

Research Findings & Potential Policy Implications:

Harnessing livelihood strategies for pro-poor policy intervention in the Eastern Cape province of South Africa

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Research team

- University of Fort Hare: Economics department
- Research team member and roles
 - Munacinga Simatele project coordinator and qualitative analyst
 - Syden Mishi-Quantitative analyst
 - Palesa Makhetha-Kosi: Local area knowledge specialist
 - Asrat Tsegaye
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Overview of the research

- Significance (justification) of study
 - Very poor socio-economic indicators
 - Higher job creation in informal sector than formal sector
 - High levels of grant dependence
- Objective research
 - The aim of the action was to map and analyse the livelihood patterns Vis-a- Vis the existing constraints and opportunities in low income areas in the Eastern Cape Province with the objective of identifying policy intervention points that enhance the alleviation and elimination of poverty within these areas.

Overview of the research cont.

- Research Questions

- What are the livelihood strategies employed by low income households in the Eastern Cape province?
- Which of these strategies have a high propensity for sustainability and greater likelihood for policy intervention?
- What is the extent of diversification amongst these households and what contribution does this make to livelihood enhancement?
- What enablers and constraints affect the livelihood strategies employed by that low income households in the province?

Methodology

- methodology



Methodology cont.

- Limitations of research
 - Not a census of the province- sampling purposive than random (those who refuse to be surveyed may possess unique characteristics)
 - Physical reach because of the distances

Key research findings

- Profile of livelihood strategies

LIVELIHOOD PROFILE

<p>Labour(556)</p> <p>All formal wage/salaried work excluding construction in community projects</p>	<p>Artisans(157)</p> <p>Hair dressers, plumbers, welders, mechanics, brick layers</p>	<p>Handyman(143)</p> <p>Various odd jobs referred to as 'piecejob' by the respondents</p>
	<p>merchandise(148)</p> <p>All forms of selling including in spaza shops, out in the front yard or in the market</p>	



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Key research findings cont.

- *Low levels of diversification*
 - 6% PSPPD data
 - Diversification highest amongst households already in wage/salaried employment
 - 31% GHS data
 - Race, gender , asset ownership and financial inclusion are key factors affecting diversification
 - Affiliation with community leadership reduces the likelihood of diversification
 - Link with accusations of nepotism?

Key research findings cont.

- *Sustainability clusters around resource rich strategies*

- Enablers

- Community cooperation
- Markets and related infrastructure
- Large pool of unemployed but some with a pocket of relevant skills
- Natural resource endowments

- Constraints

Associated constraint	Ranking	Frequency of association with livelihood activities
Poor community-government relationships	1	15
Lack of land	2	7
Lack of skills	3	6
Machinery/capital	3	6
Water shortage	4	5
Licenses and fees	4	5
Crime	5	3
Competition from foreign businesses	5	3

Key research findings cont.

- *Sustainability clusters around resource rich strategies-constraints cont.*
 - Role of LED departments as outlined by the IDP process
 - Unclear and poor consultative process re livelihoods
 - Low levels of trust leading to poor participation
 - Accusations of corruption and nepotism
 - Focus on provision rather than enabling
 - Good practice municipalities (30% of the sample)

Key research findings cont.

Sustainability around resource rich strategies-constraints contd.

- Licenses and fees
 - Anecdotal evidence of illegal involvement
- Need for support services around land restoration /provision
 - Perverse results
 - Reselling
 - idleness
- Need for value creation especially in agriculture. This has the potential to attract a lot of young people.

Main conclusions & Policy implications

Main conclusions and Policy relevance

- Sustainable livelihood strategies cluster around resource intensive activities
- Need to encourage engagement in related activities
 - Agriculture, fishing, sand mining, forestry
- Focus on developing value creation. The youth showed strong interest in value creation activities
- Municipality level planning and implementation
 - Need to reorient LED thinking from provisioning to enabling
 - Realigning IDP process to incorporate livelihood enhancement
 - Full implementation of Ward Based Development Planning (easy link of community assets and livelihoods)
 - Capacity building
 - Skills training for low income households
 - Good ideas swap shops
- Benefits and opportunities for policy thinking, planning and interventions

Policy thinking, planning and interventions

- LED planning should place emphasis on livelihood enhancement with a focus on comparative advantages
- Focus on enabling-grants have their place in poverty alleviation but they are an inferior source of livelihood. Provision should be used as the last option
- Revolving fund to reduce usage and compliance costs especially licensing
- Intensification of support services for interventions especially re land restitution

Recommendations

- Proposed necessary actions for taking recommendations forward to effect change
 - Good ideas swap shops
 - Livelihood focus through LED planning-stock taking of comparative advantage
 - Linking markets to production hubs (cut transport costs)
 - Consultative engagement with communities to take stock of existing skills
 - Explicit incorporation of plans to enhance livelihood through explicit program planning e.g revolving fund for licensing

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