



DRAFT ANTI-POVERTY STRATEGY (ABRIDGED VERSION)

SEPTEMBER 2021

1. THE POVERTY CHALLENGE IN SOUTH AFRICA

South Africa's vision is to eradicate extreme poverty by 2030, which means that no one should live on less than the food poverty line of R624 per month for (2021/22). However, since the National Development Plan pronounced on this commitment in 2011, poverty has proven to be a stubborn problem that has intensified in recent times.

The Poverty Trends in South Africa (Stats SA, 2017) Report, showed that poverty declined between 2006 and 2009, from 51% in 2006 to 47% in 2009 and to 36% in 2011, using the lower bound poverty line. However, this trajectory was reversed between 2011 and 2015, where poverty increased to 40%.

According to Stats SA (2020), 25% of the population live below the food poverty line of R561 per person per month, while 40% live below the lower-bound poverty line of R810, and a further 55% live below the upper bound poverty line of R1,227.

The 2020 review of the National Development Plan (2020) concluded that while there was some progress, the failure to achieve the targets of the NDP was a result of poor planning, weak coordination and accountability measures, rampant corruption combined with weak state capacity, as well as lack of trust between the state, business and labor, which resulted in stalled action.

1.1. Income and multi-dimensional poverty

Findings from NIDS wave 5, panel survey, in 2017 (using all five waves of the survey) estimates that about 52% of the poor live in chronic poverty. But another 11.4% can be classified as 'transient poor', which means that while not observed to be poor, they remain at high risk of falling into poverty. About 19% are part of the 'vulnerable middle class'. These findings show that a large proportion of South Africans experience poverty as a dynamic phenomenon, not as a static state.

The measure of multidimensional poverty adopted in this strategy views poverty from the lived experience of the poor, who often note that poverty is experienced through hunger and poor nutrition, unemployment and lack of income, poor health, lack of adequate sanitation and clean water, social exclusion, low education, bad housing conditions, violence, shame,

disempowerment and much more (NTS: find proper reference OPHI, <https://ophi.org.uk/policy/multidimensional-poverty-index/>).

The South African Multidimensional Poverty Index (SAMPI) data indicates that, in contrast to income poverty, South Africa has fared much better in reducing multidimensional poverty, declining from 17,9% in 2001 to 7,0% in 2016. While significant progress was made between 2001 and 2011, there was a substantial slow down between 2011 and 2016. This progress reflects the relative success of the social wage. The social wage also explains why SAMPI result are somewhat more positive, as it takes into account people's access to social services.

1.2. An inextricable link to the unemployment crises

South Africa's poverty challenge is a factor of two crises. On the one hand is the intensifying crises of food poverty, affecting 5,5 million households (Stats SA, 2020). On the other hand, is the crises of structural unemployment, affecting 12 million people according to the expanded definition (Stats SA, 2021). Stats SA (2021) reports that unemployment increased from 30.1% to 34.4% using the official definition, and 44.4% including discouraged work-seekers. Youth between the ages of 15-24 have an unemployment rate of over 63% and a labour absorption rate of only 7.6%. Overall, youth between the ages of 15 and 34 account for almost 60% of the total number of the unemployed. According to Casale and Posel (July, 2020), whilst both men and women lost jobs between February and April 2020, the net job loss was greater among women than men and of the 2.9 million jobs lost, women accounted for two thirds.

While poverty in South Africa entails multiple forms of deprivations experienced by people in their daily lives, there is a clear causal link between high unemployment rates, and increasing levels of poverty. This implies that the success of this strategy towards the eradication of poverty is in part reliant on the extent to which the rapid employment creation strategy is implemented successfully and urgently. It is necessary to create stronger linkages between South Africa's poverty alleviation strategy and employment creation efforts so that beneficiaries of poverty interventions can move more readily into employment.

1.3. The impact of COVID-19 and recent violent protests:

South Africa's poverty crisis has also been worsened by the COVID-19 pandemic, despite exemplary effort by the South African government to respond effectively and timeously to both the health and socio-economic challenges brought about by the pandemic.

A few of the multi-dimensional indicators that point to this are:

- **Hunger:** The NIDS-CRAM survey of May 2021 reported that hunger among households had intensified, rising to **10 million people and 3 million children** in April 2021.
- **Life expectancy:** Life expectancy has also been negatively affected, with an increase in the crude death rate (CDR) from 8,7 deaths per 1 000 people in 2020 to 11,6 deaths per 1 000 people

- **Education outcomes:** NIDS-CRAM (May 2021) estimated that school dropouts have tripled **from 230,000 pre-pandemic to approximately 750,000**

1.4. Intersectionality

In South Africa's case, the complexity of the poverty challenge is accentuated by its various manifestations across specific groups depending on their race, gender, class, age and/or geography. This makes it necessary to respond with varied and targeted interventions to address the specific deprivations that affect each of these groups.

Poverty has a gender dimension. The proportion of females living below the LBPL in 2011 was 38,1%, this proportion increased by 9,4% to 41,7% in 2015. This means that the poverty rate for females is above the national poverty rate of 40%. In contrast, the proportion of males living below the LBPL over the same period was 34,7% in 2011, rising to 38,2% in 2015. In South Africa a household headed by a female has a 48% probability of being poor compared to a 28% probability for a household headed by a male. According to a UNICEF report (2020), children who grow up in female-headed household are on average 20% more deprived than children who grown up in male-headed households

Poverty is consistently higher among South Africans living in rural areas (in particular in former Bantustans) than for those in urban areas, with the gap between rural and urban poverty did not change significantly between 2006 and 2015, it was about 41 percentage points in 2006 and 40 percentage points in 2015. (check with NPC if this is 2006 to 2015). In rural areas, 65.4 percent of the population lived below the poverty line in 2015, down 9.5 percentage points from 74.9 percent in 2006. This is high compared to urban areas where 25.4 percent of the population were poor in 2015, following an 8.9 percentage point reduction from 34.3 percent in 2006.

2. THE VISION AND GOAL OF THE STRATEGY

This anti-poverty strategy adopts a **developmental capability approach to poverty alleviation** where every community has targeted poverty alleviation interventions – especially in the most under-developed parts of the country - in order to stimulate local productivity, livelihoods, service delivery and wellbeing.

This strategy presents interventions, approaches and actions to mobilize the capacity of the state to create opportunities and deliver national poverty alleviation programmes and solutions that enable citizens to build capabilities and resilience, and exercise their agency to sustain their livelihoods, actively participating in a vibrant, localized, productive and innovative economy with low barriers to entry.

The strategy identifies individuals and households at the bottom 25% (5,5 million households) and the bottom 40% as the priority for all poverty alleviation interventions.

This strategy envisages a reality where each household earning less than R890 per person per month (national poverty line 2021/22) has access to a package of multiple poverty alleviation interventions that make it possible for households to consolidate and maximise resources and opportunities in order to break the cycle of poverty.

The strategy proposes a 3-pronged approach which offers a holistic treatment of the poverty challenge and further compliments South Africa’s rapid employment creation efforts. This approach highlights the need to (i) Maximise the impact of social security and social services for poverty eradication, (ii) Enable productive livelihoods and support, (iii) Ensure household food security.

THE NO POVERTY IN SA GUARANTEE:

Over the next 7 years until 2030, every government department and state institution is unified in purpose to eradicate extreme poverty by providing the following no-poverty guarantee:

Every household living under the food poverty line (5,5 million households), and progressively those living under the national poverty line, have guaranteed access to the following:

MAXIMISE THE IMPACT OF SOCIAL SECURITY & SOCIAL SERVICES

- **Basic services:** Access to clean water, sanitation, electricity and housing
- **Education:** Access to free primary & secondary education, together with other in-school support such as school feeding schemes, subsidised learning materials, and subsidised transport.
- **Health:** Access to primary health services
- **Income support:** Access to income support that compliments household income up to the level of the food poverty line; implemented with a transition plan as households exit out of poverty
- **Other social assistance:** Specific vulnerable groups (e.g. children, elderly, persons with disabilities) receive further social assistance through specific targeted grants

ENABLE PRODUCTIVE LIVELIHOODS AND SUPPORT

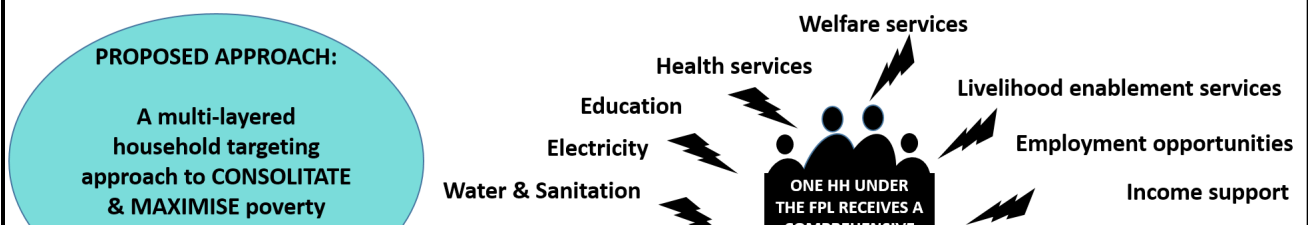
- **Livelihood opportunity:** Opt-in livelihood opportunities that prioritise members of these households, created through massified local development programmes and micro localised industries across all local municipalities
- **Training & upskilling:** Opt-in free training opportunities through SEDA and the SETA’s, which equip participants with practical skills aligned with existing work opportunities.

ENSURE HOUSEHOLD FOOD SECURITY

- **Food:** Guaranteed access to the minimum requirement of dietary intake

- Build on & strengthen what is working – e.g. social assistance and consolidate actions for greater impact towards poverty eradication
- Find a solution uniquely suited for SA’s context & peculiarities; & build new systems where necessary
- Close existing gaps & massify current interventions from government departments
- Leverage the District Development Model as an instrument for rapid local development, with a focus on poorer municipalities

BUDGET COMMITMENT:
The annual budget of 1.21 trillion (2021/22) for social services is leveraged as a tool to support poor households to graduate out of poverty, and to break the cycle of household generational poverty.



3. A RADICAL MASSIFIED PLAN TO ERADICATE EXTREME POVERTY

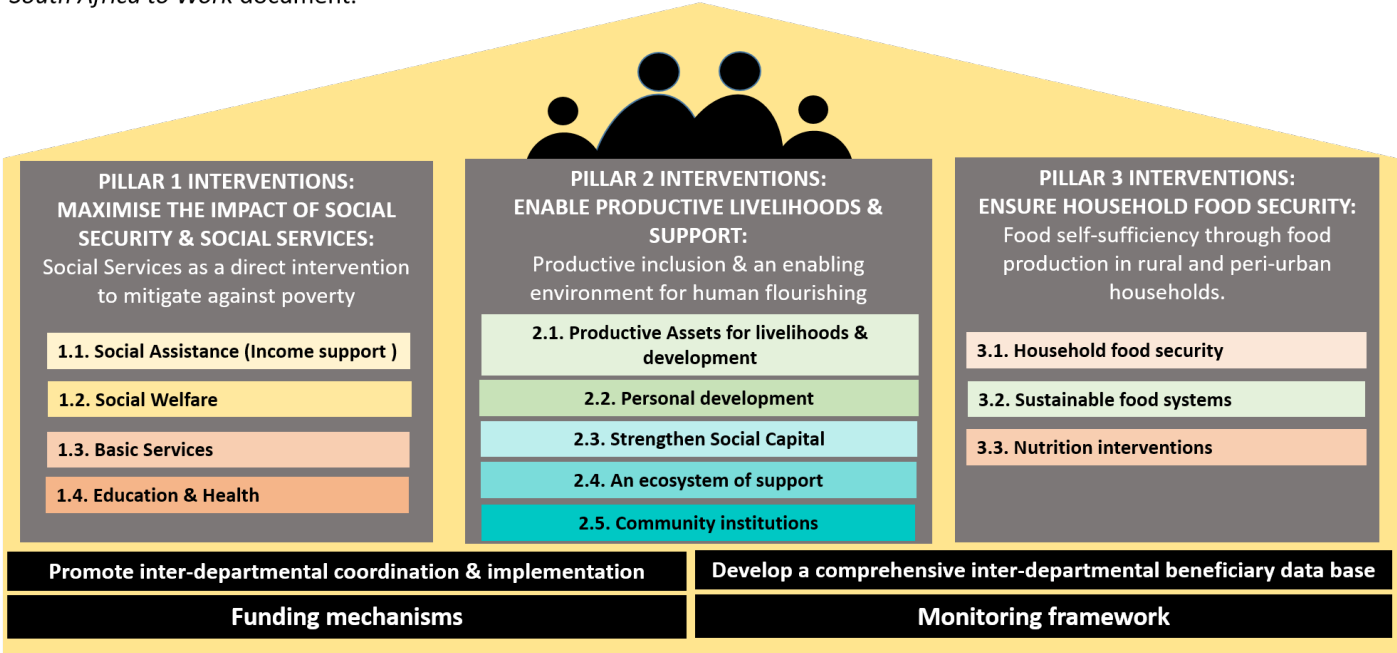
The goal of this strategy is to ensure that there is no household that lives below the food poverty line by 2030 in South Africa. Furthermore, the number of households living below the national poverty line (currently R890 per person per month) is dramatically reduced and members of households in the bottom 40% have access to employment or livelihood opportunities.

Three pillars to meet the above objective are proposed:

- i. **Maximise the Impact of Social Security and Social Services:** South Africa's extensive social assistance, social welfare and service delivery interventions target 5,5 million households living below the food poverty line, as well as those living below the national food poverty line as priority beneficiaries. Government departments rapidly and significantly scale up social welfare and social development programmes to adequately respond to the needs of 13 million adults that have applied for the SRD R350 grant.
- ii. **Enable Productive Livelihood & support:** Massified interventions connect members of the bottom 40% households to livelihood enablement programmes & critical support services that enable them to engage in productive pursuits towards community development. These livelihood programmes are aligned to local development programmes and micro localised industrialisation across all local municipalities.
- iii. **Ensure Household food security:** Rural and peri-urban households participate in food production for own consumption and local trading.

The details of each pillar are described below.

A **3-pronged approach** is proposed as South Africa's poverty alleviation strategy, which offers a holistic treatment of the poverty challenge. All 3 pillars compliment South Africa's rapid employment creation efforts, which are detailed in the *Putting South Africa to Work* document.



3.1. MAXIMISE THE IMPACT OF SOCIAL SECURITY & SOCIAL SERVICES

The plan to maximise the impact of social security and social services implies that all government interventions looking at social assistance (income support), basic services, social welfare, education and health should be consolidated to **address the needs of the bottom 40% of households**.

In large part, many of these services are already in place. However, two structural changes are proposed to maximise the impact of interventions in this category, i.e. **(i) Consolidated social assistance, (ii) Consolidated scaled-up interventions at household level**

3.1.1. Consolidate and Maximize Social Assistance (Income Support)

South Africa's social assistance programme is lauded globally for its effectiveness in providing a safety net for those living in poverty, as well as effectively reducing inequality. However, the social assistance interventions have not been successful in breaking the cycle of poverty; and in supporting individuals and households to graduate out of poverty and live above the poverty line with sustainable incomes.

Part of the challenge is that most social assistance is targeted to specific groups, e.g. children and the elderly, thus leaving a large portion of the adult population without income support and without jobs. Another part of the challenge has been the size of the grants, especially the child support grant which is below the food poverty line, and therefore insufficient as a measure to support those living below the food poverty line with no income.

A bigger problem has been individuals of working age who have no source of income due to unemployment. These are individuals who benefited from the SRD grant of R350 which was implemented as an emergency measure during the COVID-19 state of disaster. With the current phase of this grant, 13 million people have applied, demonstrating the extent of the problem South Africa is facing. **This 13 million represent the gap that South Africa must close through social assistance.**

The National Treasury's Health and Development Team **commissioned a modelling study conducted by SALDRU to evaluate different forms of social assistance** as a poverty reduction mechanism for poor South Africans.

Each grant was evaluated on the basis of its cost, beneficiaries, poverty effects, efficiency, progressivity. **The intention is to target those that are living below the food poverty line of R624**, based on the commitment made in the NDP that extreme poverty would be eradicated in South Africa by 2030.

Based on the report, a Family Poverty grant of R624 (food poverty line) performed the best both from an impact perspective as it eradicates extreme poverty, as well as an efficiency perspective. The SRD grant of R350 to those with income below the food poverty line is the second best performer of the grants evaluated. The report does caution that **each of the grants come with their own administrative burdens that affect this modelling.**

The grants modelled, and the findings for each were as follows:

Grant option	Assessment	Operationalisation
<p>1) CSG top-ups: Increase the current Child Support Grant to the food poverty line of R624 for all those with income of R4600 or less. A threshold of R6240 was also tested.</p>	<ul style="list-style-type: none"> The CSG top-up with a threshold of R4600 did not perform well to reduce poverty as it is too small. It ranked 4th on the efficiency scale. However, when cost is taken into consideration alongside efficiency, the CSG performs better. In short, it will not create the impact of FPL poverty eradication but it fits within the budget. 	<p>Cost = R27.4 billion per annum for the top-up, over and above the current R76.8 billion spend.</p> <p>Av. Grant value per beneficiary = R1, 243</p>
<p>2) Basic Income Grant (BIG): An amount of R624 given to 18 – 59 yr. olds that either earn below the national minimum wage.</p>	<p>Variations were included where BIG is given to everyone with no ‘clawback’, as well as BIG given to everyone but with a rebate.</p> <ul style="list-style-type: none"> While all the options have similar impact on poverty, when measured on efficiency, the targeted BIG fairs better. From a costing perspective, the BIG option is the weakest performer, with a minimum budget requirement of R194 billion per annum 	<p>Cost = 194 billion</p> <p>Av. Grant Value per beneficiary = R624</p>
<p>3) SRD Grants: Seeks to provide R350 to all those who are not formally employed (18 - 59), and not receiving any other grant income (except the CSG).</p>	<p>The best performing option in this category was the R350 given only to those with an income below the food poverty line of R624.</p> <p>Other variations considered were:</p> <ul style="list-style-type: none"> R350 SRD grant increased to the food poverty line of R624 for everyone who earns below the NMW had great impact, however it also had a high cost of R150.6 billion per annum. R350 given to 9.5 million, and option of limiting the grant to those between the ages of 18 – 34 also had good impact but benefited a smaller number of people. 	<p>Cost = 70.9 billion pa</p> <p>Av. Grant Value per beneficiary = R350</p>
<p>4) Family Poverty Grant: Target to families with per capita observable income below R624 per month. Three variabilities considered:</p> <ul style="list-style-type: none"> a benefit of R460 a top-up to R460 2-step process of R460 and then a top-up 	<p>All variations of this grant are extremely effective in addressing poverty:</p> <ul style="list-style-type: none"> The two-step and top-up versions eliminate food poverty. While the variable benefit is extremely poverty-reducing, it does not fully eliminate poverty because it doesn't have the top-up mechanism However, this form of grant has never been implemented in SA and therefore this would be new territory. 	<p>2-step option: Cost = R84.6 billion Grant Value per beneficiary = R1,413</p> <p>Top-up option: Cost = R73.1 billion Grant Value per beneficiary = R1,221</p> <p>Variable option: Cost = R58.7 billion Grant Value per beneficiary = R980</p>
<p>***Scaled up CWP: Benefit includes 100 days of work for those in deciles 1-4 who are not formally employed, who are economically active and of working age.</p>	<p>Of the various options explored, the one targeting 1 million work seekers is more effective according to the report. However, this solution is not viable as it is difficult to scale up in SA's context.</p>	<p>Cost = R17,3 million</p> <p>Av. Grant Value per beneficiary = R1,446</p>

National Treasury has gone beyond this assessment to propose a transition strategy from current grant systems to a family/household grant, noting the significant changes that would

be necessary in South Africa's grant delivery strategy. Their transition strategy includes the following steps:

- The Department of Social Development begins by implementing the grant to 1 million households, gradually increasing the number every year by a million households until the targeted beneficiaries (with income less than the national poverty line) are covered
- This transition strategy would allow for DSD and SASSA to test and refine the grant delivery system as necessary, especially in relation to household means testing.
- Furthermore, once all households are part of the new family grant, a consolidation process would be undertaken with the child support grant. This would mean that households with children receive a variable benefit based on number of children in the household.

This strategy strongly supports National Treasury's proposal for a Family/household grant, as it will have a more meaningful impact on poverty than other grants.

3.1.2. Consolidate & Scale-up Social Services at Household Level:

In order to leverage the multiplier effect of social services, each household under the national poverty line must receive a comprehensive package of interventions as stated in the 'no poverty in SA guarantee'. This strategy calls for a radical departure from how implementation is currently done towards a more coordinated integrated approach. The following radical changes are proposed:

- **Scale-up critical interventions:** Government departments providing basic services (water, sanitation, housing, transport), social welfare, education, and health must scale-up priority interventions to reach every household living below the poverty line. In many ways this is already happening, as in the case of education or primary health provision. However, in cases where small projects are taking place, government departments must scale up to ensure that all households below the national poverty line receive the support they need.
- **From projects to systems:** Government departments must shift from a project approach to delivery, where a few hundred or a few thousand households are targeted, to a systems approach in order to grow the capacity of the state to implement scaled-up programmes. This would mean that national government departments are focussing on establishing systems for effective delivery, while strengthening the local government system to deliver interventions to every household in need. Government interventions should not be projectised, but rather should be institutionalised as systems of mass delivery to those in need.
- **Clear identification and monitoring of beneficiary households:** For this massified system to work, a single integrated data-base of beneficiary households is necessary to allow community workers to systematically track the progress that beneficiary households are making, identify gaps, and support them to connect to interventions they need. This monitoring approach will create an environment where it is possible for families to break the cycle of poverty and graduate out of the social security system.
- **Establishment of a coordinated force of community workers:** Existing community based workers from the Department of Agriculture, Land Reform and

Rural Development, the Department of Health, and the Department of Social Development should be retrained and combined into a single large work-force whose primary role is to support households in poverty by registering them, linking them with essential services and opportunities, and monitoring their progress to graduate out of poverty. This intervention would simultaneously address poverty as well as provide employment for South African youth.

The case studies from SAWID and China demonstrate the effectiveness of consolidated household targeting in poverty alleviation programmes.

SAWID DEVELOPMENT CARAVAN MODEL

South African Women in Dialogue (SAWID) has implemented a family development model in South Africa among poor communities since 1994, with excellent results.

The Development Caravan model is a synchronised intergenerational poverty eradication system for local communities in nodal areas to mobilise support and catalyse community self-organisation through targeting families with a basket of services and stakeholder engagement (SAWID, 2012). Adopting a multi-dimensional view of poverty, the model underscores the importance of the family/household as an entry point of development interventions, as well as the importance of civil society as catalysts and intermediaries between local communities and government.

In its programme implementation, SAWID undertook several critical steps that facilitated positive results:

i. The family/households living in poverty as the focus of interventions:

SAWID developed a 53-indicator household scorecard that was used to identify the poorest households in communities. SAWID states that this household targeting approach was developed to address South Africa's targeting problem: "It appears that the South African society is not statistically stratified and services for socio-economic development are not appropriately targeted for poverty reduction at the household level, where access by the poor can be assisted by family social workers and progress monitored in health, housing, identification, education, livelihoods and access to government's social security safety-net. Even though the SA basket of socioeconomic development interventions might be more comprehensive than the minimum standard suggested by the UN/MDGs; it still does not seem to be part of a coordinated Plan of Action; it is not measurable through clear social indicators, and it is therefore difficult to statistically document progress. South Africa has also not yet developed targeting tools to identify the indigent and provide them directly with a minimum set of services that will graduate them upwards." (SAWID, 2021). Through the household scorecard, social auxiliary workers were able to provide accurate descriptors of various household typologies as community level, measure household income and poverty levels, and track changes in the household over time. These community workers became a central pillar of the poverty alleviation programme, as they had the means to identify the poorest households as well as track their progress.

ii. Provided a basket of services for households:

Specific interventions relevant to households were implemented covering basic services, livelihood and employment interventions, as well as social welfare and services. The social auxiliary workers applied a variety of approaches to engage communities around poverty eradication with the overall purpose of creating an enabling environment to promote and sustain behaviour change, help local problem solving, generate demand for services and to hold service providers accountable for services. They linked poor families to government services and used a case-work approach to restore family systems, create stronger community networks, ensuring increased family participation within and outside of the households. They promoted partnerships and linkages through bridging gaps within local economic development interventions, and established enterprises and small businesses. They also linked micro-enterprises to the inputs, information and institutions required for sustainable economic activities.

iii. Accelerating the training and deployment of social auxiliary workers (SAWs):

SAWs were trained and deployed as family social workers at professional and auxiliary levels to ensure that identified households are properly supported and monitored. These social auxiliary workers ensured the systematic linkage of beneficiaries of social assistance to municipal services and work opportunities, and tracking beneficiaries to ensure that as many of our people as possible graduate out of dependence on social grants and enter the labour market.

HOW CHINA ERADICATED EXTREME POVERTY BY 2020

China reportedly eradicated poverty from almost 100 million people to 0 by 2020 and doubled disposable incomes of the poor from RMB6,079 in 2013 to RMB12,588 in 2020. The critical distinguishers of China's development-driven poverty alleviation strategies over three phases, from 1994 to 2020, included:

- a focused targeted approach on households below the national poverty line, with specific focus on rural areas
- multiple interventions that addressed livelihoods, social support, and overall localized development
- a focus on building self-reliance, household ownership, and strengthening cultural heritage
- effective localized governance systems with participation of local government and village councils; & oversight of national govt.
- strong oversight and monitoring systems at all levels to plug out corruption & inefficiency through constant supervision & audits

All this was supported by strong political leadership from President Xi Jinping, rapid economic growth which enabled adequate resourcing, and planned reviews of progress to adapt to new challenges. China's progress was realized over time, through 3 key phases. Practical interventions implemented by China over the three phases included:

- **Household Guarantees:** Each household was guaranteed food, clothing, education, health and housing with clean water.
- **Effective local delivery system:** Extensive training of millions of community workers made it possible to offer employment to young skilled workers who were tasked to identify poor households, ensure they receive necessary interventions, and monitor their progress out of poverty.
- **Poverty interventions were aligned with rural & urban development programmes:** E.g. housing renovations and other infrastructure development programmes like road construction, afforestation, supply of safe drinking water, garbage disposal & sewage treatment all served as rural development interventions and also job opportunities for the unemployed.
- **Localized economic development at village level:** Poor counties were supported to develop economic activities geared to their available resources e.g. new forms of industries in agriculture (cooperative system), e-commerce, photovoltaic (PV) power generation and tourism, and through the consumption of products and services from poor areas. Villages ended up with a clear economic base under the management of communities. This approach doubled per capita income of villagers & counties.

China's experience provides South Africa an opportunity to learn from their successes while avoiding their mistakes. A number of these approaches are already adopted in South Africa, but are not currently implemented at scale.

3.2. ENABLE PRODUCTIVE LIVELIHOODS AND SUPPORT

This pillar addresses the need to connect members of the bottom 40% households to productive livelihoods & critical support services that enable them to engage in productive pursuits.

The centrality of human agency, capability and empowerment in poverty alleviation was made famous by Amartya Sen, who along with other scholars and practitioners argued that people living in poverty should be viewed as active agents who can think and act, not just as recipient beneficiaries waiting for hand-outs. This capability lens to understanding poverty is an essential part of poverty alleviation strategies, as it recognizes that there is a process involved in closing the distance between poverty alleviation inputs (e.g. service delivery or income support) and actually graduating out of poverty which would be the desired outcomes. The success of that process is influenced by two key factors, i.e. capable individuals willing to utilize their agency to leverage existing opportunities; and the existence or absence of an enabling environment that makes for human thriving, i.e. community wide development

The intention of this pillar is to identify and implement programmes that provide valuable support to strengthen individual capability, so that those who live below the national poverty line are inspired and able to pursue livelihoods and prosperity through community development, self-reliance and entrepreneurship. The strategy proposes that livelihood programmes for poor households should be designed as part of a broader local development strategy to bring new economic infrastructure to impoverished areas, including rural roads, electricity, technology, and micro-industrial development in rural areas and townships.

Each local municipality should have a clear local development plan that includes service delivery, infrastructure development, agricultural productivity, and a local manufacturing base. Supply chain infrastructure such as community based micro manufacturing plants, storage facilities and transportation systems are good examples of how local development can assist community members to transition from livelihood activities to employment opportunities and entrepreneurial activities.

Interventions that promote this approach must be built on the principle of localized development, as reflected in South Africa's DISTRICT DEVELOPMENT MODEL, where community members do not have to exist out of their communities in order to secure livelihoods, but rather work with the local government to identify and actively participate in mass development interventions that range from service delivery to local economic development.

Five elements are proposed as interventions to facilitate productive livelihoods and provide valuable support to strengthen individual capability, while creating an enabling environment for community development and the pursuit of a vibrant successful life. They are productive assets for livelihoods, personal development, social capital, ecosystems of support and institutional development.

The idea of actively engaging citizens in their own development, and in the development of their communities is a new and important departure from previous

practice in South Africa. It is an approach that transfers power back in the hands of citizens, creates self-reliance and the opportunity to rapidly scale-up local development through local resources at community level.

3.2.1. Productive Assets 4 livelihoods:

Households in impoverished areas should have productive assets that allow them to become self-reliant, and to independently pursue modest livelihood opportunities. This is in line with DSD's proposed Asset Development Model & cabinet approved sustainable livelihoods approach. Interventions to promote ownership and access to productive assets for poor households are listed below, informed in large part by programmes already being implemented by government departments:

- Through DALRRD **rural households have land tenure to participate in small scale agriculture**. Localized market access systems give opportunity to farmers to operate as cooperatives in order to take advantage of market opportunities. Public sector intentionally buys from small scale producers as a strategy to boost rural production and sales. Given the role of women in small-scale farming, action is taken to ensure that there are no barriers to land tenure or ownership for women.
- Through DSBD **small scale factories (micro production facilities), targeting specific localized products (e.g. cotton, butter, nuts, maize as identified by DSBD & DSD) are built in communities** to be managed locally through a collaborative circular economic model. Production support is enabled through local government, local development workers, civil society organizations, & cooperatives in the communities.

The Asset Development Model and micro production capability in communities:

The principle is to develop an ecosystem of productive capacity support at village, township and town level, so that those households with the means and will to engage in productive pursuits have access to the infrastructure and assets they need. This requires dedicated resource allocation and strong inter-departmental collaboration.

DSD has proposed this strategy, with a focus on youth, women and persons with disabilities within the poorest wards in the country, to ensure a targeted intervention.

DSD has further identified 8 'game changer' micro industries that can be massified at local level, e.g. waste management, construction, agribusiness, agrifood value chain processing plants, rural renewable energy, business support, containerised school kitchens, and stone and mining.

- The current livelihood interventions being implemented by DALRRD, DBSD and DSD must be coordinated and scaled up to ensure one unified national programme of micro-industrialization through community development, working in alignment with the District Development Model to deliver game-changing economic results at the community level. These livelihood & developmental activities will lead to the growth of a vibrant localized

production and entrepreneurial base, and growth of SMMEs, as well as employment growth.

- Local communities have active poverty alleviation committees that work with the municipalities to agree on livelihood interventions and their implementation timelines. The principle is that each delineated area should have a clear livelihoods action plan being implemented through local participation, supported by local government.
- Through the Department of Tourism, cultural tourism is initiated and managed through village cultural/township & tourism committees, with a strong focus on coastal towns and places of cultural significance.
- Through DTIC a new policy framework on micro-finance enables communities to access micro-credit in order to start and sustain their micro-enterprises. Various forms and localized management systems will have to be determined to ensure that such micro-finance mechanisms are managed well with resources from the public and/or private sector. This initiative would also provide South African development micro-financing organizations a chance to grow.
- Technology enabled villages and townships are a real possibility in South Africa, given recent advances in technology for development. South Africa's young population also means uptake of new digital platforms would be quick. The acceleration of basic e-commerce could significantly increase market linkages for rural towns and villages as well as townships. However, the cost of data and internet access would have to be addressed. Internet access is increasingly seen globally as a necessary productive asset that enables community development.

3.2.2. Personal development and skills training:

These interventions are designed to develop a persons' capability, potential and confidence thus enabling them to enhance their quality of life and achieve their dreams. These activities would include massified training through SEDA and the SETAs to offer training linked to development and market interventions. Some of the specific activities to be undertaken to offer personal development and skills training to beneficiaries include the following:

- SEDA and SETAs offer grant recipients a variety of free skills development opportunities, with a focus on technical skills, e.g. artisan training; as well as life skills that build capacity for problem solving, innovation, self-discovery, confidence building, etc.
- Free mass training initiatives (short focused training) are aligned to community development initiatives targeting local youth. This would require dedicated resources, as well collaboration with existing education institutions. Some of these mass training opportunities could include infrastructure related training linked to roads, electricity, water drainage systems, etc.; social development training of youth as community workers, and e-commerce and digital training.
- Furthermore, mass training initiatives at rural and township level would be connected to the targeted micro-industries in those areas, including agro-processing, tourism, e-commerce, business services, etc. This is supported by a national digital platform to access skills online.

- Community based institutions, e.g. religious institutions and CSOs are also enlisted to offer mass training to young people for targeted skills aligned to the community/district development plan.

3.2.3. **Strengthening social capital:**

Policies and interventions should aim to build trust, collaboration and social capital in communities. Social capital is created when people form social connections and networks based on principles of mutual trust, and reciprocity (Racelis 1999). It is one of the key determinants of resilience and is important for poverty alleviation.

While building social capital in communities cannot be legislated in a poverty alleviation strategy, the way programmes are implemented can either strengthen or destroy it. Therefore, it is important that each intervention adopted promotes and strengthens social capital and builds social cohesion. This can be done through:

- **Strengthening familial relationships:** For instance, interventions that build trust and collective action among community members generally strengthen social capital. Similarly, policies that strengthen familial relationships and/or minimize family disintegration are important, as the family is recognized as the most important social unit for building social cohesion.
- **Strengthening the household and family as a unit of development:** A social contract at the level of households should be established to promote values that activate collaboration, commitment & self-reliance.
- **Minimize social conflict:** Policies and initiatives that create conflict (e.g. competing for scarce resources), diminish social capital and should be avoided. Furthermore, environments where there are extended periods of socio-economic difficulty, such as those found in South Africa as a results of structural unemployment, tend to destroy social capital. It is not surprising then that the 2020 Edelman Trust Barometer found South Africa to have high levels of mistrust. Such structural socio-economic challenges must be addressed.

3.2.4. **Build ecosystems of support:**

Households should have ease of access to help and support when needed, including psychological help, counselling, career guidance and mentorship. SA already offers this through community workers, community clinics, GBV victim support centers, school-based counsellors, etc. It is also valuable to have career guidance and livelihood support mentorships to grant recipients as part of the support services offered.

South Africa already has the infrastructure to offer this additional support through an extensive network of community workers, social workers, community clinics, GBV victim support centers, police stations and school based counsellors. However, it would be important to ensure that the various interventions of support reach those that need it, including unemployed youth.

3.2.5. **Community Institutions:**

Community based institutions are an asset that can be used to alleviate poverty. They include religious organizations, NGOs, CBOs, & youth groups. Formalized institutions that promote participatory governance at local level, e.g., municipal and community planning committees, are an important platform to facilitate poverty planning and monitoring.

Civil society formations should be strengthened and supported as part of the national poverty response, given the role they play to support poor households through innovative interventions. Other strong community based structures that enable community participation in decision making, such as community wards, and community policing forums also play a critical role in addressing community problems that increase vulnerability such as crime. These should be strengthened. Formalized institutions that promote participatory governance at local level, e.g. joint municipal and community planning committees, are an important platform to facilitate poverty planning and monitoring. Strengthening these institutions is an important part of SA's decentralized governance system. This localized governance system should be developed to complement the District Development Model.

3.3. ENSURE HOUSEHOLD FOOD SECURITY

Food security can be defined as a state where all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active healthy life. In South Africa the National Food and Nutrition Security Plan (NFNSP) 2018-2023 represents the strategic approach that South Africa is taking to ensure food security. Three elements of this strategy are teased out here for reference, however a fuller treatment of the food security challenge in SA is given in the strategy by the DALRRD, which is incorporated as part of this anti-poverty strategy.

Nationally, the % of HHs involved in agriculture increased from 14,8% in 2018 to 15,3% in 2019. However, given the state of poverty, unemployment and hunger, the target should be closer to 30% to make up the majority of rural households. DALRRD reports that households vulnerable to hunger were 10.3% in 2019, and the plan was to reduce them to 5.7% in 2024. However, during COVID-19 this percentage has increased. Stats SA on the other hand reports that households under the food poverty line (which implies that they are vulnerable to hunger) is 25%. Interventions towards food security must aim to meet the needs of these households.

The NFNSP commits to significantly improve food security and reduce malnutrition in all its forms to afford South Africa's people opportunities to lead productive and healthy lives. NFNSP aims to strengthen food systems by establishing inclusive local food value chains to support access to nutritious affordable foods; and by scaling up high impact nutrition interventions targeting women, infants and children

3.3.1. Household food security:

The aim is to increase food production for self-sufficiency and food access by scaling up efforts to support households to establish household gardens through the DALRRD initiative. Efforts by DALRRD to transfer land to households, especially women and youth, should be accelerated. And the current DSD nutrition programmes for households should be

strengthened and scaled up, including the establishment of community nutrition and development centers.

3.3.2. Sustainable food systems:

Sustainable food systems include the full value chain of production, processing, distribution, consumption & disposal of food. DALRRD should accelerate and scale-up its interventions to support micro- and small scale farmers across key municipalities where small scale agriculture is a viable means of food production. Current results show that 206 765 hectares have been leased out – 35% to women and 7% to youth. DALRRD further reports that 3896 producers have been supported thus far to improve their production systems. The departments 10-point action plan with implementation of a plethora of initiatives, e.g. the National Policy on Beneficiary Selection and Land Allocation (NPBSLA), the Land Donations Policy should be rapidly massified, and those initiatives with a direct benefit on households in deciles 1 – 4 should be prioritized.

3.3.3. Nutrition interventions:

Food access for poor households should be guaranteed through DSD & DALRRD nutrition programmes, including school feeding schemes, community nutrition and development centres, etc. Market interventions to increase access to the basic food basket can also be employed to curb inflation in the basic food basket.

4. A COORDINATION FRAMEWORK FOR EFFECTIVE IMPLEMENTATION

The successful implementation of this anti-poverty strategy depends on a highly effective coordination mechanism built on the following principles:

- **Inter-departmental coordination and implementation is critical**, especially between social cluster and economic cluster departments. Too often these departments are implementing small-scale, projectised interventions that lead to duplication of efforts. For instance, each department has its own data-base of households and beneficiaries it works with, which are not informed by a systematised process of identifying the poorest households and working with the over time until they graduate out of poverty. A change of implementation practice requires structured and strategic identification of target households, a system for their long-term development, and a strategy for transition out of poverty.
- **A comprehensive inter-departmental beneficiary data base of households must be developed** and maintained over time to keep track of progress made by each household. Adopting a similar household tracking tool as used in SAWID's Family Development Model will assist to ensure that every household living below the national poverty line is registered and tracked every quarter to keep a record of household changes, emerging challenges as well as progress being made by household members.

- **The District Development Model is strengthened** to include a strong development and poverty alleviation imperative, not just service delivery. This requires focussed attention to upskill municipalities with capacity to implement and coordinate large development programmes for their communities.
- **The Funding mechanisms for South Africa's new anti-poverty agenda must be put in place** to ensure that existing resources to the tune of R1,2 trillion are allocated in accordance with stated objectives and in line with this strategy. More than raising new resources, what is required is the effective utilisation of existing resources for poverty alleviation.
- **A monitoring framework should be built into the strategy** to include local tracking of progress for each household, a central data-base for analysing progress and results, budget audits to measure resource utilisation at municipal level, and impact evaluations to measure results.