

**NOTES FOR SPEECH AT THE LAUNCH OF THE SA STATS REPORT,
MEASURING POVERTY IN SOUTH AFRICA**

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Trevor A. Manuel, Minister of Finance

There is a remarkable South African novel published a few years ago – *A place called Vatmaar*, by a talented first-time novelist called A H M Scholtz, who lives in Mafikeng.

Vatmaar was a village in the Northern Cape, populated by South Africa's indigenous people, whom, in the apartheid years, were called coloured.

Scholtz opens his book with a description of Vatmaar: "A plot of two morgen cost 15 shillings – one week's wages for most working folks. This was just for the corner pegs which the town council surveyor came to show you, because only the corner pegs were yours not the plot."

The people of Vatmaar, Scholtz writes, had to pay another five shillings to the local white town for grazing rights.

When a new resident had got his plot, when it had been staked out by corner pegs, it was an occasion for a toast – "the luck" the locals called it. And "*sometimes*, but almost never," writes Scholtz, "a prayer was said,"

But key to his description of a simple, rural village of almost 100 years ago is this phrase: "Vatmaar was poor, and yet we didn't know poverty."

It begs the obvious question: what is poverty?

Is it being trapped in a place called Vatmaar for generations? Is it having the grazing rights taken away from you? No longer even owning the wooden pegs around the plot.

Is it disease, is it having no schools, is it the break-up of your community.

Does it affect you more if you're a particular gender or colour?

Take a situation perhaps three generations after the *Vatmaar* novel is set. Another rural community, this time in what was called by the previous government, the "homeland" of KwaZulu-Natal, just before our first democratic elections of 1994.

A woman lives in an overcrowded rural settlement in the Table Mountain district near Pietermaritzburg. She can't work anymore as a domestic servant because she was knocked over by a bus and lost her leg so she sews – dresses, school uniforms, church clothes – for a living. Her husband has been retrenched, so her income is the only money her family earns. There are no taps in her area, and she can't walk the mile to the river to get water anymore because of her leg. Her husband won't walk because getting water is women's work.

So she pays school children R1 a day out of her meagre earnings to walk to the river to get water.

Is that poverty? And how do we measure it? By the lack of piped water? By her lack of skills? By the fact that she is woman, or that she is black? Or by the fact that apartheid has confined her to living in an area like this. Or by all these things?

This story is true, and for us in government, the painful thing is that that truth still exists in some areas.

We live in a country with a large number of rural poor – in fact being black, being a woman, and living in a rural area almost a recipe for poverty.

In stark contrast to many other poor countries, South Africa is one of the few countries where there are more unemployed and poor people in the rural areas than in the cities.

We have inherited that legacy from more than 40 years of racist rule that made ghettos out of the countryside.

The question is, how do we deal with it, how do we begin to undo it, how do we begin to build decent lives for our people.

The new publication by Stats SA, *Measuring Poverty*, which we are launching tonight, helps us answer that question. It does that by drawing, for the first time, a detailed map, district by district, region by region, province by province, of where poverty exists.

I have said before when talking about the work of Stats SA, that the dictum for us in government, is: “If we can’t measure it, we can’t manage it.”

This new work by Stats is certainly the most far-reaching measurement that we yet have.

It tells us for instance that 12% of our households don’t have any toilet facilities. It tells us that more than half our households don’t have a tap inside their dwellings, it tells us that 46% -- nearly half -- of the households enumerated by the 96 Census -- were living in three or fewer rooms and about a third of households live in shacks or huts.

It measures by income, by expenditure, and by development indices such as access to water electricity, housing, education and employment.

Importantly, this report tells us where the problems are most severe. By combining census and survey data, Stats SA has drawn up a poverty map. So the report tells us what the poorest provinces are -- the Eastern Cape and then the Free State, what the poorest district councils are -- the Wild Coast, and what the poorest magistrate’s district is -- Elliotdale, also in the Eastern Cape.

By mapping poverty indices, too, such as the toilets and taps and electricity we spoke about earlier, the report tells us that the province lacking most in sanitation is the Eastern

Cape, followed by the Northern province, that the worst unemployment is felt, again in the Eastern Cape, and then in KwaZulu- Natal.

It tells us about inequality between race groups and by gender, but also within race groups.

What it doesn't do yet – and probably we need this information to make informed policy choices – is to measure the level of inequality within an area. So in Gauteng, for instance, it tells us that Cullinan is the poorest place, with a mean monthly household expenditure of R2 083, and that Pretoria is the richest, with an average household expenditure of R6487. But it doesn't tell us specifically about the poverty within Pretoria.

But essentially the information provides us with the ingredients that go into making policy. Do we, for instance, develop the cities with jobs and infrastructure, provide educational services to the rural areas, but eventually aim towards an urbanized country, with functioning cities with no slums?

Or do we pinpoint rural areas with potential and encourage investment of industry and infrastructure there? It is interesting that the Wild Coast is the poorest district in our country, when there is so much hype —and justifiably so – about its beauty and tourist potential. But what do we do to harness that potential, to sustain that beauty for the benefit of local people?

These are not only economic decisions. They are also political decisions. For instance, if people in the countryside are going to make a living off the land, and perhaps employ other people, we have to talk about tenure relations in those areas.

If we are going to talk about providing people with jobs, we have first to talk about how to provide them with the best, and most appropriate education and skills. Skills development is an obvious area for productive government-private-sector partnerships.

Already, we have in place a skills levy to facilitate the spread of skills, although some businesses seem reluctant to pay it.

But building up of skills to help vanquish poverty and joblessness is surely not just a government task, but something that all who have an interest in the future of this country should commit to.

Investment in infrastructure to spur economic growth and to make inroads into poverty, is another prime area of potential co-operation between the public and private sectors.

The Stats report on poverty helps us to pinpoint where those interventions will bring the best returns.

We have much to be hopeful about in this country, not least the quality of intellectual work and the quality of public institutions that make such work possible. Stats SA is a fine example of critical, independent intellectual work that -- precisely because it does not pander to the government -- is immensely helpful to us. OK I can't pretend to understand sentences that begin like: "Given the vector for the parameter estimate beta and the vector of explanatory variable in the census X subscript c.....etc. etc" But the point is that our world-class statisticians can. More importantly the final report is presented to us, the government, and the public, in such a way that we can understand the actual dimensions of the problem we need so urgently to address.

I would like to warmly thank SA Stats, particularly its head Ros Hirschowitz, the quality group of professionals who worked on this report, and the World Bank for helping developing the data which will help us in our task of transforming our country.