INDIGENT EXIT STRATEGY
OF THE CITY OF TSHWANE

June 2010

Contents

1   Introduction

The City of Tshwane (CoT), like other municipalities in South Africa, has developed an Indigent Policy, and it is busy implementing that Policy. The challenge that the CoT is faced with is to assist the registered indigent households to exit the indigent register and be able to pay for municipal services without accumulating debt. The other challenge is to assist those indigent households who are not yet registered so that they are able to exit the cycle of poverty and so do not have to be registered as indigents in the first place.

To this end, the CoT has been searching for an effective Indigent Exit Strategy (IES) to be able to intervene and be of assistance to those households mentioned above. This document is an IES. It proposes strategic interventions that the CoT could put in place as a way of reducing levels of indigency in Tshwane.

What is the Indigent Exit Strategy?

The Indigent Exit Strategy (IES) is in effect three things:

- it is a poverty reduction strategy for the CoT
- it is a means of linking the indigent (i.e. those too poor to pay for essential services) to that strategy, and
- it is a mechanism for tracking households deemed indigent in order to determine when they should be graduated off of the indigent register (i.e. the list of all households whom the CoT recognises as indigent according to its objective criteria).

How was the IES developed?

The IES was developed by means of considering the nature of poverty in Tshwane, examining the CoT's indigent policy relative to that of other metropolitan municipalities, reviewing what we know about different types of poverty reduction interventions, and taking into account what might be the role of the CoT in poverty reduction relative to other spheres of government and non-state actors. However, it is to be stressed that the IES is not meant to by a static programme with fixed elements, but rather a dynamic process that is reflective and adaptive, and thus which can grow and improve with time.

What are the main elements of the IES?

The proposed IES consists of seven main elements or components, namely:

- Training
- Employment referral service
- Strategic SMME investments
- Individual commitments
- Airtime subsidies, communications conduits and SMS coaching
- Intensifying the role of social workers
- Re-thinking procurement for household services.

In addition, the IES requires an architecture that allows it to interface with the Indigent Policy, which itself requires some modification. The main purpose of this architecture is to ensure that the indigent register is kept up-to-date and that this register in turn serves as a useful tool to the management of the IES.

What exactly is meant by 'exit'?

A household 'exits' the indigent register when its circumstances improve to the extent that it can afford to pay for the essential services provided by the municipality, and furthermore when the CoT is made aware of this fact. However, 'exit' is not necessarily a permanent transition; if a household exits but in due course its circumstances deteriorate, then it may re-enter the indigent register.

What is the role of other stakeholders with regard to enhancing the IES?

Although the design of the IES was initiated by the CoT, it was designed in consultation with a number of other stakeholders and with their role in mind. The IES seeks to stimulate a variety of different stakeholders to actively contribute to poverty reduction in Tshwane, and to provide clear opportunities and channels through which they can do so. A number of stakeholders are already on board.

This document

This document presents the thinking leading up to the development of the IES, reflections and proposals regarding the Indigent Policy itself (because the IES is not entirely separate from the Indigent Policy), guidelines for the implementation of the IES, and a monitoring & evaluation plan for the IES. Specifically, the document is organised as follows:

- Section 2 summarises Tshwane's current indigent policy and presents results of a small survey as to other metropolitan municipalities' approaches to indigency.

- Based on recent datasets and literature, section 3 briefly examines the extent and nature of poverty in Tshwane.

- Section 4 examines lessons regarding efforts to reduce poverty in South Africa, both from the perspective of the efficacy and role of different types of interventions, and in terms of strategic issues in developing a poverty reduction programme.

- Bearing in mind the considerations from the previous sections, Section 5 examines what is the logical role of the CoT in poverty reduction, and proposes the core interventions that make up the IES.

- Section 6 summarises proposals related to the modification of the Indigent Policy itself, and also presents a proposal for managing the information generated by the IP/IES and for maintaining contact with the indigent.

- Section 7 outlines the operational plans for each of the seven main components of the IES, and indicates the sequence of priority measures for taking each of them forward towards finality.

- Section 8 briefly proposes a set of arrangements to cater for the management and leadership of the IES.

- The Monitoring & Evaluation Plan for the IES is proposed in section 9.

- Section 10 presents the estimated financial implications of associated with the proposed changes to the Indigent Policy and with the implementation of the IES.

- Section 11 presents a concise 'high-level roadmap' towards the operationalisation of the revised Indigent Policy and the proposed IES.

- Section 12 concludes with core recommendations to the CoT.

2   Indigent Policy in Tshwane and Elsewhere

A national indigent policy framework was announced in September 2005,[1] and implementation guidelines shortly thereafter.[2] The policy framework states:

> "The overall objective is to substantially eradicate those elements of poverty over which local government has control by the year 2012. Given the definition of the indigent stated in this policy this implies that all should have access to basic water supply, sanitation, energy and refuse services by this date. Further, by this date all municipalities will have undertaken major initiatives to facilitate the access of the indigent to land for housing, in cooperation with provincial government." (p.3)

The services listed (water supply, sanitation, energy, refuse removal, and assistance with the housing process) are what the policy framework refers to as "essential household services package". Indigency is implicitly defined as the inability to afford the essential package in the absence of support. For this reason, who are the indigent in a given place changes, not only because people's circumstances change, but because the costs of services change. Indeed, recent increases in electricity costs are apt to mean that more and more people in Tshwane and elsewhere will soon be defined as indigent.

The costs to municipalities of providing free basic services is off-set, at least in principle, by the equitable share transfers from national government level. The equitable share formula takes in account the cost of providing free basic services, however, according to its own parameters, including its own threshold for defining 'indigency.'

For Tshwane, the equitable share appears to be more than adequate[3]: for the 2009/10 financial year, the cost of providing free basic services was R167 million (in fact considerably less than this, because the target of 90 000 had not been reached, which is what this value is based on), while the revenue from the 'equitable share formula' was R512 million. However, the R167 million figure does not take into account R45 million of revenue forgone from property rates from indigent households, nor the cost of free basic water going to residents who do not have accounts (e.g. those in informal settlements), nor the costs of other elements of Tshwane's indigent package (e.g. funerals), nor the cancellation of bad debt, which for 2009/10 was estimated to be R138 million.[4] Beyond this, the municipality experiences occasional cash flow challenges, and is concerned about the cost of free basic services increasing in future. All of this constitutes a strong rationale for having an effective IES. However, arguably the main motivation for having an IES is to fulfil the CoT's role in respect of developmental local government, i.e. because the CoT shares with other spheres of government the responsibility for seeking to reduce poverty.

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[1] Department of Provincial and Local Government, "Framework for a Municipal Indigent Policy".
[2] Department of Provincial and Local Government, "Guidelines for the Implementation of the National Indigent Policy by Municipalities".
[3] The CoT's IDP notes: "The cost (revenue forgone) of the social package of the registered indigent is off-set by the equitable share received in terms of the DoRA" (CoT, 2008, p.196).
[4] Nor for that matter do these figures account for the fact that not all households on the indigent register have had their services curtailed according to policy (e.g. because of the costs of installing pre-paid electricity metres), thus an unclear number of households on the register are presently accumulating 'new arrears', the ultimately responsibility for which is likely to fall to the CoT.

The national policy framework and guidelines allow municipalities a large degree of latitude in determining their indigent policies and associated policies. Although the current document is mainly about an indigent *exit* strategy, as noted above this cannot be fully divorced from the indigent policy itself, thus it is worth considering the conceptualization of Tshwane's indigent policy, which we do in relation to the indigent policies of other metros. Table 2.1 below summarises some of the main parameters of the metros, including Tshwane.

The table reveals that there are three distinct patterns generally speaking. At one extreme is eThekwini, which has no register at all, but rather uses the valuation roll as a basis for determining eligibility for free basic services. And at the other extreme is Johannesburg, which is in the process of elaborating a policy according to which the register distinguishes three 'bands' of neediness or vulnerability, with the extent of service subsidies being availed accordingly. There are advantages and disadvantages to each of these options. The eThekwini option saves a bit of money (very little, actually, relative to the cost of the free basic services themselves), but perhaps more importantly does not have to worry that its register is incomplete. The main disadvantage of this approach however is that it is less accurate, in the sense that some well-off households may happen to live in houses whose estimated value is low enough to make them eligible for free basic services, while some poor households may happen to live in houses whose value makes them ineligible. Given that the idea of free basic services is to accommodate the needs of people and households, rather than *houses*, this must be interpreted as an inaccuracy. However prevalent these kinds of inaccuracy are is impossible to tell.

As for Johannesburg, it is the other extreme in the sense that it seeks not only to be accurate as to households' eligibility, but to refine the eligibility requirements such that they are more nuanced, i.e. taking into account that poor households are not uniformly so, and thus are not uniformly in need of free basic services. This latter approach makes a great deal of sense, in that it is fairer; also, potentially it can save money at the same time, because the extent of free basic services can be more modest for those with a greater ability to pay. Just as significant however as the fact that the Johannesburg system provides for three tiers, is the fact that it determines eligibility in terms of per capita income rather than household income. This is important because given households which happen to have a monthly income of, say, R2200 (the eligibility threshold currently in use by CoT), those with few members are in a fundamentally different situation from those with many members – the latter are clearly poorer. Thus using a per capita-based threshold 'normalises' across household sizes,[5] which in reality is more appropriate than a simple household-based threshold. The problem with this approach however is that household sizes can vary over time; on the other hand, so well can household income, so the real issue is the frequency and accuracy with which the status of indigent households is reviewed.

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[5] More intricate ways of taking household size into account are also possible; a common approach for poverty measurement purposes is to distinguish between adult and child household members (on the grounds that the expenditure needs of an adult tend to be greater than those of a child) , such that rather than speaking of household size, one sometimes speaks of 'adult equivalents'. This is probably being unnecessarily complex for present purposes, however.

Table 2.1: Overview of different metropolitan municipalities' indigent policies

Municipality	Department responsible for registration	Criteria for registration	Benefits for registration	Review of Beneficiaries	Monitoring of beneficiaries	Indigency exit programme
Cape Town	Finance (Credit Control and debt collection)	• Income/HH • Property	• No property rates • Free 50 kw of electricity + R30 subsidy • Free 6kl of water**.**	12 months	None	None
Ekhurhuleni	Finance and Social Development	• Income/HH • Property	• 9 kl free water • 9 kl free sewer • 100 kwh free electricity • Free refuse removal • No property rates	18 months	It is done by Social Development.	Unclear, but seemingly none
Nelson Mandela Bay	Treasury	• Income/HH	• No property rates • Free 8 kl of water • Free 11 kl of sewerage per month • Full credit for refuse collection • Free 75 kwh of electricity.	12 months	Verification carried out annually by contracted companies.	None
eThekwini	There is no indigent registration, however Treasury determines eligibility by means of the valuation roll	• Property value	• No property rates • Free 65 kwh per month • Free 300 litres of water per day	None	None	None
Johannesburg	Community Development	• Income/capita	Free services in accordance with their poverty index. They cover water, electricity, rates, sanitation and refuse.	6 months	Re-registration and confirmation of addresses.	Currently under construction. It will refer beneficiaries to public works.
Tshwane	Health and Social Development (but in conjunction with Finance)	• Income/HH	• No property rates • Free 100 kwh per month • Free 12 kl water/month • Free 6 kl sanitation • Free refuse removal • Free burials	24 months	None	Under construction

One further consideration in determining the best indigent policy is, what use can the indigent register possibly serve beyond merely keeping track of those eligible for free basic services? Arguably the real power of the indigent register is that, in principle, it allows for better targeting of poor people in terms of poverty reduction opportunities/activities, i.e. at least in principle, it can greatly assist the exit strategy. This is explored more in a later section.

3   Poverty in Tshwane

3.1   Introduction

The purpose of this section is to describe some of the main features of poverty in Tshwane, of which we focus on four: the relationship between poverty and unemployment, the relationship between poverty and in-migration, the housing shortage, and the inter-generational dimension of poverty.

3.2   Unemployment

In terms of the unemployment, it is clear that for Tshwane as for the rest of the country, unemployment is a strong determinant of poverty. One indication of this is the similarity in the incidence of poverty and unemployment statistics per ward, which is shown below, using the Census 2001 data.

Figure 3.1: Poverty rates and unemployment rates, by ward[6]

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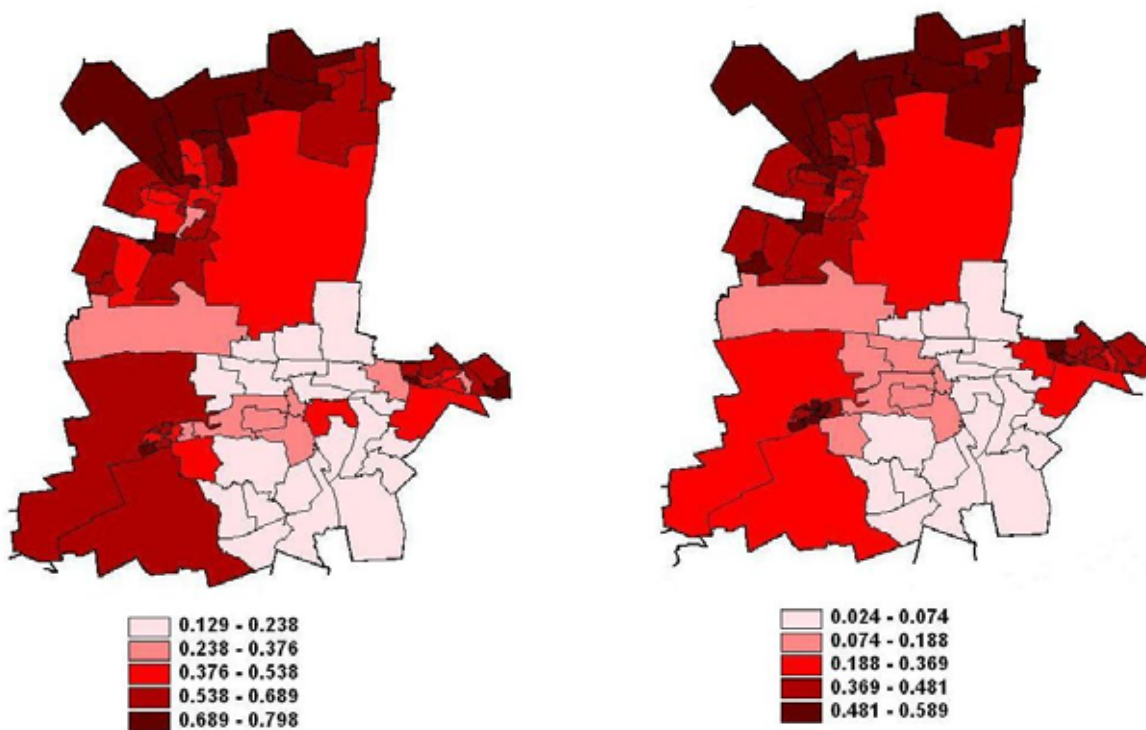
[6] Although it might have been better to have used the survey data that CoT commissioned in 2008 for this comparison, given that it is more recent but also allowed for statistical representation at ward level, HSRC was not able to obtain the actual dataset for this survey, rather only the report.

Trying to gauge trends in unemployment rates for Tshwane is, unfortunately, quite difficult. The table below conveys a number of different statistics from different data sets at different points in time; however, it is unclear to what extent these different datasets are comparable, not least given differing definitions for 'unemployment' between the census and most of Stats SA's sample surveys. Moreover, the figure from CoT's commissioned survey for the number of unemployed people in 2008 is suspiciously low. At any rate, one can say that even if one were to conclude that there is evidence of improvement in the unemployment situation in Tshwane, it is still quite dire. This is especially the case if one takes into account the large number of working age persons (aged 15-64) who are not in the labour force; the implication is that many of these are discouraged job seekers. By whatever measure, the number of unemployed people in Tshwane is very high, and presumably the situation has grown worse subsequent to the 2008 survey due to the international economic downturn. This is important to bear in mind when we consider mechanisms for lifting people out of poverty.

Table 3.1: Summary of statistics for Tshwane from different data sources

Survey	Census 2001	Community Survey	CoT's commissioned survey	Indigent Register
Year	2001	2007	2008	2010

Population
  Households
  People
	
	597,211
	1,982,235
		
		686,640
		2,301,293
			
			713,407
			2,428,185	

% born in outside RSA	2.9%	3.4%	2.4%	

Poor / indigent
  Households, using R2200/hh/pm
  Households, using R322/percap/pm
	
	200,000
		
		189,000
		127,000
				
				79,000

Employed Unemployed Unemployment rate Working age population (15-64)	653,718 305,053 32% 2,579,446	865,421 284,639 25% 1,621,586	787,607 194,746 20% 1,711,727	

Living in informal dwellings
  Number of households
  Share of households
		
		135,352
		20%
				
				0
				0%

Renters
  Number of households
  Share of households
	
	122,142
	20%
		
		153,584
		22%
				
				0
				0%

Pct of HHs in 2 rooms or less	20%	34%		

3.3   In-migration

The second theme we touch upon is in-migration. It is well known that Gauteng in general is an area that receives a net inflow of people re-locating from elsewhere. This is borne out by the following table, which is based on the 2007 Community Survey. Gauteng has the largest percentage of inhabitants who were born elsewhere, and one of the lowest incidences of out-migration. This in large measure accounts for the rapid increase in overall population evident in the previous table; in percentage terms, the population increased by about 20% between 2001

and 2008 (and by about 57% between 1996 and 2008! – not shown). By contrast, the overall population of South Africa grew by only 8% between 2001 and 2007.

Table 3.2: Percentage distribution of non-migrants and migrants based on place of birth (2007)

Province	% of resident population born in the province	% of in-migrants (resident population not born in the province)	% of out-migrants (population born in the province but residing elsewhere)
Eastern Cape	93,4	6,6	23,0
Free State	85,6	14,4	21,5
Gauteng	58,1	41,9	15,3
KwaZulu-Natal	93,5	6,5	9,4
Limpopo	93,6	6,4	22,9
Mpumalanga	76,3	23,7	20,0
Northern Cape	84,4	15,6	29,3
North West	76,9	23,1	16,6
Western Cape	71,7	28,3	8,1

Source: Stats SA, 2007:59

As Kok et al. stress, furthermore, there is a strong correlation between in-migration and poverty. Moreover, in-migration tends to result in the creation of poverty pockets, i.e. areas where those living in poverty are densely settled, often without proper access to services:

> "Such poverty pockets are the areas of the province which are the most difficult to assist in terms of poverty reduction, as well as the most difficult for metro management and planning structures to deal with in relation to delivery. In this light, they are of urgent importance to Gauteng's own task of internal governance as well as to the South African national project of providing the poor and destitute with a decent life, in which Gauteng is taking a leading role." (Kok et al., 2005:2)

However, at ground level, the relationship between poverty and migration is complex. Kok et al. find in fact that migration is most strongly related to "middle poverty", whereas those areas characterized by the most desperate poverty are not primarily populated by migrants. This may be surprising at first, but the explanation is logical: those who migrate tend to have at least some resources (as well as ambition and courage), without which migration would be very difficult. From the perspective of the CoT, what this implies is that in-migration is not altogether bad, because to some extent it represents an influx of those with potential; while many of them are not readily absorbed in the labour force, or are unable to launch their own enterprises, many do, and as a group they therefore make a valuable contribution to the economy, and are potentially upwardly mobile. To the extent they do put strain on the ability of local government to provide services, they may well engender resentment among other residents; however, their need for subsidized services may lessen over time, which is all the more reason to ensure that they do not remain indefinitely on the indigent register.

The other implication is that the poorest are often not migrants, but rather those whose resources (human, financial, etc.) are so meagre that they are unable to improve their circumstances. They may or may not be concentrated in particular 'poverty pockets'.

One other note is that, notwithstanding the perception in some quarters that Gauteng in general, and Tshwane in particular, are inundated with foreigners, the data do not back this up. Returning to Table 3.1, residents of Tshwane who are foreign-born appears to remain below

4%, and shows no particular trend. This could arguably be a function of measurement problems, e.g. respondents choosing not to reveal their true origins, but it is doubtful that the statistics are extravagantly wrong.

3.4   The housing shortage

The third feature to raise is the fact that people's residential circumstances vary widely, with many being inadequate. According to the 2007 Community Survey, for instance, 20% of Tshwane's households reside in informal housing structures, and 22% are renting from other households. The figure below summarises these two distinct but inter-related phenomena. The figure distinguishes between informal dwellings that are in a backyard ("iB"), and those which are not in a backyard ("NiB").

Figure 3.2: Dwelling types and tenure types in Tshwane, 2007 (black households only)
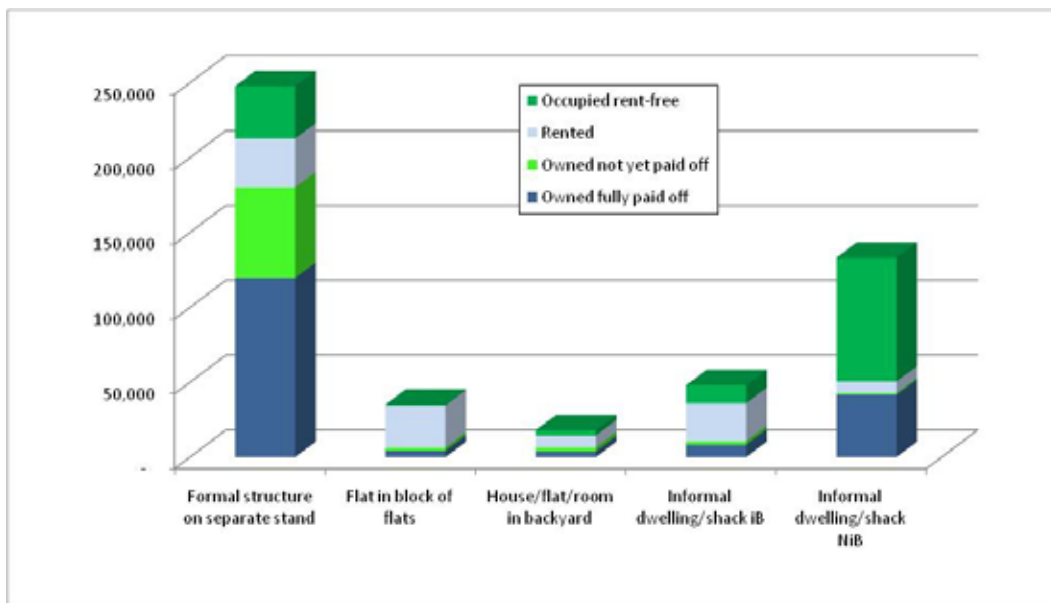
Source: Stats SA, 2008, Community Survey, and own calculations

Moreover, there is a strong relationship between residential situation and per capita income. This is shown in the figure below, where those who reside in informal dwellings are decidedly poorer than those in other types of accommodation. The relevance of this for the indigent policy and the IES will be discussed in more detail below, but for now we note that it suggests a significant problem with their current formulation: it is only those who own registered properties who are on the indigent register; while they are not the only people receiving free basic services, they would appear to receive far more value on a per household or per capita basis that those in informal settlements, and yet, on average, they are significantly better off. At the same time, if and when these people do benefit from subsidised housing, many of them will likely be unable to pay for the improved access to services that comes with formal housing, thus they will add to the burden of providing the free basic services package to indigent households.

Figure 3.3: Average per capita income by dwelling type, Tshwane, 2007 (black HHs only)
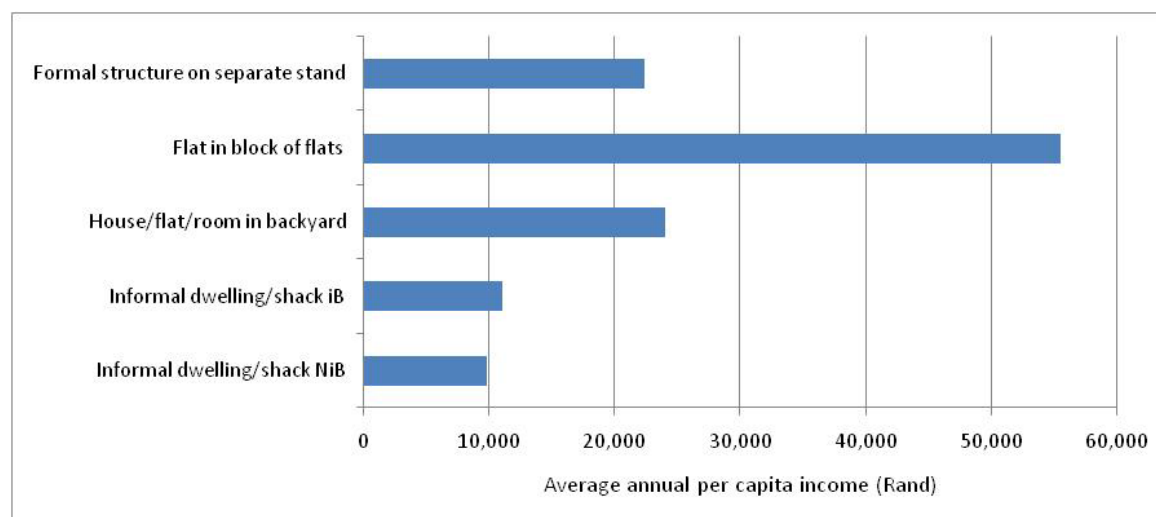
Source: Stats SA, 2008, Community Survey, and own calculations
Note: per capita income not shown where underlying observations was fewer than 40

3.5   Inter-generational poverty

Lastly, we touch on the issue of inter-generational poverty, by which is meant the tendency for poverty to be passed on from one generation to another. While there is no reason to believe that inter-generational poverty is a more serious problem in Tshwane than elsewhere, to the extent the CoT wishes to address poverty in both the short and long-terms, it needs to consider ways of confronting inter-generational poverty transmission. To a large degree it is already doing so, as evidenced by its commitment to early childhood development programmes. In broad terms, the most significant intervention it can consider is to ensure that all children benefit from educational opportunities, and in particular that children from poor households are not somehow disadvantaged by their parents' lack of means and, frequently, educational attainment.

One particular mechanism through which poverty can be inherited is child malnutrition. In addition to contributing to physical ill-health, malnutrition reduces children's academic achievement. The General Household Survey of 2009 asked various subjective questions regarding the experience of hunger by children (which is not the same as malnutrition, but related). One question was, "Did your children ever say they are hungry during the past year because there was not enough food in the house?", to which 15% of respondent households in Gauteng answered in the affirmative, translating into about 200 000 province-wide. While we do not have specific estimates for Tshwane, based on the fact that the demographics of Gauteng are very similar to those of Tshwane, it could be inferred that there are approximately 38 000 households in Tshwane of whom this statement is true. Of these, it can be further surmised that in approximately 10 000 of Tshwane's households, children experienced hunger for five or more days within a 30 day period. These are households in which there is a strong likelihood that the children will grow up to be poor adults.

4   Lessons Learned Regarding Poverty Reduction in South Africa[7]

4.1   Introduction

South Africa has been earnestly engaged in the fight against poverty since 1994. It is critical to take stock of what we have learned to date, before proceeding to suggest what the CoT should seek to do specifically. These lessons occur at two levels. First, there are lessons as to the relative strengths and weaknesses of different types of anti-poverty interventions. And second, there are lessons regarding how one designs an anti-poverty strategy overall. We take each of these in turn.

4.2   Lessons regarding strengths and weaknesses of different anti-poverty interventions

The general experiences and trends in respect of specific types of interventions to reduce poverty are as follows:

- 'Poverty projects' have largely been discarded; these were the mainstay for example of the National Treasury's 'Poverty Alleviation Fund', created in 1998. The Poverty Alleviation Fund was used in order to assist national departments to introduce poverty reduction initiatives of various kinds. A large share of the spending went to the then Department of Welfare to finance group-based "income generating projects" in activities such as sewing, baking, etc. An evaluation commissioned by the Treasury in 2003 arrived at the conclusion that most of these activities showed poor results (PSC, 2007), and the Fund was disbanded. Further analysis showed that government's efforts to enter into 'developmental welfare' were hampered by the reality that supporting income-generating activities requires far more skill than, say, distributing social grants, which is what accounts for the fact that overall spending on such initiatives pales in comparison to traditional welfare expenditure (DBSA/UNDP/HSRC, 2005).[8]

- Public works projects show better outcomes, largely because they do not aspire to be self-sustaining, and because to a large degree they can be integrated into existing delivery systems (e.g. infrastructure investments) (OPSC, 2007). However, apart from 'social public works' (such as early childhood development programmes and home-based care for HIV/AIDS patients), most opportunities created through public works programmes are short-lived, because the establishment of a piece of infrastructure in a given place is by design meant to be finite. One positive sign is that a new component of the Expanded Public Works Programme (EPWP), the Community Work Programme, will seek to operate as a kind of guaranteed employment scheme, i.e. where a given individual is assured of a certain number of days of employment per year. However, only 58 000 such opportunities are expected to be created over the next two years across the

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[7] While this presentation of 'lessons' is not necessarily a consensus view, it does resonate with various other sources, e.g. TIPS (2009) and OPSC (2007).

[8] It is worth pointing out that many 'poverty reduction projects' and 'income-generation projects' are in the area of agriculture, and that here the experience to date is particularly dismal. The main lesson here is that there is far more value in assisting households engage in agriculture as individual households rather than grouping them. However, in urban areas, local government may have a particular role in making suitable land available, but this should not be taken to imply group-based projects as such, i.e. where people are required to work collectively.

whole country (National Treasury, 2010:36), which implies a modest number of opportunities in any given municipality. Overall, the CoT expects that in 2010/2011, about 25 000 EPWP opportunities will be availed to residents of Tshwane, but most of these will be short-term and do not represent an exit from poverty.[9]

- The 'sustainable livelihoods approach' and 'community development approach' have been championed by the Department for Social Development, effectively replacing the Department's earlier attempts to promote income generating projects. The experience with these approaches has been promising, but as with other development-oriented interventions, it has been discovered that they are highly dependent on high-calibre skills amongst those promoting them (personal communication, Department of Social Development), thus they have not proven effective on a significant scale.

- Small enterprise is often vaunted as a primary means by which the economy will grow and absorb the unemployed. However, there is a consensus that South Africa's small enterprise sector – including the 'informal sector' – is small relative in comparison to other middle-income countries. Debates as to the reasons for this tend to revolve on issues of regulatory obstacles, absence of finance, and the lack of an entrepreneurial culture. Efforts to support the SMME sector, however, have been many. While the impact has not been as great as one would have hoped, it is generally recognised that supporting SMMEs is far more efficacious than supporting income-generating projects; the difference may appear subtle but it is critically important, in income-generating projects are generally groups (e.g. cooperatives) which seek to operate entrepreneurial but by virtue of their group nature typically fail to do so, whereas SMMEs are by individual entrepreneurs or small partnerships of entrepreneurs (PSC, 2007). The general trend is to consolidate expertise and resources geared for SMME support, an important outcome of which was the creation of DTI's Small Enterprise Development Agency (SEDA). Another feature of support to SMMEs is to re-engineer government procurement systems so that they are 'friendlier' to SMMEs, or indeed so that they favour SMMEs.

- Social security and the 'social wage' are by far the largest interventions addressing poverty in South Africa. Social security refers to social grants together with contributory schemes, while the social wage consists of subsidised access to services, including water, electricity and refuse removal, but also healthcare and education. However, it is wide acknowledged that these measures make poverty more tolerable rather than fundamentally addressing the factors that keep households and individuals in poverty. This is despite the fact that research has demonstrated that social grants are used to assist poor individuals engage in job search (EPRI, 2004), and in some cases even to finance enterprise start-up (HSRC, 2007).

In 2008, the Presidency released a discussion document entitled, "Towards an Anti-Poverty Strategy for South Africa". As the name suggests, it was an attempt to consolidate a framework

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[9] Given the limited role of public works in reducing poverty, one might wonder why the EPWP is one area of intervention that is growing relative to others. One reason is that, despite its limits, public works are a convenient means of contributing to poverty reduction, because the building of roads and other infrastructure must be done anyway, so one may as well try to make it more labour intensive. Another reason is that certain functions which were already operational on their own have been subsumed into the EPWP for sake of convenience (e.g. early childhood development).

for addressing poverty, however it remained a discussion document, and is presently undergoing revision. Be that as it may, the document presented a useful conceptualisation of how different types of interventions can address poverty in different ways, and that, unfortunately but realistically, those over which government has the most control are those which have the least self-sustaining impact on poor individuals and households (see figure below) – e.g. social grants and free basic services.

Figure 4: Schema from 'Anti-Poverty Strategy' ("Relative benefits and difficulties of anti-poverty strategies")
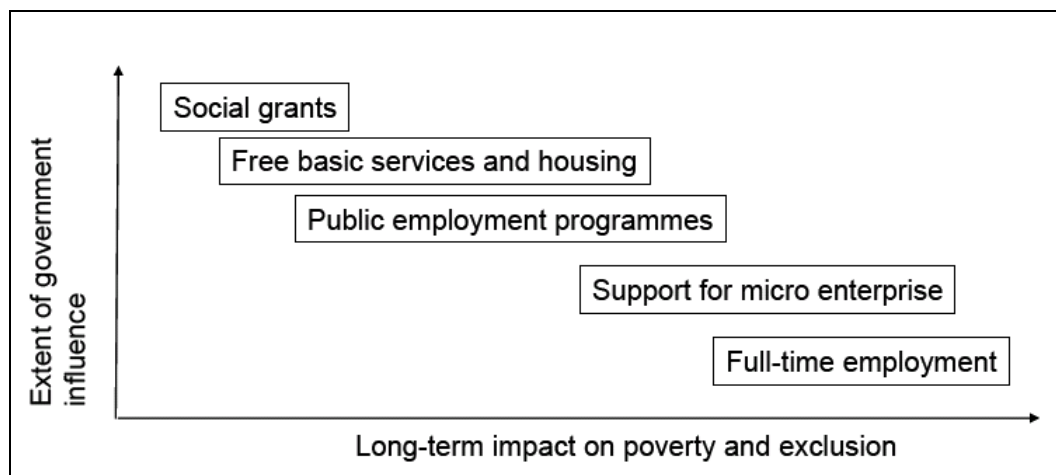
Source: Presidency, 2008:48

By contrast, ensuring that people find full-time formal sector employment[10] is the most potent means of helping them out of poverty, but full-time employment cannot be 'ensured' in a market economy, it can only be coaxed; this is why promoting inclusive economic growth is so important, but it is a long-term process involving widening and deepening the skills bases together with reconfiguring macro-economic and trade policy. Indeed, the modest reduction in poverty levels since around 2001/02 is largely ascribed to two things: the expansion of the social grant system and modest increases in employment (van der Berg et al., 2007), much of the latter of which was presumably undone in the recent economic downturn.

4.3   Lessons in respect of the overall design of an anti-poverty strategy

Apart from the generally programme-specific observations recorded in section 4.2 above, over the past 15 years or so we have gained a better appreciation of some of the strategic *programmatic* challenges associated with poverty reduction. Six key points along these lines are as follows:

> *Appreciate the challenge of scale* – A large number of well-meaning poverty reduction interventions are ultimately of a symbolic nature because they affect so few people. As alluded to above, a key limitation is having the skills in place in order to engage large numbers of poor people at the same time in pursuit of complex activities. The IES must

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[10] While employment in the informal sector is also important, the returns to formal sector employment tend to be far higher.

avoid this at all costs. While some of its elements may be restricted to relatively small numbers of people, it must avoid the trap of getting committed to interventions which have no prospect of reaching large numbers of people.

Do not over-stress the tangible – Government likes to be able to report its achievements, which often means that it emphasises those things that can be seen and counted. In some situations, 'things that can be seen and counted' may be fully appropriate, in others they are not. The features of the IES that are proposed below happen to focus on less tangible achievements, but they are (or will be) achievements nonetheless. Ascertaining the value of non-tangible outcomes places a greater burden on monitoring and evaluation, a topic to which we return below.

Do not depend on the 'generosity' of the private sector and other role-players – Public-private partnerships can be highly successful in certain situations, but they must be appropriate to the challenge being addressed and they require a heavy time investment on the side of government. Therefore, vague invitations to private sector entities to involve themselves in poverty reduction do not necessarily bear fruit. The CoT can almost certainly leverage the private sector, tertiary institutions, NPOs, etc., to play a valuable role in the IES, but the CoT must take a lead, must be clear as to its expectations, and not anticipate sustained 'handouts' from other role-players.[11]

It is crucial to focus – Given the enormity of the poverty problem, as well as the fact that poverty is 'multi-dimensional', one inclination is to try to be 'comprehensive' in the sense of doing everything one can think of. However, the CoT's IES will ultimately have an impact to the extent it is well managed, and this is more likely if it is focused. Also, doing a few things well *and at scale* is likely to be more efficacious than doing a lot of little things poorly. However, to the extent the IES cannot and will not be one-dimensional, one possibility is that its key elements are introduced in well-considered phases.

Do not confuse elusive integration with good conceptualisation – This point is arguably quite contentious, but it is important to articulate. There is a prevalent belief in South Africa that the key shortcoming in our collective efforts at poverty reduction is that different initiatives are not integrated, i.e. 'we work in silos'. While lack of integration may at times be a problem, there is little evidence that concerted attempts to integrate better make much difference on their own. Integration is costly and time-consuming; what is far more critical is that the IES is conceptually coherent, and that its various features are well executed; ensuring that its different elements are carefully co-ordinated and synchronised is secondary.

We need to experiment – If we had the answers to poverty already then there would be no need for an IES. Indeed, we have partial answers, but there is enormous scope for trying new things (i.e. taking risks) and learning by trial and error. The key elements of the IES that are presented below are offered in this spirit – some of the elements are 'safe bets', others are experiments that may look odd and perhaps in due course prove

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[11] In the context of the core elements of the IES set out below, it is anticipated that there is scope for the contribution of the private sector and tertiary institutions in particular to contribute to the training component, the support to strategic SMMEs, and the airtime/communications strategy. In the course of developing the Business Implementation Plan, these opportunities will be explored in detail and concrete recommendations will be made.

futile. The risks associated with experiments must however be attenuated and contained. We propose to do this in two ways. First, those elements that are more experimental should be piloted, that is, attempted on a limited or restricted basis so as to allow an opportunity to learn what works and what does not, and if necessary, to terminate that element altogether if it is demonstrated that it is not efficacious. And second, there must be active and thoughtful monitoring and evaluation so as to learn as quickly and fully as possible what is working and what is not. The M&E strategy for the IES will be presented in due course.

5 An Indigent Exit Strategy for the City of Tshwane

5.1 Introduction

This section identifies some of the strategic interventions for the CoT and other role-players in respect of an IES. First, it considers what should be CoT's role in poverty reduction, given what other spheres of government and other role-players are doing and in light of the CoT's comparative strengths. Second, it proposes the core elements of the IES. And third, it proposes the main changes to the underlying Indigent Policy, which helps define the scope for how the IES will operate.

5.2 Defining the scope of intervention

Although there is a global trend towards local government playing an ever greater role in poverty reduction, much of this relates to the provision of subsidised services and the improvement of the residential and business environment. CoT is already heavily invested in these sorts of activities, and there is little in addition that we can suggest of specific relevance to the IES.

As for social security, that is a well-entrenched function of national government, and in any event the vision of an IES is to assist the poor to prosper so as to rely *less* on direct government support. And, as for promoting the expansion of the formal economy so as to absorb more people into the formal labour force, that is to a large degree the domain of national policy, or, as hinted above, this can involve encouraging more investment through improving the business environment, which the CoT is already doing.[12]

While there are some experts who advocate the importance of augmenting the asset base of the poor, there are already two national programmes which seek to do this, namely the housing subsidy programme and land reform; the former is taking place within Tshwane and elsewhere via the Gauteng Department of Housing, and the latter is largely rural-oriented and thus has little applicability to Tshwane.

These considerations are in the vein of noting what the CoT is doing already, or determining what is better left to other spheres of government. But what are CoT's comparative advantages when it comes to assisting its poor individuals and households? We identify four such comparative advantages:

- It has an (relatively) intimate knowledge of its poor residents, and can use this knowledge to advance their interests and target those most in need

- It encompasses an area which happens to include a large number of well-resourced private enterprises, tertiary institutions, NPOs, etc.

- The diverse nature of the economy combined with good infrastructure implies scope for increasing the SMME sector

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[12] There may indeed be a range of activities in which CoT could engage to stimulate commercial and industrial development, but it goes beyond the scope of the IES to spell out what these are, still less try to assume responsibility for them.

- It controls a significant service provision budget.

Accordingly, in general terms the CoT should conceptualise its poverty reduction role via the IES as focusing on:

- Building individuals' capacity to participate in the economy and to lead rich lives

- Intervening to prevent the inter-generational transmission of poverty

- Improving communication and the flow of information

- Offering encouragement, and

- Further promoting labour intensity.

We will return to these below with specific recommendations. In the meantime, one other question in relation to scope is whether the IES will encompass those poor individuals and households who are not presently captured on the indigent register by design, i.e. those who do not have registered property and accounts with the CoT. The short answer is 'yes', that all the poor should be included; however, the nature of the IES might differ according to which sub-population one is considering.

5.3   Recommended core elements of the IES

The core elements of the IES are proposed as follows. Their content, scope, means of implementation, etc., will be further developed in the next phase, which involves the elaboration of the Business Implementation Plan.

Training

At the time at which the Community Survey was conducted in 2008, about 0.3% of adults aged 20 or older in Tshwane were receiving some form of non-academic training or capacity building. Presumably more had benefited from training earlier, and some may have received training since, but the reality is that the investment in training of adults is pitifully meagre. A large and ambitious training initiative is situated at the centre of the IES. The advantages of training are numerous: it is reasonably inexpensive to provide (especially relative to employing people), it stimulates people's interest and ambitions, it provides for positive social engagement, and the provision of training is a possible growth area for SMMEs. To be sure, there are limitations as well: receiving training is no guarantee of a job or the wherewithal to start or grow a business; but the 'statistical efficacy' of training in relation to incomes is borne out. To reap the advantages of this 'statistical efficacy', the IES needs to ensure that training happens on a massive scale.

Much of the training envisaged in this component must be aimed to make citizen more employable or able to start an enterprise, however these are not the only objectives of the training component. Four forms of training are envisaged:

- First, life-skills training, with an emphasis on management of household finances and 'financial literacy'.[13] The purpose of this training is to help people develop the ability to manage their finances more effectively. This is not to suggest that poverty is simply a function of poor money management, however there is strong evidence to the effect that those poor people who do manage their money effectively feel poverty much less acutely than others with similar means. There is also evidence to suggest that this type of training is effective, yet is in very short supply.

- Second, 'parents-of-learners' training, the purpose of which is to assist those parents whose children are in primary school, but who often have limited education themselves, to better appreciate and execute their role as parents in the education of their children, e.g. in supervising homework, helping their children develop study discipline, etc. As far as we have been able to determine, no such training actually exists in South Africa at present, but educators tend to agree that it would be a big help. It is an intervention that would specifically aim to reduce the inter-generational transmission of poverty, by improving the chances that children from poor families succeed in school.

- Third, general-purpose entrepreneur training, imparting basic skills such as book-keeping, basic market research, and a deepening of financial literacy. The efficacy of this training is well-known, yet it is in extremely short supply. It is also reasonably inexpensive to provide.

- And fourth, specialized vocational training. The provision of this kind of training will depend critically on what is already available and what private sector and tertiary sector partners will agree to provide. However, the shape of the vocational training component will also be conditioned by an informal survey conducted among businesses in Tshwane.

The overall target of the training element is something in the order of 100% to 200% per year, and this is what distinguishes the IES from other poverty reduction initiatives. In other words, the intention is that almost all households on the (eventually full) indigent register will undergo some training, and some will take advantage of more than one training opportunity. As a rule, training courses will be brief (3 to 12 weeks), in people's own communities or as close as possible, conducted in people's preferred language(s),[14] and make maximum use of accredited SMME service providers.

As far as possible, the life-skills/financial literacy training course will be mandatory for all households entering onto the register for the first time, and it will also serve as an 'induction' for the indigent policy and the IES itself. With the assistance of the Finance Department, the possibility will also be explored of targeting those households who are on the threshold of being indigent – e.g. those who are behind on paying their municipal accounts, but not to the point of facing legal action or qualifying as indigent. The

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[13] The CoT has already been investing in training of this sort and is of the view that it has been worthwhile.

[14] Vocational training will typically be an exception to this rule, because these opportunities will be fewer in number, and in many instances will depend critically on the facilities made available by partners.

'parents-of-learners' training course will be mandatory for all those entering on the register who have children in primary school.

The CoT will look to the private sector and tertiary institutions for assistance in sponsoring specialized training courses and indeed in organizing them. This corresponds to the recent trend in corporate social investment towards a focus on skills development. In fact, in the process of developing the Business Implementation Plan, we will explore all possible sources of financial and in-kind assistance, whether from other spheres of government, the private sector, donor partners, tertiary institutions, etc.

Employment referral service and applicant training

The indigent register represents a powerful information tool, and with minor adjustments it could be made more powerful. One possible use for this tool is to connect possible employers with would-be employees. The overall potential for this should not be exaggerated – the more fundamental problem is that there are not enough employment opportunities – but it should be exploited for what it is worth. There are fourth essential features to this function: first, businesses of all shapes and sizes must be made aware, repeatedly, that the CoT offers this service free of charge; second, the register must be active, so that for example it is updated when an indigent person takes advantage of a training opportunity; third, in order that the service not degenerate into a labour broker proxy, the CoT must make both potential employers and employees aware of their rights and responsibilities under existing labour legislation; and fourth, when notified of a job opening, the CoT should identify one or more suitable applicants, and where appropriate to assist them develop their cv's and interview skills.

Strategic SMME investments

The IES envisages that the CoT will undertake strategic investments to support particular kinds of SMMEs in specific situations. At present, there are two main candidates for this.

The first is township-based internet cafes. The rationale for this is that computer and internet access in townships has not adequately benefited from internet kiosks in public places or from infrastructure set up in multi-purpose community centres.

The second main candidate is SMMEs that specialize in training. The rationale here is that one cannot assume that there exists sufficient capacity to launch the IES's training programme as described above.

As a general rule, this is a component in which the private sector and tertiary institutions will be expected to play a role, but as expressed above, in accordance with the leadership provided by the CoT.

Individual commitments

Under the heading, "Responsibilities of registered indigent households," Tshwane's current indigent policy has an item which reads, "Participation in economic development

activities initiated by CoT is compulsory for registered indigents." The point that is being made is a reasonable one, in the sense that those who successfully apply to be on the indigent register should be prepared to undertake tasks for the benefit of the community, in acknowledgement of the benefits they receive as indigents (i.e. free basic services and cancelled arrears). However, in practice this has not worked, firstly because people do not want to undertake these tasks (sometimes seemingly because they are seen as demeaning), and second because in truth the CoT does not have the capacity to really mobilize people to undertake significant tasks with any frequency. What then to do about the attitude of entitlement? The experiment we propose is that, as a condition for being included on the indigent register, applicants must formulate a commitment, in writing, as to what they undertake to do to improve themselves, their households, and their communities. The purpose is not to extract heavy and unrealistic commitments, but to try to instil a sense of purpose and a sense of acknowledgement that they are benefiting from government assistance.

This component is experimental, and therefore as indicated above can be started on a limited (i.e. pilot) basis. However, it should be pointed out that the financial cost of this particular component is insignificant.

Airtime subsidies, communications conduits and SMS coaching

Poverty is isolating, and for various reasons. The inability to afford phone calls merely aggravates the situation. At the same time, pursuing a job search without being able to make phone calls is more or less impossible. One very modest way to make people's lives easier and to contribute, however modestly, to people's job search, is to ensure that they have effective access to telecommunications, and a simple way of doing this is to arrange for regular, small airtime top-ups to one person in each registered household.

The second part of this proposal is that the cellphone then serves as a major means of communication from the CoT to those on the register, via bulk sms's. The practical advantages of this are several: to alert people to training opportunities in their respective areas, to help people monitor their electricity and water use where this remains problematic, and to notify people of other events or developments of civic importance. A further possible use is 'sms coaching', which is a recognized adjunct to short-term training courses as a means of reinforcing knowledge or concepts that are otherwise quickly forgotten. And finally, by ensuring that people have can sms or make phone calls, it is more likely that those indigent households who need to can contact the CoT's social workers who originally handled their case. The less practical, but still real, overarching purpose of this cellphone-based communications strategy is to maintain a sense of contact between the indigent and the CoT.

The one possible danger of this approach is that it could compete with neighbourhood telephony SMMEs, which as a matter of principle we would not want to do. This potentially conflict would have to be explored.

As for the costs of this component, they are potentially substantial. We are therefore exploring the possibility of the CoT forming partnerships with the major cellphone operators in order to defray the costs, and will also likely introduce any such interventions on a limited pilot basis.

Intensifying the role of social workers

An ironic aspect of how the current indigent policy is implemented is that all those who apply to be on the indigent register are visited by a social worker, but the social worker has no time to engage with the applicant beyond going through the application paperwork. The advantage of the process is that at least one CoT social worker has contact with each and every indigent household; but the nature of that contact is such that the social workers cannot use their full range of skills to understand the households' problems, advise them on appropriate measures or refer them to appropriate support networks. This means that a large opportunity is being created only to be wasted. In terms of checking the inter-generational transmission of poverty, the intervention of social workers in households facing crisis could be vital, but presently it cannot happen.

While we would expect that for most indigent households, the current level of contact is sufficient, more space for fuller engagement should be provided for. The implication of this is that the social worker capacity within CoT devoted to the indigent programme needs to be expanded, probably by a factor of three. Relative to the cost of providing free basic services and writing off of arrears, the additional costs are fairly trivial. Moreover, there is reason to believe that much of this capacity already exists within the CoT, however it needs to be moved from where it presently is, to lighten the burden on the few social workers who are presently supporting the indigent policy.

Re-thinking procurement for household services and other things

The CoT is presently in the process of reworking some of its procurement policies to favour small-scale co-operatives and entrepreneurs. This is mainly in terms of the provision of goods and services that go to the CoT administration itself, e.g. catering, provision of uniforms, etc. This is laudable and useful as far as it goes, however there are potentially far larger procurement opportunities out there. One of these is the refuse collection service undertaken by contractors on behalf of the majority of CoT residents and businesses. In contrast to catering for CoT functions, the magnitude of the refuse collection system is vast. The question is whether the CoT, similar to some other cities in other parts of the world, can re-engineer the refuse collection system to create much larger numbers of remunerative opportunities. The fact that so many South Africans survive at the margins already by means of collecting recyclables is one indication of the potential. Obviously, there is a great deal of technical detail that must be examined, and to the extent possible existing successful models from around the world will be studied (e.g. Cuba, Brazil, India, etc.). However, this is only one possible area of intervention: the principle is to look for opportunities that could realistically involve large numbers of people, over long periods of time, and where the resources are already budgeted for and are therefore in principle available for re-channelling.

This component is arguably the most risky of those making up the IES, not least because of the potential to disrupt service delivery to clients. It will therefore be introduced with extreme care and, as mentioned above, initially on a limited pilot under intense monitoring.

5.4   Tweaking the Indigent Policy to complement the Indigent Exit Strategy

Tshwane's current indigent policy is very good, however, in light of the preceding discussions a few changes are proposed:

- A tiered system should be considered. This would have the advantage of better matching people's needs to the extent of support. Savings from this approach could possible go some ways in covering the costs of the IES.

- Whether using a tiered system or not, eligibility for indigency should be determined by taking household size into account, in other words, using a per capita income threshold or thresholds. This will allow the IES to focus more specifically on those who are truly poor. Then, the eligibility threshold(s) will need to be re-examined.

- Households should be eligible to be on the register regardless of whether they have registered property and accounts with the CoT. Households' level of benefits may differ.

- The re-evaluation of indigent status should be performed after 12 months rather after 24 months. This assumes of course that the CoT's capacity for interacting with the indigents is expanded.

- The content of the information captured upon application needs to be reviewed to ensure that the register contains all the information required in order to serve as an effective tool for the IES.

6 Proposed Changes to the Indigent Policy and Information Management

6.1 Introduction

As indicated above, the introduction of the Indigent Exit Strategy occasions a re-examination of the Indigent Policy itself, partly because the two broadly share the same aims, and partly because the implementation of each raises common challenges. This section briefly presents specific proposals for how the Indigent Policy should be changed.

6.2 Account holders only versus all poor households

Using Stats SA's Community Survey of 2007 (and adjusting as well as possible for the fact that these data are now three years old[15]), with the current indigency threshold of R2200 per household, about 189 000 households in Tshwane qualify as indigent, which is almost 28% of all households in the municipality.

Of these indigent households, approximately:

- 74 000 (39%) reside in a 'house or brick structure on a separate stand or yard'
- 64 000 (34%) reside in an 'informal dwelling/shack NOT in backyard, e.g. in an informal/squatter settlement'
- 22 000 (11%) live in an informal dwelling/shack in backyard, and
- 11 000 (6%) in a formal flat.

Presently, the Indigent Policy focuses on households with registered properties, as these are the households that hold municipal accounts and whom are potentially eligible for free basic services. In terms of the current registration process, the CoT has probably reached virtually all of those who qualify in terms of the R2200/pm/hh criterion.

However, more than half of all households who fall below the R2200/pm/hh criterion live under other circumstances. This means that the current Indigent Policy is in effect mainly benefitting those who in other respects are better off than non-account-holding poor households, who often live in shacks. Moreover, with the introduction of the IES, the asymmetry in treatment of these two categories of poor households becomes more untenable; surely the benefits to be made available via the IES should not be only accessible to those with registered properties? The proposal therefore is to create an all-include indigent register which records the fact that households have different residential circumstances, but which does not depend entirely on that difference.

6.3 Applying a per capita threshold rather than a per-household threshold

The CoT's current Indigent Policy depends on a definition of indigency based on overall household income. The concern with this is that households differ in size (i.e. the 'number of

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[15] It should be pointed out that the Community Survey included almost 12 000 household observations from Tshwane, which is significantly more than the household survey commissioned by the CoT and conducted in 2008. For this and other reasons, we therefore regard the Community Survey as the more useful of the two datasets, despite it being one year older than the CoT survey. Moreover, despite its age, the estimates reported here are very likely still robust for our purposes.

mouths to feed'), thus 'per capita household income' (i.e. total household income divided by the number of household members) is a better measure of the household's circumstances than simply household income.[16]

To illustrate the implications, we identify the 189 000 households with the lowest *per capita* incomes (which happens to work out as all those with an annual per capita income of less than R9327), and compare this group to those households who qualify as poor in terms of the household income criterion. What we find is that 16% of households that are poor in terms of the household criterion are in fact not poor in terms of the per capita criterion, and about 17% of households who are poor in terms of the per capita criterion do not qualify as poor in terms of the household income criterion. In other words, while many poor households qualify in terms of either definition, for many others it depends on which criterion is used. The suggestion is that the per capita definition is more accurate and thus fairer because per capita income is a better measure of a household's true circumstances.

6.4 Adopting a tiered system for defining indigency and determined levels of free basic services

It has been argued that rather than a situation where a household is defined either as indigent or not indigent, that 'degrees of indigency' be recognised. The main purpose of this is to provide for differential levels of free basic services, so that, albeit somewhat crudely, those in greatest need receive the most help, and those in lesser need receive less.[17]

The questions then are, i) how to define these tiers in practice? and ii) what are the financial implications for the CoT? The first point to make is, there is no unassailable scientific basis for defining the tiers, nor does the national indigent policy framework establish any firm thresholds or clear benchmarks.

Figure 6.1 shows the profile of income poverty in Tshwane, e.g. 55% of households have a per capita income of R20 000 per year or less, 37% have a per capita income of R10 000 per year or less, etc. The figure illustrates the fact that, although poverty is prevalent in Tshwane, it is far from uniform.

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[16] An alternative to per capita household income is income per 'adult equivalent', which is the same idea, but adjusted for the general reality that, on average, children tend to be less 'expensive' than adults.

[17] This in effect is the approach being developed by the City of Johannesburg. The system being developed by the City of Johannesburg is thoughtful and complex, for instance by taking a range of both household-level and geographical factors into account in determining the extent of poverty/deprivation, all of which considerations are combined into an index. The development of the system reflects a significant intellectual investment, as will its implementation. Our brief by contrast was to develop the IES, with a reconsideration of the indigent policy and the question of eligibility being merely a side issue that we did not anticipate addressing at the beginning of this process.

Figure 6.1: Cumulative density function of households in Tshwane according to per capita income per annum
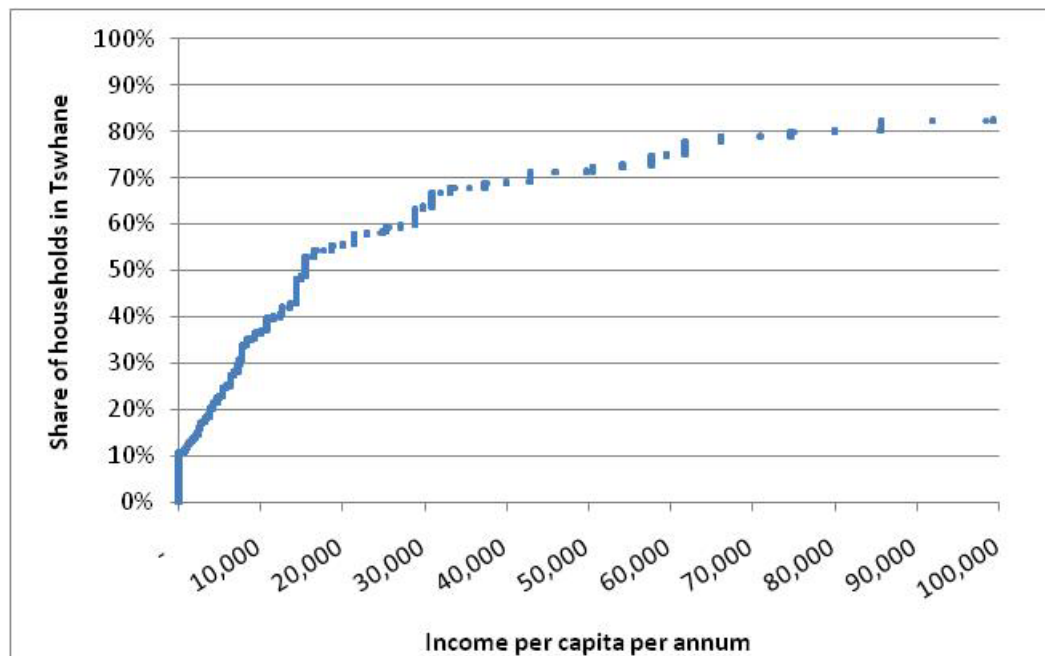
Accordingly, the three tiers that are proposed, together with their differential levels of free basic services, are as follows:

Table 6.1: Proposed 'tiered package' of services to indigent households who have accounts

Tier	Free water allocation per household per month**	Free electricity allocation per household per month	Rates subsidy***
'Poorest'	15 kilolitres	120 kilowatts	100%
'Middle poor'	12 kilolitres	70 kilowatts	50%
'Least poor'*	8 kilolitres	50 kilowatts	30%
Current levels	12 kilolitres	100 kilowatts	100%

* This must not be confused with 'non-poor', i.e. the 'least poor' are merely the least poor among the poor.
** Although not shown explicitly, we assume here and elsewhere that the sanitation part of the package remains in proportion to the free water part at a ratio of 0.5 : 1. However, it has not yet been confirmed that variable levels of free water are technically feasible or what 'adjustment costs' this might entail. For the subsidy on electricity and rates the adjustment costs should be close to zero.
*** The average value of the rates subsidy was known for all those currently on the indigent register, however we did not have information with which to accurately estimate its value for the different tiers described here, rather these values were estimated based on the simple assumption that the value of poor people's properties varies more or less according to their incomes.

Note that in respect of the 'poorest' households, the provision for the water and electricity parts of the package is slightly higher than in terms of the current policy.

Still focusing only on those households which have registered properties and accounts, i.e. who are the main beneficiaries of the indigency policy as it has stood up to now, we estimate that the implications of this approach relative to the current approach are as depicted in the following table:

Table 6.2: Estimated financial and distributional implications of a tiered approach

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Category	Criteria (income per capita per year)	Est number of HHs	Share	Est cost of current package (R/hh/yr)	Sum (Rand)	Est distribution of current package	Est cost of 'tiered package' (R/hh/yr)	Sum (Rand)	Est distribution of 'tiered package'
'Poorest'	0 - 3000	43,491	48%	2,233	97,134,539	41%	2,712	117,958,813	58%
'Middle poor'	3001 - 6000	22,744	25%	2,633	59,894,959	25%	2,058	46,803,240	23%
'Least poor'	6001 - 9000	24,723	27%	3,283	81,176,487	34%	1,583	39,131,070	19%
Total/all	0 - 9000	90,958	100%		238,205,986	100%		203,893,123	100%

Noting that the total estimated number of households is effectively the same as that which the Finance Department has used to estimate the cost of the indigent policy under the current policy, and that our estimate of the cost of the current package closely matches that of Finance, we can be assured that our estimates as to the relative cost of the 'tiered' package is a reasonable reflection of the impact of the tiered approach. But first, in column (c), we see that almost half (48%) of all poor households in Tshwane as we have defined them are in the 'poorest' category, but from column (f), they receive only 41% of the total value of the main indigency benefits, even though they are obviously poorer than the other categories of poor households catered for. However, using the 'tiered package', the poorest households receive 58% of the total benefits, which is more in keeping with their level of need (see column (i)). Similarly, in the current scenario, the 'least poor' households comprise only 27% of the 91 000 poor households, but they reap 34% of the benefits; by contrast, the 'tiered package' accords them only 19% of the overall benefits. The reason is evident if one contrasts columns (d) and (g), which represent the estimated unit costs of the current package and the 'tiered package' for each of the three types of poor households. In the current package, better off households receive more in the way of benefits – the reason is to do with the fact that they receive a 100% subsidy on their property rates, but because their properties are worth more, in effect their rates subsidy is larger. The 'tiered package' seeks to correct for this (along the same lines that the nascent City of Johannesburg approach is seeking to do), by means of offering a lower percentage subsidy than for households whose poverty is less extreme.

The other feature to notice is that, despite still supporting 91 000 households, the tiered approach 'saves' the CoT (i.e. reduces its loss of revenue) about R34 million, or 14%. This is arbitrary, in the sense that different parameters of the tiered package could have been supposed, making it either cheaper or more expensive. But the tiered approach was also recommended as a means of freeing up resources for other possible uses, not least to support those poor people who it has been agreed shall now qualify as indigent but who do not have registered properties and thus do not have accounts. Thus what this demonstrates is the possibility of a less expensive system that still provides more support to those in the greatest need.

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It should be underlined that this fine tuning only makes sense if the indigent register is truly active, i.e. up-to-date. The reason is that households' circumstances can change significantly and rapidly, whether for the better or for worse.[18] Much of the value of the revised indigent policy is to create a tighter and more responsive safety-net such that the level of assistance changes as the need changes. This will have the dual benefit of saving the municipality money, which of course it can plough back into supporting indigent households.[19]

6.5 A proposed package for the 'non-account-holding indigent'

But what of those indigent who do not have accounts? As shown above, almost half of all poor households in Tshwane fall into this category, in particular households living in informal settlements.

The proposal is that the CoT offers these households two types of benefits, namely a fuel/energy subsidy, and an airtime subsidy. Bearing in mind budget constraints, the proposal is not that these subsidies are equal in magnitude to what is offered to those who do have accounts, but rather that it represent a movement in the direction of parity. The other principle that informs the tiered package suggested in Table 6.2 below is that the benefits are greater for those who are poorest, as with the package for those who do have accounts.

Table 6.2: Estimated financial implications of extending a package to 'non-account indigent'

Category	(a) Criteria (income per capita per year)	(b) Est number of HHs	(c) Share	(d) Est cost of proposed package (R/hh/yr)	(e) Sum (Rand)	(f) Est distribution of proposed package
'Poorest'	0 - 3000	39,385	49%	600	23,630,707	65%
'Middle poor'	3001 - 6000	16,374	20%	420	6,877,117	19%
'Least poor'	6001 - 9000	24,352	30%	240	5,844,394	16%
Total/all	0 - 9000	80,110	100%		36,352,218	

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[18] Two kinds of poverty are often distinguished, namely 'chronic' and 'transitory'. Research in South Africa suggests that the number of people/households who tend to move into and out of poverty over, say, a 3-year period, tends to be greater than those who remain in poverty for the duration of that period. With more degrees of poverty being recognized, one would expect a fair amount of movement between categories.

[19] Another possible advantage of the tiered approach is to enable a better targeting of opportunities, especially of certain kinds of job opportunities. The most obvious example at this stage is the possibly large number of opportunities that might be created in waste removal (see section 4.8 below). These opportunities are not likely to be very remunerative or offer much potential for growth, but could nonetheless result in a significant improvement for a household in the 'poorest' category. (This is not to suggest that all households in this category would have employable adults, but certainly some will, and this will be knowable from the register.) For other scenarios where potentially a lot of opportunities could be opened up – for example community-based service retailers – one might wish to ensure a mix of candidates from across the poverty categories, which would also be assisted by having a 'tier field' in the register.

The proposed package comprises two parts, namely 'energy/fuel' and airtime subsidies, according to the following schema:

Table 6.3: Proposed package for indigent households who do not have accounts

Category	Energy/fuel (value in Rand per month)	Airtime (value in Rand per month)
'Poorest'	30	20
'Middle poor'	20	15
'Least poor'	10	10

The energy/fuel subsidy can take different forms according to households' preferences. Those households who have pre-paid electricity metres despite not having registered properties, can use the subsidy in the same manner as those households having municipal accounts.[20] Others can use the subsidy to purchase paraffin or cooking gel. For this, a system of vouchers will have to be established, but this will be a good opportunity to setting up an electronic voucher system that can operate by means of the same community-based service retailers discussed in section 6.4 above.

6.6   The role of 'community-based social workers'

The big question is, How will the CoT draw these distinctions in practice and keep the register up-to-date? Indeed, the whole premise of 'indigent exit' is that the CoT is able to keep track of people's/households' circumstances so that should they improve sufficiently, then they are removed from the list of those receiving free basic services.

The Indigent Policy as it stands provides for a re-evaluation of each indigent household's indigent status after 24 months. This is simply too long, in the sense that it allows a household to carry on receiving benefits for which it is not eligible long after its situation has improved, and similarly is not necessarily quick to confer a larger benefit package on households whose situation has deteriorated. Moreover, CoT's staff capacity to deal with various aspects of maintaining the indigent register, is already badly stretched.

What is obvious is that a very different system or approach is needed, not only if a tiered approach is adopted but especially then. The main proposal is to introduce a cadre of 'community-based social workers'.[21] The idea is to dramatically scale up the capacity of the CoT to engage in direct CoT-to-indigent interactions, but in a manner that does not have explosive cost implications. This can be accomplished by means of recruiting approximately 1000 individuals from across the Tshwane area who, after a brief customised training programme, would in effect become the new front line of contact between the CoT and the indigent. Collectively, working half-time and for a modest stipend (along the lines of social public works

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[20] According to the Community Survey of 2007, Tshwane had about 135 000 households living in "Informal dwelling/shack NOT in backyard, e.g. in an informal/squatter settlement". Of these, about a third use electricity for lighting, cooking, or heating. The inference is that most of these household use pre-paid metres.

[21] 'Community-based worker systems' are increasingly acknowledged as an affordable and efficient way of bringing services closer to the people. See e.g. Khanya (2007) and Khanya-aicdd, (2006).

programmes), these 1000 women and men would have the capacity to visit each indigent household every four months, e.g. three times in a year.

The main purpose of these visits would be to:

- Keep the indigent register up-to-date, including spotting situations when a household should be re-categorised (e.g. moved from one indigent tier to another, or out of indigent status altogether)
- Identify households whose circumstances warrant personal attention from one of the CoT's qualified social workers[22] and/or from other support services, e.g. medical care
- Identify households who are experiencing acute deprivation, especially hunger, and ensure they receive the necessary assistance (e.g. food parcels)
- Provide information to indigent households, e.g. about how to access training opportunities, how to access other government services, etc.
- Provide another source of information as to the access to and impact of various aspects of the IES.

In addition, the 'community-based social workers' could take over the functions of handling applications to be on the register, and conducing the application evaluation interviews.

In effect then these 'community-based social workers' would have three complementary functions: the first is to bring a basic level of social work closer to all poor Tshwane households; the second is to free up Tshwane's fully qualified social workers from the administrative duties that presently absorb all of their time, so that they can target their more involved social work interventions where they are most needed; and the third is to perform a vital role in maintaining the integrity of the indigent register.

Moreover, in addition to visiting all of the indigent households in her assigned area, the 'community-based social worker' is someone that the indigent household can contact if they have a problem requiring urgent attention, and they can then determine the best response (which might include a change in tier assignment).

As many of the 'community-based social workers' as possible should themselves be recruited from the indigent register as possible.

Technology can also be brought to bear to ensure that the indigent register is kept alive, in particular by reducing the administrative burden that would otherwise fall to the 'community-based social workers' or others. The key is to develop web-based cellphone applications that are linked to the indigent register (i.e. the IMQS indigent module), and which the 'community-based social workers' can thus use in the field to make a record of a visit and update key household information. A second important application of this technology is to assist the with the verification process. While we still advocate a face-to-face encounter in the applicant's home for the verification, the process should not be paper-based but rather cellphone-based, meaning that the community-based social workers would be able to enter the data directly into the server by means of a customised web-based cellphone application.

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[22] In terms of identifying households which need personal attention from the more professionally qualified social workers, the areas of concern would be those that are conventionally the focus of social work, e.g. child rearing issues, neglect of children and the aged, domestic and intimate partner abuse/violence, substance abuse, and inter-household conflict.

7 Implementing the Seven Core Elements of the IES

7.1 Introduction

This section presents refinements to the seven core elements of the IES, together with guidelines and suggestions towards their implementation. It should be noted that these core elements are in themselves complex initiatives, often involving partnerships that have yet to be concretised.

7.2 Training

Overview

The IES proposes a major training component comprising three main types of training, namely 'practical life-skills training', general-purpose entrepreneur training, and specialized vocational training.[23]

Before going into specifics, it is important to stress that the underlying motivation for this component derives from the perspective of 'continuing education', which seeks to promote a culture of developmental 'lifelong learning' for the benefit of adults, regardless of how far they went in formal schooling in their youth. While the intention is also that the training component will assist people become more employable and/or entrepreneurial, it should not be reduced to this one outcome.

Components

Practical life-skills training – 'Life-skills training' has various meanings. For instance, it is often associated with either assisting people develop personal qualities that will make them less vulnerable to bad habits or risky situations, or to help them to control bad habits that have already been acquired. Rightly or wrongly, for this reason the value of life-skills training is often doubted, including by its recipients. In any event, the purpose of the life-skills training that is proposed as part of the IES is to impart practical skills that are of potential value to poor people in particular. Thus we propose to refer to this as 'practical life-skills training', provisionally to cover the following topics:

- Financial literacy (how to draw up and manage a household/personal budget, how to read municipal accounts, etc.)
- Parent-of-learner skills (specific skills and steps for playing an active role in the education of one's children, e.g. homework supervision, communication with teachers, etc.)
- Basic nutrition and gardening (the former to convey how to achieve a healthy diet on a limited budget, and the latter using specific techniques that take into account people's lack of money, water and time, e.g. 'keyhole gardening' and 'pillar gardening')[24]

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[23] This is a modest reworking of the earlier proposal. In particular, 'parents-of-learners' training has become a module within the Practical Life-skills Training rather than a training on its own, and the scope of life-skills training has been clarified.

- Basic computer skills (using the facilities of internet cafes or community centres, thus this may have to wait in those communities where these facilities are insufficient)
- How to write a cv and look for employment
- Home repair (using cheap materials and targeting serious problems, eg leaking roofs).

This list is based on discussions with a variety of stakeholders (including poor people themselves), which is not to suggest that it needs to remain static. In fact, the curriculum must be constantly reviewed, and indigent individuals participating in the training must always be requested to provide feedback on the training, including an assessment of the range of topics covered, the style of presentation, and the possible need for more advanced follow-up training in particular areas.

While elements of these types of training certainly exist already, they do not exist anywhere as a package of a sort that is appropriate to the IES, thus a service provider will have to be commissioned to create a curriculum and pilot the implementation. Provisionally, this should be planned as one two-hour session for each topic, meaning six two-hour sessions in all, over the course of two or three weeks. It is suggested that all of the topics/sessions are mandatory, except the 'parents-of-learners' module which would only be applicable to those with school-aged children. Following the pilot and evaluation of the pilot (and assuming that there is agreement to proceed), further work will be required to develop an overall schedule for Tshwane that takes into account where people are located and the numbers of people who will have to be accommodated. Initially, the suggestion is that all those newly added to the indigent register receive training, but then with further expansion one can begin to include those who have already entered the register, adjusting for the fact that some of these have already had the financial literacy training. To achieve the intended scale, it is suggested that a 'training-of-trainers' approach is adopted, thus in addition to developing the curriculum and conducting the pilot training sessions, it is anticipated that the service provider grooms selected members from the early intakes of the training and trains them to become trainers in their own right (see section 7.4 below).

General-purpose entrepreneur training – As with 'emerging farmers', there are different philosophies regarding supporting SMMEs. One philosophy is to provide extensive amounts of support to carefully-selected candidates in the belief that this will heighten the new entrepreneurs' chances of surviving and succeeding. This philosophy has its place, and is effectively the approach reflected in section 7.4 below in respect of internet café entrepreneurs and training entrepreneurs. The limitation of this approach is that it is very difficult to achieve significant scale, i.e. to promote the establishment of large numbers of entrepreneurs; the typical trend in such initiatives in fact is to render ever greater amounts of support (especially financial) to a limited or even shrinking pool of candidates, further limiting the numbers that can be reached, and for this reason these initiatives are often perceived as 'elitist'.[25] The other

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[24] It is worth noting that of the 133 000 black households in Gauteng who garden, about 77% do so in their backyards, versus 8% in community gardens and 7% in school gardens (GHS 2009).

[25] In 2008/09, for instance, the Gauteng Enterprise Propeller (GEP) provided training to 2631 SMMEs across the province, and of these, presumably only a fraction were in Tshwane; while the GEP's training services are reputed to be excellent, they are not reaching many people. At the same time, the FET colleges that serve the Tshwane area have in recent years cut back on the community-based business skills training that they used to provide; this was in order to consolidate the on-campus technical training which they were in the process of overhauling (a process that is now largely complete), and this has further contributed to the yawning gap in general-purpose entrepreneur training. While there is some

limitation of this approach is that it is surprisingly difficult to spot the best candidates; entrepreneurial spirit is not easily discerned from someone's educational background or how neatly they dress. Thus while the SMME investment component of the IES is largely in tune with this philosophy, at the same time the IES promotes the other philosophy regarding how to support SMMEs, which we might call the 'shotgun approach'. In this approach, one seeks to provide modest assistance (e.g. training) to large numbers of people and lets the 'process of natural selection' determine who will in fact emerge as a successful entrepreneur, generally on the strength of inner qualities that support agencies are unable to perceive. The general-purpose entrepreneur training in the IES's training component is offered in this spirit – the idea is to provide a modest nudge that helps unleash entrepreneurial talent, of whatever level, that is already there. Accordingly, one has to understand from the outset that it is not a question of hoping that a high fraction of those who receive this support go on to become successful entrepreneurs, but rather of providing relatively inexpensive support to large numbers of people such that the end result is still satisfactory.

After considering different options and in light of possible costs, it would seem that in the short-term the IES should not be purist in seeking to promote generalist entrepreneur training. The approach proposed is to negotiate with more than one service provider/partner, even if their approaches and curricula differ somewhat. This will also provide an opportunity for the CoT to observe what works best, and on the basis of that to chart a way forward towards further expansion. In particular, the proposal is that the CoT approach the GEP, the two FET colleges that operate in Tshwane, and perhaps NPOs such as Pop-Up. An initial approach to the Tshwane regional office of the GEP has been favourably received, but requires further exploration. Also, Tshwane South College has already expressed a willingness and interest in resuscitating its in-community business short-courses, but has not elaborated on how much it could take on, what it would cost, or the extent of possible cost-sharing. The GEP should be prevailed upon to see what it could offer to Tshwane, noting that it already has a well-honed curriculum and expert staff. The modules from the GEP's offerings that should be incorporated include basic business skills, financial management, project management, basic bookkeeping, and business start-up.

Vocational training – There is universal agreement that vocational training in South Africa needs to be expanded. Much vocational training in fact is that paid for via the skills levy, however this generally takes the form of in-service training, and thus is not our central concern in relation to the IES because it involves people who are already employed, and thus who by and large are not poorest of the poor. From the perspective of the IES, the concern rather is getting more vocat ional training for those who are unemployed. The problem here is that much of this kind of vocational training is expensive and very demanding to provide; the main players here are the FET colleges, of which there are two main ones in the Gauteng area. Collectively, they have at present a total enrolment of about 30 000 full-time students, which is an appreciable number, but of these it is not clear how many are actually from Tshwane or intend remaining here. Moreover, we do not know how many of these are from indigent households, although we do know that virtually all qualify for the FET colleges' bursary in their first year. Another consideration is that, having just recently been renovated and re-equipped, it is not likely that the FET colleges that operate in Tshwane will be able to increase their scope dramatically.

In light of these considerations, we have a four-pronged proposal:

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training going on, e.g. via NGOs such as Pop-Up, etc., it remains grossly inadequate from any perspective.

- First, noting that a major problem with the FET system as it stands is that many students drop out following the first year, not because of poor performance but because of limited financial assistance from the second year onwards (especially for living and transport expenses), it is proposed that the business community offers targeted bursaries, using the proposed Tshwane Development Trust as the driver (see section 8.2 above).[26]

- Second, just as Tshwane South College has indicated willingness to conduct in-community business training, so too can the CoT negotiate with them to provide in-community vocational training, aiming particularly to upgrade the skills of entrepreneurs already engaged in particular trades, e.g. panel beating, appliance repair, etc.

- Third, also via the Trust but with the administrative support of the CoT, the IES should seek to mobilise the business community to provide targeted vocational training for entrepreneurs as a means of acquiring BEE credits for SMME support, as well as provide an expanded set of learnership opportunities to be identify and subsidised via the SETAs.

- And fourth, after studying the skills needs of businesses in the Tshwane area,[27] the CoT could put out a tender for service providers to provide specific kinds of vocational training.

Roadmap

Training is a central component of the IES, and it is meant to be large-scale. There remains a great deal of preparatory work to do. In identifying the main steps, we distinguish broadly between the three main types of training outlined above:

Practical life-skills training – appoint a service provider to develop the curriculum, conduct pilot training courses, recruit and further train additional trainers from among the indigent trainees, evaluate and refine the curriculum, and design a scale-up programme to reach larger numbers of people.

General-purpose entrepreneur training – Continue discussions with the GEP and the FET colleges, and with other possible partners, to establish the core curriculum and possible partnership and cost-sharing arrangements.

Vocational training – Much depends here on the establishment of the Tshwane Development Trust, as well as on the work that the Integrated Community Development (ICD) unit has initiated on establishing a closer working relationship with the SETAs in pursuit of boosting the

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[26] Briefly, this would entail matching students (i.e. from poor Tshwane households) who are completing their first year at an FET college, to businesses who envisage needing skills in those particular areas, whereby the latter pledge support to chosen candidates. The advantage of using the Trust as the vehicle is that it is likely to attract a stronger a response from the business community than if it is organized directly by the CoT.

[27] To this end, the Capitol City Business Chamber has agreed to assist by means of circulating a brief questionnaire among its membership and contacts.

availability of learnerships, and on discussions with the FET colleges around in-community vocational training for established entrepreneurs.

Beyond these particulars, an over-arching strategy that should be explored is remodelling the Tshwane Leadership and Management Academy Strategy such that it assumes the role of developer and co-ordinator of the training programme outlined here. This would be in addition to its existing functions, which at present are mainly to promote the human resource development of the CoT's own staff and to offer limited numbers of bursaries.

7.3   Employment referral service and applicant training

Overview

The indigent register represents a powerful information tool, and with minor adjustments it could be made more powerful for the specific purpose of connecting possible employers with would-be employees. The overall potential for this should not be exaggerated – the more fundamental problem is that there are not enough formal sector employment opportunities – but it can and should be exploited for what it is worth.

There are three essential features to this proposed function:

- First, businesses of all shapes and sizes must be made aware, repeatedly, that the CoT offers this service free of charge, and the service must be easy to use. There are various ways in which this awareness could be raised, including via the relevant business chambers, through the CoT's municipal account postings to business clients, through the CoT's websites, etc.

- Second, the register must have the right information about job seekers and it must be reasonably current. In terms of having the right information, the evaluation form has been modestly updated so that it captures more information about the indigent household's adult members, e.g. whether they are willing to be contacted about possible job opportunities, whether they agree that their information can be shared with potential employers, etc. (see Appendix 2, Section B). As for being reasonably current, it means for example that the register (by which is meant the indigent module of the IMQS) is updated when an indigent person takes advantage of a training opportunity. (This is easy when the training received was via the IES itself, but unrelated training should also be taken into account. In short, an efficient and inexpensive general-purpose mechanism needs to be established that facilitates keeping the register up-to-date.)

- Third, in order that the service not degenerate into a labour broker proxy, the CoT must make both potential employers and employees aware of their rights and responsibilities under existing labour legislation.

Roadmap

The key action for this component is to develop a web-based tool through which potential employers can make known their needs. The potential employer will be able to indicate what skills and other requirements they are seeking, the nature of the employment on offer (short-term, long-term, part-time, etc.), where the worker is meant to be based, etc. They will further be able to choose whether they want to be sent names and details of potential applicants (and up to how many), or whether they want to be contacted directly by potential applicants (and by up to how many). The tool should consist of a simple interactive web-page which can be accessed via a link on the CoT's homepage as well as via links on other sites, e.g. business chamber sites. A call-in service should also be established for those who do not want to use the web-interface, or who need help in using it.[28] By the same token, the CoT should be able to reply to queries by fax rather than e-mail if that is the potential employer's preference.

The submission of a query by a potential employer (whether via the web-tool or by telephone) will trigger three actions on the part of the CoT:

- The CoT will immediately e-mail (or fax) an 'acknowledgement of receipt' to the would-be employer, together with a synopsis of relevant labour regulations.

- The CoT will search its indigent database on the IMQS indigent module according to the parameters set out in the request, and respond either by sending the relevant hits (if any) back to the would-be employer, or by notifying the relevant job-seekers that they should contact the prospective employer.

- Two months after the relevant information has been shared (whether with the would-be employer or the would-be employees), a request will be sent to the would-be employer to find out if they have filled any posts, and if so how many, and if not, why not.

Three considerations to bear in mind are as follows. First, because this is a new initiative, initially few household members recorded on the indigent register will have had the opportunity to indicate whether or not they agree to allow the CoT to release their information to potential employers, and in the absence of this permission, the CoT would be unwise to make such information available, notwithstanding its good intensions. Thus initially, the second option of those identified will be more appropriate, i.e. whereby rather than send the would-be employer the names and details of potential employees, the CoT contacts the potential employees and encourages them to contact the would-be employer. This approach does not compromise the privacy of those on the indigent register, pending their notifying the CoT that their details can be released to third parties, or should they not wish to give such permission.

The second consideration is that, as mentioned above, the CoT does not wish to become the worst kind of labour broker. In particular, the CoT needs to avoid making it easy for businesses to hire people for short-term employment and then quickly replace them with other short-term

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[28] It is not expected that the volume of electronic requests or telephone calls will be high, thus this function can be allocated to any available officer within the IES unit. In the event this proves to be untrue, then it is a problem CoT will be fortunate to have the opportunity to rectify by assigning dedicated capacity.

employees. This practice enables employers to avoid conferring the employment benefits associated with long-term employment by hiring a sequence of different workers on short-term contracts for what is effectively long-term work. In order to prevent its services being abused in this fashion, the CoT simply needs to be vigilant; to the extent it hopes that many would-be employers come forward to request the CoT's assistance in finding suitable candidates, it must be wary of employers who tend to request help frequently. This is a matter of collating regular updates or requests and looking for patterns, and when necessarily making appropriate enquiries, e.g. where an employer's behaviour looks suspicious.

The third consideration is that a mechanism is needed to allow the CoT to know how worthwhile this service is. One measure is easy to capture, namely the number of requests received by would-be employers, e.g. per month, and the number of different would-be employers submitting requests, e.g. over consecutive 6-monthly periods. However, this is only an indication that the service is being used, it does not demonstrate that the service is effective. The more important measure, accordingly, is how many placements actually take place, which is why it was indicated above that upon receiving a query from a potential employer, the third action which is triggered is a delayed request from the CoT to the potential employer as to whether any posts were filled in, and if not, why not.

7.4   Strategic SMME investments

Overview

The IES envisages that the CoT will undertake strategic investments to support particular kinds of SMMEs in specific situations. At present, there are three main candidates for this.

The first is township-based internet cafés. The rationale for this is that computer and internet access in townships has not adequately benefited from internet kiosks in public places or from infrastructure set up in multi-purpose community centres.[29] Internet cafés are a proven business model in most environments, including townships, but lack of capital and business skills means that there are too few of them, especially in townships. To this end, through the Base of Pyramid initiative of the Gordon Institute of Business Sciences (GIBS), discussions have begun with a consortium of companies including Nedbank, Nestlé, Traniac and Digital Planet for the possible subsidisation/donation of computers and training that could be used to capitalise or re-capitalise such internet cafés and make them more competitive. On the basis of this, and in conjunction with business skills training to be secured through a partner such as the GEP (with whom discussions have also begun) and follow-up technical support, the CoT will be able to initiate and/or recapitalise a number of internet cafés in each of Tshwane's main townships. Candidates can be sourced from the indigent register and/or via the social workers who work with the indigent, whereby we look for unemployed youth who have some degree of training with computers; however, we would also wish to support those few internet cafés that are already

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[29] According to the General Household Survey of 2009, 71% of Gauteng's African households did not have access to the internet through any means or avenue. There is no reason to believe that the figure is significantly better for Tshwane. (See e.g. Appendix 5, which demonstrates that the household composition of Tshwane by 'main dwelling type' closely matches that of Gauteng as a whole; together with the fact that poverty, hunger and service access are closely correlated to main dwelling type, this suggests at least that the data for Gauteng are at least roughly indicative for Tshwane as well.)

operating in townships, whether through training, technical support, new hardware, or some combination of these.

The second main candidate is SMMEs that specialize in training. The rationale here is that, given the IES's high ambitions, one cannot assume that there exists sufficient capacity to launch the IES's training programme at the necessary scale, in particular the practical life-skills training component. There is a need therefore for a 'train-the-trainers' approach, which in effect will mean creating training entrepreneurs. While the initial practical life-skills training courses will be provided by established service providers, one function of these service providers will be to identify candidates from their initial intakes; these candidates will therefore be people of similar circumstances to those whom they will be expected to train in future, who will have experienced the training in their own right, and who will then receive further support to become both trainers and entrepreneurs, including through business skills courses provided to them by other parties.

These two types of SMMEs are more important for their indirect benefits than for the actual number of employment opportunities they are likely to create, which will probably not exceed 1500 for the whole of Tshwane. However, the third candidate has potentially large indirect *and* direct benefits, namely 'community-based service retailers'. This is based on a model that is already working successfully on a small-scale in Tshwane and elsewhere, whereby cellphone airtime and pre-paid electricity credits are retailed via township-based individuals who effectively serve their neighbours rather than those neighbours having to go to a formal shop (which in most cases is a chain store, e.g. Pep stores), which in most instances is more convenient to the client. The local retailers are linked to intermediaries via low-cost cellphone internet capability, which intermediaries also manage the computer infrastructure which supports the web applications and keeps a record of all transactions.[30] Based on experiences to date, a single retailer can effectively serve about 100-200 households and thereby earn a monthly income in the order of R7000, placing them well above the current indigency threshold. Based on this, our preliminary conservative estimate is that this model has the potential to create about 10 000 to 15 000 self-employment opportunities across Tshwane, and requires no particular educational background apart from basic literacy and numeracy (meaning that new recruits could potentially be sourced from the register).

However, the model has far more potential than what is presently being realised; a far bigger role for such retailers would be possible if municipal accounts could also be paid through them. This is eminently feasible, it merely means that such retailers could serve as payment conduits as alternatives to, say, Pick 'n Pay. However, it also opens up a variety of other prospects, for example incentive schemes for actively improving collections (before it gets to actual debt collection, for which the CoT is forfeiting a very large share of outstanding debts to collectors), and using the retailers as 'hubs of technological diffusion' (see e.g. Goldenberg et al., 2009), for instance teaching clients how to use their cellphones to use the internet capability of their cellphones, e.g. to read municipal accounts on their cellphones and thereby save money for the Council, to open new cost-effective feedback channels between the CoT and residents, etc.

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[30] The retailer and the intermediary share the margin that would otherwise go entirely to the formal detailer; in the case of Qmusik's Tym2Sell system, the split is that the community-based retailer gets 10% and Qmusik and its empowerment partner get 1%. Compared to the present system in which the total margin typically goes to a corporate retail chain, this is significantly empowering.

Roadmap

Initiatives to support each of these three types of SMMEs requires further thought and action. In respect of the internet cafés, the key at this stage is to proceed with the discussions with corporate and training partners already being mediated by GIBS.

For the training of SMMEs, the key is to first launch the practical life-skills training component, using established training service providers, whom in turn will groom the new trainers who will enable the training to expand to higher levels.

The community-based services retailers option is already operative and successful, but would enjoy an enormous boost if the CoT took the decision to recognise these as legitimate intermediaries for the settling of municipal accounts. This would require reviewing existing legal agreements with current intermediaries and vet possible intermediary support organisations such as Qmusik and Sivaya.

7.5   Individual commitments

Overview

The idea of 'individual commitments' comes largely from the emerging discipline of behavioural economics, which is presently becoming a central tool in the United States under the Obama administration. Behavioural economics is concerned with the way real-world individuals perceive options and makes decisions, as opposed to abstract notions of economically rational agents with perfect foresight and self-control (see e.g. Thaler and Sunstein, 2008). One central insight from this discipline is that people sometimes need assistance to make decisions that are to their own advantage, or incentives to behave in ways that in aggregate promote the social good.[31]

In the specific context of the Indigent Exit Strategy, the idea is to use the person's application to be recognised as indigent, to oblige them to formulate some kind of commitment to improve their own life and/or contribute to the community. This in effect replaces that element of the current indigent policy that stipulates that "Participation in economic development activities initiated by CoT is compulsory for registered indigents," in recognition of the fact that the CoT does not have the capacity to organise work for a significant number of indigents.

This is not to deny that poverty in South Africa has strong structural determinants, but to encourage people to do more despite their unfavourable circumstances, in general terms because we all as human beings can strive to achieve more, and more particularly because the experience of poverty for many people tends to erode their own sense of agency. The hope is that 'nudging' people to improve themselves, their households, and/or their communities, will assist at least some of them to enjoy tangible incremental improvements in their lives, and/or have a positive cumulative effect in the community. Moreover, the intention is to be non-prescriptive: the applicant must set their own goals or formulate their own commitments, subject

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[31] A prime example of an adaptive commitment strategy is the stokvel, which is a means by which people save money over time in the face of imperfect self-control (see e.g. Aliber, 2010). In a similar vein, two Yale economists founded a company whose main purpose is to create an infrastructure through which people make binding commitments in pursuit of their own personal goals (see www.stickK.com).

to only very broad guidelines. The idea is *not* to coerce applicants to commit to expending huge amounts of time and energy on fruitless tasks, nor to encourage them to commit to unrealistic goals.

A concern about this component should be acknowledged. Some observers are likely to perceive this component as a form of nannying or brainwashing, or some combination of the two. This is understandable, just as similar misgivings are voiced in the US where similar strategies are being deployed. However, beyond this, the approach has the genuine potential for misuse or abuse such that the accusation of brainwashing could reasonably gain wider credence. The point is that this component must be implemented thoughtfully and purposefully, and must be monitored closely to discern its effect.

Some households should probably be exempt? Where a household is simply struggling to cope in the face of hunger, disease, or is destabilised by other extreme circumstances, this type of intervention is inappropriate.

Roadmap

This is a pilot initiative and initially will apply only to new applicants. In the event it is demonstrated to be useful, a means will be considered to introduce it also to those who are already on the register.

The commitments that will be made will be principally on the part of the household member who is responsible for the application to be on the indigent register, i.e. the person in whose name the municipal account is held. This is for pragmatic reasons: the social workers who administer the applications and evaluations do not generally meet all adult household members.

The commitment-setting process will exploit the fact that the application process typically involves two encounters between the applicant and the social worker. The first is at the premises of the regional office where the social worker assists the applicant to fill in the application form, and explains to the applicant what documentation to have ready for the next encounter; the second is at the applicant's home, where the social worker and the applicant together complete the 'verification/evaluation' form. The difference now is that during the first encounter, the social worker will also explain to the applicant that they will be expected to make some kind of commitment (see Appendix 1), and that before the home visit from the social worker they should think about what it might be and be prepared to discuss it. Then, during the home visit from the social worker, the social worker and the applicant will discuss the applicant's commitment and write it down on the verification/evaluation form (see Appendix 2).

Because this is a pilot exercise, initially the social workers will follow up telephonically with the successful applicant on a quarterly basis.[32] The purpose will be to establish whether there is any evidence of a change in the applicant's behaviour, and how they feel about the exercise. The questions to be posed by the social workers when making these calls – for which the answers should be captured on the IMQS – are set out in Appendix 3.

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[32] This depends however on whether the 'community-based social worker'-based system is put into place, in which case they rather will monitor the impact of this exercise; see section 4.7 below.

7.6   Airtime subsidies, communications conduits and SMS coaching

Overview

For various reasons, poverty is isolating. The inability to afford phone calls merely aggravates the situation. At the same time, pursuing a job search without being able to make phone calls is more or less impossible. One way to make people's lives easier and to contribute, however modestly, to people's job search, is to ensure that they have effective access to telecommunications. A simple way of doing this is to arrange for regular, small airtime top-ups to one person in each registered household.

However, discussion of this proposal with various role-players has generated some concerns. For one, there is concern about costs. Our engagement with South Africa's major cellphone operators has not progressed to a point where there is clarity regarding their willingness to offer advantages rates for indigent households – this will need more time. In addition, there is a feeling particularly among the CoT's social workers that airtime subsidies will be perceived as just another handout, and particularly for those households benefiting from free basic services, they are not justified and should be avoided. However, there is still a strong rationale for pursuing two options in respect of airtime subsidies (even while we pursue better rates via the cellphone companies): first, there remains a rationale for offering airtime top-up subsidies to those indigent on the register who are not receiving free basic electricity and water, i.e. largely those residing in informal settlements where they do not have registered property or municipal accounts, and backyard tenants, who generally are not catered for in the free basic services policy; and second, airtime subsidies can be used in a variety of creative ways as conditional incentives. As one example, a major problem is that most (about 70%) of households who receive municipal accounts do not read them; if the CoT agrees to follow through with the replacing of printed accounts sent through the post with web-based accounts accessible via a cellphone (see section 10), then indigent households can be 'rewarded' with, say, R5 worth of airtime[33] every time they open their monthly account (which can be detected by the server application, unlike with accounts that are printed and posted); this would have the double effect of establishing habits of paying attention to one's accounts while also enabling households to modestly improve their access to services.

The second part of this proposal is that the cellphone then serves as a major means of communication from the CoT to those on the register, via bulk sms's as well as via the cheaper and more flexible web-based applications. The practical advantages of this are several: to alert people to training opportunities in their respective areas, to help people monitor their electricity and water use where this remains problematic[34], and to notify people of other events or developments of civic importance. A further possible use is 'sms coaching', which is a recognized adjunct to short-term training courses as a means of reinforcing knowledge or concepts that are otherwise quickly forgotten. And finally, a less tangible – but still very real – overarching purpose of this cellphone-based communications strategy is to maintain a sense of

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[33] Or if they prefer with electricity; a key principle of behavioural economics is that incentives carry more force if there is some discretion as to what form they take, i.e. the impact of the incentive is amplified by means of allowing some degree of choice.

[34] This will be easy to accomplish if the CoT agrees to the proposal in section 5 that accounts are made available electronically, because the underlying groundwork of creating the three-way link between municipal accounts, id numbers and cellphone numbers will already have been accomplished.

contact between the indigent and the CoT, and to promote positive personal, social and civic values.

Roadmap

While this component has become far more conceptually clear since the drafting of the IES, there remains a large amount of practical work to make it implementable.

- First, negotiations with cellphone companies needs to proceed; this could greatly assist the affordability of the approach.

- Second, the process of populating the database in respect of people's cellphone numbers needs to be implemented. This can be done reasonably rapidly if and where the 'community-based social worker' system is implemented. This must go hand in hand with furthering the registration of the indigent, in particular non-account holders (those in informal settlements and backyard tenants in formal settlements).

- Third, the bulk sms system needs to be established, with the most likely approach being to rely and the same service provider who is engaged to assist with the development of the various web-based cellphone applications.

- And fourth, the pedagogy/content for the 'SMS coaching' aspect needs to be developed. Much of this should presumably be done by the same service providers who develop the various components of the training programme. However, at another level it will be valuable to engage a service provider to develop an overall communications strategy, for which an organisation such as Soul City would be well-suited, for its experience in developing targeted communications strategies aimed at social change, which includes a proven methodology for workshopping messages using township-based focus groups.

7.7   Intensifying the role of social workers

Overview

An aspect of how the current indigent policy is implemented is that all those who apply to be on the indigent register are visited by a social worker, however the social worker has no time to engage with the applicant beyond going through the requisite paperwork. The advantage of the process is that at least one CoT social worker has contact with each and every indigent household; but the nature of that contact is such that the social workers cannot use their full range of skills to understand the households' problems, advise them on appropriate measures or refer them to appropriate support networks. This means that a large opportunity is being created only to be wasted. In terms of checking the inter-generational transmission of poverty, the intervention of social workers in households facing crisis could be vital, but presently it can barely happen.

To some degree this problem is already being addressed, in that the CoT is presently in the process of recruiting about 15 additional social workers. This will mean an effective doubling of

the number of social workers who will work on the indigent programme. While our initial estimate was that the capacity should in fact be trebled, this looks unlikely at present, and in any event in retrospect this was an underestimate. Consider the fact that there are over approximately 180 000 indigent households in Tshwane; with 30 social workers, this works out to a ratio of indigent households to social workers of 6000 to 1. It is evident that the paperwork responsibilities associated with the indigent policy on their own are more than adequate to absorb all of the time and energy of these social workers.[35]

The remedy for this situation is the same as that indicated in section 6.6 above, namely the introduction of 'community-based social workers'. The purpose of these 'community-based social workers' is not to relieve the fully qualified social workers of most of the burden of processing applications and conducting re-evaluations, so as to free them up to do the intensive social work case-work that is their true function. At the same time, the repeated sweeps of the 'community-based social workers' through the ranks of the indigent in the community will help identify the cases that require the attention of the qualified social workers.

Roadmap

- Develop a training programme for 'community-based social workers' (approximately 4 weeks).

- Recruit a number of individuals to be trained as 'community-based social workers', who would work under the direction of the (fully qualified) social workers. It would make sense to do this initially either on an explicit pilot basis, or if not then at least on a staggered basis starting with one area (e.g. township) and moving on to others in due course.

- Develop a practical referral system for social workers and 'community-based social workers' so that they can more efficiently direct indigent households and individuals to the type of support they require.

- Develop a workflow tool that will assist social workers and 'community-based social workers' keep track of their interactions with indigent households, and if possible integrate this tool into the indigent module of the IMQS.

- Review the cellphone allowance policy related to social workers so that the cellphone allowance is adequate. Alternatively, the CoT could acquire a cellphone for each social worker which is on the CoT's account.

- Adapt and pilot cellphone-based internet interfaces that: i) reduce the burden on the 'community-based social workers' for processing initial application forms, ii) facilitate data capture for the verification process, and iii) provide an efficient means of keeping the indigent register up-to-date.

There are a number of unknowns that the CoT will only be able to work out as it begins to implement such an approach, for example:

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[35] Moreover, to the extent the IES calls for more rather than less monitoring of Tshwane's indigent households, the inadequacy of the current staff complement and current system is even starker.

- the ideal profile of a 'community-based social workers' in terms of age, gender, background, etc.
- whether it is necessary to match the gender of the 'community-based social workers' to the gender of the household heads whom she/he is to visit
- how to develop an approach whereby households feel that they are being supported rather than being pestered or spied upon
- whether it is better for each 'community-based social workers' to work in her own residential area or rather work an area somewhat removed from it
- whether the same 1000 individuals should do this indefinitely, i.e. as long as they wish? Or should it be limited so that other households get a chance?[36]
- Whether the workers should be treated as employees, independent individual contractors, service providers structured as co-operatives, etc.

7.8   Re-thinking procurement for household services

Overview

The main proposal in respect of this component is moving towards a more labour-intensive approach to solid waste removal. There are two main advantages of the proposed scheme: first, the money is already there, in the sense that the municipality already budgets and charges for solid waste removal, and it is merely a matter of changing the manner in which that budget is used[37]; and second, labour-intensive refuse removal would benefit those who are amongst the most destitute in our society, namely those who survive already by means of scavenging through bins and at dumps for recyclables and other items, but with the potential of significantly improving their circumstances, while also absorbing many more people than are presently involved in these activities.

Another important dimension of this proposal is that it holds the potential to accomplish two other valuable ends, namely vastly improving the share of recyclable materials that are in fact recycled (especially plastics, glass, and paper), and, related to this, greatly reducing the rate at which Tshwane's designated waste dumps are filled up. These would be possible because a more labour intensive process would allow a higher degree of separation between 'true garbage', recyclables, and organic refuse. While some amount of separation happens already by means of voluntary separation by households themselves, or by means of the waste pickers who go through bins or through the waste dropped at the dumps, the present approach does not allow for near the degree of separation that a more organised and considered approach could have.

To date, most municipalities in South Africa have either merely ignored waste pickers, or have attempted to banish them (especially those who work the dumps); however, banishing waste

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[36] There is merit in both views. On the one hand, one should not disregard the value of building up capacity and institutional memory over time; on the other hand, to the extent we want the 'community-based social workers' to be liked and welcomed into homes, and themselves to be recruited from the indigent register, perhaps it is important that fairness and perceptions thereof are taken into consideration.

[37] In due course, we will seek to establish whether in fact this could be a means of reducing the costs of waste removal, thus raising the potential of passing on cost savings to City residents.

pickers tends to be impossible, because levels of desperation are such that some people have no alternative.

At the same time, there have been some municipality-initiated programmes which have sought to acknowledge waste pickers in an effort to help them improve their lot (see e.g. Samson, 2009). But by and large, these attempts have been piecemeal and ephemeral;[38] there has yet to appear a robust model that the CoT can simply adapt and adopt, rather the CoT must take it upon itself to learn from what has been attempted elsewhere and then experiment in order to find its own path. Generally what has been attempted with some success in South Africa are two sorts of initiatives. First, the waste pickers who operate at dump sites have been accommodated and organised; they have been accommodated in the sense that they have been provided space to sort and store recyclables, and organised so that, for example, women waste pickers are not out-competed by men waste pickers. And second, there have been attempts to register and properly clothe those waste pickers who scavenge recyclables through curb-side bins, to prevail upon residents to recognise them and assist by separating out recyclables, and sometimes to assist the pickers transport their collections to buyback centres. What has *not* been attempted – at least to our knowledge – is to go beyond the collection/separation of recyclables to relying on labour-intensive methods for the physical removal of all solid waste. Whether or not this is feasible is not clear (though it happens in other countries), but what is clear is that the maximum potential of this overall approach lies in such an approach, particularly in areas where there are reasonably proximate transfer stations.

Because of the incompleteness of the development of the proposal for this component at this stage, it is difficult to estimate the potential for livelihood creation. A very rough estimate is that it would dramatically benefit the approximately 6000 individuals who already depend on some form of waste picking for their livelihood,[39] and allow space for an additional 3000 to 5000 livelihoods, whom we could recruit using the indigent register. Moreover, the intensely 'green' aspect of the strategy is likely to attract a fair amount of positive attention from different stakeholders, and should in principle be able to find donor partner support to give effect to the more technical aspects of promoting the re-use of recyclables.

Roadmap

Any such initiative will have to be driven by the Department of Agriculture and Environmental Management. A preliminary discussion has taken place with one of the relevant units within the Department, however much further discussion needs to take place. This is a rough sketch of the sequence of steps that now have to follow:

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[38] The CoT's waste division for example has the Youth and Democracy Greening Project, which is a worthy initiative in the same spirit as what is being proposed here. The limitation of this initiative is that it involves limited numbers of people, and does not much involve either those who are already supporting themselves through scavenging recyclables or for that matter other indigent.

[39] This estimate is based on the recently released General Household Survey of 2009. The survey suggests that about 32 000 households in Gauteng derive an income through selling recyclables; the fact that 60% of these experience hunger on a regular basis (which is much higher than the provincial norm) suggests that these are largely if not entirely households that do so out of extreme poverty. Our estimate is that roughly one fifth of these households reside in Tshwane. As to the potential additional income earning opportunities, this is based on a crude estimate of the manpower requirements under a labour-intensive collection system.

- Clarify the breakdown of costs of the current system, distinguishing broadly between townships, inner-city residential areas (e.g. Sunnyside), wealthy suburbs, and business districts.
- Indicate existing contractual commitments in respect of solid waste removal.
- Clarify the current status of waste pickers at transit stations and dumpsites, arrangements with buyback centres, etc.
- Engage expertise from elsewhere in South Africa that has sought to address this issue (e.g. groundWork, Emfuleni Local Municipality, etc.), and workshop possible approaches, noting the range of both technical issues and social/contractual issues. At the same time, consider approaching possible donor partners to help resource the technical planning associated with intensifying the recycling aspect of the approach. Also, the idea of making waste collection more labour-intensive is firmly in the spirit of the EPWP, thus engagement should begin with Public Works to see if they can offer practical advise and/or technical/financial support. Moreover, because this would be along the lines of the Department of Economic Development's nascent work on 'green economies', they could also be approach for possible support.
- Select pilot sites.
- Initiate pilots and examine outcomes.

7.9   Other opportunities for consideration and future development

The IES is not meant to be a static package but an evolving strategy. While as stated above (section 4.3), there is value in focusing on doing a manageable number of things at one time, it is also important to look ahead at new initiatives that could come on-stream in the future, e.g. as the initial set of interventions reach a stage of stability. Indeed, the development of the IES and its implementation plan bear this out: it takes time to conceptualise and plan a new initiative, and one can think of the IES as being a pipeline through which there is a constant flow of new ideas, some of which may evolve into actual interventions and others of which will not. In other words, even though the IES has not begun to be implemented as yet, the time is still right to start considering new ideas.

This brief section merely seeks to share two ideas regarding other possible interventions that the CoT should consider feeding now into the pipeline. These are ideas that have emerged in the course of refining the IES and the BIP, in part by interested potential partners who are eager to contribute to the IES but for which the current elements of the IES do not cater.

- *Introducing ERP systems to support township retail enterprises* – The greater mobility of township residents means that they are better able to take advantage of price savings by shopping at large retail chains, whether these are located elsewhere in their townships or somewhere else entirely. Thus spaza shops and other small-scale retailers are increasingly struggling to compete, limiting if not undermining one of the mainstays of the township economy, and disadvantaging those township dwellers for whom mobility *is* in fact constrained. Thus a vicious cycle emerges: local retailers are only able to move lower quantities of goods, meaning that they face higher relative transaction costs, which in turn forces them to charge higher prices, which implies smaller volumes…. ERP (Enterprise Resource Planning) systems have the potential to change this, and thus potentially reshape the landscape of the township economy. The concept of ERP is an integration of business management practices and information technology, originally

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designed to enable more efficiency within single companies which have geographically dispersed operations. However, the same principles can be applied to raise the collective efficiency of different enterprises, provided they have a significant overlap in the types of goods they retail. The essence of the proposal is to pilot the introduction of an ERP system in a township such that all of its participating retailers are able to secure better wholesale prices and reduce transport and inventory costs, at the same time ensuring more consistency in stock available for the consumer. In other words, the ERP has the potential to make spaza shops and other retailers far more competitive, reversing the tide towards supermarkets that has eroded their businesses. While the most conspicuous beneficiaries of such an initiative would be the business owners themselves (not many of whom probably would qualify as indigent), the indirect beneficiaries and benefits are potentially vast.

- *Township-based community exchange services* – The high levels of unemployment characteristic of Tshwane's townships is indicating of unused economic potential. Townships in a sense are like the 'economic periphery' of the global trading system; their ability to progress is undermined by their connection to the core economy. This is one of the key tenets of the government's Second Economy Strategy, however while the analysis is useful there is little in the way of tangible interventions to change this. Nevertheless, there is a long tradition of attempts to resuscitate local economies by means of making them more inward-directed, not necessarily by means of severing ties with the broader economy, but by creating a framework that favours internal exchange, particular of resources that were heretofore more or less idle. These attempts have taken various forms, of which the most common are local currencies and 'talent exchanges'. Local currencies are potentially very powerful, but are often seen as transgressing government's authority over the monetary system. Talent exchanges, on the other hand, usually operate by means of creating a computer-based exchange system which creates relatively easy opportunities for people's idle time and skills to be recognized as valuable. Cape Town is now home to one of the fastest growing talent exchanges in the world, but its participants are largely confined to middle-class professionals. An attempt to create a talent exchange in Khayelitsha initially met with considerable expense, but there was no long-term commitment of the modest resources necessary to manage the system, e.g. an office with telephone lines and some computers. Presently, a modest paper-based talent exchange is developing in a squatter settlement near Muizenberg. There is scope for piloting a talent exchange in one of Tshwane's townships; if given modest but predictable resources over a period of, say, four years, the true potential of such an initiative could finally be tested. There are two ways in which it could be made more effective than the modest experiments conducted thus far. One is to integrate it into the web-based cellphone technology that we are proposing as the communications backbone of the IES. And the other is to create a functional link between the talent exchange and the municipality itself; for example, it is possible in theory that rather than write off people's account arrears when they are signed on to the indigent register, rather people are given the opportunity to work off this debt (or a portion of it) by means of rendering services to other community members or institutions. The Cape Town exchange has already expressed a strong desire to volunteer its expertise on behalf of the CoT if the latter would be willing to contemplate a pilot along these lines.

8   Overarching Organisational Issues

8.1   Locating IES management within the CoT

Although from the beginning the CoT correctly construed the Indigent Exit Strategy to be an initiative that would involve various parts of the CoT, it must still have a centre, that is, it must be led and managed from a specific place. While the indigent policy was historically championed by the Department of Health and Social Development, as was the development of the Indigent Exit Strategy, the required 'centre' should not be within Health and Social Development. The reason is that, given the cross-cutting nature of the IES, it involves the participation and co-operation of a number of different departments beyond that which Health and Social Development will be able to ensure.

The recommendation therefore is that the IES is headquartered in the Service Delivery Co-ordination Specialist Office, first because it already bears a strategic co-ordination function, and second because its location within the City Manager's Office will give it the stature that it requires to ensure the required co-operation. A further recommendation is that a Specialised Unit is created within the Service Delivery Office for this purpose, consisting of an 'IES Manager', one development officer to provide all-around assistance, a monitoring & evaluation specialist, a communications officer, and an administrative assistant to support the unit.

The job description of the 'IES Manager', in brief, is to:

- Ensure the implementation of the IES
- Ensure the co-ordination of the various departments within the CoT which contribute to the IES, and the cultivation of partnerships with external role-players
- Ensure the proper monitoring and evaluation of the IES in order to refine and improve as necessary
- Seek new ways to develop the IES.

8.2   Creating a platform for constructive partnerships – The Tshwane Development Trust

It is common cause that the fight against poverty in Tshwane should not and cannot be solely the responsibility of the CoT. At the same time, however, the CoT must take a leadership role. How should it do so, and how can the contribution of other actors be maximised?

One of the principles that was expressed in the earlier IES document was that partnerships are important but need to be employed strategically, i.e. towards specific ends and with a recognition that non-state actors should not be expected to act out of generosity on an indefinite basis, in short because any such expectation is bound to be disappointed. In line with this thinking, the IES document sought to clarify what kinds of partners should be sought in respect of which of the IES components, and work has been underway to approach some of these partners accordingly. However, in the process of contacting a number of possible partners, it has also become clear that the number of potentially interested partners is very great indeed, and that there is a vast amount of both creativity and goodwill that can be tapped into; at the same time, many would-be partners acknowledge they need guidance from government in order to know how to get involved. So the question is, how to take advantage of this goodwill in a way

that is organised, purposeful, sustainable and dynamic, and yet does not stifle the creative energy that non-state actors have to offer?

The idea that has emerged is that a trust be created comprising representatives of government, business, NGOs/FBOs, and tertiary institutions.[40] 'We provisionally call this the Tshwane Development Trust'. In brief, the overarching purpose of the Trust will be to:

- Identify (further) modalities through which partnerships can be used to combat poverty in Tshwane
- Mobilise and channel the assistance of non-state actors in ways that promote economic development and poverty reduction in Tshwane
- Raise awareness within the private sector in particular as to how participation in IES-related activities can improve their BEE credentials
- Attract third-party resources (e.g. donor funding) to help address poverty in Tshwane
- Promote a sense of shared ownership of the challenge of fighting poverty in Tshwane.

The question naturally arises as to the relationship between the proposed Trust and the specialised IES unit suggested above. The two are related but also have distinct roles. The specialised unit seeks to ensure that the CoT's responsibilities in respect of the IES are discharged efficiently and productively, while the Trust is a vehicle for broadening the level of civil society engagement and 'ownership', whether in support of those components of the IES that have already been identified, or in pursuit of new initiatives that are not yet on the table.

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[40] We acknowledge with thanks that the idea was suggested to us by the Capitol City Business Chamber.

9 A Monitoring and Evaluation Plan for the IES

9.1 Background and introduction

Overview of 'M&E'

Monitoring and evaluation are often treated as though they are one concept but they are in fact two distinct practices that overlap and mutually reinforce one another:

- Monitoring is a continuing managerial function that aims to provide managers, decision makers and main stakeholders with regular feedback and early indications of progress or lack thereof in the achievement of intended results and the attainment of goals and objectives. Monitoring involves reporting on actual performance against what was planned or expected according to pre-determined standards. Monitoring generally involves collecting and analysing data on implementation processes, strategies and results, and recommending corrective measures.

- Evaluation is a time-bound and periodic exercise that systematically and objectively assesses the relevance, performance, challenges and successes of programmes and projects. Evaluation can also address outcomes or other development issues. Evaluation usually seeks to answer specific questions to guide decision-makers or programme managers and should advise whether underlying theories and assumptions were valid, what worked, what did not and why. Evaluation commonly aims to determine relevance, efficiency, effectiveness, impact and sustainability. Evaluation is a vehicle for extracting cross-cutting lessons from operating unit experiences and determining the need for modifications to strategic results frameworks. Evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process.

A general observation is that monitoring in South Africa is emphasised at the expense of evaluation, with little guidance available to support evaluation practiced in comparison to the extensive focus on reporting.

Despite the public sector's enthusiasm for monitoring (rather than evaluation), in most instances, inadequate use is made of the information gathered during monitoring processes.

M&E's role in management

Monitoring and evaluation are key elements of public management and should both support and be supported by good planning and actual implementation. The diagram below is taken from National Treasury's *Framework for Managing Programme Performance Information* (2007) and it shows how:

- Monitoring is undertaken during implementation and is centred on the production of performance reports which should be used to stimulate specific responses from managers responsible for the deployment of resources and for making decisions

- Evaluation should be undertaken towards the end of implementation cycles and should be used to show whether strategic choices were the right ones and to help inform adjustments that need to be made.

Figure 9.1: Planning, budgeting and reporting cycle
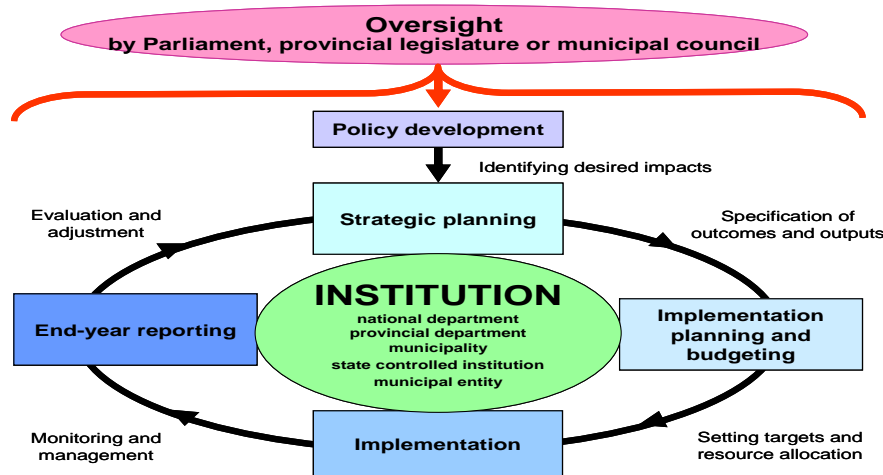
Source: National Treasury, 2007, p.4

The delivery of public services can be understood as following the steps described in the diagram below (also taken from National Treasury's *Framework*):

- Inputs are resources (human, financial and other) that get used to implement interventions; activities are processes that are undertaken and outputs are the things that are immediately delivered through the activities.
- These should mostly be monitored, although evaluations of processes are also often undertaken.
- Outcomes are the results achieved over the medium term (for example 2 years), usually in combination with other factors, while impacts are the results achieved in the long term that can be directly attributed to the activities that were undertaken.
- Outcomes and impact should be evaluated, although monitoring of outcomes is also a widely practiced technique.

Figure 9.2: Key performance information concepts
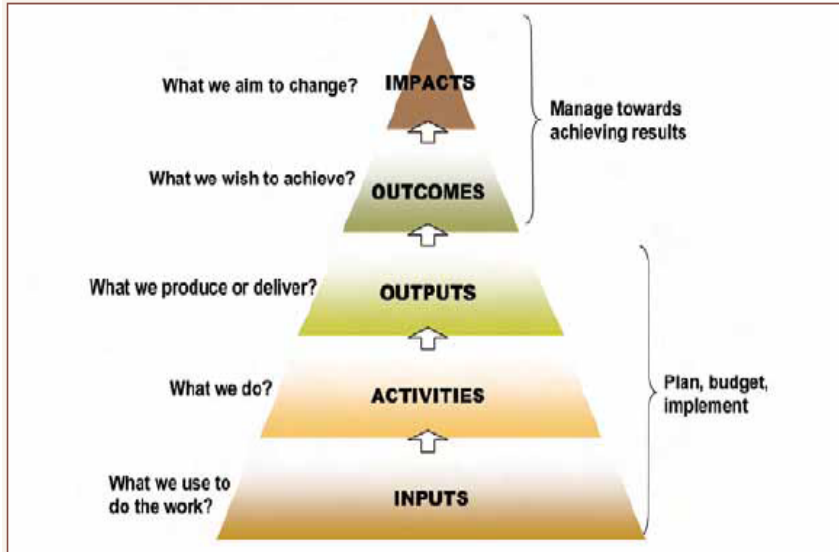
Source: National Treasury, 2007, p.6

Given these points, the approach taken in this Monitoring and Evaluation Plan is that monitoring is to be treated as a key element of managing the Indigent Exit Strategy and is the responsibility of the programme managers and implementers, rather than specially appointed M&E practitioners.

Furthermore, evaluation is likely to be outsourced to an independent agency given the City of Tshwane's limited capacity in this regard.

Learning and good practice identification

It is important to emphasise that since much of what is contained in the Strategy is innovative and experimental, M&E should support learning and the identification of good practice.

It is internationally recognised that for this to take place, extensive dialogue is needed, and provision (of financial and human resources) for this kind of engagement must be made.

9.2   A result framework for the Strategy

Result frameworks

Result frameworks are detailed explanations of the results to be achieved through interventions at the three different levels: outputs, outcomes and impacts. The key element of a result framework is its performance indicators.

It is proposed that once the Business Implementation Plan has been developed for the IES, the Performance Indicators suggested here be revised and refined. They are proposed here for

illustrative and information purposes and would need to be improved as well as further defined in a detailed Indicator Definitions Manual or Compendium.

Table 9.1: Provisional results framework for the IES

	Result	*Performance indicators*	*Means of verification (source of data)*
Impacts/ Outcomes	*Reduced indigency*	• Increased household incomes • Increased employment and self-employment	Self-reporting, monitoring of indigent register (using IMQS-IES module), and Stats SA surveys/ censuses
Outputs	*Training* Delivery of: • Life-skills and 'financial literacy' training • 'Parents-of-learners' training, • General-purpose entrepreneur training, • Specialized vocational training.	• Numbers of people trained • Number of training days delivered	Training service providers are likely to be required to provide this data
Outputs	*Employment referral and preparation*	• Number of referrals • Number of people appointed to jobs	IMQS-IES module
Outputs	*SMME support*	• Number of SMMEs supported • Share of supported SMMEs that survive • Total turnover of supported SMMEs	SMME support likely to be outsourced and the service providers' info management system will provide this data.
Outputs	*Counselling and social work*	• Number of people counselled / • number of counselling sessions held • Number of referrals made to other support services	IMQS-IES module
Outputs	*Airtime and communications*	• Value of airtime provided • Numbers of bulk SMSs sent	IMQS-IES module
Outputs	*Procurement of household services*	• Value of CoT services procured from SMMEs • Number of jobs/livelihoods created	IMQS-IES module and administrative data

9.3   Data collection tools and systems

How information on outputs will be collected

The Infrastructure Management Query Station (IMQS) is the information technology system on which the indigent registration database module has been developed. Added to the system is the graphical representation of the information.

It is proposed that using this system as a basis – since it links into the CoT GIS and is integrated with other modules – the existing indigent module of the IMQS be further developed so as to allow capture of the various services provided to people registered on the Indigent Register as well as a record of interactions with them.

The IMQS-IES module will serve as the data collection mechanism and also serve as a workflow support tool, allowing a clear indication of exactly what services have been provided to each member of each household on the indigent data base.

How information on outputs will be sourced, collated and analysed

As indicated in section 6.6 above, the proposal is that through the IES, the CoT adopts an approach to making effective use of ICTs, in particular data-rich web-applications that require ordinary cellphones linked to a server via a compressed, cost-effective fusion of WAP and XHTML. This use of this technology radically raises the ability of the IES to keep track of indigent households, especially if combined with modest incentives that encourage people to use the technology. In the context of this monitoring and evaluation plan, the significance of this is practical cost-effective data collection strategy such that monitoring is not confined to tracking inputs and outputs in respect of the IES's constituent interventions.

Beyond this, the process of developing the IMQS-IES module will involve the development of standard, system-generated reporting formats that can be produced periodically or as required.

The design of these reporting formats will have to be undertaken in consultation with the managers of the IES, since their information needs and preferences will have to be determined in order to ensure that the system gathers and reports on what is needed for operational, oversight and accountability purposes.

Integration and knowledge generation aspects of the process

Learning from what has been done and adjusting and adapting processes and reallocating resources accordingly, is not a function that can be mechanised but is one that requires human agency (and capacity to undertake successfully).

For this reason, it is proposed that quarterly review sessions of data coming out of the IMQS as well as of social workers and other implementation partner's experiences be conscientiously undertaken and reported upon. Adaptive reflexive management and institutional learning are processes that need to be planned to ensure that they happen.

9.4 Reporting

What will be reported upon to whom

It is proposed that social workers responsible for implementation of the IES be deployed in teams organised by wards and that reporting on implementation of the strategy be done by each team.

Each team should develop quarterly and monthly Monitoring Reports that reflect on:

1. Results achieved in the delivery of planned outputs presented as a proportion of targets planned

2. Lessons learnt and good practices identified

3. Suggestions and recommendations.

Monthly and Quarterly Monitoring Reports should be submitted to and approved by the manager responsible for the IES and should then be submitted to the Council's Executive Management structures.

An Annual Progress Report should be collated and presented to the Council, highlighting what has been learnt and what has been achieved.

What responses will be sought

Responses to Monitoring Reports should focus on the recommendations contained in each report and should explicitly approve or reject each recommendation.

Part of the Monitoring strategy must be the maintenance of a Register of Recommendations by the manager overseeing the Strategy and their approval or rejection should be noted in the Register.

Those recommendations that are approved should have their implementation reported on in subsequent reports.

9.5 An evaluation approach

How and when outcomes will be evaluated

As noted above, outputs will be monitored, while outcomes and impact will be the subject of evaluations.

Outcomes can be assessed after a period of around two to three years and it is proposed that a comprehensive Outcome Evaluation of the IES be planned for three years after the start of its implementation. However, because of the urgency of determining whether pilot/experimental initiatives are worthwhile, an interim evaluation should also be planned at about 18 months after the initial launch.

To facilitate such an evaluation and to provide it with explanatory scope, reference should be made to the 'current situation'. Unfortunately, there are few datasets that are absolutely current, however one can use the Community Survey of 2007 (which included a strong sub-sample of about 11 000 households in Tshwane), the CoT-commissioned household survey of 2008, and of course the indigent register itself (though noting that it is incomplete). Moreover, in terms of specific individuals and households, we have the indigent register itself, which includes information about employment status and household income.

Impact evaluation

In the evaluation community it has recently become popular to propose the undertaking of highly complex and technically challenging impact evaluations using highly sophisticated statistical modeling and attribution techniques.

Such a study is not proposed for the IES at this stage because the costs and challenges of such studies are not suitable for an intervention that is still at a highly experimental stage and which will still be refined and revised over the next couple of years.

Furthermore, impact evaluations (of the quantitative attribution analysis sort) have ethical and methodological constraints that render them unsuitable to this context.

9.6   Activities plan

The development of the M&E plan to the point that it can be implemented needs to take place in tandem with the development of the implementation strategy and the details thereof.

The process suggested below is just for indicative purposes and will need to be planned in detail.

Table 9.2: Activities plan towards the implementation of the M&E plan

Activities	Time required and modality
Detailed programme planning including the formulation the intervention logic and the adoption of clear results	One day team workshop
Formulation of program theory (Theory of Change and Theory of Action)	One day write up (based on discussion at one day workshop)
Development of indicator definitions and reporting formats	5 days individual work with one day team workshop to revise and review
Development of a management Guideline on adaptive reflexive for the Social Department management	½ day workshop + 1½ day write up
Compilation of all preceding documents into a single M&E Framework document	2 days individual work

10 Estimated Costs of the Revised Indigent Policy and Indigent Exit Strategy

This section briefly reports the estimated costs, where the costs of revising the Indigent Policy are combined with those of implementing the Indigent Exit Strategy, given that these two are inseparable. The 'set up' column indicates the costs of getting that particular line item operational (e.g. computer programming, curriculum development, training, etc.); the column entitled 'running costs at capacity' indicates the cost (or cost savings) of implementing that particular line item on an annual basis at such time as implementation has reached its target level (as indicated mainly in section 7 above); finally, the 'costs borne by others' is an estimate as to running costs at capacity that the CoT can realistically hope will be borne by third parties, be they other government agencies, private sector, or other partners.

Table 10.1: Estimated costs

	Set up	Running costs at capacity	Costs borne by others
Cost of new indigent package to existing indigent	200,000	-34,000,000	
Cost of new indigent package to non-account indigent	50,000	31,000,000	5,000,000
Option: targeted food parcels to most needy		[9,000,000]	[10,000,000]
Training	100,000	20,000,000	10,000,000
Employment referral service and applicant training	100,000	100,000	
Strategic SMME investments	100,000	400,000	800,000
Individual commitments	20,000	0	
Airtime subsidies, communications conduits and SMS coaching	100,000	90,000	
Intensifying the role of social workers	75,000	7,000,000	
Re-thinking procurement for household services and other things	50,000	0	1,000,000
Management	20,000	2,000,000	
M&E	150,000	500,000	500,000
Total without food parcels	*1,040,000*	*27,090,000*	*17,300,000*
[Total with food parcels]	*1,040,000*	*[36,090,000]*	*[27,300,000]*

Note: the option of targeted food parcels to the most needy was not included in the IES document submitted in May 2010 thus it is only included here as a suggestion. The idea is that this would be an optional extra package item available to households in the 'poorest' category, at the discretion of the CoT. Based on the GHS 2009 and other data, it is estimated that there are about 32 000 households in Tshwane that experience sustained periods of under-nourishment during the year, and that it would cost approximately R19 million to compensate for this. This cost is shown in the table parenthetically, and the two sums shown in the last row reflect the total without and with this extra expense.

What this table does not show is the cost advantages that could be enjoyed by helping household graduate out of indigency, who thereafter are able to pay for their own services, or perhaps for a greater share of their consumption. However, in the first place, this is extremely difficult to estimate, and one should resist the temptation of 'selling' the IES on the grounds that

it guarantees significant cost savings in the near future.[41] And in the second place, the cost of providing free basic services to the indigent is largely catered for by the equitable share transfer from national government; while this transfer does not reflect the exact cost of providing free basic services, in the recent past it has been adequate for doing so, and it is reasonable to suppose that a significant reduction in poverty will result in a decline in the equitable share transfer.

Another perspective on the proposed budget is how it relates to the in-principle agreement that all of the CoT's major departments should spend up to 20% of their operational budgets in such a way as to advance the IES (presumably provided it is within the ambit of their work). Taking only three of these departments – Agriculture and Environmental Management, Economic Development, and Health and Social Development – and their MTEF budgets for 2010/11, the application of this 20% formula is more than enough to secure adequate budget for the IES as estimated above.

Beyond this, there is one area of possible budget savings that is indirectly linked to the IES and which at least conceptually could be put into effect as a means of ensuring that the IES is adequately capitalised. This is the possibility of shifting the billing system from its present reliance on printed and posted accounts to e-billing. While some amount of e-billing already takes place, it is obviously quite modest owing to the fact that the vast majority of account-holding households in Tshwane (whether indigent or not) have neither regular e-mail nor internet access. The indirect link to the IES is that the IES anticipates using cellphones as a major communications link between the CoT and the indigent. With modest additional investment, a web-based cellphone application can be devised so that households without normal e-mail/internet access can access their accounts via their cellphones at a far lower cost to the municipality (see Appendix 4 for example 'screen shot'). A conservative estimate as to the cost-savings from this approach (assuming only 50% of households take it up and stop receiving accounts through the post) is R27 million per year. While it is understood that to some extent the CoT uses its billing apparatus as a means of creating labour-intensive employment (and laudably so), the possibility must still be examined that this money could be better used in a different manner.

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[41] Having said that, we have identified the potential for creating about 20 000 economic opportunities that could in principle be adequate to remove those households from indigency; this in turn could translate into savings of about R22 million in terms of free basic services and rates; however, the timeframe for this is uncertain, as is the precise scale.

11   High-level Roadmap

In order to bring together these disparate threads into an implementable programme, we divide up the overall effort of revising the Indigent Policy and introducing the Indigent Exit Strategy into four distinct 'work streams'. Although they ultimately must speak to one another, these work streams can be pursued in parallel according to different time frames and if necessary led by different people or offices.

These four work streams are summarised as follows. Notional timeframes are indicated in brackets next to the constituent activities, indicating the minimum feasible time required or clarifying that it is an ongoing activity.

Work stream 1 – Getting the core systems in place

- Establish a pilot for the 'community-based social worker' system [4 months]; monitor, refine, expand to full capacity [24 months]
- Refine the tier system and clarifying packages (together with Finance and in light of DORA) [3 months]
- Amend the IMQS' indigent module so as to accommodate additional pieces of information and so that it functions as a work-flow tool for the social workers and 'community-based social workers' [4 months]
- Develop the technology applications to support the corps of 'community-based social workers' [4 months].

Work stream 2 – Launching the key elements

- Begin piloting those that can be piloted now, e.g. 'individual commitment' [1 month]
- Refine the others, together with relevant partners [ongoing]
- Cultivate key intervention-level partnerships (both internal and external) [ongoing]
- Develop the M&E framework [ongoing as initiatives are defined and new initiatives are added]

Work stream 3 – Putting the management capacity in place

- Make a determination as to whether or not to have a specialised unit [1 month], and if yes, implement [4 months]
- Cultivate key higher-level partnerships that will assist with the creation and operation of the IES, e.g. to support the M&E system [ongoing]
- Co-initiate the Tshwane Development Trust [3 months]

Work stream 4 – Feeding the pipeline
- Identify potential new interventions for the IES [ongoing]
- Welcome new initiatives from the private sector via the Trust [ongoing]

12   Key Recommendations

This document sets out the Indigent Exit Strategy of the City of Tshwane, together with a roadmap towards implementation, a monitoring & evaluation plan, and proposals regarding modifications to the Indigent Policy.

Accordingly, the document makes the following recommendations:

1. The CoT should study the proposed three-tiered approach to designating indigent households, including the differentiated packages for both account holders and those households without accounts.

2. The CoT should reflect on the best institutional arrangements to ensure adequate leadership and co-ordination of the IES, as well as to ensure optimal contribution from other role-players.

3. The CoT should adopt the 'community-based social worker' approach outlined above; this aspect of the revised Indigent Policy and proposed IES is central to the vision proposed in this document, thus the overall course of development of the IES hinges critically on its establishment, bearing in mind the cost implications.

4. The CoT should seek to develop the 'higher-level partnerships' that are especially essential for the overall success of the IES; these include, potentially, the Gordon Institute of Business Sciences, the Department of Economic Development, and the Presidency (in particular the PSPPD).

5. The CoT should initiate the work on the four work streams identified above.

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Appendix 1 – Revised Application Form

HEALTH AND SOCIAL DEVELOPMENT

Tel: 012-358 4828 / 012 358 8753
Fax: 012 358 4740 / 012 358 7591
Email: SarahM@Tshwane.gov.za

P.O. Box 6338
0001 PRETORIA

Office of the Executive Director
Division: Integrated Community Development

APPLICATION TO BE REGISTERED AS AN INDIGENT

REFERENCE: _____   ACCOUNT: _____

NAME: _____   ID: _____

PHYSICAL ADDRESS: _____   TEL: _____

_____

_____

How many adults (18 years and older) live in this household most of the time?   _____

How many children (17 years and younger) live in this household most of the time?   _____

What is the total monthly income of this household, including government grants, wages, business income, income from piecework, etc?   R_____

Is there a pre-paid electricity meter on the stand?   **YES / NO**

Do you own any other fixed property?	**YES / NO**
What is the total value (land and improved value) of your property?	**R**
Are you prepared to : • Reduce the 60 amp on your meter to 30 amps?	**YES / NO**
• Reduce the water flow to 12 kilolitres per month?	**YES / NO**
• Have a pre-paid electricity meter installed at the cost of the Council?	**YES / NO**
• Restricted electricity supply of 362kWh per month?	**YES / NO**

The following certified documentation should accompany this application:
• Proof of income / sworn affidavit if unemployed
• Copy of Identity book of applicant, spouse and all dependants
• Latest municipal account
• Birth certificate of children and proof of attending school (report card or letter from school)
• Proof of marital status (eg marriage certificate, divorce certificate, death certificate or customary union/ living together

As part of the process of being registered as an indigent, you will be expected to commit to doing something over the course of the next year to improve your own life, or to doing something to improve the situation of your family, or to do something to improve your community. It could be learning a new skill, starting a food garden, addressing a neglected health problem, making more effort to ensure your children study hard at school, helping your neighbours, or whatever. The City of Tshwane will not penalise you for failing in your commitment, it merely wants to encourage you to be the best person you can be, so that we can all lead richer, better lives. Between now and when I (the interviewer/social worker) come to your home to complete the verification form, I would like you to think about what kind of commitment you wish to pledge. We will discuss it then and include it on the verification form. In signing this form, you will be entering a contract with the City of Tshwane to strive to fulfil your commitment in return for the City providing you with free basic services.

……………………………………..
SIGNATURE OF APPLICANT

……………………………………..
SIGNATURE OF INTERVIEWER

……………………………………..
DATE

……………………………………..
DATE
INTERVIEWER CODE

Appendix 2 – Revised Verification/Evaluation Form

HEALTH AND SOCIAL DEVELOPMENT

Tel: 012-358 4828 / 012 358 8753
Fax: 012 358 4740/ 012 358 7591
Email: SarahM@Tshwane.gov.za

P.O. Box 6338
0001 PRETORIA

Office of the Executive Director
Division: Integrated Community Development

EVALUATION OF REGISTERED INDIGENT HOUSEHOLDS

PARTICULARS OF VISITS

First Visit: /   / 20__

Second Visit: /   / 20__

SECTION A: PHYSICAL DETAILS OF HOUSEHOLD

Ward	Block	Suburb

Street name and house number

Type of dwelling (Please tick the appropriate option)

Brick House		Flat	
Tin House / Mokhuhu		Town House	

Do you own or rent the property?

Own	
Rent	

Do you have access to municipal services?

Yes		No	

What type of services do you have access to? (Please indicate yes or no)

Waste removal at property		Water in the property		Electricity in property	
Bulk waste removal		Communal tap water		Bulk electricity	

Is there a pre-paid meter installed at the property?

Yes		No	

If applicable from where is the electricity purchased?

Do you receive a municipal account?

Yes		No	

SECTION B: IDENTIFYING DETAILS OF ACCOUNT HOLDER

Full Names of Account Holder: _____

Identification Number of Account holder

Please provide reliable telephone numbers

     Landline: _____

     Cell: _____

Municipal Account Number(s)

Number of people living in the household, including the account holder

Initials and Surname	Age	Gender	Type of Disability	Highest Qualification	Employment Status
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

Detail regarding adult household members who are not presently employed
(Use same line numbers for same people as above)

Initials and Surname	Would like to be told about job opportunities?*	In what type of activity or field?	Nature of previous work experience?	Can share his/her details with possible employers?*	Would like to be told about training opportunities?*	What kind of training wishes to do?
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

* Yes / No / NA

When did you first apply to be on the Indigent Register?

[   ]

How long have you been on the Indigent Register?

[   ]

SECTION C: CURRENT FINANCIAL STATUS OF HOUSEHOLD

Who is the head of the household? (Please select the answer that is most applicable)

Child	
Single mother	
Single father	
Married couple	
Pensioner	
Disabled	

Please indicate all of the household's sources of income in an average month

Source of Income	Tick if receive	Indicate in Rands (R)
1. Formal Employment		
2. Part-time		
3. Contract (fixed)		
4. Self Employed		
5. Occasional Job / Piece Job		
6. Private Pension		
7. Government Pension		
8. Tenants (eg backyard dwellings)		
		TOTAL:

Number of backyard dwellings on the household premises

[   ]

Has the household's financial situation changed since you applied to be an Indigent?

Yes		No	

If yes, please explain in what way: _____

_____

SECTION D: APPLICANT'S COMMITMENT

I commit to doing the following to improve myself, my family, or my community over the next year:

_____

_____

_____

_____

_____

I understand that I will be expected to respond to questions regarding progress with my commitments:

Yes		No	

Applicant's signature: _____

SECTION E: RECOMMENDATION
FOR OFFICIAL USE ONLY

Household to remain on register	
Household to be de-registered	

Assessor Code

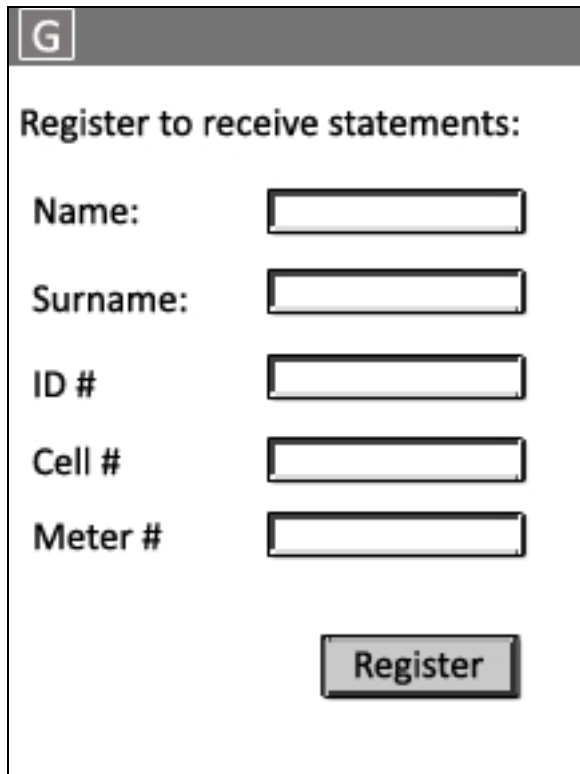**Time of interview**

Date

Signature of Assessor

Appendix 3 – Questions to be posed by social workers when calling indigent households regarding personal commitments

1. How is it going with your personal commitment? What have you been able to do?

2. What obstacles do you face in trying to meet this commitment?

3. Do you want to continue with this commitment? Make it stronger? Or change to something else?

4. How are you feeling about life these days?

Appendix 4 – Example of data entry format for cellphone-based sign-up to receive municipal accounts online

Appendix 5 – Data considerations

In some cases recent data regarding poverty and hunger, economic activities, etc., were not available for Tshwane. In some of these instances data from the General Household Survey (GHS) of 2009 was used instead, noting a strong similarity between the demographics of Tshwane according to the Community Survey of 2007, and of Gauteng according to the GHS of 2009 (see table below). Where such estimates are based on the GHS in relation to Tshwane, they are regarded as indicative only.

Table A1: Comparison of distribution of households by dwelling type between Tshwane and Gauteng according to two different household surveys in different years

	TSHWANE (CS 2007)		GAUTENG (GHS 2009)	
House or brick structure on a separate stand or yard	369,347	54%	1,917,947	51%
Traditional dwelling/hut/structure made of traditional material	3,481	1%	1,484	0%
Flat in block of flats	55,081	8%	251,063	7%
Town/cluster/semi-detached house	33,993	5%	196,858	5%
House/flat/room in backyard	21,363	3%	247,831	7%
Informal dwelling/shack in backyard	48,464	7%	307,551	8%
Informal dwelling/shack NOT in backyard, e.g. in an informal/squatter settlement	135,352	20%	480,796	13%
Room/flatlet NOT in backyard but on a shared property	6,332	1%	89,885	2%
Caravan or tent	758	0%	1,452	0%
Other	12,469	2%	36,041	1%
Total	686,640	100%	3,530,908	95%