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# A South African pilot of the Minimum Income Standards approach

Gemma Wright, Matt Padley and Wanga Zembe-Mkabile

## Introduction: what was the purpose of the South African Minimum Income Standards pilot study?

The Minimum Income Standards (MIS) approach was pioneered in the UK (see Davis et al, 2018), and although it has been shown to work well in this and other high-income countries (e.g. France [Gilles et al, 2014; Gelot, 2016] and Portugal [Ferreira Correia et al, 2016]), its applicability in a developing country context has until relatively recently been unexplored. South Africa is one of the most unequal countries in the world (Sulla and Zikhali, 2018), with entrenched racial and spatial divisions that are proving difficult to break down, resulting in concurrent yet very different standards of living. The starting point for the South African pilot of the MIS approach, as in all countries where the MIS approach has been applied, was a simple but fundamentally important question: what exactly do people need in order to have an acceptable standard of living? Understanding what standard of living the public regard as acceptable or decent is clearly important for government, businesses, civil society, trade unions and other organisations. Indeed, the South African government's National Development Plan provides 'a framework for the adoption of a minimum standard of living by society' and acknowledges the need for a clear definition of what this entails (National Planning Commission, 2014).

The aim of the pilot, presented here, was to ascertain whether South Africans can reach agreement both about how a decent standard of living is defined and what constitutes this decent standard of living – or how the agreed living standard is described. Consequently, it was important to explore whether the MIS approach was viable in this context using a small pilot study in the first instance. This chapter discusses some of the methodological challenges that arose during the design and implementation of the pilot which required modifications to the MIS approach as implemented in the UK, to better fit the South African context. The findings of the pilot study are then presented alongside recommendations for an expanded nationwide study.

The MIS pilot in South Africa was not the first attempt to explore the idea of consensus around socially determined living standards. The research built on a number of local initiatives, and in particular on previous collaborations between Studies in Poverty and Inequality Institute, Southern African Social Policy Research Institute NPC (SASPRI) and the Labour Research Service where issues around a decent standard of living have been explored. These include a mixed-methods study undertaken for the Department of Social Development exploring which items are regarded by people as essential for an acceptable standard of living in South Africa. The findings from this study demonstrated that there was a surprising level of agreement around a set of indicators or 'socially perceived necessities' (SPNs), across different sections of society (Noble et al, 2007; Wright, 2008; Wright and Noble, 2013). A further qualitative study explored the concept of a decent living level with

low-income communities in Gauteng (Frye et al, 2014), while analysis has also been undertaken to explore the association between possession of the SPNs and income (Frye et al, 2018; Noble et al, 2015). While these studies revealed a high degree of consensus across different sections of society and a clear (though non-linear) relationship with income, they did not enable the construction of a detailed, costed budget for a range of different household types, which is the distinguishing feature of the MIS approach.

As this project built on extensive work that had been undertaken in this regard in the South African context (noted above), this meant that subsequent stages in the MIS methodology could be prioritised for exploration in the pilot; that is, a focus on key methodological steps that had not been undertaken previously in South Africa. More specifically, the aim of the pilot was to ascertain whether agreement could be reached in diverse settings about the fine detail of necessities for a decent standard of living: this is achieved through the iterative compilation of lists of goods and services that are linked back to an overarching definition of a decent standard of living. While this process is repeated for different age groups and household types in a full MIS study, the pragmatic focus here was on the needs of a working age adult.

The pilot project represents the first attempt to apply the methodology of the MIS approach in South Africa. As noted, MIS moves beyond identifying the general features of a decent standard of living, instead producing whole budgets for households, based on lists of items they need, putting a figure on minimum income requirements. The goods and services included as being required for a decent standard of living are specified within a particular context – and the research explores whether agreement can be reached over those items within and across groups comprising people from different social, economic and geographic locations.

## What challenges were encountered in applying MIS in South Africa?

While MIS has been successfully adapted and applied in other national contexts (Padley and Davis, 2019), this is not without its challenges, and these are explored further in Chapter 17. A key element of the pilot project involved identifying aspects of the MIS approach that, in the South African context, might prove to be challenging or even inappropriate, as well as identifying potential solutions. This chapter sets out five methodological challenges and how these were resolved.

### Challenge 1: the importance of terminology

The MIS approach starts with the word ‘minimum’, which remains a relatively unproblematic term in the UK. However, in the South African context the word ‘minimum’ has different connotations and is more readily linked to notions of survival or subsistence (such as food and shelter) rather than pointing to a standard of living that goes beyond meeting these ‘bare necessities’ (Magasela, 2005). In light of these concerns and the previous studies identified above, the pilot project was framed as focusing on a ‘decent

living level', more explicitly tied to the idea of a decent standard of living; 'decent' here is intended to capture and describe a living standard that is both adequate and supported by the public.

The MIS approach starts with discussions of how a minimum standard of living should be defined in any given context. Prompted by existing definitions of living standards, these discussions identify key themes and ideas that are subsequently distilled into a brief 'definition' that encapsulates what groups identified as being needed in order to have a minimum socially acceptable standard of living (see, for example, Davis et al, 2018: 5; Valadez-Martínez et al, 2017: 696). These definitions are then used as the basis for all subsequent discussions within the MIS approach. The definition formulated by groups in South Arica is discussed further, later in this chapter.

Having established a definition, there was extensive discussion about how best to translate 'decent standard of living' or 'decent living level' into isiXhosa, as this would be the language used in many of the groups. After several expressions had been considered and rejected by the five members of the team who were fluent isiXhosa speakers, an expression was identified which, though rarely used, captured the essence of the concept best: *Ubomi obunga hlelelekanga*. Literally translated, this expression means 'a life without struggle'.

## Challenge 2: the composition of focus groups

In the UK and other high-income countries, the MIS approach is rooted in the discussions and deliberations of groups of people from across the income distribution, and this is seen as one of the approach's strengths: the research does not bring together individuals from one income group to discuss minimum needs, but seeks to reach agreement about minimum needs across income groups. The majority of focus groups are also undertaken with both male and female participants, are held in English, and are recruited through a process that does not take account of people's ethnicity. In the South African context some of these features raise both practical and ethical challenges. Practically there are challenges with the selection of venues and the language for the focus groups: finding a venue where people would feel comfortable and not ill at ease, and could travel to easily, whatever their economic background was identified as a challenge, and undertaking all groups in English would be inappropriate as South Africa has 11 official languages. There were also ethical concerns: bringing together very wealthy and very poor people – in a highly unequal context such as South Africa – to discuss what's needed for a decent standard of living could be very uncomfortable for those who lacked the necessities. A further factor was a concern with both age differences within groups (older people's voices are more respected in some communities, and less in others), and of having men and women both present, with women's voices being more respected in mixed-gender settings in some communities and less in others.

Ultimately the pilot did not divide groups by age or by gender, but sought to ensure that the facilitators were well trained to deal with any issues of ageism and sexism that

might arise in these group contexts. The pilot groups were undertaken in two of the 11 official languages: English and isiXhosa.

### Challenge 3: the MIS case study name and location

The MIS approach generally starts with ‘orientation’ groups, undertaken at the start of the research project, which draw up a series of ‘case study’ individuals – these ‘case studies’ comprise a named person/people and the name of the place where they live – who subsequently become the focus of discussions about minimum needs. In this way, participants in groups are not being asked to talk about what they as individuals need, or to express their own preferences, but rather to consider the needs of an imaginary individual.

There was concern in South Africa that specifying an individual’s name (or even how it is pronounced) brings with it too many connotations about their class, population group and even income bracket. This could result in groups projecting certain standards onto case study individuals, potentially influencing group discussions and decisions about what that person would need for a decent standard of living. Similarly, identifying where the case study individuals live could steer groups towards making particular value judgements about which items are essential in the context of, for example, a rural village in the Eastern Cape, or a township in Cape Town.

In light of these challenges, the case study used in the pilot referred to Ms B/Mr B: ‘Ms’ implies a degree of modernity (being neither Miss nor Mrs); ‘B’ was selected as it does not imply that a person is from any particular population group as, for example, ‘B’ could stand for Banks, Bengu, Bezuidenhout, Booysenor or Buthelezi. Similarly, rather than specifying where Ms B/Mr B lived, a decision was made instead to stress simply that they live in South Africa.

### Challenge 4: assumptions about which aspects of a decent standard of living are already in place

Closely related to the previous challenge, there were questions about which goods and services could be assumed to be in place for Ms B/Mr B. In the UK, MIS is based on the assumption that individuals have access to basic services such as electricity, water and sanitation, that people live in Western-style housing and that most urban areas are similar.

In South Africa, however, these assumptions in relation to key services are potentially problematic: can it (and should it) be assumed that the place where Ms B/Mr B lives is connected to electricity and has piped water? And can it (and should it) be assumed that they have adequate housing? Some of the participants in the groups may not have these things in place and so it would be necessary to be sufficiently explicit about what is in place already for Ms B/Mr B without being prescriptive about the consequences of those things being in place. For example, while it might be made explicit that the house has piped water and electricity, it would remain an open question as to whether a washing machine was an essential item. Ultimately, while a fully implemented MIS might take into account

the running costs of a washing machine, it would not take into account the cost of installing running water to a dwelling to enable the washing machine to function. Within the pilot, a distinction was made between the focus of MIS – things needed in the home and to participate – and matters relating to the structure of the home and features of the area in which people lived.

## Challenge 5: the unit of analysis, and assumptions about household composition

In the UK and other higher-income countries, MIS focuses on the needs of *individuals* who are then combined together into households. So, for example, the needs of a working age couple without children are discussed separately from those of a working age adult living alone. The needs of children of different ages are discussed separately from parents and are then combined into households in order to explore both the additional costs and the economies of scale that can and do arise from children living within households. However, within the South African context very few people live in single-person households. Consequently, within the pilot project it was agreed that it would be inappropriate to assume that Ms B/Mr B lived alone, even though they were described as single. Thus, while the focus was kept on the needs of Ms B/Mr B, the case study did not prescribe how many other people lived with Ms B/Mr B.

## How was the pilot designed?

The pilot study comprised seven focus groups which were undertaken in July and August 2016. Two orientation groups were conducted (FG1 and FG2) to develop and agree upon a definition of a decent standard of living with the participants, and to prepare a description of the case study character that subsequent focus groups would refer to (i.e. Ms B/Mr B described above). This was followed by two ‘task groups’ to determine the necessities (FG3 and FG4) in three aspects of life: communication, the living area and the sleeping area. Two ‘check back’ groups then considered the lists of necessities in different settings (FG5 and FG6), and lastly one final negotiation group was convened to resolve any outstanding issues that were brought forward by the previous groups (FG7).

The groups were convened in a community centre in a township on the outskirts of Cape Town (Gugulethu), an office block in an affluent suburb in Cape Town (Claremont), a middle-class suburb in Cape Town (Observatory) and a school hall in a deprived rural area of the Eastern Cape (Peddie). In total, 67 people of working age took part in the focus groups, of whom 61 per cent were female and 39 per cent were male. Collectively the groups straddled a range of diverse contexts and people. Diversity was achieved in terms of gender, age (within the band of 18–59), area type (urban formal, township, rural former homeland), education level and employment status. Diversity was achieved to a lesser extent in other important respects: language (only two of the 11 official languages were used); province

(only two of the nine provinces were included); and population group (all participants were black African except in one group).

## What does a decent standard of living comprise in South Africa?

Table 7.1 shows the definition of a decent living level which was drawn up by the two orientation groups, as well as the case study definition that they drew up. For an account of how these definitions were derived during the orientation groups see Byaruhanga et al (2017).

Table 7.1 Here
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These definitions were used as anchoring concepts in the subsequent groups which were asked to consider the necessities for Ms B/Mr B, in relation to the three aspects of communication, a living area and the sleeping area. For each of these aspects, participants were asked to explain what items were needed, why these were necessary and the implications for Ms B/ Mr B if they lacked that item. Once the group had reached agreement on an item, and explained why it was important, if there was time then participants were additionally asked to specify where the item could be purchased and the duration that the item should last. In a larger-scale MIS project, beyond a pilot, these items would subsequently be costed at the specified stores, with this cost spread across the lifetime of the item in order to produce weekly budgets, but this was not undertaken in the pilot.

Items were discussed in detail, first in the two task groups, then in the two check back groups, and lastly in the final group for resolution. Table 7.2 sets out the goods and services that were defined as essential for Ms B/ Mr B, and for some of the items the lifespan of the item or their value. These items were agreed or finalised in the last group, with the exception of the TV and TV stand in the sleeping area, which was left unresolved.

Table 7.2 Here
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Participants were asked to describe the purpose and quantity or size of items, and these details often revealed the relational function of items that had been defined as essential. Three examples are given here. First, participants argued that it was important for Ms B/Mr B to have a six-seater sofa for when s/he had visitors. Although there was a discussion about the material of the sofa and how it affected quality, it was agreed that the material did not matter as long as it was bought from a mid-range store. Second, participants included transport in their list for communication, on the basis that they often needed transport to meet family and friends as well as to attend community meetings and they put this under the banner of full participation in society as per the definition of a decent living level. Third, participants argued that a cell phone was important in order to be

able to access the internet, which was important for informal social participation but also for more formal purposes, such as accessing employment.

## Is it possible to adapt and implement MIS in the South African context?

The pilot began with a simple but very important question: what exactly do people in South Africa need to have a decent standard of living? The aim of this initial pilot project was to explore whether, using the MIS approach, it was possible to reach agreement in the South African context about what is a decent standard of living, before considering a full-scale project.

All of the focus groups that were conducted involved rigorous and engaging discussions. Once participants in the various groups became familiar with the aim of the groups in relation to the study, participants were able to have critical and thorough discussions on what constituted a decent life in relation to the case study of the hypothetical Ms B/ Mr B.

The groups were able to reach agreement about the items needed for Ms B/ Mr B for a decent standard of living in relation to communication, the living area and the sleeping area. This was achieved at a fine-grained level of detail, and it was possible to explore issues about the items' quality and durability. As such, any initial concerns about whether agreement can be achieved about the fine detail of necessities in a country as diverse and divided as South Africa quickly receded. At the very least, the pilot does demonstrate that men and women in two provinces of South Africa from a range of area types (township, urban formal, rural former homeland), with a range of education levels (pre-primary through to tertiary) and in two languages, are able to reach agreement about the necessities for a working age person in South Africa in relation to communication, the living area and the sleeping area of their home.

In this respect key aspects of the MIS approach worked successfully. However, in other respects, adjustments had to be made upfront and would need to be addressed in a full MIS study. So, for example, MIS groups in the UK intentionally comprise a diverse group of people, but the team determined that this would not be feasible logistically in South Africa and also might cause discomfort for some people given the extent of inequality and the history of the country.

A full MIS study in South Africa would need to take into account several key issues: terminology; language, composition and duration of the groups; the need to make any assumptions explicit about which services are in place; and ensuring that the household compositions that occur in South Africa are adequately captured. In addition to these issues and the challenge of the cost and time required to conduct a full study it would need to address the full range of the purchasable necessities for a decent standard of living. The pilot has demonstrated that the principle of achieving agreement about items in a group



context, and across groups in different contexts, is feasible, but there is much that remains to be explored in a full study.

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**Table 7.1.** The orientation groups’ definition of a decent living level and case study individual

<b>Definition of a decent living level</b>
In South Africa, people who have a decent living level should be able to participate fully in society, however they choose to do so. A decent living level includes personal possessions, social and family networks, a belief system, housing, services provided to the house and in the local area and the ability to take part in social activities. A decent living level is not a luxury living level, but rather the level at which everyone should be able to live in South Africa.
<b>Definition of case study individual</b>
Ms B/Mr B is a single working age person. She or he lives in South Africa in a home that has solid walls which are weatherproof, and there is safe and legal supply of electricity and water inside the home.

**Table 7.2.** Essential items for Ms B/Mr B in relation to communication, the living area and the sleeping area

<b>Communication</b>
Entry-level smartphones (1 year)
Access to post office
Stamps (R150 per year)
Envelopes (R150 per year)
Library
TV
Transport
Postal address
WiFi (5GB)
Laptop (5 years)
Radio (via HiFi)
Newspaper (access every day and R15 for the weekly paper)
<b>The sleeping area</b>
Bed base (15 years)
Mattress (7 years)
Headboard (15 years)
Dressing table with mirror and chair (15 years)
Bedside pedestals (15 years)
Wardrobe (15 years)
Blankets × 2 (2 years)
Pillows (2 or 4) (3 years)
Pillow cases (4 or 8) (3 years)
Comforters (2 or 3 sets) (3 years)
Sheets (3 sets) (fitted and top sheet) (1.5 years)
Bedside lamp (2) (10 years, 5 years bulbs)
Heater (different from the one in the living area, and not an electric blanket) (5 years)
TV and TV Stand – unresolved
Carpet
Curtains
<b>The living area</b>

DSTV compact
Coffee table (15 years)
Access to books
Pot plants
Air vents for ventilation
Covered flooring
Heater
TV (10 years)
TV stand
HiFi system with radio, CD and DVD players (10 years)
6-seater lounge suite (15 years)
Bookshelf (does not need to be replaced)
Dining table and chairs (10 years)
DVDs (R2000 per year)
Burglar bars
CDs (R250 every month)
Curtains