribution, their children have a 95% chance of getting stuck there. Children of rich parents tend to remain at the upper end of the earnings distribution. Income poverty can compromise children's health, which, in turn, impacts on education and employment prospects. In addition, poor youth don't have access to the kinds of information and social networks (or the cultural and social capital) needed to access further education and employment.

A person's income influences the kinds of services and opportunities he or she can access, which in turn, impacts on future life trajectories and that of his or her children. Almost six out of 10 young people (59%) live in households with a per capita monthly income of less than R779 [the 'upper bound poverty line'], compared to 43% of the adult population. May cites a DHS report which states that 77% of children aged 6 – 23 months are not adequately fed.

These young people experience multiple forms of deprivation simultaneously, including low levels of education, poor health and limited access to housing, basic services and economic opportunities. A third of young children live in households without piped water and a quarter do not have adequate sanitation at home – not even a ventilated pit latrine. Many South African children grow up in households and communities characterised by high levels of violence and trauma. Poor children are more likely to live in food insecure households and suffer from undernutrition, which in turn affects their physical development and health. Chronic poor nutrition leads to stunting and in turn affects mental development, which exacerbates inequalities as early childhood is a particularly sensitive and rapid period of brain development. It is estimated that 27% of children under 5 years are stunted. Coupled with this are striking differences in levels of access to pre-school learning programmes: a 4-year-old child from the poorest income quintile has a 50% chance of attending a group learning programme, compared to a 90% chance for a child from the wealthiest quintile. By the time children start school at the age of seven, inequalities are already pronounced and entrenched, so that children have unequal opportunities to realise their potential in childhood and over their life course.

Research conducted by Posel for the MI highlights that the family is the key mechanism through which economic disadvantage in the family is reproduced. Children inherit the inequalities and deprivations that exist in the adult population unless there are interventions to mitigate these. African children (10-17 years) spend significantly less time on learning activities than other children, and particularly outside school hours (in the afternoons and evenings of a weekday and during the weekend). This is because African children live in poorer households (race differences in time allocations to learning are not evident among children with the same socio-economic status). It does not appear that children in poorer households spend less time on learning because they face more constraints on their time (African children spend as much time on leisure as other children, and they are more likely than other children to evaluate their day as not busy enough). Rather, poverty appears to influence the encouragement and opportunities for children to study in the home environment. In poorer households, for example, there is less physical space to study, access to books and computers is more limited, and children may receive less input with homework from parents (and particularly fathers) who are less likely to be resident in the household.

Persistent race differences in educational outcomes in post-apartheid South Africa are very well documented: in comparison to other children, African children are significantly less likely to maintain grade for age and they are more likely to drop out of school. These differences are partly explained by the poor performance of schools which most African pupils attend. But the socio-economic characteristics of children's households also influence children's progress through school. Low levels of educational outcomes and skills, combined with the structure of the post-apartheid labour market mean that African young people are at a disadvantage. Integrated strategies are needed to effectively overcome the multidimensional effects of poverty and remove the constraints that impact on children's abilities to develop their full capacities. We balance this polarisation by distilling a set of key prongs that should receive priority attention as the foundational necessities for all to participate in contemporary South Africa as full citizens.

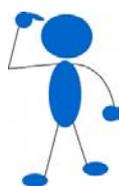
Section Two: Drivers of structural inequality and poverty

In formulating the National Development Plan (NDP), the National Planning Commission (NPC) acknowledged that many advances had been made in building an inclusive society, broadening access to services and establishing the institutions necessary for a democratic and transformative society. However, it also acknowledged that “eighteen years into democracy, South Africa remains a highly unequal society where too many people live in poverty and too few work. The quality of school education for most black learners is poor. The apartheid spatial divide continues to dominate the landscape. A large proportion of young people feel that the odds are stacked against them. And the legacy of apartheid continues to determine the life opportunities for the vast majority” (NPC, 14: 2013). Accordingly, rolling back poverty and inequality was identified as the principal challenge to be addressed and urgent action was meant to be directed to achieving a number of ‘quick wins’. Specific objectives were set for this purpose.

The Commission recognised that successful implementation would depend on radically improved government performance in putting government programmes into operation, getting the basics right in many areas, holding people accountable for their actions and finding innovative solutions to complex challenges, whilst recognising that in some areas policy changes may be needed. Despite the huge amount of work that went into the development of the NDP, the major challenges identified in the NPC’s Diagnostic Report remained substantially the same in 2017.

The MI researchers, and others with whom they have engaged, set out to understand the underlying factors contributing to the persistence of structural inequality and extremely high levels of poverty. We have clearly failed to give our citizens the range of assets that they need in order to engage actively and adequately with our society. Were the policies themselves flawed? Were there major policy gaps? Were there unforeseen or unintended consequences of policy choices that were made? Was there a lack of coordination across policies? Were the problems related to the way in which government works and/or capacity constraints within the state?

The explanations they have provided may not satisfactorily answer these questions but we believe these questions must be asked and answered so that we can move forward as a country. This section of the report forms the backdrop to the recommendations contained in Section Three.



Before you read this section, you may want to jot down your own thoughts about the reasons for the slow progress and compare these with the explanations offered through the MI. This will be the focus of the commissions that will meet during the February workshop.

This section of the report summarises the reasons provided by the contributors for the persistence of structural inequality and extremely high levels of poverty in each of the thematic areas. It forms the backdrop to Section Three which covers the recommendations provided by the contributors for each of the thematic areas. **Readers may wish to dip selectively into the thematic areas of particular interest to them in these two sections.**

Structural Economic Decline

According to Donaldson, the structural challenges have both macroeconomic and institutional dimensions.

- Slow economic growth is symptomatic of weak confidence, and pervasive policy coordination failures.
- In sectors which have been sources of employment growth in the past – agriculture, mining and manufacturing – growth is slow and jobs are being shed.
- Youth unemployment is especially severe, putting tertiary education under pressure, undermining skills development and fuelling discontent.
- The public finances are under stress, with rising debt as a percentage of GDP and substantial fiscal risks in both revenue trends and the deteriorating balance-sheets of state-owned companies.
- South Africa remains a highly unequal racialised economy, in its structure of employment and earnings, in the ownership of land and capital, in the design of its urban and rural landscapes and in access to education, health and other services

A sluggish economy and high unemployment are powerful barriers to poverty reduction and more inclusive growth. Productivity is constrained by the spatial inefficiency of South Africa's cities and unresolved divisions in land reform and rural development. Education and access to skills opportunities reinforce earnings and employment inequalities.

These economic determinants of the structural persistence of inequalities and poverty are reinforced by political and institutional fragmentation, and the absence of trust that characterises engagement between social stakeholders and local or regional interest groups. In 2016, just before his death the eminent economist, Tony Atkinson, reflected on his life's work as a researcher and policy advisor and acknowledged that the international research and policy community had not really come to grips with what it takes to confront inequality. Leibbrandt drew on the details of Atkinson's reflection in suggesting that, in our country too a standard set of policies that target earned income, capital income, and disposable income have not shifted the dial on inequality.

Aside from the difficulties in addressing our structural legacies of inequality, our society has been shaken by the revelations of large-scale corruption and fraud in both the public and private sectors. Donaldson suggests that there is broad consensus that we are at a crisis-point, that a strategic shift in direction and impetus is needed to restore confidence in investment prospects and a shared frame of understanding of the respective roles, responsibilities, capabilities and capacity for collaboration between government, business,

civil society and other stakeholders. Although the NDP exists, in many areas of policy there are profound difficulties and unresolved priorities or sequencing issues.

Early Childhood Development (ECD) and the First 1000 Days

There has been a huge increase in access to early childhood development, including Grade R but, as we saw in Section One, the overwhelming majority of children aged 6 – 23 months are not being adequately fed, the level of child stunting is very high and these children experience multiple forms of deprivation simultaneously. This effective lack of ECD provision is a major determinant of intergenerational poverty.

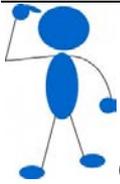
Progress in the ECD sector has largely been driven by two things – firstly the growing international and national evidence of the permanent damage done to children in the first 1000 days of their lives if they don't receive appropriate care and stimulation, and secondly the existence of well-organised ECD lobby groups who have mounted successful advocacy campaigns to put the issue of ECD on the national agenda.

According to Hall et al, there are a number of reasons why the state is still not doing enough in the case of young children in South Africa:

- Young children (unlike students, for example) are a silent and mostly invisible constituency – they do not have political voice, they cannot vote or protest. Early childhood development, whilst recognised as important, is still often cast as a 'soft' issue and overlooked in the national development discourse, rather than treated as both urgent and fundamental to achieving a socially just and equitable society.
- Responsibility for ECD does not 'belong' to any one sector; it requires an integrated set of services and programmes that cut across departments (social development, health, basic education, home affairs, human settlements, justice, public works, labour, transport, water and sanitation, rural development) as well as over-arching departments like the National Treasury and Department of Planning, Monitoring and Evaluation, and the different spheres of government (national/provincial/local). Bringing these disparate departments and spheres together to focus on young children has proved to be enormously challenging, as are the practicalities of budgeting, planning and implementing complex programmes.
- While some early childhood services (notably in the area of health) are mainly provided by government, others have relied heavily on Not for Profit Organisations (NPOs) for child care and group learning programmes, mental health, parent support and welfare services. The NPO sector delivering services to young children has been over-stretched and under-resourced; even where subsidies are available, there are challenges with registration and compliance. Fragmented approaches in turn limit accountability, cross-sectoral referral systems, and the development of information systems needed for monitoring and evaluation.
- Some programmes, especially in the health sector, have achieved broad reach (for example most children are born in health facilities and are fully immunised in their first year). Others (such as child care and learning programmes) are often inaccessible or unaffordable. The service infrastructure is insufficient, and there is a strong urban bias in the provision of programmes. Even the child support grant, often described as the most successful poverty alleviation intervention, has large areas of

exclusion for very young children, and the child grant amount (R380 per month in 2017) is not enough substantially to reduce poverty or inequality. It does not even cover the cost of the minimum amount of nutrition that children need. More details on stunting are provided in the sub section below on Food Security.

- Centre-based and community/home-based services that provide child care, stimulation and early learning, are not universally and publicly available because they are simply not in the national budget. ²



Can you think of other reasons for insufficient progress in critical areas affecting the lives of children?

Education

According to the national 20-year review launched in March 2014, primary school enrolment rates are good at approximately 98%. Over 8 million learners are now benefitting from no-fee policies, and this has contributed to an increase in secondary school enrolment from 51% in 1994 to around 80% currently. The school curriculum has been reformed several times. Incorrect content from the apartheid era has officially been removed. A new school governance system has been put in place which should have led to more accountability of schools to local communities. A range of interventions have led to improvements in the matric pass rate but there is a high drop-out rate from secondary education and the quality of passes is low. Notwithstanding these improvements, the public schooling system remains bimodal. Van der Berg et al point out that throughout the world, socio-economic status is correlated with cognitive outcomes in education, implying that it is difficult to overcome a poor background through educational interventions alone. However, the slope of the social gradient (the relationship between socio-economic status and test scores, for instance) is steeper in South Africa than in any other country for which data are available and there is a strong correlation between race and learner outcomes.

After synthesising years' worth of collaborative research effort from contributors across economics, education and policy-making arenas, Van der Berg et al have reached the conclusion that the most significant factor impacting on the huge disparity in learning outcomes between learners in poor urban and rural areas and those in the ex-Model C schools, is that children in schools in the bottom 3 quintiles do not acquire the most basic

² Stunting is addressed in the health section.

reading skills, thus never fully accessing the curriculum despite being promoted to higher grades. The massive failure of children to read for meaning (even in their home language) by the time they enter the intermediate phase of education in grade 4 (where most of them also have to cope with a new language of learning and teaching) acts as a major constraint. The failure to learn to read means that children in the intermediate and subsequent phases cannot properly read in order to learn. This is a binding constraint to all further learning. The language policy, which currently requires students to learn in their mother tongue for the first 3 years and then switch to English further reduces the resources of the majority of learners, hampering their academic development and literacy development in both languages with devastating impacts on aspects of their well-being such as their self-esteem. Few learners manage to acquire an adequate level of proficiency in English to learn other subjects in English. Moreover, many teachers themselves are not fluent in the language of instruction, which further hinders learning. Levels of language disadvantage experienced by African learners go some way, they suggest, to explain the performance ceilings which seem to characterise learner achievement in the provincial systemic tests and ultimately in the Matric exams.

Van der Berg et al's research has also highlighted the importance of understanding the fragilities in the learning environments in most township and rural schools. They point to four problems that act as binding constraints in education, in the sense that failure to overcome these problems will probably mean that other interventions (such as the provision of more resources) would most probably only be successful to a limited degree. These constraints are linked to weaknesses in the ability of provincial departments to perform critical administrative functions, poor management in schools resulting in wasted learning time; weak teacher content and pedagogical knowledge, including skills to teach reading and undue union influence on the state's ability to act in children's best interests. Whilst many interventions have been implemented to address the first 3 constraints, their research has suggested that the underlying reason for the failure of these interventions to radically impact on the quality of teaching in disadvantaged schools is that the unions have been able to exercise undue influence on the nature of the teaching and learning environments in these schools - effectively undermining many efforts to improve the quality of the management and teaching and learning of the schools. They suggest that there has been a lack of political will to grapple with this problem.

A different approach to explaining the constraints has been adopted by Clark et al and Metcalfe. They argue that the organisational challenges and high levels of teacher resistance in poor schools can be traced back to the legacy effects of apartheid in the school system - an enduring manifestation of the high levels of contestation which schools experienced during the late 1980s and early 1990s. Persistence of such practices, often supported by parents, suggests an inherently fragile and unstable organisational environment with constrained and at times compromised leadership which requires context-specific strategies and well-capacitated district support staff.

Whilst there is growing consensus of the importance of focusing on improving the quality of the teaching of reading skills in the foundation phase, the Human Sciences Research Council's (HSRC's) review of the past 20 years of education legislation and policy in South Africa in 2017, has highlighted a number of policy blind spots, in addition to the language

one mentioned above, which have a significant impact on school environments and perpetuate the bimodal schooling system. The focus of the review was on identifying legislation and policy affordances which have helped facilitate social justice and those that are possibly hindering development and social justice. The major findings are included here as they exemplify consequences of policy choices which were made after 1994 which may have been beneficial for some sections of the population, but which have had the effect of entrenching systemic inequalities between schools in ex white, coloured and indian group areas and those in black townships and rural areas. They also exemplify unintended negative consequences of policies intended to democratise the schools.

The South African Schools Act recognises two school types: public and private schools. The purpose of this Act was to provide a uniform system of organising, governing and funding all schools in South Africa. School Governing Bodies (SGBs) were given the authority to determine school policies related to the admissions, the language of instruction, appointment of staff, the setting of fees, and the school budgets inter alia. According to the HSRC review, whilst this provided schools with a great deal of autonomy with regards to governance, it enabled the SGBs to be gatekeepers to their schools, resulting in the exclusion of parents and/or marginalisation of parents and learners and very little progress in changing the race profile of educators in former Model C schools. The power of SGBs to raise additional resources to supplement government funding has enabled well-resourced schools, which were mainly in the previously designated white areas under the Group Areas Act, to become even better resourced without providing sufficient funding to the non-fee-paying schools to redress the imbalances in school infrastructure and resources in accordance with approved norms and standards for school infrastructure (e.g. electronic connectivity and recreational facilities), school capacity (e.g. classroom size), and learning and teaching support material (e.g. science apparatus, electronic equipment) which must be provided by the government.

The disparities are confirmed in the results from the Trends in International Mathematics and Science Study (TIMSS) 2015 which indicated that Grade 9 learners who attended no-fee schools tended to achieve lower scores than their peers in fee-paying schools. The majority of learners who attended no-fee schools (75%) achieved below 400 points, the International mid-point. However, 60% of learners who attended private schools reached 475 points, the Intermediate benchmark or better, with 14% of learners achieving 625 points (Reddy et al., 2016b). Therefore, although access to education has improved, allocated state funding is an unequal match for the task of improving the quality of disadvantaged schools to the level of schools which have years of privileged resources and the linked ability to charge higher school fees.

The national post provisioning norms aim to ensure that all schools have sufficient staff and can therefore be run effectively. However, a number of key challenges remain. One of the key challenges within South African education is producing sufficient qualified and competent teachers, who are able to provide quality teaching for all school phases and subjects. Teacher shortages, particularly evident in the Foundation Phase and early childhood development, are therefore encountered; as well as uneven demand for teachers in the various school phases; and shortages of teachers in key subjects, such as languages, science and mathematics. These shortages are particularly severe in township

and rural schools (NPC, 2012), and lead to large class sizes, which impact negatively on teaching and learning (NPC, 2012). Poor management of teacher time within schools exacerbates problems, and there is a need to ensure that the number of posts allocated to each school is in line with the number of classrooms. The legislative framework, while ambitious, does not fully consider the contextual differences which exist within South Africa. Wide gaps exist between wealthier well-equipped schools and disadvantaged schools (predominantly in rural areas), in terms of the availability of resources, available infrastructure and equipment, and the training which teachers have had the opportunity to receive. Questions need to be asked about whether different policies are needed to deal with these contextual differences. As noted, rural schools also experience greater teacher shortages and have larger class sizes. In contrast to this SGBs in former Model C schools are able to hire more teachers than allocated to their schools (PPN) if they have the resources available, enabling them to improve the quality of education which their respective schools offer.

For most schools in townships and deep rural areas, school principals and their management teams have to deal with organisational challenges that are far greater than those experienced by their counterparts in more affluent settings in which school fees can be leveraged to provide additional human resources. In terms of staff provisioning, the state cannot afford adequate allocation of resources for middle management i.e. Heads of Department (HOD) posts. With HODs having to hold down close to full teaching loads, they carry the twin burdens of management and teaching responsibilities. This contributes to the perpetuation of inequality between those schools which have additional resources available and those schools that have limited resources. Wealthier schools are also able to attract highly skilled teachers and provide more teacher capacity building, leading to disparities in the quality of education amongst schools. This raises questions about the unintended consequences of the devolution of authority to governing bodies and the current model of teacher provisioning and whether other financing models based on a notion of sharing of resources, such as is being proposed for the National Health Insurance Scheme, would be more appropriate to advance equity.

The MI contributions have focused predominantly on the questions of the quality of teaching and resource constraints. However, Vally in his input for the MI argues that insufficient attention has been devoted to thinking about the role of education in the creation and promotion of a democratic citizenry; meeting the aspirations for social justice; human rights and the promotion of the cultural life of communities. The relative neglect of these areas, he suggests, is because of the dominance of a human capital approach in education policy with its emphasis on education's role in relation to the economy. If we wish to advance the project of nation building then greater attention to the role of education in building critical citizens is needed. This resonates with a call that Ramphela has made for civic education to promote awareness of the rights and responsibilities contained in the constitution.

A final reason for the persistence of deep inequality and poverty, suggests Clark et al, is the prioritising of academic over vocational education and the lack of government funding in the vocational sector thus reducing the range of education and training opportunities available for children of working class and rural communities.

Youth³

South Africa's post-apartheid social protection system has led to increased access to services and higher levels of education among the younger generation, but quality remains elusive leading to low progression through institutions, as well as low completion rates from schools, TVET colleges, and universities.

According to de Lannoy, large proportions of the country's young people drop out of school prematurely, or out of the post-schooling education and training system before completing their qualifications. Drop-out happens for a range of reasons, but financial constraints, low results and a lack of information and support are key drivers. Subsequent entry into the labour market is further hindered by – among others - the low levels of skills, lack of information, high transport costs and a general disconnect from networks and pathways that could lead to employment. These problems are exacerbated by the fact that the South African economy has been characterised by low economic growth rates, leading to poor employment growth and by a structural mismatch between labour demand and supply: the labour market shows a demand for highly skilled workers, but there is a surplus of low skilled potential workers. 11.75 million persons of the labour force have less than a grade 12 certificate. Youth unemployment is particularly high at 45% of people between the ages of 15 – 34.

Presently, each year around 140 000 Grade 12 students complete the matriculation examination with a bachelor's pass, and of these only around 50 000 students pass Mathematics with a score higher than 50%. The pool of students who can potentially access university and Science, Technology, Engineering and Mathematics (STEM)-based Technical and Vocational Education and Training (TVET) programmes is very small, in comparison to the skill demands in the country.

The university and TVET college subsystems are the largest components of the Post School Education and Training (PSET) system. In 2014, there were around 1.1 million students in the university sector and 0.8 million students in the TVET sector. Completion rates at both universities and TVET colleges are less than desirable in that in 2014 there were 185 000 completers from the university sector, and in the TVET sector, while 21 000 NCV4 and 57 000 NATED6 wrote the examination, only 7 400 NCV4 and 24 200 NATED6 completed the programme (Reddy, 2017). The poor throughput and graduation rates indicate that there are major problems with the quality of the teaching and learning in the college sector. The reasons for the poor quality and are not handled here.

The National Skills Development Strategy rolled out in 1998 failed to provide effective skills development delivery. The SETAs have been embroiled in bureaucratic mazes impenetrable to young people. Hence only a small proportion of young, unemployed people are participating in formal education and training programmes (Reddy, 2017).

³ Apart from very high-level data included in the section on Youth, the MI did not cover universities, where enrolment has almost doubled since 1994 and where the racial and gender composition of the student body has been markedly transformed.

The National Development Plan points out that the most common way to create jobs is by means of labour-absorbing growth. But the GDP annual growth has averaged only 2.9% from 1994 – 2016 and grew at a mere 0.7% year-on-year in the September quarter of 2016. The employment growth has therefore not been sufficient to absorb the large numbers of youth entering the labour market for the first time. The end result is an escalating unemployment rate, particularly for young Africans. Youth unemployment is particularly high at 45% and increasing as more young people join the labour force. The skills development challenge therefore is not only to focus on skilling people for and in the formal labour market, but also on skilling the unemployed, the youth, low-skilled people, the marginalised, and those in vulnerable forms of employment, including the self-employed to generate livelihoods. However, Powell suggests that the dominant focus in policy-making and resourcing, has been on efforts to improve the alignment between the supply and demand of skills for the formal labour market. As a result, the needs of the over 11 million youth who may never be able to find jobs in the formal labour market have received less attention. Yet, according to de Lannoy, the social wage package mainly provides support for those who are very young, old, or disabled. In other words, those members of society who are not yet or no longer expected to take part in the labour market. There is less support available for young people, who are expected to either be in some form of education or training, or at work, many of whom are retraumatised by a society that is still dysfunctional from centuries of oppression.

According to Edries, the main barriers impacting on the creation of new enterprises revolve around the absence of a conducive environment, including incentives for the private sector to take risks and test business ideas that would bring social benefits. The state, for its part, is not as nimble or responsive as the private sector in recognising and driving business opportunities. There is a need for a mechanism that can combine the best capabilities of the public and private sectors to trigger investments. Low-cost infrastructure that improves market access of enterprises is frequently missing or inadequately maintained. Business infrastructure which is critical to the quality and security of the workplace for enterprises or to link enterprises to markets is usually prohibitively expensive for any single employer to bear alone. Finally, she suggests that many public institutions that could facilitate job creation have weak expertise or poorly designed programmes.

Under the auspices of the Mandela Initiative a few Action Dialogues were organised covering: “Skills Development for Job Creation”; “A call to action: Engaging poverty, inequality and unemployment” and “Rethinking social policy and post-school education in the Eastern Cape” and two on the problems of youth. These dialogues were informed by very different ideological approaches. Accordingly, each offered different explanations for the reasons why so many young people are unemployed and/or not in education and training and are feeling marginalised.

The Skills Development Action Dialogue focused on the barriers to access to education and training, e.g. the absence of accessible information about possible careers and education and training opportunities; mismatches between education and training programmes offered and the needs of the labour market; perceived inadequacies in the nature and quality of the programmes, particularly with regard to the development of skills for ‘employability’, absence of opportunities for young people to gain work experience, and the neglect of artisan training.

Discussions in the Eastern Cape dialogue were informed by the work of Amartya Sen, on capabilities and a desire to foreground inequality under capitalism as the cause of poverty rather than unemployment as the cause. The dialogue highlighted the limitations of translating education and training programmes into employment or poverty alleviation, arguing instead for a critique of the current macro-economic framework. Significantly, the lack of attention to the role of community colleges in enabling access for adults and youth who did not complete school, or didn't attend school at all, and therefore do not qualify to study at TVET colleges and universities, was noted. The narrow conception of the role of TVET colleges as being mainly to serve the needs of the formal labour market also surfaced. Finally, the discussion focused on how South African policy has been negligent of the way in which neoliberalism has nationally and internationally restructured work in ways that has led to mass unemployment and that employment gains post-apartheid have been either in the informal sector, or in micro enterprises (to a small extent) or in the public sector. Hence it was felt that one of the reasons why the PSET system hasn't delivered is that there has been insufficient attention to the implications of the shifting nature of work or socially useful work for thinking about the kind of education and training programmes that should be offered. There has been virtually no thinking about the role of vocational education policy in helping to advance social justice, human rights and poverty alleviation. In this regard, the workshop raised the importance of co-operatives as an alternative form of enterprise and social organisation and as a central vehicle for social and economic development, which has not been addressed in national policy about the role of PSET to date.

The 'youth' dialogues focused on understanding the implications of the multidimensional problems experienced by youth. The participants discussed the problems that youth experience because of the lack of a comprehensive social security programme. The discussions highlighted the weak evidence base for designing appropriate support for young people through the social protection system. The need for disaggregated data on the needs of youth was reinforced by a report provided by a youth-led think tank, the Youth Lab, at a Youth Conversation for Action held in October 2017, on research conducted in two geographical areas, Bonnievale, Western Cape, and Eldorado Park, Gauteng. Youth in Bonnievale indicated that poverty, the lack of qualifications and jealousy in the broader community were the main barriers to employment for them. In Eldorado Park, the top three reasons for participating young people's struggle to get employed were the lack of the necessary education, support, and substance abuse. Other Youth Lab research found that the lack of work experience was a major barrier for young people in Cape Town and Johannesburg. Cape Town youth also indicated experiencing financial resources as a barrier – they were said to spend up to R2 000 annually in applying unsuccessfully for jobs, findings that are largely corroborated by research with youth in other parts of the country. Requirements that applicants provide a credit record was another example of unrealistic demands placed on first-time work-seekers. Some youth also told of cases where a 'fee' was charged by a person who has information on work opportunities, with expectations that a share of the first month's salary will be paid to that person if the applicant gets the job.



Can drawing on these different perspectives strengthen our understanding of the reasons for the plight of so many of our young people or are they diametrically opposed to one another?

Labour Market

This section of the Report focuses on the persistence of extreme pay differentials which are amongst the highest in the world.

Whilst significant progress has been made in deracialising and modernising labour laws and improving industrial relations, many features of the racially segmented labour market still persist today. Significantly, the pay gap between the top and the bottom earners in South Africa is double as high as in India and three times as high in Brazil. Entrenchment of inequality has been abetted by the dysfunctional education system, numerous problems in the skills development system which have left skills in short supply, and high levels of unemployment. Despite periods of strong economic growth South Africa's narrow, searching level of unemployment was at an unprecedented 27.8% (Bhorat, 2017).

The high rate of unemployment is mainly due to the absence of high rates of sustained economic growth. One of the sessions in the workshop in February will be devoted to addressing the key determinants of an inclusive growth path.

The inputs received from Collier and Godfrey suggest that the reasons for the huge pay differential between the top and the bottom earners are that on the one hand there have been no national interventions to reduce pay at the top end, and on the other hand there has been a reluctance on the part of the state to intervene to effect improvements at the bottom end, particularly in the informal sector, thus highlighting possible policy gaps and implementation challenges.

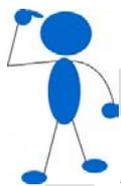
The Employment Equity Act 55 of 1998 (EEA) expressly recognises that 'because of apartheid and other discriminatory laws and practices, there are disparities in employment, occupation and income within the national labour market'⁴. The Act therefore included a provision (section 27) intended to progressively reduce disproportionate income differentials. However, Collier and Godfrey argue that the promise of this provision has not materialised

⁴ Preamble of the EEA.

because the Department of Labour has incorrectly interpreted section 27 to apply only to disproportionate horizontal income differentials which has meant that the section has been ineffective in reducing vertical differentials.

Godsell, a member of the MI Think Tank, has suggested that the narrow conceptions of many employers about the nature of work and the roles of workers continue negatively to influence how they view efforts to improve the wages and working conditions of low paid employees.

On the bottom end of the earnings' spectrum the informal economy has remained resistant to policy and programmes. Collier and Godfrey suggest that the reason for this is because proactive attempts to formalise the informal economy, i.e. to make it generate more value and become sustainable, go along with the application of regulation which has cost and risk implications. Attempts to formalise the informal economy bring to the fore the tension between positive and negative aspects of policy and regulation (effectively putting the Department of Small Business Development which wishes to create an environment that is conducive to the establishment of small businesses, at odds with the Department of Labour, which is obligated to ensure the protection of workers' rights). In their view policy makers have avoided dealing directly with this tension, thereby tacitly condoning low earnings and poor working conditions in the informal economy because it is generating livelihoods and jobs in a context where the formal economy is not creating enough employment. This has meant that our legislation has not created a regime of rights and pathways for the casualised and informalised end of the labour market alongside our concerns over formal sector wage inequality.



How do you think the tension between regulating working conditions to protect workers on the one hand and not undermining people's efforts to generate livelihoods should be resolved? Should there be a stronger focus on lowering the pay of senior executives?

Bhorat has argued that efforts to narrow the pay differential by improving the wages of workers at the bottom end of the earnings spectrum have been bedevilled by a high incidence of multi-dimensional wage and non-wage violation and within this a very high intensity of multi-dimensional non-wage violation. Resources are a serious constraint with only 1 056 labour inspectors in 127 Labour Centres in the country in 2014 (DPRU, 2016). This means firms can violate the law with relative confidence that they won't be caught, and

even if they are caught the penalties are not severe. This suggests that the problems do not lie with the policy – they lie with the lack of capacity or political will to ensure compliance.

Violation of the law is also enabled by large power disparities between employees and employers in a job-scarce economy as a result the deep structural inequities that characterise the South African labour market. The high incidence of strikes reflects the associated needs for greater levels of protection for workers' rights and for policy to make headway against the high levels of wage inequality, both across and with sectors and firms.

Urbanisation, Informality and Spatial Inequality

Over the past 20 years, about 2.8 million government-subsidised houses and over 875 000 serviced sites were delivered allowing approximately 12.5 million people access to accommodation and an asset. However, apartheid urban spatial development patterns remain, as a result **even** the new housing schemes have not enabled closer access to places of work.

According to Pieterse, Harrison et al, there are multiple reasons for persistent spatial inequality including interests in maintaining a spatial *status quo*, patterns of land and property ownership; the ways in which property markets operate, the hugely variant capacity across territory to address developmental challenges, and a lack of a strategic and coordinated approach to spatial development and preparedness within government to navigate the socio-spatial complexities of the city and the demands of engaging with 'informality'.

When apartheid racial influx control regulations collapsed in the 1980s, there was rapid migration to urban areas. With insufficient supply of affordable land and housing, people settled on vacant land. People settled on the periphery of urban areas or deemed 'unsuitable for development'. In cities which experienced a hollowing out of the city centre, the exodus of established businesses from Central Business Districts and the influx of excluded, poor residents from former black townships led to the occupation of an increasing number of vacant inner-city buildings. While these buildings offered housing to the poor, the occupiers' tenure was often extremely precarious and the conditions in these buildings often hazardous or unsafe. Whether settled under a power line, on the urban edge, or in a 'bad building', the urban poor's efforts to secure tenure has been a challenge.

The state has sought to rectify the tenure insecurity of the poor by providing free housing through state driven projects (i.e. Reconstruction Development Programme (RDP)/Breaking New Ground (BDG) housing). In these projects, beneficiaries are granted freehold title to their land, subject to the condition that they cannot sell it for eight years. In many areas, however, undocumented sales have led to the informalisation of the tenure system.

Urban land reform beyond the RDP housing programme has been limited. Urban land markets continue to produce housing and settlement opportunities which are unaffordable to the urban poor. The structural defects of these markets are worsened by localised practices of land grabbing, speculation, land holding, and housing market scams. Within South Africa, it is commonly believed that private property rights are absolute. This belief is particularly

strong in urban areas where municipalities have done little to address speculation, gentrification, under-utilisation of well-located land and other challenges. The belief that private property rights trump all other rights (for example, the poor's right of access to adequate housing, etc.) continues to impact on poverty and inequality in cities today. The obsession with formalisation undermines the urban land rights of the poor and (often) fails to contribute to real wealth redistribution. Inner-city regeneration programmes, often under the banner of 'city clean ups' or 'world class city making', have led to the displacement of the urban poor from well-located areas to the urban periphery. Some examples include the eviction of people from 'bad buildings' and the forced removal or relocation of those dependent on the informal economy (e.g. informal traders or waste-pickers) from city centres. These processes undermine poor people's ability to both live and work in the city.

Urbanisation is a natural response to regional disparities and economic development. Government policy is ambivalent about rural-urban migration, partly because of the social dislocation in sending regions and the community pressures and social unrest in the cities. The history of South Africa's forced migrant labour system and the legacy of rural neglect also continue to affect ruling party thinking. Despite the policy denial tendencies and very real obstacles to migration, recent research reveals that many of the people moving to cities succeed in getting jobs and increasing their incomes. The National Income Dynamics Study reveals that about 385,000 people were lifted out of poverty between 2008 and 2014 by migrating to urban areas (Visagie and Turok, forthcoming).

The development of state-driven housing projects was originally meant to reduce informal backyarding and informal settlements in the city. However, it is increasingly clear that efforts to reduce informal settlements have not reduced the proportion of households in informal housing. Equally the fixation on free-standing and low-density housing for the urban poor has resulted in the peripheralisation of the poor and the reproduction of deeply unequal cities. The search for cheap and 'unencumbered' (i.e. easy to develop) land leads officials and developers to the edges of the city. Target chasing couples neatly with the pervasive 'fear of non-compliance', resulting in a rejection of riskier, more complex, and or more contested projects. The subsidy system and local government target setting and tight fiscal processes are geared to supply housing, rather than to facilitate real housing choice for households, develop functional housing markets which are inclusive of the poor, or respond to the actual needs of communities.

The resistance of politicians, officials and (some) civil society actors to changing the nature of the subsidised product, for example exploring incremental or higher density options, reinforces and perpetuates the status quo.

Similarly, according to research undertaken by Harrison et al, there is an unwillingness or inability of state agencies to acknowledge the role of the spaces and practices in the informal sector that support the lives of millions of poor people, and that contribute also to the broader functioning of towns and cities. Rogan and Skinner argue that the ambivalence towards the informal sector dates from the policy shifts in the Mbeki period. In 2003 President Mbeki publicly advocated for the idea of the 'second economy' and the need for an infusion of capital and other resources by the democratic state to facilitate the integration of this economy within the 'developed' sector. Subsequently there were calls for the

'elimination' of the second economy in favour of the progressive incorporation of the second economy into the first economy, as evidenced in the Accelerated and Shared Growth Initiative for South Africa (ASGISA) plans. While the Community Works Programme (CWP) was implemented, the rest of the proposed headline strategies were not translated into the activities at national, provincial and local government levels.

According to Rogan and Skinner, the most recent figures show there are 1.5m operators in total, which include 300 000 employers. In total, 2.5m workers are engaged in the sector—about 17% of the workforce. The NDP sees the informal sector as creating 1.2 - 2m new jobs – but the chapter on the economy in the NDP does not provide information on how these will be enabled.

Arguably, according to Harrison et al, the contradictory and indecisive approach to informalisation has persisted because of a lack of political interest to change the *status quo*, a lack of preparedness within government to navigate the socio-spatial complexities of the city and the demands of engaging with “informality”; and, the absence of incentives for state officials at all levels to question or adapt their behaviours. The consequence is that regulatory frameworks contribute to social exclusion and precarity. There are multiple examples of this: eradication of informal settlements, raiding street trading, denying access to services such as health and education, etc. Where authorities are not actively hostile to the activities and spaces outside their regulatory reach, there are often attitudes of ambivalence, or a simple inability to create mechanisms that would support legitimate (although not necessarily legally compliant) practices.

Transport

Behrens and Vanderschuren summarise the main reasons for problems experienced in public transport as follows:

- Despite policy rhetoric, there appear to be political/class barriers to the equitable allocation of road space for public transport vehicles, as well as to a more equitable charging for the use of public sector funded transport infrastructure and for externalities.
- The past decade has revealed institutional capacity limitations in estimating operating costs (and associated subsidy requirements) for scheduled public transport services, as well as in understanding the distributional equity and opportunity cost implications of transport system improvements. Alternative analysis has been weak, and the strengths and potential role of minibus-taxis in the context of fiscal constraint has yet to be recognised by many city authorities.
- The national public transport policy framework is inequitable across cities and modes, and is poorly targeted towards passengers who are in greatest need of assistance.
- The passenger rail service is arguably in decline, and the leadership of PRASA is unstable as a result of continual personnel changes associated with allegations of corruption and qualifications fraud.
- The current legislative framework fails to enable the devolution of rail planning and service provision responsibilities to multi-modal public transport authorities at the city sphere, and the devolution of responsibility for regulating bus and minibus-taxi services, which is enabled by the legislation, has stalled.

Rural Economy and Land Reform

A large body of evidence suggests that programmes of land reform undertaken since 1994 have failed to alter the agrarian structure to a significant degree, and few livelihoods have been enhanced. The recently released report of the High-Level Panel of parliament is particularly damning: there has been a failure of delivery in relation to both land restitution and redistribution, with mounting evidence of both corruption and mismanagement. In relation to security of land tenure, public hearings convened by the Panel around the country saw many people complaining that they are currently more vulnerable to dispossession than they were before 1994. This problem is acute in areas where mining is taking place in the former 'homelands', and in areas in KwaZulu-Natal administered by the Ingonyama Trust. Farmworkers and farm dwellers also remain vulnerable to eviction. Further, the relatively few people who have acquired land through restitution claims or redistribution, currently do not receive secure rights to such land, and at best are tenants of the state. The Panel comments that "recent policy shifts appear to default to some of the key repertoires that were used to justify the denial of political and property rights for black people during colonialism and apartheid" (Panel Report, 2017: 303).

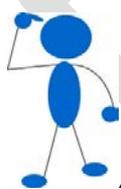
According to Ntsebeza, South African scholarship on the failure of the land reform programme is divided between those who, on the one hand, blame the government for lacking the political will, as well as not having the capacity to implement government policies. On the other hand, there are those who cast doubt on the possibility of altering the distribution of land within the current rule of law. The South African constitution itself, particularly section 25, the so-called Property Clause, is seen by these scholars as problematic in the sense that it recognises existing property rights while proclaiming that land should be returned to its rightful owners. By recognising and entrenching existing property rights, the constitution presents us with a false hope that land redistribution can be achieved without confronting colonial dispossession and the fact that a successful programme of land redress would entail encroaching on white privilege.

As noted above, the land tenure rights of the rural poor have not been secured in practice, despite new tenure reform legislation. According to Cousins et al, these failures are rooted in policy weaknesses, low levels of institutional capacity, inadequate budgets, failures of inter-governmental co-ordination, and a political leadership increasingly oriented to benefiting elites (e.g. traditional leaders and business people) rather than the poor. Crucially, land policies have been uncoupled from agricultural and other rural development policies and programmes. Agricultural policy has been premised on deregulation, liberalisation and promoting competitiveness, with only minimal support for small farmer development. Land redistribution has not contributed to the creation of new opportunities for smallholders, because government is not interested in subdividing farms.

Government policies tend to support the large-scale producers and companies that dominate the rural economy, in practice if not in policy documents. They also tend to be biased against small-scale, labour intensive and black-owned enterprises active in the informal sector. None of the piecemeal attempts at support for black farmers have come close to replacing those

offered to white commercial farmers in the past. This is true at all levels of government including local municipalities, where informal traders are discriminated against, and government tends to favour formal businesses, including large retail chains. This is also true of agricultural and land reform policy, where the large-scale farming model informs planning and support. Practitioners and researchers often appear to understand the opportunities and constraints facing smallholder farmers in fundamentally different ways to government officials, and the development paradigms informing local-level project design and implementation are often very different to those of policy makers. A set of largely unexamined conceptions, assumptions and paradigms in relation to agriculture appear to inform current policy frameworks. Formal markets are assumed to be more important than informal markets. Farmers are classified as either 'subsistence' or 'commercial'. Considerations of multiple livelihoods and the multi-functionality of agriculture are absent. The poor are often marginalised in interventions aimed at expanding major economic drivers, such as large-scale commercial farming and agro-industry.

Crop production in communal areas has long been in decline. Reasons for the decline include: the legacy of betterment planning; high input costs and risks involved in field cultivation versus the low returns; issues regarding access to and control of arable land; the retreat of labour from agriculture towards wage labour; and the withdrawal of child and youth labour from agriculture due to significantly higher enrolments in school. According to Banks, rural households now depend heavily on social grants, and remittances have declined due to increasing unemployment. Money from grants does not support the local economy and local producers much, but is spent in major supermarket chains that line the streets of small towns. Government has spent large sums in attempts to improve levels of production, through programmes like Siyazondla and the Massive Food Production Programme, but these have not been very effective. In many cases interventions to revive agriculture in the former 'homelands' have failed because they are not rooted in the local context and fail to understand the underlying complexities and challenges faced by smallholders.



Are there other reasons for the slow progress in this area that haven't been raised?

Health

Health Finance

Ataguba, Day and McIntyre have found that employment and receipt of social grants are the most significant social determinants of the distribution of good health status relative to ill-health, followed by educational status (particularly completion of secondary education) and then a range of infrastructure variables such as access to clean drinking water, sanitation and regular refuse removal. This highlights the importance of reducing inequalities in access to other social services and in employment to reduce health inequalities. However, inequalities in access to quality health services is also critical in reducing health inequalities.

As with other sectors, the apartheid inheritance of substantial differentials in the resourcing of public health services between former 'homeland' and provincial areas continues to be a challenge. There are substantial inequalities in the availability of health services across socio-economic groups and geographic areas, whether one is looking at the distribution of facilities, human resources, the routine availability of essential medicines, or other service availability indicators. The lowest socio-economic groups and poorest provinces have the worst access in terms of health service availability. Differences in staff to population ratios, particularly in the most highly skilled health worker categories, and in the availability of basic equipment and essential medicines translates into differentials in the quality of care. Poor staff morale and attitudes has also been identified as a key problem within the public health sector, particularly in poorly resourced facilities.

Although the removal of user fees at public sector *primary health care facilities* has improved access, health care affordability remains a challenge for many South Africans. Some of the poorest people continue to face cost barriers, particularly in terms of the costs of transport to facilities. This applies not only to primary health care services, but even more so to accessing hospital services, particularly given that user fees are still charged at public hospitals (although the poor can apply for a fee exemption). Those who are employed but are not medical scheme members sometimes face relatively high levels of out-of-pocket payments for inpatient care in public sector hospitals. Affordability is even a problem for many medical scheme members who face frequently high out-of-pocket co-payments and full payment for services not covered by their medical scheme. Also, lower income medical scheme members face medical scheme contributions that amount to a far greater share of their income than higher income scheme members, which also poses affordability challenges. These issues have been exacerbated by ongoing increases well above inflation in the fees of some private providers, medical scheme expenditure and contribution rates.

Key obstacles to promoting an equitable distribution of quality public sector health services are the continued inequalities in health budgets and expenditure across and within provinces. Two fundamental contributors to this are: firstly, the fiscal federal system whereby provinces receive an 'equitable share' allocation and have autonomy in deciding on the allocation of these funds to the health and other sectors; and secondly, the reliance on historical budgeting practices within provincial health departments. Although some provincial health departments have discussed introducing mechanisms for allocating their health

budget across health districts according to indicators of need for health care (such as population size, burden of ill-health, etc.), none have done so to date.

As the delivery of health services is human resource intensive, disparities in health budgets across areas translate into disparities in the availability of health workers. There is also an absolute shortage of health workers in the public health sector; human resources in this sector have declined considerably since the late 1990s, particularly in public hospitals. Total funding via medical schemes is of the same magnitude as that allocated to the health sector from government revenue, which has implications for the distribution of health professionals serving scheme members, who comprise only 16% of the population, compared with the rest of the population. It is recognised that both push and pull factors influence the relative distribution of health workers between the public and private health sectors. However, it is of considerable concern that staff establishments for public health facilities have not been updated for some time and do not reflect growing needs for health services, and budget constraints have resulted in many unfilled and frozen posts; thus, not only are post allocations inadequate, a growing number of the posts that do exist are unfilled.

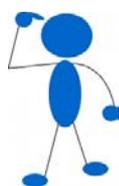
Improving quality of care in public sector facilities is seen as a priority by the national Department of Health, which has introduced several initiatives to promote quality of care improvements such as the introduction of the Office of Health Standards Compliance (OHSC) and the Ideal Clinic Initiative. While enormous efforts have been devoted to these initiatives, various criticisms and concerns have been raised. Both are seen as 'top-down' initiatives consisting largely of checklists against which facilities are evaluated rather than as mechanisms for strengthening and sustaining quality of care. Facility inspections to assess compliance with these checklists are often seen as punitive and demotivate staff, as opposed to being seen as a developmental opportunity to gain insights into how to improve quality.

In terms of the National Health Act, the responsibility for the delivery of all public health services currently rests with Provincial Departments of Health; there are serious concerns about its performance in managing service delivery. Persistent inequalities in access to quality health services, and complete lack of access to quality health care for millions of South Africans, are in no small part due to this lack of performance at the provincial level.

The national and provincial Departments of Health make all the key decisions affecting patient quality of care, but they are not directly accountable for patient outcomes. Instead, accountability for service delivery and patient outcomes is laid at the door of facility level managers. One of the key drivers of inefficiency, inadequate service quality, poor staff morale and other negative features of public sector health services is the lack of decision-making authority at the provider level. Hospital and other health facility managers have very little authority to make decisions; instead, they have to send requests up the chain of command to provincial health departments. Not only does this create long delays in responding to issues that often have serious implications for service delivery, it is inefficient and contributes to managers being seen as unresponsive to their staff and patients. The lack of delegation of authority to enable facility managers to make all operational decisions necessary to ensure effective patient care disempowers managers and compromises service delivery. The very limited scope of authority given to public health facility managers, while

holding them accountable for patient outcomes, is a fundamental flaw in the public health system.

At a more macro level, a well-designed health system has the potential to redistribute incomes, both directly through using progressive health financing mechanisms and 'in-kind' through the use of health services, in favour of the poor and vulnerable. McIntyre and Ataguba argue that health care financing mechanisms in South Africa are not realising their redistributive potential. There has not been a statistically significant change in income redistribution related to overall health care financing between 2005/06 and 2010/11. However, indirect taxes (such as VAT and excise) have become more regressive and funding of health services through this component of general tax revenue has contributed significantly to widening income inequality over this period. In contrast, medical scheme membership has become even more concentrated among higher income groups; the burden of financing medical schemes is currently largely borne by richer groups.



Should the fiscal federal resource allocation approach be reviewed, not just in health but in other sectors? Are there particular areas where more powers should be given to national and/or local government?

Food security

Although malnutrition and hunger are fundamental to any initiative concerned with poverty and inequality, addressing food security and adequate nutrition in South Africa is complex, and requires an understanding of an apparent paradox, says May. South Africa produces more than enough food, both in terms of caloric adequacy and nutritional content. There is an efficient food system which, despite the effects of climatic change, unresolved land issues and an insalubrious investment environment, continues to produce, process and distribute food that is relatively cheap and safe. Yet the prevalence and depth of food poverty appears to be increasing.

In 2015 one quarter of the population lay below the Food Poverty Line. Reasons for this context are complex. Poor diets are one proximal or direct explanation. South African eating habits are characterised by low dietary diversity, inadequate consumption of fruit and vegetables, excessive reliance upon energy-dense/nutrient-deficient staples, and high consumption of salt, sugar and food and beverages which can cause obesity. Poor complementary feeding practices for children are of particular concern. Environmental enteropathy arising from poor sanitation and hygiene is another proximal explanation. With

more than 60 000 cases of reported childhood diarrhoea per month and 27% of children suffering from stunting, South Africa is again an outlier when its economic wealth is taken into account. A final direct influence is poor maternal health arising from exposure to communicable diseases including HIV/AIDS and tuberculosis, non-communicable and lifestyle illness, and the unintended consequences of the treatment of these diseases.

Indirect, or distal explanations include the food environments through which those who are poor obtain their food, demand management by food producers and distributors towards energy-dense/nutrient-deficient foods, and foodborne or waterborne microbial pathogens and chemical contaminants such as endocrine disruptors. Other explanations include multiple demands on social grants that reduce their intended impact, and the size of the grants relative to the cost of meeting essential needs. The collapse of subsistence cultivation in the former 'homelands' is a concern as participation in such activities has been shown to improve diets and nutritional outcomes. Inappropriate policy responses are also a possible cause and include incorrect health messages such as those concerning breastfeeding, food insensitive planning such as municipal by-laws affecting the sale of fresh produce in poor areas, and indirect subsidies on unhealthy foods. Weak capability of the spheres of government to implement policies concerning food security and nutrition underpins these responses. This is compounded by the absence of a central authority that is responsible for food security and nutrition. The limited capacity of government to influence nutrition outcomes in the face of a highly concentrated food and beverage industry is a further factor. Collusion between producers and distributors has already been established in which food prices were fixed.

The very nature of food security is a contributing factor. The benefits (or costs) of food security are generally non-rivalrous or non-exclusive. As such food security is a public good even though food itself is privately produced and consumed. Addressing food security thus confronts the complex problems of collective action similar to those of addressing climate change or environmental degradation.

Violence against Children (VAC)

Jamieson notes that the causes of violence are complex and the web of interrelated risks needs to be understood to identify protective factors that can enhance resilience in children. Poverty and unemployment compromise parents' ability to fulfil children's rights and to support their optimal development. Other contributing factors include poor living conditions, mental health and substance abuse; individually, exposure to crime and violence in the home and community; collectively they increase the chances of abandonment, abuse and neglect. A weak culture of law enforcement, rapid urbanisation, inadequate housing and poor education outcomes all contribute to social dynamics that fuel violence. Additionally, South Africa's colonial past and the legacy of apartheid have normalised violence and created widespread social acceptance. Violence against women and children is legitimised as a means of maintaining men in positions of power and control. These social norms are carried forward from one generation to the next.

The Constitution guarantees children's rights to protection from abuse and neglect, and to freedom from all forms of violence. South Africa has a comprehensive legal framework that

establishes a multi-agency child protection system – 11 different government departments, led by the Department of Social Development, have responsibilities to address VAC, whilst non-profit organisations provide the bulk of services. The goal of this system is to create a safe and enabling environment for children. However, the Diagnostic Review of Government's Response to Violence Prevention against Women and Children identified a major 'implementation gap': violence against children is not a priority; the child protection system is inadequately funded; there is a shortage of skilled staff; and lack of oversight and coordination is poor.

Sustainable Development, including Renewable Energy

Rennkamp et al report that the National Strategy for Sustainable Development (NSSD), approved in 2011 and more recently, the New Growth Path and the NDP, have emphasised the green economy as a key area of growth. The Integrated Resource Plan for energy was developed in 2011 to guide future energy investments, guarantee the security of supply and reduce carbon emissions. The plan identified the need to accelerate efforts to tap into the country's solar, wind and hydropower resources, while responsibly exploiting fossil fuels and mineral resources. The environmental sector has, over the years, made significant and direct contributions to job creation and poverty alleviation through programmes such as Working for Water, Working on Fire, Working for Wetlands, People and Parks and the Green Fund. But, the Energy Research Centre has argued that the levels of poverty could have been reduced a lot more if greater progress had been made. Indeed, their research using an economy-wide computable general equilibrium model (e-SAGE) linked to an energy-system optimisation model (TIMES) to explore improving development metrics within a 14 GtCO₂e cumulative energy sector carbon constraint through to 2050 for SA demonstrates that it would be possible to decarbonise the electricity sector by retiring coal-fired power plants or replacing these with concentrated solar power, solar photovoltaics; and wind generation has demonstrated that implementing sustainable energy policies can stimulate economic growth and improve the quality of lives of poor people. From 2010 to 2050 the model results in the unemployment rate decreasing from 25% to 12%, and the percentage of people living below the poverty line decreasing from 49% to 18%. Total energy GHG emissions would be reduced by 39% and per capita emissions would decrease by 62% (Rennkamp, 2017). This suggests that the potential for job creation is there but government needs to work in ways that maximise this potential.

According to the Alternative Information Development Centre, Government's 'Renewable Energy Independent Power Producers Procurement Programme' (REIPPPP) is based on competitive bidding. It has prioritised minimising the price to be paid for renewably-sourced electricity. This has favoured large transnational corporations (drawing on global economies of scale), even though the programme has imposed some requirements on these companies to promote local economic development. In addition, Rennkamp et al argue that vested interests of major industries in preserving fossil fuel production are presenting major barriers to sustainable energy transitions. Powerful actors have managed to shape climate and energy regulation and the lack thereof to protect the revenue streams of their business. The fragility of public enterprises, particularly Eskom, adds to these path dependencies. Black economic empowerment has created new small elites of contractors, but has not transformed the overall structures of the beneficiaries (Burton, Lott and Rennkamp 2017,

Eberhard 2017). The electricity sector has become a central ingredient in the state capture under the Zuma administration. Eskom and the Department of Energy have been subject to major cabinet changes to push the nuclear program (Eberhard 2017, Rennkamp and Bhuyan 2016). Despite promising movements towards low-carbon energy generation, reaching the country's poorest populations remains a challenge. Two studies conducted at the ERC, the [Supporting African Municipalities in Sustainable Energy Transitions](#) (SAMSET), and the Urban Transformation in South Africa through Co-designing Energy Provision Pathways projects, have focused on these challenges at a municipal level. These studies have found that at the local level, the challenges for municipalities to deliver both access to energy for the poor and contribute to decarbonising the energy supply are considerable, particularly with regard to balancing the needs of the urban poor with the poorly regulated small scale embedded generation of energy. An important issue here is that the municipal electricity sales in many cases cross-subsidise a municipality's pro-poor programmes.

Social Cohesion

In a keynote address on Healing and Reconciliation delivered at the South African Council of Churches' National Convention of South Africa in November 2017, Eleanor du Plooy, Project Leader, and Ashley Kriel: Youth Desk and Gender Justice and Reconciliation, stated:

"The history of South Africa is a fractured one. Traumatic aspects of our history that have contributed to this brokenness include the genocide of the indigenous peoples of the Cape region, slavery and deprivation of local and indentured labour, the atrocities of the Boer War, the brutality of the theft of land by colonists and the repeated dislocation and resettlement and related, gut-wrenching crimes of the apartheid regime. These traumatic legacies of the past have left deep, *unhealed* wounds that have had terrible psychological, spiritual, economic, and physical consequences. These wounds still fester. They necrotise. The trauma becomes intergenerational and it's a poisoned chalice we pass on to our children. Symptoms of this woundedness is fear, mistrust and division. In as much as these divisions stem from the wounds of the past, the continued inequality, poverty, unemployment, high levels of violent crime and an uncertain political context further entrench divides and fault lines..." Reconciliation has long been a subtext of the South African struggle and over the years it has consequently taken on different forms. Yet despite the prevalence of the concept, du Plooy argued that reconciliation has been difficult to understand and define.

Burns' input for the MI also grapples with the issue of terminology. She has selected to use the term 'social cohesion', which is often used interchangeably or together with the terms 'reconciliation' and 'nation building', with the differences between them generally not clearly explicated.

Smith suggests that effectively to deal with the trauma from the apartheid legacy, the high levels of trauma associated with appalling levels of poverty experienced currently, and the multiple challenges of a developmental state, we need to 'gel' as a nation. She argues that this will require trust, respect, dignity, tolerance of diversity, and a shared desire for social justice, which collectively constitute the elements of the 'glue' that can unite people in a common sense of identity, humanity and belonging, and result in a more socially cohesive society. Fostering the 'glue' is needed to stimulate the economy and tackle the deepening

societal divisions and contestations that these are causing - suggesting that the lack of social cohesion is both a cause and a consequence of the structural inequalities which continue to characterise SA. Tackling the triad of poverty, unemployment and inequality will need to involve the coming together of role-players from all sectors through innovative and effective partnerships at all levels of society.

Burns concurs with this approach and defines social cohesion as '*the extent to which people are co-operative, within and across group boundaries, without coercion or purely self-interested motivation*'. This approach to social cohesion emphasises the importance of people learning how to relate across boundaries in ways that promote cooperation. The emphasis on people coming together and learning new ways of relating and doing things together resonates with what the Nelson Mandela Foundation describes as one prong of the reconciliation project, conceptualised originally by Madiba, as 'hard negotiating of practical ways to learn to get on together'.

In reiterating Madiba's original conceptualisation of the reconciliation project, Harris cautions that the project of reconciliation [or social cohesion] must be rooted in a restructuring of society. This restructuring demands a fundamental redistribution of wealth and privilege through a range of strategies for restitution, reparation and transformation. In trying to explain why insufficient progress has been made in all three areas, Harris suggests that the embrace of neoliberalism for macroeconomic planning was inordinately hasty and that too much of the institutional transformation since Mandela's time didn't go much beyond affirmative action which left many systems from the apartheid era intact. The amnesty process was not followed by the prosecution of those who failed to get amnesty because the recommendations of the TRC were never responded to by Mbeki's government. The pace of socio-economic change has been unacceptably slow. And finally, Harris suggests white South Africans have not demonstrated a willingness to give up their privileges and there hasn't been the requisite political will to tackle this challenge.

The example of the Worcester Reconciliation process outlined in Section Three illustrates how the processes of restitution, reparation and transformation can potentially be combined at local level in a manner that advances social cohesion.

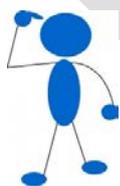
Posel's research has focused on how the legacy of apartheid and the continued neglect of rural development has impacted on family formation which in turn constrain people's capacities to improve the quality of their lives. Her research places structural inequality and the attendant lack of access to socio-economic rights, particularly for women who live in poverty, at the centre of any explanation about the challenge of building social cohesion at a societal level in South Africa. Her approach resonates with the research currently being undertaken by a multidisciplinary team of researchers from the HSRC to interrogate the space which they describe as the social/collective/relational realm. A multidimensional wellbeing (Sumner & Mallett, 2012) approach to development places the person, in their relationships and surroundings, at the centre, and presents opportunities for investigating the prevalence of racialised and gendered distribution of resources and opportunities; understandings of wellness that are different to those from people in the global North; and how these impact an individual and community's ability to be well. Reorienting our focus from the material and subjective to the social, they suggest, should help answer questions

such as: (1) How are prevailing structures of social relations in unequal societies maintained/challenged? and (2) What is the impact of oppressive contexts on networks of relations in communities?

Posel shows that with high rates of orphanhood and physically absent parents, especially fathers (due to the migrant labour system), many young people may experience a lack of belonging in their formative years. The disruption of family care, especially at a young age, has important psychosocial effects. For example, children (boys in particular) without secure attachment are more prone to behavioural problems learning difficulties, poor language development and weak decision-making abilities, and are less resilient to poverty, all of which affect prospects for social mobility later on. The disruption of family care also undermines the role that traditional rituals (such as circumcision) and other family-based events (holidays, religious events, birthdays) might play in healthy identity formation, which in turn, affect the ability of individuals to integrate into and participate fully and meaningfully in community activities, as opposed to remaining marginalised.

Active community participation is a key aspect of social cohesion but may be undone by insecure attachment, induced by the impact of poverty and inequality on family formation, in early childhood. The absence of effective wraparound policy support to strengthen and support family care, especially that provided by women who bear the burden of care as well as work, is critical to thinking about mitigating inequality and poverty, and in supporting healthy psychosocial development of children which in turn, holds implications for their ability to integrate into broader society and for social cohesion.

The notion of agency is also key to understanding why Burns, Atkinson et al argue that development projects which don't consider how to build and sustain social capital/cohesion from the outset, have generally proved difficult to sustain. Indeed, Atkinson's research has led her to conclude that Social capital is the *sine qua non* of any kind of effective development.



How do you feel about the debates about reconciliation, nation building and social cohesion? If you feel any or some are useful what are the useful elements? And why do you feel that nation building and social cohesion continue to be such major and contested challenges?



Please take time to jot down your thoughts about anything new that you learned from Section Two and list agreements/disagreements/omissions.

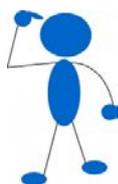
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Section Three: Recommendations

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Over the years we have seen the mushrooming of social movements challenging poor service delivery and demanding that the pace of change across multiple sectors is accelerated. For example, the Soweto Electricity Crisis Committee, Equal Education, the People's Health Network, the Homeless People's Alliance and the Social Justice Coalition. Some protests have also been directed at the inequalities in the labour market and the fact that the labour market has not been able to absorb significant portions of the population; e.g. the demand for a Basic Income Grant and others such as the Self-Employed Women's Union have been lobbying for the recognition of the informal economy as not only a legitimate source of livelihood but also an important component of the economy (Ballard et al, 2005). The scale and scope of these movements reflect high levels of anger about the inadequate progress in advancing social justice in our society.

All the contributors to this Synthesis Report were requested to generate recommendations at a macro policy/strategic level to accelerate the pace of change in addressing the manifestations of structural inequality and persistent, and deep levels of poverty in their areas. They were also invited to comment on the possible impact of their recommendations on eliminating poverty and structural inequalities.



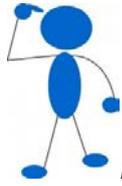
As you read the recommendations you may want to consider whether the recommendations will address concerns being raised by social movements on the ground and record your thoughts about this.

We have organised the recommendations into different categories, namely: strategies that underpin, or are pre-conditions to, the successful implementation of strategies in other areas; strategies geared towards arresting intergenerational poverty; strategies geared towards overcoming other structural inequalities; and cross-cutting recommendations geared towards building a more capable and responsive state and a different way of doing things. We hope that this will assist with discussions about interventions and further research that should be prioritised, in the February workshop.

We have included some examples of innovative practices which surfaced in the Action Dialogues, and which were validated by peers, to encourage reflection on how useful these are for large-scale interventions and for building the capacity of people in government to work in collaborative, responsive and intersectoral ways.

⁵ We had hoped to include a recent analysis of the priorities of social movements to enable assessment about the extent to which the recommendations emanating from the research initiatives resonated with the demands emanating from social movements. However, this was not possible for this report.

Whilst this approach provides a framework for reporting on the inputs in a manner that places structural inequality at the core of any explanation of the persistence of poverty in SA, this has been done retrospectively.



In the February workshop, we will provide an opportunity for people to discuss these and other examples of innovative projects which are improving the quality of people's lives. As you read these cases please jot down points that you feel are significant or interesting about the cases.

Underpinning Drivers of Change/Preconditions to the Successful Implementation of other Strategies

Ignite growth and improve its distributional impact

Donaldson proposes that accelerated development requires a heterodox policy mix and substantial shifts in the balance between state and markets. Creating a more employment-intensive economy remains a primary objective.

South Africa will introduce a statutory minimum wage next year, which will help to protect many vulnerable workers, and could lead to simpler and fairer outcomes than the current thicket of collective-bargaining agreements and sectoral determinations. But, as the high-level panel chaired by former President Motlanthe has recently argued, complementary measures are needed to support employment of young people and other vulnerable job seekers.

Donaldson proposes that the existing subsidy for young workers, which operates as a temporary tax incentive to employers, should be extended to all low-wage employees in registered employment. Originally proposed by Professor Sam Bowles of the University of Massachusetts to South Africa's labour market commission 20 years ago, this remains the most compelling market-based option for addressing apartheid's structural legacy of unemployment. Moreover, he proposes that locally managed public works and community-based employment programmes should be expanded, subject to the minimum wage and basic work standards. Household income support should run on twin tracks: cash transfers, already well-established, and basic employment assurance, which lags well behind needs.

He advises that active labour market interventions and the envisaged public employment services should be structured as public-private partnerships, building on the demonstrated

success of established independent initiatives. Similarly, he suggests, planning, oversight, and financing of technical and vocational education require effective collaboration among business groups, the national government, and municipalities. Beyond these institutional reforms, he believes that South Africa needs more rapid investment in cities, urban infrastructure and housing. Urbanisation is a powerful determinant of productivity growth and improved livelihoods. But the revenue systems needed to invest in better housing, modern transport, communication networks, industrial hubs, and enterprise development require strengthening. South Africa's cities are creditworthy. They have excellent universities and capable financial institutions. Bolder urban plans, more inclusive development strategies, and more streamlined business processes would catalyse investment and strengthen self-sustaining growth dynamics. Expanded opportunities in urban housing markets are imperative, but access to rural land and livelihoods is also important. The sections below amplify some of these points. The energy sector and air and rail transport are still dominated by state-owned near-monopolies, whose balance sheets are in trouble amid rapidly rising costs. Competition and private ownership would relieve the state balance sheet of a large and troubling contingent liability. More rapid progress in regional economic cooperation, across the public and private sectors, is another imperative - one that would benefit both South Africa and its neighbours. There are growing financial, trade, and migration links among southern African countries, as well as shared water, transport, electricity, and communication networks. And yet the region suffers from a dearth of infrastructure co-investment projects, weak collaboration in trade promotion, and slow-moving cooperation in financial and tax arrangements. Reform of the Southern African Customs Union is long overdue.

Whilst Donaldson acknowledges that black socioeconomic advancement is central to more rapid and broad-based development he believes that South Africa needs instruments that facilitate activity and incentives that reward productivity, not barriers to investment or initiative.

Other researchers have teased out the difficulties in separating strategies to promote inclusive growth from strategies to redistribute assets and wealth. In theory, the extreme concentration of wealth in the hands of a small portion of the adult population can be addressed from two sides: redistributing wealth at the top (primarily through capital-related taxes), or building wealth in the bottom (for instance by promoting saving and investment among middle-class households). According to Orthofer, given South Africa's relatively low level of private wealth and its reliance on foreign capital inflows, policies to create a more equal distribution of wealth should attempt to balance these considerations.

As regards wealth taxation, Orthofer's research supports a revenue-neutral shift in tax policy from employment-related to capital-related taxes; such a shift could benefit the middle-class relative to top wealth holders. The bulk of tax revenue is currently collected from employment income (35% of the total tax revenue), while taxes on capital and private investment income play a much smaller role (1%). Wealth itself is taxed only through the estate duty, which is not very effective in its current form, generating only 0.1% of total tax revenue. Since those with high income do not necessarily own a lot of wealth, this means that households at the upper end of the *income* distribution might actually be taxed much more heavily than households at the top of the *wealth* distribution. The current proposals of the Davis Tax Committee, which aim to close loopholes in the estate duty and increase the proceeds from the taxation of wealth, could help initiate such a shift (Davis Tax Committee, 2015).

Set a national goal that every child in South Africa must learn to read for meaning by the end of Grade 3.

Van der Berg et al argue that improving reading in the Foundation Phase would enhance learning throughout the subsequent years, and as such it would reduce one of the major inequities at the starting gate. According to Van der Berg, there is no guarantee that poverty and inequality in other spheres will be reduced, but the obverse is clear: Without improved education, it is very difficult to remove social inequalities and ensure that more people can be productive contributors to economic growth and development.

The consequence of using this as a unifying goal in the quest to improve the quality of public schooling, argue Van der Berg et al, is that all other constraints that stand in the way of achieving this goal would need to be addressed too and that there would have to be a system in place to measure the extent to which this goal is reached.

Wordworks Home-School Partnership Programme is an example of an integrated approach to teaching reading involving parents, home visitors, community volunteers and teachers.

Wordworks was established in 2005 to support and improve early language and literacy learning among children from historically disadvantaged communities in South Africa. By working alongside and sharing their materials, know-how and enthusiasm with teachers, parents, volunteer tutors and home visitors in a respectful and inclusive way, they seek to give all children a better chance of learning to read and write successfully.

Wordworks' programmes transfer valuable knowledge and skills to those who are at the heart of their communities and best-placed to ensure that education solutions are mainstreamed and self-sustaining.

Their methodology and resources are evidence-based and reflect the extensive body of research around what works in supporting the acquisition of early language and literacy skills.

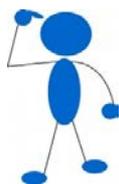
Wordworks runs four main programmes, in partnership with pre-schools, schools, libraries and community organisations:

- training volunteers to assist young children as they learn to read and write through the Early Literacy Programme
- empowering parents to support learning in the home through the Home-School Partnership Programme
- providing training and resources for teachers to strengthen literacy teaching in Grade R (STELLAR)
- equipping Home Visitors to support early language and literacy learning in the years between birth and four

Each of the programmes includes some or all of the following elements:

- high-quality training
- ongoing mentoring and support
- user-friendly materials and resources

There is a need to support parents and their efforts in literacy at home – and Wordworks' Home-School Partnership Programme aims to address this. Their Early Literacy Programme is a volunteer-based intervention for Grade R- and Grade One-children using high quality materials. In addition, Wordworks has also developed an in-service teacher training programme and resources to support quality teaching of language and literacy in Grade R (Stellar Programme).



Can and should the elements of this model be scaled up through partnerships with the SACC's National Convention given the emphasis on involving volunteers?

The Schools Improvement Initiative at UCT (SII) has generated a theory of change for creating more enabling environments for teaching and learning in township and rural schools' environments. Their theory is based on a model of whole-school improvement, which includes dimensions of leadership and management support, coupled with teacher professional development. An important area of learning that has emerged from this initiative is that contextually specific school improvement strategies are needed to support teaching and learning. A key element of the model has involved the establishment of a Wellness Centre (WC), in partnership with the Western Cape Education Department District Office, which has implemented holistic health promotion strategies that promote agency and well-being for learners, parents and community members to create a school environment that deals with the level of trauma being experienced in working class communities and is conducive to sustaining improvements.

The primary objective of the WC is to forge strong interdisciplinary and intersectoral links with university and community partners so as to offer: Psychosocial wellness (personal, interpersonal and developmental) and Physical & environmental wellness. Students from across the university are placed in the partner schools for their professional practice. This includes students from the School of Education's PGCE; the Department of Social Development (who places social work students in the partner schools); Speech-Language Therapy; Occupational Therapy (Community Development Practice and Child, Learning Development & Play); Audiology; Information Systems (in collaboration with the Knowledge Co-op) and SHAWCO Health and Rehabilitation. These placements constitute a compulsory component of the curriculum-based student professional practice while at the same time offering much needed support to learners by strengthening the culture of learning and teaching in the schools.

With an emphasis on holistic wellness a variety of programmes and initiatives are offered at the CWC such as:

- Study skills support
- Career advice by UCT Careers Services
- HIV, STD testing by Médecins Sans Frontières
- A range of workshops are organised during the course of the year in collaboration with the District Office and other community-based NGOs, focusing on:
 - Addressing abuse, bullying, drugs
 - Enhancing parental involvement in their children's development

In an attempt to broaden psycho-social support services, social work students have been placed in two of the other SII partner schools and the social worker spends one day a week at both these schools. This level of psycho-social support in conjunction with the placement of student social workers, and in collaboration with community NGOs means that far more learners in high poverty areas are exposed to a range of psycho-social support services that could not be offered by the district support team, due to a severe lack of resources.



Can and should all universities be encouraged to implement similar interdisciplinary programmes with their students in communities near them?

The HSRC review surfaced a number of policy blind spots needing discussion such as language policy, the wide gaps between wealthier well-equipped schools and disadvantaged schools, the educator post provisioning model to enable more sharing of resources, and the policy vacuum related to the needs of rural schools to create inclusive solutions to:

- Transportation problems
- The mismatch between children's domestic duties and school day times
- Child malnutrition
- Training of rural school teachers, and
- Poor resources

Strategies to Arrest Intergenerational Poverty

Prioritise the developmental period from conception to two years (first 1,000 days) as most critical for investment to enable the greatest long-term gains

Childhood undernutrition – particularly in the critical window of the first thousand days, including 9 months in the womb – it is suggested by Hall et al, should be a matter of the utmost national and international concern. It can result in irreversible stunting, which has severe consequences on both physical health and brain development. Impaired cognitive development leads to poor achievement at school, decreased productivity later in life and diminished chances of escaping the circle of poverty. Undernourished infants are also at greater risk of becoming obese children and adults, and of suffering from diabetes, and other cardio-metabolic diseases later in life. Stunting starts before birth and is caused by poor maternal nutrition, poor feeding practices (including a lack of adherence to exclusive breastfeeding in the first six months), poor food nutritional quality, and frequent infections and diseases that can slow growth. Researchers and organisations in civil society have motivated that South Africa's nutrition efforts should be consolidated towards a single goal of reducing stunting with a prioritisation of interventions targeting women of reproductive age and the first thousand days of children's lives. The delivery of nutrition programmes for

mothers and children along with quality early childhood development (ECD) programmes is a key basic service that further helps to build resilient families. ECD programmes would also relieve the child-care commitments of mothers, making it easier for women to participate in the labour market. However, these recommendations locate the care of children firmly with mothers. There seems to be little recognition of the responsibilities of fathers, and how the contributions of fathers to children can be encouraged (through the provision of paternity leave, and social education programmes for example) or 'enforced' (through an effective maintenance system). This gap needs attention.

The country's first National Integrated Early Childhood Development (NIECD) Policy was approved by Cabinet in December 2015. The policy provides an overarching, multi-sectoral framework for a comprehensive package of ECD services and presents several strategic shifts in supporting early childhood development. It outlines services which must be realised immediately. A number of essential services are prioritised in the policy, and implementation should take effect in the short-to medium term to be available and accessible to all young children and caregivers by 2024. The policy envisages the roll-out of the comprehensive package by 2030. The services include birth registration and access to the Child Support Grant from birth; basic health care and nutrition for pregnant women, infants and young children; preventive and curative maternal, infant and child nutrition services; support for parents; safe quality child care; early learning support and services from birth; and public information about ECD services. The case study of Philani Maternal, Child Health and Nutrition Project illustrates the elements of an integrated approach to the 'first thousand days'.

Philani Maternal, Child Health and Nutrition Project
Dr Ingrid le Roux and Nokwanele Mbewu

This effective maternal and child health programme intervenes during the critical 'first thousand days' to support and enable family functioning. Philani recruits and trains mentor mothers, identified for their communication skills and commitment, to share their skills with other women in the community. The 6-week training programme of mother tongue instruction deals with child and maternal health topics, practical skills for home visits and community work, followed by work shadowing, reflection and then a week in a community to identify resources and risks.

This is complemented by continuous in-service training, regular coordinator meetings and monthly workshops to learn, celebrate and inspire. Coordinators and nursing sisters go into the field to support outreach workers every day.

Mentor mothers are required to carry out a regime of daily visits, growth monitoring of all children, case documentation and assessment. These action-oriented interventions support clients in finding their own solutions. It was stressed that changing behaviour requires trust and trust requires listening and respect.

While most health services have the necessary equipment, guidelines and protocols to address nutrition in children under five, some areas still have inadequate resources. The participants in the Action Dialogue held in the Karoo in 2017 advocated for a broad approach – one that addresses the underlying causes of malnutrition, including clean water and good sanitation; access to high quality health care; maternal health before conception, during pregnancy, and during lactation and post-lactation period; education about best feeding practices and, food security – which itself depends upon many factors including improvements in sustainable agriculture, economic justice and access to water, climate change and many other factors.

An example of a project which has managed to break the cycle of intergenerational poverty is run by the Hantam Trust in the Karoo through the implementation of a programme addressing different phases across the life course. Importantly, the programme commences with pregnant mothers.

Hantam Community Education Trust

The Trust's main objective is to break the cycle of poverty in a sustainable and permanent way. They do this by supporting the farming community of Colesberg in the Northern Cape across the life course.

Pregnant mothers are supported through an effective parenting programme until the baby is born, and mothers are also taught how to communicate with their children. Field workers visit targeted families three times a week. They use puppets and dolls to demonstrate to mothers the different development stages of the unborn baby and how it's affected by mothers' behaviour, e.g. alcohol consumption. Everyone in the family get 'workshopped' (sic) when someone is pregnant, so they also become part of the support structure. Mothers are provided with manuals showing how the baby is developing, and how to care for a baby from 0 to 2 years (first 1,000 days). These manuals are written in English and Afrikaans. Children from poor backgrounds are further supported at an early childhood development crèche, and a feeding scheme at the primary school.

The Trust doesn't only provide educational support, but also manages community health and youth development programmes. Its health programmes and services include a primary health clinic, a community pharmacy and health education. The home visiting programme has proven to be very successful as the number of people visiting clinics seeking healthcare services has dropped.

Hantam works within a small controlled community so this makes it easy for them to do a census at the beginning of the year to check what has changed in the community; track alcohol abuse, child-headed households, absent fathers. Teenage and unplanned pregnancies have reduced in the community throughout the years. Building and maintaining trust as well as giving people hope has helped them take responsibility for their lives.

A third example is Path Out of Poverty (POP), Goedgedacht (Peter Templeton)

The POP programme starts before the child is born. We believe this is a very important period for the child; and we then focus intensively on the first 1 000 days. We concentrate on all the issues around the younger child: trying to help the mothers stop drinking, make sure the child gets food, goes to school, etc. Our contention is that the support that is most important involves the 'soft skills' relating to the individual: – education, health, personal development and care for the planet. The POP programme covers these four pillars. The programme works with children on 32 farms in this area. We have someone who goes around making sure that all these children are going to school, and that the babies that are at risk are brought in to the baby unit we have here on the farm, where they are fed and looked after (early childhood development). After that we have a programme that consists of 17 different projects all the way through up to the early 20s. We focus on the importance of skills such as confidence, courage, endurance, persistence, an ability to respond to problems that are not that obvious – to make them rounded human beings. It's an expensive programme that lasts for 25 years. Next to our preschool we have a leadership college; we will be taking the best of young people from the 18 surrounding villages where we work who can't get jobs to teach them leadership skills, so that they come out of the programme able to ask the right questions about how things are happening around them, and make a difference to the community where they live.

On this farm, we grow 35 hectares of olives; the IDC has been very generous in supporting our olive factory and that has become one of our income streams. Pick 'n Pay have adopted us – they are genuinely anxious to provide support for programmes like ours, and there is also self-interest involved in terms of ticking boxes on the BEE scorecard. Our products are sold in 350 of their shops around the country. We've signed a contract with Woolworths to do private labelling and we are going into 9 different outlets with them from September and October this year. So, we have outlets for our produce, and the income it generates can go into the POP programme.

Develop a comprehensive social security programme and provide access to responsive education and training for youth who are not in education and training or in work

De Lannoy reports that there is consensus that delivering quality education for all, preventing school drop-out, enabling access to higher education, training and the labour market,

understanding and alleviating the heavy burden of disease among young people, and supporting their sense of belonging and citizenship in the broader South African context are all areas that need to be addressed in the attempt to break the intergenerational cycles of poverty and inequality. While an entire overhaul of the system is not possible in the short-run, participants in the Youth Conversation held in October 2017 highlighted the importance of designing a package that serves youth's needs across different ages (life-stage approach); that acknowledges the heterogenic nature of the country's youth cohort; that strikes a balance by starting small and gradually scaling up interventions after initial evidence of their impact, and coming in at scale for issues that may be easier or more straightforward to begin to solve. It was suggested that the interactive, online [Youth Explorer](#), which provides youth-centred data in one easily accessible place, can be important in defining a package of support for youth. The portal was launched earlier this year by UCT's [Poverty & Inequality Initiative](#) in partnership with [OpenUp](#) (formerly Code for South Africa), [Statistics South Africa](#) and the [Economies of Regions Learning Network](#). The portal is continuously updated with data as they become available and accessible.

De Lannoy suggests that it is possible to identify a number of crucial moments/transitions during the adolescent and young adult stage, in which additional support and improved quality of services can make a difference.

An example of a crucial moment/transition in which additional support and improved quality of services could make a difference is the Grade 9 stage during which learners need to choose their subjects for matric. This choice thus determines much of the further educational and career options of each young person. Providing information and guidance on this choice, coupled with additional learning and parenting support could make a long-term difference in his or her life. Exiting the schooling system is another such "hinging" moment. Finding ways to connect more young people to second chance education or some form of post-school education and training is important for their employment chances later on. Short interventions before or after students enter into qualifications can be as important as redesigning the entire curriculum. In an attempt to meet young people in their request for information, the Poverty and Inequality Initiative, in partnership with [The Children's Institute](#), [Ikamva Youth](#) and the [DG Murray Trust](#) have developed 'Yazi', an easily accessible information portal that visually maps the pathways through the educational system – from grade 9 onwards – into higher education or into the world of work. It is meant to provide young people with the details they need to make informed decisions about their educational or career trajectories. After an initial pilot stage, it is envisaged that the portal will be evaluated and the outcomes of the evaluation translated into policy-relevant material.

However, without significant, inclusive economic growth that provides jobs that match the skills and interests of young people and without increased willingness of employers to employ youth, significant decreases in youth unemployment are not guaranteed. None of these issues can be solved in the short term. In the meantime, she argues that it is important to consider additional forms of support through the social protection system – including some form of financial support – that would prevent youth from remaining trapped in poverty. The Youth Conversation has begun a process of identifying elements of a basic package for youth support. These include improvements to, and expansion of, skills development programmes.

In his presentation to the Community of Practice Workshop in May 2017, Leibbrandt (drawing on Atkinson) states that, in the same way as the capital market was deemed as too important to fail in the financial crisis of 2008 and was supported through huge direct interventions, we simply cannot allow our labour market to fail given the dire consequences of youth unemployment. Therefore, he motivates that we build off our experience in piloting of guaranteed employment programmes through the Community Works Programme in order to craft substantive, impactful sets of interventions alongside our public works programmes. One option from international experience in which there has only been preliminary thinking in South Africa, is a national youth service programme. Other prongs of labour market entry, such as internship policies and the youth wage subsidy, he suggests need to be harmonised within an inclusive approach to growth, as outlined by Donaldson, to ensure clarity and coherence.

The Department of Higher Education and Training launched the Labour Market Intelligence Partnership (LMIP), five years ago, coordinated by the HSRC, to conduct research to inform monitoring, planning, and policymaking for more effective skills development and equitable labour markets in South Africa as the problems in this area are widely known. Reddy reports that the LMIP has proposed an inclusive Post-school Education and Training (PSET) planning approach for South Africa which focuses on both the needs of the economy and society. In most industrialised nations with high levels of education and low levels of unemployment, the skills planning focus is on the analysis of vacancies in the labour market. South Africa has lower levels of education and skills than most productive economies, and its fail-safe policy is to raise the levels of basic, post-school and workplace education and training. Reddy has stressed that an inclusive PSET approach must recognise all vulnerable groups (unemployed, youth, women, African, disabled) in its planning and allocation of resources. It is proposed that a set portion of the PSET budget must be allocated to enable marginalised groups to access appropriate skills training and job opportunities.

Below is an example of a skills development initiative using different knowledge sources that works with marginalised women in a local community in partnership with young people in schools, the Department of Agriculture and out-of-school youth.

MDUKATSHANI : Rauri Alcock

Is located in KwaZulu-Natal and works mainly in the Msinga/Weenen rural areas. We support farmers on land reform farms to improve village chicken production. The Mdukatshani Rural Development Project is currently working with 62 groups of chicken farmers (with a minimum of 20 farmers per group), mostly dominated by women. We work with in-school youth (in clubs, not in the classroom) and out-of-school youth; we usually call them community livestock workers (CLWs) rather than community animal health workers (CAHWs), because they are involved with more than just the health aspect of livestock. We work with chickens because almost every household owns a number of chickens.

Chickens are socially categorised as women's livestock in terms of decision-making. Most of the farmers, we work with are older women, who freely make decisions about slaughtering, selling, or using the chickens for cultural ceremonies and so on.

Chickens are easy to produce at no cost.

They are a source of protein (meat and eggs).

They are used for cultural ceremonies, and as a source of income.

We **promote the local breed** wherever we work, because they have a greater resistance to disease, and they survive in harsh conditions. Breeds are also associated with colours that have social and cultural significance – people will use a chicken of a certain colour in a

specific ceremony.

As part of our commitment to promoting and strengthening indigenous knowledge and farming practices, we encourage the use of traditional methods of feeding chickens. This involves allowing only one batch of chicks to hatch in winter, and use winter-laid eggs for nutrition. The unhatched eggs are cooked and ground up with mealie meal to feed these chicks through the winter. Another problem we deal with is protecting chicken nests against predators. Indigenous hens lay everywhere, and it's important to have a system so that you know where the eggs and chicks are. We involve the **local youth** to create solutions to the problems, and they earn money for the nests they make. They know how to do this because they have experience of the traditional methods they've learned at home, using local resources and weather-appropriate materials.

We don't give handouts but instead support farmers to improve what they have. We work with them, using outside expertise and local knowledge to create more productive livestock systems through local testing of ideas and management systems. We learn and share knowledge through theme days (where farmers choose a topic to focus on for a day, and give us the task of finding information on that topic for them), exchange visits, farmers' days and more hands-on trainings. We also support knowledge transfer, by introducing youth into the programme, so that the older people in the community can pass on the knowledge they learned from their own parents and grandparents.

Current joint work with the provincial Department of Agriculture:

- We work together to involve women in livestock associations.
- We have produced a joint manual with the KwaZulu-Natal DAE drawing on our experience with the farmers.
- We try to involve extension officers in our experiments and information days.

A second example of linking skills development for emerging farmers to the establishment and organisation of micro enterprises and cooperatives is provided below. The project also integrates skills related to the generation of livelihoods in sustainable ways.

SIYAVUNA

Diane Pieters

At the heart of what we do is stimulating local economic participation, financial independence and sustainability, and adopting a pro-poor approach to value chain development. Our mission is to train and mentor emerging organic farmers for food security, developing successful micro-enterprises through Farmers Associations and co-operatives that market produce under the Kumnandi brand. We work in Ugu District, in 10 communities, with 600 farmers. They have varied levels of education, the average age is 54, with 84% being women and 16% men. The brand is a big part of the success – it eliminates competition among the farmers to sell their produce individually to shops; we are all identified as Kumnandi farmers and we sell together for the brand. Monthly meetings are a vital part of the model. Farmers may not be interested in selling, only in food security; they can still attend the monthly Farmers Association meetings where they get training and support. If they do want to sell, they sign up for the Participatory Guarantee System (PGS), the organic monitoring model - since our work is all organic – and get a membership card. The Farmers Association decides on collection points in their community, and farmers deliver their produce to these points on foot or with wheelbarrows – for farmers with larger amounts of produce than they can transport like this, Siyavuna now goes around collecting directly from them. This is not a growing co-op, it's a buying and selling co-op like an old-fashioned farmers' co-op. Each Farmers Association (one per area) elects its own leadership – chairperson, secretary and community fieldworker – and they send two representatives to serve on the co-op board. The co-op board meets monthly, and its job is to run the business of buying and selling the produce, and identify whatever forms of support the farmers need. They organise going to the 24 collection points once a week; they take the produce straight to the pack house, where it's refrigerated, packaged, and the brand added. The whole system is underpinned by the PGS, which is a peer-to-peer monitoring system.

When I first joined Siyavuna I was dubious that it would be effective, but I've been proven wrong – and the trick is in the brand. The farmers see that the brand is connected to their livelihood, and so they want to protect the brand. Because of that, they are really serious about PGS. If they suspect someone is using DDT or other chemicals, there's a whole system of reporting, sending in an investigation team and imposing sanctions. This is all done by the farmers themselves, and they are very strict with each other – all because of the brand.

Based on research conducted under the auspices of the Labour Market Intelligence Partnership, it is proposed that an inclusive Post-school education and training approach should involve:

- Developing a 'portal' or a 'one-stop-shop' that could assess the capabilities of unemployed youth and NEETs (youth not in employment, education or training) and connecting them to whatever education and training they may need to make them employable and work-ready. Such a portal should clarify the options available for learners
- Scaling up the provision of artisan training
- Building the competencies and interactive capabilities of the Technical Vocational Education and Training colleges to be able to respond to skills needs of core industries in their local contexts, and to benefit from more solid interactions with firms, particularly to support work-integrated learning. Public TVET colleges could also contribute more effectively to addressing new skills needs presented by land reform, housing, and other infrastructure projects.
- Redesigning the non-accredited and informal education and training schemes to enhance the capacities of unemployed youth to generate livelihoods and support the education and training needs of organisations working in the solidarity economy, such as cooperatives and community based livelihood projects.
- Recognising and supporting the key role of industry associations and other private intermediary organisations.

In this regard Maree, conducting research for the MI, has identified a need for a compendium of all the organisations and initiatives existing and operating in South Africa. Such a Compendium could serve as a companion to skills developers and job creators in the form of an eBook on the internet with interactive capabilities, so that people could add, modify and update the information contained in it. To be effective it would need to operate like Wikipedia with an editor that keeps it updated and ensures a uniform style with consistently high-quality information that is completely user-friendly.

The examples below of the Harambee Youth Employment Accelerator and the Chrysalis Academy illustrate why building the interactive capacities of the TVET colleges is essential to improve placement rates of graduates.

The Harambee Youth Employment Accelerator is a high-impact intervention to address youth unemployment based on the premise that there are entry-level jobs available, but that employers are reluctant to place young, first-time workers due to perceived risks. Since 2011, Harambee has been targeting employers to shift their perceptions about employing young workers, based on the motivation that employing young people makes human resourcing and business sense, and enables companies to contribute to national development. Harambee has established that they are able to provide young, first-time workers who perform well and are likely to stay in their jobs. They can ensure this because of the support they provide to young work-seekers who are recruited via social media, word-of-mouth, community radio stations, and other community-based recruitment strategies. Youth are initially screened for numeracy and literacy potential, and are assessed to determine which sector they would be ideally suited to. Once youth have been screened, they are either counselled out of the programme (if they do not meet the placement criteria) or routed into different bridging programmes depending on their match to industry requirements. For instance, young people with competencies for retail will undergo a six-day bridging programme focusing on retail-specific skills; while those with competencies in business process outsourcing will go through an eight-week bridging programme as this requires longer-term training. All bridging programmes include workplace readiness skills. Participants are then groomed for job interviews, and Harambee facilitates the engagement between the employer and various participants so that the employer may select the participants they prefer. Harambee reached its initial goal of placing 10,000 young people in September 2014. Although the programme has not been evaluated for impact, Harambee does track participants and relies on feedback from employers. They report a higher retention rate than other placement agencies with almost 75% of their placements staying in their jobs for at least 12 months. This benefits the employee who is able to demonstrate commitment to other

potential employers. It also benefits the employer who can reduce costs by retaining staff. These gains in turn help to make a case to other potential employers to employ young people. A key design feature of the Harambee programme is that it addresses both the supply and demand side of the labour market equation. It addresses employers' fears about employing young people and skills up young people through short-term interventions. The programme also demonstrates the potential of young people, harnessing young people's desire to enter the labour market, and providing the connections that young people need to take that first step into employment. Harambee is demonstrating how to approach the challenge of youth unemployment innovatively but there remains a need to assess the impact of the programme.

Chrysalis Academy

Lucille Meyer, Chrysalis Academy CEO

The Chrysalis Academy (CA) was set up in 1999 by the Provincial Cabinet as a Social Crime Prevention Programme. It is a registered NGO that is largely funded by the WC Department of Community Safety. The CA mission is to unleash the potential of youth through mental, physical, emotional and spiritual empowerment, enabling them to become positive role models and productive citizens. The CA predominantly focuses on building personal mastery to enable youth not only to cope with their current realities but to transcend them in positive, creative and uplifting ways to the point of evolving into positive change agents within their communities. A key feature of personal mastery is the ability to connect with self and others in a positive and meaningful way.

The programme is currently [2016] aimed at youth between the ages of 18 and 25 with a minimum Grade 9 certification, no criminal record and who are currently neither in employment, education nor training. Since the year 2000, more than 8,000 youth have graduated with large numbers now in employment, studying or doing socially responsive work in their communities. Selection is done through an intensive process of application and a screening which involves a face to face interview. The CA targets youth from across the Western Cape.

The CA's strategy comprises the following overlapping areas:-

Contributing towards building social capital by implementing high quality outcomes based training and development opportunities: This strategic area is aimed at assisting youth to develop physically, mentally, emotionally and spiritually through the three-month residential programme. It comprises a number of phases aimed at enabling students to acquire skills to build their resilience and personal mastery. The programme is aimed at assisting students to re-enter the formal learning system such as schools or TVET colleges, higher education institutions, or become more employable through ongoing vocational training or simply to become active citizens in their communities engaged in positive, uplifting and constructive activities. Apart from the various skills training, a strong focus is placed on aptitude testing, career guidance and partnerships with various companies in the private sector, TVET colleges and government departments, with the purpose of accessing internships, learnerships and further education and training opportunities, in recognition that education is the foundation of a sustainable future

Promoting social inclusion and a culture of active citizenship

In addition to the 3-month course, the CA provides an after-care service which includes counselling, career guidance and a nine-month work placement immediately after graduation. Workshops are also convened with families of students to promote caring and functioning families in recognition that families are the basic building blocks of society. At least three workshops with families are held during each course aimed at building effective parenting skills, interpersonal communication and to explore ways to support and encourage the positive transformation in the students.

The Learning Academy of Mercedes Benz South Africa (MBSA), East London is an example of an innovative approach to training unemployed youth to become artisans in partnership with the private sector and the Jobs Fund.

The Learning Academy of Mercedes Benz

Kim Smallie, Learning and Development Specialist at the Learning Academy

MBSA started training its employees in July 1981 when it opened a Technical Training Centre. As Mercedes Benz started exporting its motor vehicles decades later, the need arose for it to provide world class training. In addition, the rapid advancement of automotive technologies, such as robotics and automation, placed significant training demands on the MBSA manufacturing plant and the broader industry around the plant, requiring a continuous upskilling of the workforce.

The Learning Academy was constructed in 2014 and cost R130 million in toto. Initially the Jobs Fund, launched by the Development Bank of South Africa, but taken over by South African Treasury, supported MBSA on a rand for rand basis. R100 million was raised with each of them contributing R50 million. Subsequently the Jobs Fund contributed a further R30 million on condition that MBSA also trains workers in related industries in the region and ensure that they obtain placements thereafter.

Three levels of training are provided at the Learning Academy: shop floor skills training, apprenticeship technical training, and advanced technology training.

The shop floor training programme lasts for two months and is aimed to prepare unemployed school or college leavers for a job as production workers in a typical manufacturing environment. Learners are given both theory and practical training. Once qualified, all learners are placed into a database and are actively marketed with local manufacturing firms, thereby vastly increasing their employment opportunities. Unemployed learners are paid a stipend for the duration of their training to support transport and meal costs.

The apprenticeship programmes span between 3 to 4 years. Most applicants would have attended a technical high school or studied maths and technical subjects at an academic school or TVET college. There are two streams of apprenticeship. The first is automotive related, where learners choose between an Automotive Electrician and Motor Mechanic. The second is more plant and equipment oriented, where trade options include Millwright, Electrician or Fitter and Turner. As in the case of shop floor trainees, unemployed learners are paid a stipend for the duration of their training.

In order to provide advanced technologies training the Learning Academy is equipped with a world-class range of technologies to up-skill existing artisans in the fields of robotics, plant automation and metal joining technologies. There are a wide variety of robot cells, from stand-alone robots to those equipped with technologies that include grippers, stud welders and weld-guns (steel-to-steel, steel-to-aluminium or aluminium-to-aluminium).

The Mercedes-Benz Learning Academy is both an accredited training provider and trade test centre. It is accredited by the Merseta and as a trade test centre by the Quality Council for Trades and Occupations (QCTO) and the National Artisan Moderating Body (NAMB).

The Jobs Fund put an obligation on MBSA Learning Academy to train and place 500 unemployed shop floor learners on a three-year cycle as well as about 120 apprentices per annum.

The Learning Academy is currently [2016] training 216 shop floor trainees per year and taking on 50 apprentices every year for 3-4-year overall training. The current number of apprentices at the Academy is 200. In advanced technologies and robotics 520 people had been trained since August 2014, of which 420 had been placed.



What are the factors that contribute to the success of these initiatives? And can these models be scaled up?

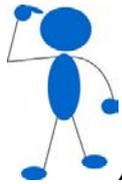
Zuma's announcement in November 2017 that the government will introduce fully subsidised free higher education for poor and working class students with a combined annual income of up to R350 000 starting in 2018 in TVET colleges and universities constitutes a major policy shift. The announcement was made on the eve of the ANC conference and no details on

how this will be implemented or funded were provided. The vice-chancellors were not informed or consulted about the decision. As a result of the lack of clarity on detail, contestations in the sector are likely to continue because the NSFAS and universities' application processes for 2018 have largely been finalised. The University South Africa Forum, comprised of the public universities' vice-chancellors, has informed the public that universities will not be able to consider applications from walk-ins. This position is likely to be challenged on the grounds that this approach is not in line with the political objective of opening up access to the poor, who may not have applied to universities previously on financial grounds.

The provision of free education for poor and working class students will undoubtedly result in benefits for the poor. It will potentially have a big impact on reducing drop-out rates for financial reasons, and will certainly relieve heavy debt burdens on poor families going forward. It is not yet clear how it will impact on enhancing access, as the number of students that institutions are allowed to claim input subsidies for has already been finalised by the Department of Higher Education and Training (DHET). There are also limitations on the number of students that can be accommodated at the existing universities. In 2017 TVET colleges were instructed by the DHET to keep subsidised numbers the same as they were in 2015 due to financial constraints. In the absence of more information on how free higher education will be funded, it is not clear how this decision will impact on the quality of higher education.

Strategies to Overcome Structural Inequality

In Section One we provided a high-level summary of data in each of the thematic focus areas which clearly indicated the persistence of structural inequalities which continue to impact on the lives of the majority of black people in SA after 23 years of democracy. In this section of the Report we share the major recommendations that have been proposed for macro-level policy or strategic changes to overcome this legacy.

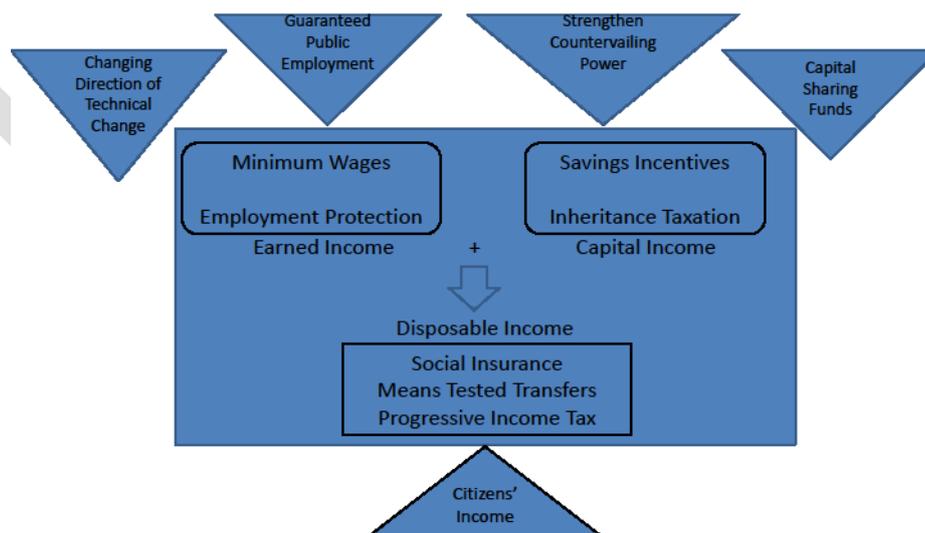


As you read the recommendations we encourage you to reflect on whether the recommendations will help to unlock barriers that have impeded progress towards radical socio-economic transformation outlined in Section Two?

Hone economic policies

In the diagram below, Leibbrandt summarises a set of areas/policies developed by Atkinson and Bourguignon, that are not part of the standard menu of economic policies which require serious consideration if we are to tackle contemporary inequality. These policies are described as 'outside of the box'. Policies inside the box are already part of the existing policy matrix in South Africa and it is important that further attention is devoted to honing these. But our experience and international experience makes it imperative that we are willing to think outside of the box too.

Thinking Outside the Box Atkinson and Bourguignon (2016)



(BOURGUIGNON & ATKINSON, 2015), (Atkinson 2015)

Labour for technical change: Participation in the globalised world puts a country in an environment of labour-replacing and skill-intensive technology. Staying linked to the

international economy, however, does not mean giving up on promoting employment-intensive growth. For example, public investment and industrial policy can be used to encourage technical progress which favours labour rather than capital, and an employment-intensive growth path. Atkinson points out that, even as they argue for neutrality or that there is nothing that they can do in the globalised world, countries are making choices, sometimes implicitly and often in favour of capital.

Guaranteed public employment: The contemporary world is one with a skills' twist that favours skilled over unskilled labour. This has changed the nature of unemployment in many countries, including South Africa, and policies directed at frictional unemployment seem old-worldly and misplaced. Guaranteed public employment for all job-seekers at the minimum wage has to be up for discussion on the South African policy menu. The state could, and arguably should, act as an employer of last resort, analogous to being a lender of last resort in financial markets. Such policies are already carried out in India and the United States.

Strengthening countervailing power: Internationally, behavioural models of employment have suggested that wages paid at equilibrium are partially determined by social norms as well as by bargaining power. Social partners who influence norms and strengthen bargaining power can be used to counteract the one-sided power of large capital holders. This should improve equity for wages and can be coupled with efforts to dismantle monopolistic pricing regimes. This topic details and confronts the institutions that mediate economic power. In South Africa, the Competition Commission and NEDLAC would be institutions operating in this space.

Capital sharing funds: This idea addresses the nature of contemporary unemployment, and in particular the burden that is placed on youth, who need to be able to transition successfully out of basic education into adult citizenship and higher education or the labour market. Thus, the proposal is for a state-guaranteed minimum endowment payable to youth at age 18 or 21. This could be funded through methods like sovereign wealth funds, helping to reduce inequality arising from the returns to capital. Such guaranteed income can be seen as a floor income to launch youth into active participation as citizens and is best characterised as a societal intervention to dampen persistent intergenerational inequality. Atkinson suggests that revenue from inheritance tax be used to (part) fund this intervention.

Citizen's income: At the bottom of the diagram, below the standard social protection measures, is the suggestion that contemporary society needs to guarantee a citizen's income or a participation income. This is a guaranteed minimum paid out on the condition of some sort of economic participation, past or present, which includes caring for dependants and being available to work. It is an unconditional transfer to all and resonates closely with South African discussion around a Basic Income Grant. In the South African context, this proposal will need harmonisation with the extensive system of social grants that we have in place already as an inside of the box policy intervention.

Thinking outside of the box in these ways focuses on income inequality. To collectively break the persistence of inequality in all of its dimensions, such proposals would need to go hand in hand with the education and health interventions that were discussed earlier to ensure equalities of opportunities as well as with strategies that tackle redistribution by focusing, at a minimum, on interventions to increase access to land, housing and transport of adequate quantity and quality (see below for more detailed recommendations in these areas).

Advance spatial transformation, stimulate housing demand and use human settlements to produce urban work opportunities

Cirolia submits that there are several important changes which could shift the terrain and work to make the urban human settlements landscape more equitable. Instead of pursuing peripheral capital intensive mega-projects, greater attention should be given to human settlements interventions which rectify the problematic legacy of housing delivery. This includes:

- Releasing well-located land for medium density urban housing. This will require both a broader embrace of the 'social value' of urban land, as well as a more transparent and socially orientated approach to the portfolio of state assets, such as vacant and underutilised land and buildings.
- Enhancing housing demand through the redesign of subsidy and housing finance systems. Housing subsidies, where possible, should focus on enhancing demand and choice of households. Housing finance should be more accessible and responsive to the needs of the poor.
- Focusing attention on the provision of social, economic and networked services
- Alignment of state and private sector investments at the city-scale and activation/support of state and community investments at the neighbourhood scale are critical.
- Ensuring that human settlement investments are designed in such a way that they create long term work opportunities, for example in the maintenance and management of the public and networked infrastructure.

Provide effective public transport

Behrens and Vanderschuuren caution that effective public transport is vital for improving access to opportunities and to capitalise on the potential for dense, mixed-use projects and inclusionary housing schemes around stations. Reform of the public transport subsidy framework, the introduction of user-side subsidies, and the promotion public transport network 'hybridity' (i.e. a complementary network of scheduled mass transit and unscheduled paratransit services) are needed. Legislative reform (perhaps in the form of a mooted Integrated Transport Planning Bill) is needed to enable multi-modal public transport regulation to be devolved to city authorities, and an associated opportunity for innovations in rail service provision and regulation. Better planning and decision-making, leading to incentivised 'hybridity' and associated shifts to feeder area quantity licensing to consolidated taxi associations or companies – should make city-wide public transport improvements more financially viable and equitable, and improve spatial and temporal accessibility. Multi-model service planning would enable integrated timetables, complementary service routes, and integrated fare structures and collection. Integrated passenger information systems, and better alternatives analysis in mode choice investment decision-making – should improve the spatial, cost and temporal accessibility dimensions of the public transport network.

Reconfigure land reform policies to enable both agrarian reform and the planning of peri-urban and urban settlements that provide secure form of land tenure as well as access to economic opportunities

The potential for land and agricultural reform to address structural inequality has clearly not been realised to date, and current policies are contributing to elite capture. A rethink is called for, as made clear by the recently released final report of the High-Level Panel of parliament. The report recommends a number of sweeping amendments to existing land reform laws, and the amendment or repeal of the Ingonyama Trust Act. It also recommends two major new legislative initiatives: (a) a new Land Reform Framework Act based on section 25 (5) of the Constitution, which provides the right to equitable access to land, and would seek to clearly articulate the different components of land reform with one another. A primary objective would be to pre-empt elite capture. A draft law proposes new institutional arrangements, and mechanisms to ensure that the public and parliament are able to measure delivery and hold the executive to account; and (b) a new Land Records Act, aimed at enabling an inclusive and robust land administration system for all South Africans across the full spectrum of existing systems of land rights. The Panel also recommends a review of the budget for land reform, which currently stands at only 0.4 percent of the national budget.

Cousins et al contend that land reform policies need to be fundamentally reconfigured, and must aim to underpin both agrarian reform and the planning of peri-urban and urban settlement that provide secure form of land tenure as well as access to economic opportunities. Ntsebeza has proposed that a land CODESA is convened for this purpose. Redistributive rural land reform needs to lend support to black smallholder farmers by providing them with access to an expanded land base. Expanding the number of producers on smallholder irrigation schemes, who could help supply the growing market for fresh produce, is emphasised in the National Development Plan, but the availability of water for such expansion is unclear. This debate needs to be resolved as a matter of urgency.

Supporting labour-intensive agricultural subsectors is key for job creation. These include small-scale irrigation, horticulture, and opportunities in forestry and fisheries. Job-opportunities also exist in identified small-scale livestock production, particularly goats and sheep and live chickens for informal markets. It is suggested that the design of support programmes for smallholder farmers must be based on an understanding of the underlying dynamics of differentiation. Such interventions would distinguish between the needs and requirements of various types of smallholder farmers, as well as between 'loose' and 'tight' value chains and markets, and support both producers and market intermediaries. Specific support should be provided to subsistence-oriented smallholders on welfarist grounds.

Mdukatshani provides an example of integrated approach working with women farmers and unemployed youth.

MDUKATSHANI – GOATS AS A POVERTY INTERVENTION

Rauri Alcock

Mdukatshani is an NGO from Msinga. We do not do consulting work. We work on improving chicken and goat production in rural homes as a food security measure. We work with smallholders straddling the categories 'subsistence-oriented smallholders' and 'market-oriented smallholders'. We focus on women farmers and on the unemployed youth. We work collaboratively with the state at provincial and national levels, as a pilot for their scale-up to bigger levels of implementation. We also work with academic institutions in joint research efforts based on the work we do.

We work on:

- chickens, Ngunis, drylands, land reform issues, traditional authorities, gender and land.

Why goats?

- Goats are gender neutral – in African societies it's hard working with cattle as there are many issues relating to women and ownership of cattle, girls working with them, etc. But with goats there are none of these concerns.
 - They are easy to sell. Goat farming can be very productive. Goats are low-maintenance, hardy and drought tolerant.
 - They are largely un-commercialised – we don't have any numbers for goat markets but these markets are large.
- We use increased animal health as an entry point into improved productivity, drawing on an international model based on community animal health workers – where you look at the livestock structures that exist around dip tanks, build up dip-tank committees etc. and they end up with a very extensive network of livestock associations.

Another aim of the programme is to create an environment of research and practice to be able to give continuing support to farmers – there is no research out there to help goat farmers. However, we look for ways to work with farmers in their yards (rather than at research stations) to solve problems experienced.

There is limited but real potential to expand the resource base for certain kinds of rural enterprise. This includes 100 000 – 160 000 ha of forestry land in communal areas and elsewhere, new smallholder irrigation schemes, and the redistribution of under-utilised grazing land on commercial farms to small-scale livestock producers through land reform. Government also needs to secure the land and water rights of small-scale farmers, including within irrigation schemes and provide security of tenure for communal farmers. Policies must be differentiated and flexible, suitable for different types of farmers, and allow farmers to move between types over time.

Finally, policies must attempt to address the high levels of concentration in the agricultural sector – in relation to the 'upstream' components of value chains (inputs such as fertilizers and seeds), in production, and 'downstream' components (such as agro-processing and retail).

Address pay inequality inherent in the labour market and protect precarious and vulnerable workers

There are clear linkages between recommendations on pay differentials and those related to the promotion of inclusive growth and improving the quality of, and access to, skills development programmes for youth who are not in employment or in training for overcoming a racially segmented labour market. Interventions proposed for this area are focused primarily on the two ends of the labour market, i.e. the pay inequality primarily driven by very high earnings at the upper end in the formal economy and poverty due to low earnings in the informal and formal economies. Reducing the level of the Executive Pay has been recognised by Godsell, a member of the Chief Executive Officers' Initiative, as a critical intervention to signal a commitment on the part of executives to reducing the unacceptable high levels of inequality in our society. For similar reasons raising the level of pay for workers at the bottom end signals a commitment to lifting people out of poverty.

The Department of Labour has interpreted section 27 of the Employment Equity Act to apply only to disproportionate horizontal income differentials (this is patently incorrect), which has meant that the section has been ineffective in reducing vertical differentials. The provision has the potential to result in the creation of norms and benchmarks to achieve proportionate income differentials. To discuss this potential of the EEA, approximately 35 academic, trade union and civil society experts from South Africa and abroad participated in the deliberately small-sized Action Dialogue. Helm believes that more consideration should be given to Section 27 of the Employment Equity Act (EEA), which would regulate the observed ratio between the top 5% and bottom 5% of earners in all companies and institutions. He also

asserts that the South African Code of Good Practice on Equal Pay/Remuneration for Work of Equal Value (EP Code) which points to the Code of the Good Practice on the Integration of Employment Equity into Human Resource Policies and Practices (HR Code) provide the theoretical foundation for the development of a non-discriminatory, proportionate targeted pay structure.

In addition, they propose utilising the corporate principles now enshrined in King IV as an additional route to address high earnings at the top end of the labour market. Principle 14 of King IV provides that the 'governing body should ensure that the organisation remunerates fairly, responsibly and transparently.' On this foundation King IV has introduced the requirement that the remuneration of executive management should be fair and responsible in the context of overall employee remuneration. This acknowledges the need to address the gap between the remuneration of executives and those at the lower end of the pay scale.⁶ Collier & Godfrey also recommend engagement with the Institute of Directors, the custodians of King IV, with a view to directing greater attention on the scope of King IV to address income inequality through constraint on earnings at the top end of the labour market. Godsell, a member of the MI Think Tank, has also highlighted the need to get employers to reflect on the implications of the changing nature of work and the associated roles of workers in companies. Godsell has argued for a productivity focused approach at the plant level that challenges employers to link wages, wage fairness, working conditions and living conditions of workers to a strategy that is focused on viewing workers as resources and assets.

At the bottom end, the recently approved National Minimum Wage forms part of a number of labour market policies designed to protect precarious and vulnerable workers, and improve the plight of those at the bottom of the income distribution albeit at what many in the society regard at a level that is still far too low given the pay disparities. Borat cautions that it will be necessary to combat the high incidence of violation of labour laws by improving the efficacy of enforcement efforts and, secondly, by shifting the dynamics between workers and firms. This would entail making non-compliance expensive (appropriately set fines) and increasing the chances that such expenses would have to be paid (probability of being inspected) should non-compliance be uncovered. Weak worker bargaining power is a consequence of extensive inequalities in the labour market, high levels of unemployment, weakening union power, and large skills disparities. General strategies aimed at eliminating poverty and inequality and increasing employment will help even the dynamics between employer and employee.

According to Schroeder the situation of unequal power relations between employers and workers is aggravated by the fact that the Labour Relations Act describes a trade union as any group of workers who associate for the purpose of regulating relations with an employer. As such, workers' councils representing workers employed by labour brokers can bargain with the employer and they can embark on strike action. But the LRA discriminates against such councils because they are not registered trade unions (e.g., they cannot get organisational rights and, until recently, couldn't represent their members at the Centre for Conciliation Mediation and Arbitration. Schroeder concluded that restructuring of the world of work – largely through technological innovation/de-skilling, production outsourcing, and

⁶ King IV, p. 31.

financialisation has created a generalised precariousness and instability not only into the workplace but also into the working class as a whole, affecting the ability to organise at work, but also in the community and broader society. He urged that the discussion on Section 27 must be located in a context of a hugely ascendant capitalist class, a collapsing trade union movement and the emergence of a very large section of workers with unstable work, no organising experience and no struggle experience.

In 2015 the ILO adopted Recommendation No. 204: Concerning the Transition from the Informal to the Formal Economy, and, since then, has been encouraging tripartite processes in member countries to implement Recommendation 204. Such a process is currently gaining momentum in South Africa, involving government (with the Department of Labour taking the lead), organised business, organised labour, and civil society. It is recommended that South Africa supports the Recommendation No. 204 process, providing research input where possible. The main objective will be to have input on key discussions about the redesign of labour legislation that will seek to turn 'rigid' rights (where there is either compliance or not compliance), into 'process' rights that can be achieved over time. In one of the Action Dialogues several unionists were arguing that there is a need for a practical, workable framework defining and protecting the rights of all workers as a complement to the National Minimum Wage.

Finally, Leibbrandt suggests that the South African formal sector inherited and remains characterised by ossified and uncompetitive value chains in spite of active competition policy. Research by von Broembsen that was fed into the Mandela Initiative through the REDI3x3 project shows that this situation is a key blockage for new entrants, inclusivity and innovation. Confronting this situation requires promoting an inclusive labour market which includes an integrated approach to formal–informal sector interactions; the informal sector as part of the value chain and needs to be conceptualised as such.

Allocate resources for Health services more equitably

While some of the drivers of health system inequality point to very specific recommendations, such as removing user fees at public hospitals for those not covered by medical schemes and improving patient transport, particularly for referral services, many analysts have consistently pointed to the need to introduce *fundamental institutional reform* to achieve extensive and sustained improvements in access to quality health care. As the public health sector is the main provider of health services in South Africa, and public health services are used by the full range of socio-economic groups (albeit that the highest income groups tend to use mainly central hospital services), reform efforts need to focus on this sector. Key reforms proposed by McIntyre and Ataguba include:

- Centralised allocation of funds for public health services to promote an equitable allocation of resources across health districts and individual facilities.
- Piloting the delegation of management authority to individual public hospitals and to sub-district management teams for primary health care services. Many of the persistent challenges that face public sector health facilities, such as poor staff morale, which impacts on the quality of services provided, and perceived lack of responsiveness to patients, can only be addressed in a comprehensive and sustainable way through

increased management authority at facility level combined with strong governance and accountability structures.

- Institutionalising and reaching agreement on the status of community health workers within the public health system. Community health workers (CHWs) are critical in promoting equitable access to health care through their 'close to client' service provision/regular home visits. International evidence demonstrates that CHWs make considerable contributions to improved health outcomes. There are over 40,000 CHWs in SA, but most are paid a small stipend and have very insecure and informal employment status, which in some cases contributes to high turnover and motivation problems. Formalising the employment of this important cadre of health workers will not only have major health benefits, but will also contribute to employment creation
- Strategic purchasing of health services, including explicit service level agreements with all providers to clarify expectations in terms of the range and quality of services, combined with monitoring of provider performance, and changing provider payment mechanisms to promote the efficient provision of quality services. Given the substantial service delivery capacity in the private health sector, services could be purchased from both public and private providers to meet the health needs of South Africans. A single, centralised agency would be able to exert considerable purchasing power to ensure that provider payment rates are affordable and sustainable. However, impeccable governance and accountability mechanisms are required for such an agency.

Address Food security

Although a range of policy recommendations have been proposed and implemented, the impact of these remains uncertain. The provision of social grants, food fortification, vitamin supplementation and primary health care has failed to bring about a reduction in child stunting and has not eliminated micro-nutrient deficiencies. It is possible that both may have been worse in the face of the HIV/AIDS pandemic and high levels of unemployment. Policies seeking to regulate misleading advertising may have had an impact on goods purchased in the formal economy, but are not being enforced for goods sold in spaza shops in the informal economy. A 'sugar tax' on sugary beverages has been proposed, but international evidence is mixed as to whether such taxes bring about a reduction in sugar consumption and improved health. Food sensitive urban planning has been put on the policy agenda, but has yet to have any impact on infrastructure or slow the creation of food deserts or food swamps in low-income neighbourhoods. Innovative exceptions can be found. One example is the process adopted by the government of the Western Cape that has adopted an integrated approach to its Food and Nutrition Security Strategy. Similar government innovations are underway in Gauteng and eThekweni. Other potential innovations include measures to adopt climate resilient crops and agricultural practices, the use of nutritious indigenous grains and leafy vegetables, and 'last mile' solutions including the promotion of food literacy.

The inputs outlined in this section constitute a possible framework for prioritising actions

Preconditions for the successful implementation of other strategies

- Ignite growth and improve its distributional impact through shifting the balance between state and markets to create a more employment intensive economy by e.g. extending temporary tax incentives to employers who employ young and low wage workers; expansion of the public works and community based programmes; active labour market interventions to improve conditions for vulnerable workers; improving collaboration between TVET colleges and employers; greater investment in cities, urban infrastructure and housing; providing access to rural land and livelihoods and the implementation of more inclusive development strategies
- Set a national goal that every child in South Africa must learn to read for meaning by the end of Grade 3.

Arresting intergenerational poverty

- Attend to the developmental period from conception to two years (first 1 000 days)
- Develop a comprehensive social security programme and provide access to responsive education and training for youth who are not in education and training or in work focusing in the short term on key transition points in young people's lives whilst developing detailed plans for implementing an inclusive post school education and training approach

Addressing structural inequality

- Reconfigure land reform policies to enable both agrarian reform and the planning of peri-urban and urban settlements that provide secure form of land tenure as well as access to economic opportunities
- Advance spatial transformation, stimulate housing demand and use human settlements to produce urban work opportunities
- Improve the public transport system
- Address pay inequality inherent in the labour market and protect precarious and vulnerable workers
- Maximise the redistributive benefits of health financing mechanisms
- Address food security needs

Building a more capable and responsive state and a different way of doing things (discussed in Section Four).

What do you feel about these suggested priorities? What alternatives ideas do you have?

Section Four: Cross-cutting Enablers for Building a More Capable and Responsive State

The National Development Plan (NDP) suggests that the potential and capacity of South Africa to address its pressing needs will depend on adopting an approach that “systematically includes the socially and economically excluded, where people are active champions of their own development, and where government works effectively to develop people’s capabilities to lead the lives they desire” (NDP, 2011: 3). Implicit in the notion of inclusive development is the need for collaboration between different social partners for mutually beneficial outcomes, and hence new perceptions of the roles of different partners. In addition to the importance of collaboration and inclusiveness, reflections on the processes of engagement through the MI resonate with Ndebele’s view, expressed in a keynote presented at the Consultative Conference for Veterans and Stalwarts, that we need “a strong imaginative political culture” grounded in robust and hopeful imagination.

What follows is a reflection on possible new or more nuanced ways of thinking, that surfaced in discussions that followed presentations by the DST-NRF SARChI Chairs’ findings, supplemented by illustrative examples of what Pieterse and Sitas refer to as ‘democratic renovations’ gleaned from the Action Dialogues. We have chosen to refer to these insights as cross-cutting enablers of transformative and participatory practices which can help to change our political culture and landscape and make the state more responsive.

Thinking and working out of silos and trying to understand existing non- ‘siloesd’ social and economic realities and people’s practices and lived experience in these contexts

An excellent example of the importance of understanding and responding to interconnections between different aspects of people’s realities is provided by de Lannoy who refers to the lack of understanding about the multiplicity of deprivations experienced by the youth cohort in South Africa; and how deprivation varies from one small, local area to another. Analysis of a youth multi-dimensional poverty index (MPI), developed by de Lannoy confirmed the critical role that low educational outcomes and limited economic opportunities play in contributing to poverty among youth in South Africa. However, significantly the composition of the MPI differs from one region to another, indicating the need for a diversified approach based on the available evidence. It is very data intensive to make policy design responsive to these local-level specificities. While such technical monitoring is worth doing, the Initiative has flagged the importance of community engagement with local-level policy design and implementation processes as a priority mechanism. It is clear from our case studies that such processes greatly assist up-take and community responsiveness too.

Being open to the construction of new kinds of typologies, e.g. of public infrastructure, community facilities and settlement types, and to questioning apparently self-evident assumptions

Posel’s research has challenged a normative construction that people live in nuclear families with a father, mother and children as this is at odds with the reality that many families are headed by women and, often, with no fathers. This is the key reality for many poor women and their ‘family’ who live in rural areas and in informal settlements and who bear a number

of costs not adequately covered by child support grants. Appropriate acknowledgment of these realities will help to shift thinking on how to allocate scarce state resources (e.g. on rural development and investment in cities), and develop more appropriate spatial development frameworks.

Assumptions that most rural people would like decent housing in the urban areas also need to be interrogated. Research by Posel shows that the rates of circular migration have been picking up since the 2008 recession, while Visagie demonstrates that very large numbers of people who were either in rural or urban areas in one wave of NIDS are in the other location when the next survey is administered. This clearly shows continuing and even increased circulation as part of contemporary coping and adjustment. Many people have returned to a focus on rural areas as places where they can build dignified homes and where they can express their African identities with freedom and in places where they know and feel their ancestors are with them. Indeed, according to Banks, going to the city for money has always been part of the African life project, but it has also generally been understood that this is not where African lives should end, or where significant life cycle events or landmarks should be acknowledged. It is a life project that needs to be marked by regular return visits to the spiritual and social spaces of home, especially in the rural areas which is the source of power and ultimate destination in a life course.

Banks is not suggesting that a 'Nkandla home-making model' is for everyone today nor that most households achieve the ideal. He is rather suggesting that rural 'home-coming' is still a fundamental cultural construct in minds of many in South Africa. Problems arise when a country's spatial and economic development policies have little appreciation of the cultural and economic imperatives that drive double rootedness and the popular strategies of home-making, settlement and life cycle planning. Without rural land management and titling, the huge investment that migrant's household are making to rural house-building have little long-term material value for these families (besides the cultural benefits), nor will they be recognised in the rural development frameworks of the state. In fact, no one is trying to connect the way people are actually investing in rural areas with the kinds of economic activities that might be developed there, outside of subsistence style, small-scale agrarianism. This suggests a need to reconsider new and innovative models for rural and urban development and not to get trapped in a policy polarisation that seems to demand the need to choose either urban or rural spatial policy.

Another key example that emerged in the work of the Initiative is the need for public sector officials and our public discourse to develop a new set of sensibilities in relation to informal social and economic realities, as well as different kinds of management imperatives.

The work of Pieterse, Harrison and their team surfaced examples of the multiple ways in which people on the ground are seeking to generate livelihoods, but these are not recognised or supported by the state. Hence, they argue that it is vital that public officials who interface with residents and businesses on a daily basis reorient their mindsets to not simply see their role as enforcers of uniform regulations and standards. Instead, they suggest officials need to appreciate the makeshift and adaptive nature of poor peoples' livelihood strategies. The question they suggest must then become: How can the state support and enhance the livelihood ambitions of these actors and households? Instead of: How can we stamp out informality and/or illegality?

This mindset change must be supported by new institutional modalities of interface and regulation. For example, it is important that public officials work with a spectrum of informality-to-fully-compliant-formality. This implies recognising that people need support and incentives to progress from what they are doing outside of formal norms and standards, to gradually move to a situation where they are compliant. Such an approach requires consideration of what regimes of 'soft regulation' might mean for different sectors such as ECD, street trading, informal service businesses, and so on.

In the case of ECD, instead of adopting an attitude of benign neglect, the state should rather place crèches on a spectrum of compliance and provide systematic support and incentivisation for them to improve their infrastructure, facilities and pedagogic content. This will encourage greater formalisation when the people involved are ready and can afford it. Such an approach would then have a multitude of positive spin-offs: uninterrupted education but improving conditions for poorer children and teachers, capacitation of teachers and access to grants. In light of this broader point, Pieterse and Harrison et al strongly urge that a systematic review should be conducted of all domains of daily regulation across the various sectors of informal work, service provision and building. Such a review should comprise of appropriate government officials, interested NGOs, researchers, and of course representative organisations or networks of ECDs or whatever institution might be under consideration. Based on such an assessment, an alternative sector specific regime of soft regulation can be developed to underpin new patterns of interface between the state and the interested parties.

Working in ways to enable and support sustainable, locally driven initiatives or social compacts rather than imposing top down interventions

Burns has demonstrated that projects which have an explicit goal of building organisations in communities or social cohesion from the outset, whilst also aiming to address other development issues, are more likely to succeed. She has therefore proposed that government programmes should be designed and evaluated according to their impact on social cohesion. This would put the issue of building social cohesion, defined as "the extent to which people are cooperative, within and across group boundaries, without coercion or purely self-interested motivation" firmly at the centre of government initiatives.

The Worcester Hope and Reconciliation Process as it has developed during the course of the Mandela Initiative reflects a clear understanding that reconciliation requires more than forgiveness and that social cohesion requires more than getting people to learn to cooperate together. For the people of Worcester to learn to talk to each other after the horror of the Christmas bomb was clearly a major step forward. But there was a recognition that to build cohesion would require attention to education, living conditions, jobs and income, etc. The summary below illustrates how the people of Worcester are trying to do this.

During the first phase of its existence (2010 – 2012) the WHRP used the narrative of the 1996 racially motivated Worcester bombing as a metaphor to engage the Worcester community in dealing with the history of colonialism and apartheid in Worcester. This work led to the arrangement of the Worcester Peace Train to Pretoria where the 63 survivors of the bombing had the opportunity to meet one of the perpetrators of the bombing, Stefaans Coetzee in the Pretoria Central Prison. Coetzee was thereafter transferred to a Correctional Facility in Worcester where he had the opportunity to meet with a thousand Worcester residents and answer questions why he had committed the crime and what led to his own transformation Process.

The work around the Worcester bombing was developed into a film titled Black Christmas that was launched in 2016.

Apart from focusing on the narrative of the 1996 Worcester bombing, the Worcester Hope and Reconciliation Process arranged a range of reconciliation activities to build social cohesion within the community. These activities include annual 16 December reconciliation day events with eminent South Africans addressing the Worcester community on the theme of reconciliation; annual peace table events where prominent Worcester residents discuss the challenges and opportunities of Worcester over a meal; the annual Worcester Peace Award; koinonia meals where small groups of Worcester residents have a meal at the home of someone from a different racial group; healing of memories workshops where Worcester residents have an opportunity to tell their own life story and listen to the stories of fellow residents; pilgrimages to Robben Island;

Since 2013 the Restitution Foundation in partnership with the Mandela Initiative (as it became known) and the National Planning Commission is supporting the WHRP to use four key focus areas (Employment, Education, Housing and Substance Abuse) of the National Developing Plan as foundation for the development and implementation of a socio-economic restitution strategy for the community of Worcester. This collaboration included the WHRP (i) doing research of which organisations are already involved in socio-economic transformation work in Worcester (ii) conducting workshops with four Worcester sectors: business, youth, civil society and faith communities to establish in which areas more work was required. From these workshops four areas were identified: housing, substance abuse, employment and education (iii) in February 2014 arranging a five-day workshop for 20 Worcester activists at Goedgedacht near Malmesbury. At the last day of the workshop the Worcester participants used the knowledge gained at the workshop to start developing the Worcester Hope and Reconciliation Process's own restitution plan for each of the focus areas. The workshop was followed by more planning sessions which led to the development and the adoption of the Worcester Hope and Reconciliation Process restitution plan for housing, education, employment and substance abuse. Since 2014 the Worcester Hope and Reconciliation Process has been executing the plans and a summary of the progress made include:

Education:

- As a strategy to support numeracy, colour identification and small muscle stimulation the WHRP collected 20 000 colourful plastic bottle caps and manufactured 20 000 colourful wooden blocks which were distributed equally to the 150 ECD Centres in Worcester. In addition, the WHRP raised a R100 000 to buy educational tools for under resourced ECD centres in Worcester.
- Completion of the 16 weeks (every Tuesday from 09:00 – 12:00) training in English of 19 Early Childhood Development (ECD) educators in computer literacy.
- Completion of the training of ECD cooks to provide healthy, nutritious and affordable food (with no sugar and at least one vegetable and one fruit) for ECD learners
- Establishment of the infrastructure (10 containers, desks and chair, magazines, etc.) of four (Zwelethemba, Roodewal, Riverview, Avian Park) Ithemba (hope) centres where 8 youth workers will assist learners with their homework and provide support to learners who are suffering from challenges related to their low socio-economic environment (e.g. addressing the reasons why children are missing school, poverty, single parent households, etc.). Currently funds are being raised for the appointment of the eight youth workers.
- Raised funds for the training of six auxiliary social workers by the Department of Social Development. All six trainees passed their exams and are ready to be employed to work within the community.

Employment:

- The WHRP supported the Ikhamvaletu bead work with contracts which enabled the employment of 30 people.
- In January 2015 Coetzee, one of the perpetrators of the 1996 Worcester bombing, was released on strict parole conditions and started working for the non-profit organisation *Feed the Child* where he further developed his skills in organic farming. As his commitment to do restitution to the survivors of the bombing, Coetzee and his *Feed the Child* colleague, Gift Mlambo, facilitated on the 8th and 9th of December 2016 an agriculture workshop in Worcester where thirty survivors of the bombing were trained how to use organic methods in starting vegetable gardens in the back of their homes. The workshop organised by the *Restitution Foundation* in partnership with the *Khulumani Support Group* provided participants with the theoretical basis as well as practical exposure to the organic farming methodology. At the end of the workshop participants received vegetable seedlings to plant in their own gardens. Three families of the survivors of the 1996 Worcester bombing are still benefiting from food provided from their vegetable gardens because of the agriculture training provided by the Restitution Foundation in Dec 2016.

Housing:

The Worcester Hope and Reconciliation Process designed a new housing strategy for Worcester: New housing developments should be linked with new economic developments; people should live closely to where they are working; new economic developments should be situated within the townships where most of the labour force are living; open spaces in Worcester should be used to create integrated housing whereby people from different racial groups could be living amongst each other; government subsidised housing should not only be four walls and a roof, it should be a human settlement where people can live with dignity

and a sense of self-worth. This housing strategy has been adopted by the housing committee of the Worcester municipality.

The case studies below illustrate the benefits of a strong emphasis on building and maintaining community ownership of development projects from the outset.

In an Action Dialogue on renewable energy a report was provided on a solar street light project in the town of Deben in the Northern Cape, which has had a remarkable impact on community dynamics. People can now visit each other, attend meetings, or children can play in the streets at night. New micro enterprises are flourishing near the street lights. It has led to racial integration, because white people from nearby towns are now willing to visit the community at night. Furthermore, the local company trained local people to install and maintain the street lights, so that young people have a sense of their own skill and importance. Everyone feels that these are *their* street lights, and report problems if they occur. It has also transformed their families, given them skills, and for some young people, opened the doors to securing work elsewhere. This shows the importance of bringing education and infrastructure together. There was an educational component in every step of the project.

A study conducted by the Centre for the Study of Violence and Reconciliation on six case studies on Community Works Programme (CWP) across South Africa had similar findings. They found that, where CWPs were planned with greater community participation projects, they were more likely to run effectively, and that this participation ultimately had a cohesive effect. But the CWP was susceptible to tensions around the gendered nature of the work (predominantly viewed as 'women's' work), political patronage, narrow worker solidarity, and discontent with the salary and working conditions. Despite these constraints, the CWP presented a unique opportunity for facilitating social cohesion at a communal level while allowing participants to earn a wage and subsidise low income.

Across the country there are many young people doing voluntary work in their local communities without any form of support or stipend. Local municipalities should be encouraged to find ways to connect these young people to programmes like the CBPWP so that they are able to receive a stipend for their efforts. Similarly, youth desks in local municipalities could drive youth development activities within communities that engage youth volunteers and offer them both a stipend and training opportunities.

In other words, government should be thinking about how to tailor services to support locally generated initiatives, rather than impose interventions from the top. For example, the City of Johannesburg has partnered with businesses in the Vulindlela Jozi programme to assist youth cooperatives that were established by volunteers to meet the technical requirements of bidding for a tender.

The challenge for government is learning how to be supportive of successful initiatives like Vulindlela and Ikamva Youth.

Ikamva Youth was established in 2003 and enables disadvantaged South African youth to pull themselves and each other out of poverty through education. The innovation lies in the model: youth-driven, low cost and high impact programming which achieves academic results and post-school placements in contexts where such achievements are seldom attained. Volunteer tutors (many of whom were previous learners) deliver effective tutoring programmes through an innovative pedagogical approach. Learners drive the agenda themselves, by bringing questions and problems to small groups (Ikamva Youth aims for a tutor to learner ratio of 1:5). Tutors then facilitate peer-to-peer learning, ensuring learners explain concepts to each other, and that shy learners speak up. Tutors constantly check for understanding, and provide direct feedback on written work as learners work through examples.

They often need to go back a few grade levels to ensure that fundamentals are understood. The Ikamva Youth learners' matric pass rate has been between 80 – 100% since its beginnings in 2003. Over 60% of the learners have accessed tertiary education, and return to pay forward the support they received by becoming

volunteer tutors themselves. Approximately 5% of township learners have a tertiary qualification, whereas a survey of Ikamva Youth alumni found that “Ikamvanites” are five times more likely than the average Black South African to hold a tertiary-level qualification. Ikamva Youth has replicated its successful model in 10 townships throughout South Africa and is currently working with over 1,400 learners. For more information, see www.ikamvayouth.org.

Work within the Initiative has suggested that this approach scales up to (re)generating more inclusive and consultative approaches to policy-making and implementation work. In some instances, government could usefully consider facilitating social plans or compacts. The process of reaching an agreement on a Minimum Wage, which was led by the Deputy President, provides an example of an inclusive policy process that culminated in a social compact. Although there are ongoing contestations about whether the stipulated amount is appropriate given our extreme pay differentials, the process demonstrated that moving forward on contentious issues is possible through negotiations and consensus building.

Collecting and providing accurate information

A key constraint to detailed evaluation of efficiency, equity and quality in all the focus areas addressed in this report is the lack of publicly available comprehensive, accurate data on both the public and private sectors. Data on the informal sector is largely not available. Challenges are also experienced with regard to the ability to collate information from various sources. Data residing in the private sector, for example in insurance companies, is not publicly available and yet such data would provide very useful data on how people manage their lives. In most sectors, it is necessary to draw data from various vital statistics and other datasets, district or local information systems, the public financial management system, the PERSAL human resource system and a range of household survey datasets. Access to available public sector data is often tightly controlled. There is an urgent need for integrated and comprehensive data on resources and services in the public, private sector and informal sectors, that are routinely updated and publicly available.

Equity analyses rely heavily on household survey data; while most household surveys containing health and health service related variables are placed in the public domain, many of the surveys conducted in South Africa have serious deficiencies particularly in relation to the measurement of health service utilisation.

It is recommended that processes are put in place to identify deficiencies in relation to the household surveys and elsewhere and to investigate the feasibility of introducing legislation to address information gaps that are identified by the various sectors.

Good Governance is key to eliminating poverty and inequality, and accountability, in particular, needs to be prioritised

The extent of state capture demonstrates the need to strengthen accountability at all levels within the state and the broader society to ensure that public resources are used for their intended purposes. We also recognise the critical role of the Department of Monitoring and Evaluation in the Presidency in monitoring the way in which policies are implemented, to identify challenges, ensure consistency across the country, and track progress.

Notwithstanding this, the MI did not have a strong focus on governance. Several participants and fora, though, have suggested that different policies require different levels of

decentralisation and accountability structures. For example, decentralising authority and management of health and transport facilities has the potential to create both accountability and more effective delivery. At the local level, community governance is important for facilitating the best use of infrastructure and public facilities to help secure positive outcomes in health, education, crime and support for informal economic activity.

The Initiative is flagging the central and urgent importance of honing a new set of governance recommendations alongside better policies.

Building state capacity to work in integrated and flexible ways

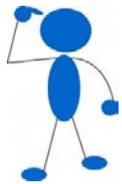
Several of the researchers have suggested that strategies to overcome poverty and reduce inequality will only succeed if comprehensive, intersectoral approaches are adopted. For example, de Lannoy argues that a comprehensive approach to youth development is needed in order to address a range of structural barriers and unlock real change for young people. Such a plan, she proposes, should incorporate cross-cutting strategies that address the ways in which the multiple dimensions of poverty intersect and constrain young people's lives. In addition, it would be necessary to get clarity regarding the responsibilities towards young people within the various line departments and within the cross-departmental Youth Desk (in Presidency) and the National Youth Development Agency. The importance of joined up approaches have also been stressed in relation to ECD, skills planning and housing development.

Hall used ECD to make a similar point. She states that responsibility for ECD does not 'belong' to any one sector; it requires an integrated set of services and programmes that cut across departments (social development, health, basic education, home affairs, human settlements, justice, public works, labour, transport, water and sanitation, rural development) as well as over-arching departments like the national treasury and DPME, and the different spheres of government (national/provincial/local). Bringing these disparate departments and spheres together to focus on young children is enormously challenging, as are the practicalities of budgeting, planning and implementing complex programmes. While some early childhood services (notably in the area of health) are mainly provided by government, others have relied heavily on NPOs (child care and group learning programmes, mental health, parent support and welfare services). The NPO sector delivering services to young children has been over-stretched and under-resourced; even where subsidies are available, there are challenges with registration and compliance. Fragmented approaches in turn limit accountability, cross-sectoral referral systems, and the development of information systems needed for monitoring and evaluation. NPO services need to be recognised and adequately funded, and there needs to be better integration of services offered by government and non-government agencies.

Government systems and mindsets also need to be progressively shifted from a compliance culture and a bureaucratic, punitive approach towards a smarter, more pro-active, problem-solving approach based on empowering local government and front-line staff. This would help committed officials to experiment and develop more creative approaches to, for example, affordable housing and settlement upgrading. By unlocking and assisting spontaneous social energies, government can do much more. This will require public officials to work with a spectrum of informality-to-fully-compliant formality. Government should also not be afraid to use creative ways of soliciting ideas from local communities, such as public art programmes to solve problems.

The vignette below illustrates how art can be used to generate alternative histories.

Dundee, formerly a coal mining town, is situated in the heart of the historical KwaZulu-Natal battlefields. The Talana Museum is one of the largest repositories of colonial memorabilia from the Anglo-Zulu wars and of coal-mining technology. A very particular history has been preserved in this archive, which is also replicated annually in historical re-enactments. The artists Vaughn Sadie and Neil Coppen recognised a disjuncture between the recorded history and the lived experience of young people in the area, many of whom have a different perspective on the colonial memory that is usually valorised. The artists identified three local schools and invited the learners to attend a series of workshops. Having been given access to the Talana archives, they photocopied reams of historical documentation and used these photocopies as the basis of a series of collage workshops. The kids were invited to chop and stick 'history' into new configurations. The workshops allowed for new kinds of historical critiques and narratives to emerge. In dialogue with the learners, it was decided to try and run a series of public workshops during which the kids would engage members of the public to take part. In this moment, the learners became facilitators. The children's collages installed in a shop front in the centre of town and the animation videos screened in the shop- cum-studio as well as in public space became the catalyst for broader discussions on history-making and historical representation. Plans are under way for the material generated as part of these workshops, and documentation of the project, to re-enter the Talana archive (Pieterse & Sitas, pp338-9)



Pieterse and Sitas suggest that transformative practices should embrace deep participation, which implies in turn implies democratic dialogue, collective decision-making and the management of conflict and difference when democratic conflicts are insurmountable. We also need to build our capacity to use creative methods which strive towards being a critical social practice in which transformation and becoming otherwise underpin a rethinking of the configuration of perspectives⁷

How would you define transformative practices? Do you think it is possible for state officials to learn to use practices which encourage re-thinking of perspectives and sensitivity to local contexts?

Building partnerships

While the coming together of the DST-NRF SARCHI Chairs constituted a Community of Practice (CoP) on strategies to overcome poverty and inequality in South Africa, the Research Chairs and their respective researchers themselves often in fact functioned as small CoPs, which at times interacted and engaged with policy-making processes, and

⁷ (Pieterse & Sitas, <https://doi.org/10.1080/09528822.2013.798183>)

sometimes actively participated in these. In a workshop of the Research Chairs' CoP a number of reflections were shared, which are indicative of challenges and opportunities experienced in collaborative engagements between researchers and policy makers. These may require discussion during the February workshop itself or in the future. The reflections are clustered in themes.

Ideologies, relationships and access to policy-makers:

- In some thematic areas it has been hard to access government officials because of the critical nature of academics' and civil society's contributions to highly contentious debates.
- National Networks, such as the South African Cities Network, can play critical roles in facilitating discussions between a range of different stakeholders, including government, about more in-depth and effective methodologies needed to effect policy change.
- Successful policy influence often depends on how particular policy-makers perceive evidence and the research process – more success is likely when policy-makers see the value of research to inform policy rather than as a threat.
- Academics need to be sensitive to different ideological positions being articulated by key stakeholders and may need to step back at times to enable political processes to unfold before consensus may be possible on policy proposals.
- When a CoP is established across diverse sectors, complexities in relation to power dynamics, the availability of resources and so forth, need to be discussed at the beginning to lay the basis for the collaboration.

Political opportunities, and CoP collaboration:

- A 'Lab' model, involving an ongoing forum for policy makers, civil society and academics to engage around a thematic area and collectively explore solutions to problems, helps to build long-term relationships based on trust and deep knowledge of the different contexts within each the various constituencies operation. Such fora can more easily help to shift public servants' mindsets, capabilities and framing of issues. They can also help to prevent rushed policy-making.
- Institutional constraints need to be kept in mind, for example the time that is required to undertake research, while government officials work within shorter policy-making timeframes.
- Problems often arise not because of the absence of sufficient evidence and ideas for policy change, but rather with respect to the absorption and translation of these into government policy.
- A key challenge for policy-makers is the level at which the knowledge is being harvested and knowing what kind of policy guidance to derive from such knowledge. Establishing mechanisms to co-determine the research from its inception enables the buy-in from policy makers. At the same time, it is important for academics to appreciate that often the pressures on policy makers do not allow them to wait for research to provide solutions. However, given that the policy-making process is not linear, it can still be possible to modify strategies or policies later on.

Changes in governance and political leadership:

- Events and developments in the political space, such as changes in leadership or elections, generally have a big impact on efforts to build support for policy or strategic shifts.

A change in governance can cause loss of interest in a particular organisation or its research. Efforts to engage around evidence may have to commence afresh at an appropriate time.

Communication:

- The government, or a private communication company used by the government, often tend to take over the function of communicating policy process, and exclude constituencies who have been actively involved in helping to shape policies. This creates tensions in the relationship between government and others, suggesting the need for a CoP collectively to determine strategies for communication and popularisation.

Conclusion

The Think Tank that was convened after the 2012 Conference to take forward the work of the Mandela Initiative spanned the world of academia, policy and civil society and reflected many different disciplines, perspectives and experiences. The work built on discussions in the 2012 conference and research that preceded the conference.

From the outset, one strong point of agreement was that our work had to confront South Africa's inequality, honestly and deeply. Given our country's history and our very limited progress in building a new South Africa that has broken with these structural legacies, our sense was that confronting our many persistent inequalities was key to forging an inclusive and transformed society.

In an input to a Think Tank meeting in 2016, Trevor Manuel noted that the contemporary international inequality literature provides strong evidence of intersecting and multidimensional inequalities working together to distort and limit growth and the potential of societies at the macro, meso, and micro levels. He drew our attention to a famous book, 'The Spirit Level', in which Wilkinson & Pickett, detail the pernicious correlates between position in the income distribution and positions in the distributions of health, education, crime and a number of other domains. Therborn, (2013) calls these social processes that stifle opportunities for many 'The Killing Fields of Inequality'. Stiglitz's 2012 book was called 'The Price of Inequality' and sought to show the very high consequences of inequalities of capital and wealth for the broader political economy of growth. Then, as Andrew Donaldson reminded the Think Tank, even the International Monetary Fund has become strident in insisting that inequality harms growth and that there is scope for growth-enhancing redistributive policy.

The research and engagements conducted in the different thematic focus areas of the MI and summarised here confirms the reality of these pernicious multidimensional processes in our country and they work together to perpetuate intergenerational poverty from which only a few manage to escape.

Of course, there is considerable room for debate in the international literature and in South Africa over the specific policies and policy mix required to turn the tide on inequality in our societies. Nonetheless, this international discussion that has been playing out in real time alongside the Initiative has had to confront persistent and growing inequalities in many contexts and in doing so has cleared much ground that is very useful to us. Like much of the content of this Report it has recognised the importance of the prevailing structural realities (such as the distribution of assets and of power) that constrain the transformational possibilities of any society at any point in time. Indeed, this is the language of the contemporary inequality literature and broad consensus has been reached, even amongst a set of very eminent, middle ground economists, on possible prongs of an approach:

- The distribution of income is an outcome of the distribution of assets; including land, financial assets and the health and education capabilities embodied in individuals, their families and their communities. The unequal access to these assets form the basis of the reproduction of intergenerational poverty, regardless of merit or ability. There is an

imperative to strive for equitable access to these assets for all as the basis for a just and flourishing society.

- The operation of the economy and its labour market remain central to the dynamics that translate these asset inequalities into persistent earnings inequalities. Even within a notionally competitive economy, the large prevailing inequalities in these differential human capabilities result in large inequalities in earnings. However, market economies do not work in this notionally competitive way. They are replete with anti-competitive structures and power asymmetries between owners of capital and suppliers of labour. This situation distorts patterns of employment and earnings, further widens income inequalities and adds further layers of inequity and inefficiency to contemporary societies.

There are a number of important policy implications that flow from this consensus. At bare minimum it implies strong prioritisations of those government expenditure programmes that empower participation for all in the economy and society alongside complementary policies that address directly the distribution of assets, including taxes on wealth and inheritance.

But, having suggested elements of a framework for determining what has to be on the table as part of any serious engagement to overcome inequality, the international literature is unambiguous about the need to grapple with strategies within the context of the detailed history and specificities of each country, even in a globalised world. There is no avoiding this hard work.

It is our hope that the hard work of the Initiative since 2012 is a foundational contribution in this regard. In this Report we have distilled the detailed work to propose a possible framework for prioritising short and medium-term interventions towards eliminating poverty and reducing inequality. The framework is organised around interventions which constitute preconditions for the successful implementation of other strategies, interventions designed to arrest intergenerational poverty and those designed to remove structural barriers to building an equitable society.

Which brings us to our February workshop. This Report reflects a work programme in the Mandela Initiative that, while working within a strong and broad commitment to confronting our deep structural issues, has seen us engaged in the detailed work of our action dialogues, workshops and communities of practice. We have a lot of micro detail to put on the table, a lot of priority areas to surface and discuss.

Now we are meeting in order to take stock. We need to reflect on and mesh the whole and the sum of the parts much more systematically than we have to this point.

The methodology used in the Mandela Initiative has spawned the establishment of networks, relations and knowledge about civil society organisations and community-based initiatives. These can be utilised to strengthen the growing forces of resistance to a state which as Ndebele in his speech to the consultative conference of the ANC stalwarts and veterans in November 2017 said, has 'abdicated its responsibility to promote law, order and constitutional rule' and has fraudulently diverted public resources away from dealing with poverty and inequality for the purposes of self-enrichment'.

The Report contains suggestions for ways in which the state can become more enabling of bottom- up changes. However, the changes we are advocating will only be realisable if we embed these ideas in efforts to build a strong and vibrant civil society. We need to do different things and we also need to do things differently.

“Regain[ing] that freedom, that capability and the collective genius of the South African people to flourish through a sustainable constitutional democracy” (Ndebele, 2017). Hence the last part of the workshop will be devoted to a discussion of possible collaborative partnerships that should be established to advance the goal of radically accelerating socio-economic transformation.

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Bank, L (University of Fort Hare): **Urbanisation and Double Rootedness: Home-Making in a Migrant Social Economy**

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*Bhorat, H⁹ (Development Policy Research Unit, UCT): **Strikes**

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Clark M (Senior Research Associate at the Socio-economic Rights Institute of South Africa) & Cirolia LR (Researcher at the African Centre for Cities, UCT): **Urban Land rights**

*Cousins, B (Institute for Poverty, Land & Agrarian Studies, UWC): **Action-Dialogue: Opportunities, constraints and innovative approaches in small-scale agriculture in South Africa** (Goedgedacht, 6 – 8 August 2014)

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⁹ * Connotes DST-NRF SARChI Chair

and Sociology Department, University of Cape Town): **Working inequality and working poverty: A policy-oriented socio-legal perspective**

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*Harrison, P; *Pieterse, E; Rubin, M; & Scheba, S (UCT & Wits): **Informalisation, urban poverty and inequality**

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*McIntyre, D & Ataguba, J (Health Economics Unit, UCT): **Assessing the redistributive potential of the SA health system**

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