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FOR COMMENT

LESSONS FROM THE PROJECT FOR STATISTICS ON LIVING  
STANDARDS AND DEVELOPMENT  
THE SOUTH AFRICAN STORY

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# LESSONS FROM THE PROJECT FOR STATISTICS ON LIVING STANDARDS AND DEVELOPMENT

## Introduction

This paper is intended to draw lessons from the Project for Statistics on Living Standards and Development (PSLSD). The process, which began in early 1992 with a contract finalised in September 1992, was initially intended to last 16-18 months but was extended by a year to last 28 months to the end of 1994. Even although further work, particularly with regard to policy analysis and capacity building, was needed in 1995 it is the 28 month period, September 1992-December 1994, that is the main focus of this report.

## II. Historical Background

Before outlining the initiation of the Project which had several unconventional features it is useful to describe the historical context within which this took place. At the time (early 1992) the National Party Government with all its apartheid structures was still intact although protracted negotiations were taking place with a view to putting the country on the road to democracy. A number of institutions existed within the government of the day, within parastatals, and within research institutions at some universities funded wholly or partly by the tax payer to analyse and devise policy specifically to feed into government decision-making processes. Amongst these institutions were the Central Economic Advisory Service (CEAS), the Human Sciences Research Council (HSRC), the Council for Scientific and Industrial Research (CSIR), and many others. Two institutions, focused on economic matters, which were helping to negotiate the transformation and so themselves already changing were the National Manpower Commission (NMC) and the National Economic Forum (NEF). Most of these bodies had access to sophisticated social scientific analysts and most possessed, or at least had access to, modern techniques of research including computers and software.

In the days of the National Party government (which then set the agenda) there was close interaction between policy makers, private think tanks, and consulting firms as well as those individual university academics who were not overly critical of government policy. Those firmly and publicly against apartheid policy were kept firmly at arms length or worse.

In the years before 1990, an alternative network of social scientists, both inside and outside the country, fiercely opposed to apartheid existed. Within the country, these were located in some of the universities, in the trade union movement, and in an extensive network of CBOs and NGOs. To a varying degree some of these also possessed up-to-date capacity to undertake original research and critical analysis. Unlike the government and its supportive institutions, the latter were largely (but not entirely) funded by bilateral aid, most of it from outside the country. During the 1970s and 1980s the growth of this research and critical analysis within the organs of civil society helped to deepen the critique of apartheid within the country.

### III South African Database Environment

Like the curate's egg, South African Statistics were, and are, good in parts, but extremely patchy. Censuses in 1904, 1911, 1921, 1936, 1946, 1951, 1970, 1980, 1985 and 1991 combined with a whole set of industrial, agricultural and other censuses, together with careful statistical records from individual sectors such as the mining industry, enable the researcher to uncover many aspects of the South African political economy over an unusually long time period<sup>1</sup>. However the data are also full of holes which make sustained analysis difficult. For example, the declaration by South Africa's apartheid government of political independence for the Transkei in 1976 was accompanied by the removal of any reference to people living in Transkei from the national statistics and Bophutatswana, Venda and Ciskei were similarly treated in turn (These areas are commonly referred to as the TBVC States in South African literature). The fact that in economic and demographic terms these areas were impoverished rural reserves where the vast majority of the people were unskilled, poorly educated, and black meant that their exclusion from the national data sets biased the results in such a way as to understate, to a considerable extent, such characteristics as the degree of poverty, the level of unemployment, or the prevalence of illness such as tuberculosis. By 1993, for example, the total population of the TBVC area was estimated to be 7.6 million, i.e. 19% of the total of 40.1 million.

The Second Carnegie Inquiry into Poverty and Development in Southern Africa which was independently funded and which published a good deal of information about poverty during the 1980s did not confine itself in this manner. Indeed a number of papers attempted to examine issues of poverty within these four TBVC areas as well as in the rest of South Africa.<sup>2</sup> But the weakness of the Carnegie enquiry was that it did not itself generate any new overall statistical data. What it did was to initiate a whole set of individual micro studies in both urban and rural areas as well as to stimulate a number of statistical studies which were themselves based on existing official data and thus subject to the limitations inherent in those data.

The Central Statistical Services (CSS) generate many different data sets which are listed in their **Users' Guide** the latest of which was issued in June 1995. Apart from the quinquennial censuses the CSS began, in 1978, under the prodding of some

For those wishing to go directly to these data, a good place to begin is with Union Statistics for Fifty Years, 1910-1960 compiled by the Bureau of Census and Statistics, Pretoria, 1960. Subsequent annual volumes (starting in 1964) from the same source (variously renamed the Department of Census and Statistics and currently Central Statistical Services/C.S.S) maintain the flow.

Sets of these Carnegie papers are lodged not only in South African Libraries but also in other parts of the world, including the Oxford Institute for Economics and Statistics and the Africana Collection of Yale University Library.

independent researchers, to produce the Current Population Survey (CPS), which however excluded the TBVC areas. One of the goals of the CPS was to establish national consensus on the concept and extent of unemployment. After a great deal of critical and informative debate within the country this series in 1986 dropped its black component because of loss of confidence in the numbers but is still issued for coloureds and Indians. However in 1993 the NP government reinstated a revised version of the CPS as the October Household Survey (OHS) which still excluded the TBVC areas. Not until October 1994, after the first fully democratic elections and the installation of the government of national unity, do statistics collected by the central government cover the entire country including the TBVC. From this date the OHS, covering the whole country, and based on a large sample of 28 000 households is planned to take place on an annual basis. The quinquennial census, which last took place in 1991 (excluding TBVC) is currently planned to be undertaken by the CSS in 1996. Employment and earnings data, for those within the formal sector of the economy, are also regularly published by the CSS. Other fairly frequent income and expenditure household surveys, covering mainly the urban areas, are undertaken and published by such private institutions as the Bureau of Market Research (BMR) at the University of South Africa.

#### **(IV) Phase I - The Project for Statistics on Living Standards and Development (PSLSD)**

##### **A Introduction and Description of the PSLSD**

It was in an attempt to overcome the weaknesses in the national datasets collected by the apartheid government that the Project for Statistics on Living Standards and Development (PSLSD) was conceived in 1992. Most of the field-work was carried out and the data collected in the last five months of 1993. The first selection of tables were published in June 1994 with an expanded revision being published in August of that year.

The idea for such a project was first mooted by a delegation of South Africans, from the African National Congress and the Congress of South African Trade Unions, when they met officials of the International Bank for Reconstruction and Development (World Bank) in Washington in April 1992. Responding to the South African request for more thinking about effective strategies to combat poverty, the World Bank sent a task force to the country to assess what needed to be done. As a result the Southern Africa Labour and Development Research Unit (Saldru) in the School of Economics at the University of Cape Town was asked to co-ordinate and manage the collection of data required. To broaden the base of the process a small steering committee drawn from social scientists at all three universities in the Western Cape was appointed to oversee the project.

This survey was unusual in that elsewhere in the World multi-lateral and indeed bilateral agencies would have dealt directly with the country's national statistical agency or ministry of planning or economic affairs but this was not possible in South Africa before the democratic elections which paved the way for the

installation of the Government of National Unity (GNU) in May 1994. This survey which was undertaken specifically to inform the new democratic government took place at a time when the instruments of state were still controlled or overshadowed by the minority white regime. Special steps had to be taken to ensure that the process of data collection was credible and in no way biased in favour of any political party or faction. For this reason a reference group of persons, drawn from across the political spectrum, was established in order to ensure that the process was as technically sound, politically legitimate, and ideologically unbiased as possible.

Although the political link of certain individuals (to ANC, Cosatu, NP, IFP, PAC, DP etc.) were well known all members of the reference group were appointed in their individual capacities. It is interesting to note where some of these persons are now (1995): Trevor Manuel, Minister of Trade and Industry; Alec Irwin, Deputy Minister of Finance; Cheryl Carolus, Deputy Secretary of the ANC; Joe Matthews, Deputy Minister of Safety and Security; Patricia de Lille, leader of the PAC in the Western Cape and also member of the Parliamentary Standing Committee on the RDP; Ms Brigalia Bam, General Secretary of the SACC; Mahlamola Skhosana, Deputy General Secretary of NACTU; Professor Charles Simkins, Democratic Party Negotiator and Professor of Political Economy at WITS; Dr Johann Liebenberg, Chamber of Mines; Professor Wiseman Nkhuhl, Chairman of the DBSA; Professor Laurence Schlemmer, Director of Research at the Human Sciences Research Council; Dr Nick Vink, Development Bank of Southern Africa; Dr Frans Barker, then Chairman of the National Manpower Commission which has now been merged with the National Economic Forum to become NEDLAC; Ms Liz Clarke, Director in the Office of the Premier of the Province of Kwazulu/ Natal; Dr Marion Jacobs, MRC/Paediatrics at Red Cross Children's Hospital and Associate Professor in Paediatrics and Child Health at the University of Cape Town; Charles Meth, Department of Economics University of Natal Durban; Professor Mak. Makalima, Department of Sociology, University of Fort Hare; Eric Molobi, Director of Kagiso Trust.

Funding for the Project was generously provided by the governments of Denmark, the Netherlands and Norway working through the World Bank whose participation in the Project enabled the South African Team to draw on a wide range of international experience and advice. A notable feature of the process has been the fruitful interaction between South Africans responsible for the Survey and the staff and consultants of the Bank. What began as a debate between South Africans and officials of the World Bank about the Survey rapidly became a discussion amongst interested colleagues on how best to deal with the different problems (e.g. sampling) that emerged during the course of the Project. The model of a project of this nature, run by citizens of the country concerned in such a way as to enable creative inputs and interaction from and with an institution such as the World Bank, is, we believe, one that needs to be developed further.

## **B. Goals**

At this point it is perhaps worth pausing for a moment to reflect on the precise goals of the project as they unfolded during the period in which it was run. From the beginning it was clear and agreed that the first goal was to gather the best data possible subject to budget and time constraints and to do so in such a manner as to enhance their credibility and legitimacy in the eyes of "the broad South African public". Given the historical circumstances such credibility could only be won if the process of data collection was perceived on the one hand to have been done as professionally and competently as possible and, on the other hand, to have been done in such a manner as to restore public confidence that political bias had been eliminated as completely as possible. For this reason great care was taken to establish a representative reference group as described above, and to ensure a properly inclusive process of consultation and discussion in laying the foundations (including the questionnaire) for the Survey. The second goal, also clear and agreed from the beginning, was that the data, once collected, belonged in the public arena and should be accessible to everybody. The thinking here was that the data should be immediately available not only to the World Bank and to the new government to provide information to guide policy but also to independent researchers, think tanks, NGOs and others for purposes of analysis. The issue of accessibility is discussed more fully below. The third goal which, although agreed upon by all parties, was not sufficiently planned at the beginning was that the Project should be run in such a way as to "build capacity" inside South Africa. Efforts were made to pursue this goal with some limited success. The limitation lay in the fact that a clear distinction was not drawn between capacity building for data collection and capacity building for data analysis. Given the dynamics of the Project, the emphasis fell inevitably on collection and cleaning of data and on training South Africans in the processes necessary to ensure this. It was not until the data had been collected and made available that attention was focused on training people to use this data for analysis, but by this stage not only was less money available but also the pressure was on to get the data analysed by whoever was competent to do so without waiting for the long process of training new analysts. Recognition of these dynamics is useful in understanding what the Project for Statistics on Living Standards and Development has and has not achieved.

## **C. Literature Survey**

Apart from the actual survey and to establish the nature and extent of data sources in South Africa, so that the survey would not take place in a vacuum, the World Bank suggested that a comprehensive search of the available literature be undertaken in order to collate all information about living standards and development in South Africa just prior to the start of the Survey itself. Basically this was an attempt to document how the situation had or had not changed in the decade since the main empirical work was done for the Second Carnegie Inquiry into Poverty and Development in 1983/84. Terms of Reference for eleven regional studies were drawn up by the Bank's project leader, Neeta

Sirur, the Bank consultant from IFPRI, Lawrence Haddad, and Saldru's Dudley Horner. The Bank seconded a South African intern, Peter Ellis, to Saldru for a year from September 1992 to work to the South African project leader, Francis Wilson, on recruiting and commissioning suitable researchers to undertake these studies. An item amounting to R187 500 was allocated for these papers in the overall budget. Two workshops, in February and August 1993 were devoted to these studies costing R71 376 = \$22 305.

Social scientists were drawn in from universities and other research organisations around the country, workshops were held, common guidelines were teased out, and a number of papers were commissioned. Altogether thirteen papers were published by Saldru. Of these, nine are regional poverty profiles of the Eastern and Northern Transvaal, Gauteng(PWV), Free State(Orange), Kwazulu/Natal, Durban, Transkei, Ciskei, Port Elizabeth and Uitenhage, and the Western Cape. The other four are cross-cutting studies focusing on Energy, Nutrition, Water Supply, and Housing.

#### **D. The LSIDS Component of the PSLSD**

##### **(i) Building Data Collection Capacity**

Because of the peculiar circumstances prevailing in South Africa at the time of the project where the society was transforming itself from a racial oligarchy into a modern non-racial democracy an unconventional approach had to be adopted. In some respects South Africa was and is data rich and had and has a number of technically competent data collection agencies including the national statistical agency the C.S.S. To ensure credibility for the country's first comprehensive, integrated LSMS type exercise a structure had to be created because official and unofficial agencies associated with the apartheid government were deemed inappropriate managers of the project.

Once a decision to contract Saldru for the project co-ordination had been taken a process was set in train to include items in the budget to cover costs of a reference group to oversee the project and a steering committee to manage it. The initial budget covered the period September 1992 to December 1993 inclusive under the following sub-heads:

	<u>R</u>
A. Household Survey	1 720 846
B. Data Entry	441 154
C. Workshops	240 000
D. Project Coordination	135 000
E. Saldru Overhead	532 000
	<hr/>
	3 069 000
F. Commissioned papers (to complement the LSDS)	187 500
	<hr/>
	3 256 500
	= \$ 952 193)

Funding for the project was secured by the World Bank from the Governments of Denmark, Norway and the Netherlands.

There were cost overruns, some anticipated and some unforeseen, and these affected mainly survey agencies, data entry/validation, workshops and printing costs. Some six workshops were envisaged in the original budget at a cost of R40 000 (\$11 696) per unit. These included a preparatory workshop, meetings of the reference group, technical committee and for producers of commissioned papers. No workshops were initially foreseen to deal with capacity building for policy analysis. Data entry and validation proved costly which is important to note in terms of LSMS type surveys conducted elsewhere. An additional literacy module added later also increased initial costing.

**a) Reference Group**

The reference group of 25 eminent South Africans and donor(s) covered the very wide South African political, professional and technical spectrum at the time. While not all members of the World Bank were always convinced of the necessity for such a supervisory body it was necessary at the time not only to introduce the Bank team to openly wary South African main actors but especially to introduce South Africans from previously antagonistic positions to each other, to encourage participation and cooperation and to ensure the credibility of the end product. This exercise in diplomacy and recruitment worked but would probably not have to be repeated in future. Precise costs cannot be attributed but the reference group, usually augmented by a Bank presence and technical, professional and administrative staff met on three occasions in meetings which cost R39 800 (\$12 438) *in toto*. Other costs, viz. stationery and communications and consultation *in situ* are concealed in the sub-heads of the budget *Project Coordination* and *Saldru Overhead* and are impossible to quantify.

### **b) Steering Committee**

A steering committee consisting of three prominent economists based at the three universities located in the province of the Western Cape plus a deputy vice-chancellor of the University of Cape Town was established to assist the Project Director, Professor Francis Wilson to manage the project. This committee was augmented by Dr Pundy Pillay who was appointed Survey Director early in 1993. It was provided with a budget of R135 000 to conduct its business, of which it spent R126 027 (\$39 383). There were other costs absorbed by the World Bank when Steering Committee members visited Washington in connection with data entry/validation, sample weighting and the literacy module added later. Saldru has no record of what these additional costs may have been. The committee met frequently and World Bank participants attended these meetings whenever their visits to South Africa coincided. Their deliberations were recorded in minutes or aide's memoir. Some of them also visited survey organisations and other participants around the country as the project progressed. Whether such a committee would be necessary again would depend upon where any future LSMS type survey were located, i.e. in research/survey agency sort of consortium which undertook this project or in the national statistical agency. The knowledge and experience of steering committee members was considerably enriched by their connection with the project and it would be a waste if their experience were to be dissipated.

### **c) Questionnaire Construction**

Drawing largely on World Bank experience with similar surveys in other countries (principally Ghana and the Cote d' Ivoire), a preliminary draft questionnaire for an integrated household survey (Mark One) was drawn up as a basis for discussion. A workshop in Cape Town (workshop O 11/10/92 costing R17 097 = \$5 000) involving some thirty social scientists and others (including members of the Reference Group) from around South Africa took this draft apart and put it together again as Mark Two. This process of drawing upon a wide range of informed criticism and suggestions by means of commissioned comments and of workshops, including members of the reference group, in different parts of the country went on for almost a full year and took the questionnaire through at least twelve drafts, three of which were tested in pilot projects in the field. Another six workshops were devoted to constructing the questionnaire:

			<u>R</u>	<u>\$</u>
Workshop	1	7-8/12/92	30 398	8 888
	3-5	22-26/3/93	6 610	2 066
	6	25/3/93	12 618	3 943
	7	8/5/93	2 461	769
			<hr/>	<hr/>
			52 087	15 666
			<hr/>	<hr/>

Twelve South African consultants who provided input on specific modules of the questionnaire cost a further R40 880 = \$12 775 while the pilots conducted in the field by four South African survey agencies cost another R39 068 = \$12 209. There were other costs absorbed by the World Bank in staff time, payments to foreign consultants, airfares and subsistence but South Africa has no record of this expenditure. The final result was by no means perfect but the process did help to eliminate a number of inconsistencies and to ensure that a lot of thought (and debate!) went into deciding what to include, what to exclude, and how to best phrase each question. Needless to say those working on the Project discovered more flaws after it was too late to change Mark Twelve but the lessons learned during the course of this, base line, survey can be incorporated into subsequent surveys as the new South Africa develops an ongoing capacity to monitor living standards and the emerging pattern of development.

Specific flaws in questionnaire design began to emerge during data capture/cleaning and initial analysis via tabulation of the first abstract. Other flaws are being revealed as end users produce papers using the database set. In a repeat exercise overall costs for these activities could be reduced considerably

#### **d) Sampling**

The sample design adopted for the study was a two-stage self-weighting design in which the first stage units were Census Enumerator Sub-Districts (ESDs, or their equivalent) and the second stage units were households. The advantage of using such a design is that it provides a representative sample that need not be based on accurate census population distribution. In the case of South Africa, the sample will automatically include many poor people, without the need to go beyond this and oversample the poor. Proportionate sampling with such a self-weighting sample design offers the simplest possible data files for further analysis, as weights do not have to be added. However, in the end this advantage could not be retained and weights had to be added. With the advantage of hindsight it is clear that it would have been simpler and more effective not to try and design a self-weighting sample but to recognise from the beginning that weighting was necessary. Selecting and drawing the sample was undertaken by Bank staff and members of the steering committee with a Bank consultant who had the South African intern mentioned earlier assigned as an assistant. The capacity of the latter was certainly enhanced in the process. Ultimately the data captured by the survey works well at the national level but variably at the provincial level. Most of the costs involved in these activities were absorbed by the Bank.

#### **e) Administering the Questionnaire**

In 1992 a decision was taken to employ a survey director and a systems manager on contract for the duration of the operations. The former was

to manage all aspects of the survey while the latter would be responsible for selecting hardware and software and designing programmes for data capture. Both were to work directly to the project director and the steering committee. Their employment added a further R220 000. to the budget and the extension of the survey director's contract into 1994 to deal with data capture, cleaning and verification and the initial stages of analysis increased the cost by a further R45 000. The final cost of these appointments covering a period from December 1992 to June 1994 amounted to R264 366 (\$82 614). The following professional survey organisations, each with different strengths were sub-contracted to apply the questionnaire in the field

	Contract Value	Actual Value	Actual Value
	R	R	\$
Data Reseach Africa (Durban)	295 000	296 926	
Social Surveys (Johannesburg)	214 500	233 352	
Bureau of Market Research (Pretoria)	306 110	306 110	
Human Sciences Research Council (Cape)	178 000	184 248	
Human Sciences Research Council (Durban)	98 500	98 500	
Human Sciences Research Council (Pretoria - Mark Data)	369 000	379 002	
Univ. of Transkei/Transkei Govt stats	132 236	132 236	
Medway Search (Durban)	42 500	42 500	
Africart (Durban)	85 000	85 000	
	1 720 846	1 757 874	549 336

Cost overruns, particularly in the cases of Social Surveys and Mark Data were occasioned by unfortunate circumstances. The months during which the questionnaire was being administered were not the quietest in South Africa's often troubled history. The run up to our first democratic election had begun and parts of the country were wracked by violence. The highjacking of a minibus containing a set of completed questionnaires was a sharp reminder of the difficulties facing survey organisations. In another extremely high-income metropolitan area it proved impossible to penetrate their security systems and the clusters had to be abandoned in spite of strenuous efforts.

Before, however, the survey organisations entered the field intensive training of their interviewers began. This was conducted mainly by a Bank consultant and the South African survey director. A large workshop costing R33 345 (\$10 420) was held in Cape Town in May 1993 while other training took place *in situ* at some of the survey organisations. This cannot be precisely costed but some R38 718 (\$ 12 100) was spent on travel (air and car) and subsistence. Printing the questionnaires cost R45 762 (\$ 14 300) while up to three pilots undertaken by four of the survey agencies cost another R39 068 (\$12 209) when the results of the first pilot questionnaires were received in May the alert sounded and the World Bank project leader was asked whether it would be possible to increase the initial budget by R92 000 (\$28 750) to provide for verification in the field. Observers (fliers) independent of the particular survey organisation working in an area were sent into the field to spot check completed questionnaires. The process of verification in the field, whilst not as comprehensive as we should have liked, helped to confirm the accuracy of the household roster in most (though not quite all) areas of the country whilst at the same time alerting us to certain weaknesses (particularly with regard to some of the anthropometric data) which meant that some tables which would have been useful to have could not be included in the final results. It also had unfortunate consequences for data capture and cleaning which increased costs considerably. This aspect of the process did yield useful insights into the considerable difficulties confronting survey agencies trying to capture information in troubled times. In spite of this only two of the 360 clusters chosen in the sample were abandoned. Without exception all the survey agencies reported at a workshop held in June 1994 that it had been a challenging and stimulating learning experience and that they were eager to be involved again if the exercise were to be repeated (which seems unlikely now).

#### **f. Data Capture and Cleaning**

In August 1993 two data capture supervisors were employed on initial contracts until May 1994 at an estimated cost of R70 875 (\$22 148), well within the original budget. A team of data entry clerks were hired in September on short-term contracts until the end of December 1993 as well as a three person team to verify questionnaires. Capturing and cleaning the data began in earnest and a validation programme began to run in mid-October 1993. By November 1993 it became apparent that the budget allocation for this sub-head was going to run-over and capture and cleaning would have to continue well into the new year. Extension of various temporary employees' contracts was approved until the end of January 1994 in some instances and until the end of May and subsequently June 1994 in others. The project was due to end at 31 December 1993.

urgent demands of policy formulators at a watershed moment in the country's history with the time required by social scientists to ensure thorough cleaning was not always easy but the conflicting needs were resolved by releasing the data in stages subject to decreasingly stringent restrictions. Thus in April 1994 preliminary tables (bristling with caveats as to their use because cleaning was still in process) were being used to inform government thinking in both the Unit for Fiscal Policy Analysis in the Department of Finance and through the DBSA to those involved in what was to become the Reconstruction and Development Programme located in the Office of the President. Subsequently in June 1994, in direct response to pressure from the new government, a preliminary abstract (heavily embargoed) was distributed by way of background information to members of the reference group, the World Bank, and some of the policy formulators doing research for government including those within the Office of the President. This volume was presented to the Hon. Trevor Manuel, in his capacity as a member of the reference group and the Cabinet Minister linked to the project at a workshop in Cape Town. This workshop cost R12 498 (\$3 906). Suggestions made at the workshop and subsequently were incorporated in the design and production of the final abstract containing some 325 statistical tables published in August 1994 as **South Africans Rich and Poor: Baseline Household Statistics**. At the same time computer diskettes containing the 38 files of raw data were released, with or without an accompanying statistical software package, to all persons or organisations who wished to purchase them. Despite widespread release at this date it was made clear to all potential users that criticisms of the data was called for and that further cleaning would continue until such time as a "revised authorised version" could generally be agreed upon. This was achieved in May 1995 although of course, in the field of data cleaning, it is seldom possible to talk of absolutely final versions and additional cleaning has continued until August. The database sets on 7 stiffy disks are available from Saldru at R250 per set (plus postage) to anybody who wants them. They can also be electronically transmitted.

#### **h. Costs of the Exercise**

It is a sobering experience to assess the ultimate costs of such exercises against the original budget. The original budget aimed principally at data collection over the 16 month period from September 1992 to December 1993 was R3 256 500. The project which contained elements of preliminary analysis including production of a preliminary abstract, and dispersal of information, as well as data collection continued throughout 1994 and indeed into 1995 cost R4 643 436 (\$1 451 074) over the extended period September 1992 to December 1994. The World Bank organised most of this funding, R4 552 996 (\$1 422 811) through generous foreign donors. There were additional costs absorbed by the Bank in Washington of which Saldru has no record. A sixteen-month project costed **on average** at R203 531 per month ran for 28 months at R165 837 per month.

## (II) Building Institutional Capacity for Analysis

When the PSLSD was being designed in 1992 some thought was given to how to ensure that the data from the survey would be analysed locally and by whom but **NO** separate or additional budget was envisaged for these activities. In South Africa, as elsewhere, a golden and unrepeatable moment was missed to upgrade the analytical skills of South African researchers thus creating a much broader pool to analyse this sort of data. Neither can any of the participants in the PSLSD claim to be unconscious of this need. The various uses to which the data could be put and planning for a possible Phase II including capacity building were mentioned in the original contract and were raised at no fewer than 15 meetings which were minuted between 1 February 1992 and 26 May 1994. These discussions are listed in the schedule on pages 15 & 16.

**Capacity building** is the catchword of the 'nineties in the development industry or game depending upon the perspective from which one originates or to which one descends. Obviously **individual** capacity can be enhanced by access to information and focussed training. **Institutional** capacity depends upon the retention of the skill pool whose capacity has been so enhanced and the **transfer** of such skills to heirs to the legacy of knowledge. **National** capacity depends upon the transfer of such skills to younger generations. Snapshots are often engaging but the broader view requires more effort and invariably more money.

In the South African experience of a LSMS (which has come to be known as the LSDS, locally) it is difficult to separate **individual** from **institutional** capacity building. Saldru has kept a register of holders/users/analysts of the LSDS database set. The individuals who have acquired these sets are located in institutions and **may** use their knowledge for private advancement **and/or** institutional capacity building. In either case, whether this enhances the ability of the nation to analyse data for policy purposes in the most efficient way is debatable.

As at 7 September 1995 the institutions in which individuals held LSDS database sets were those in the schedule on pages 17 & 18.

The register of individuals and their affiliations, who possess the LSDS database is contained in appendix 1. A questionnaire on the use of the database was disseminated to over ninety people in July 1995. Some 40 returns had been received by September 1995.

The people in institutions using the database for training or educational purposes are listed on page 19.

Meeting Type	Date	Issue
Saldru staff	1/2/93	Phase II mooted and to be taken to Reference Group
Steering Committee with Sirur, Haddad, Scott & Norton	2/3/93	Sirur stressed importance of qualitative approach and Norton introduces his work in Ghana & discusses Participatory Poverty Assessments used by W.B. Sirur mentions need for separate funding. Wilson suggests this could be part of Phase II.
Steering Committee	12/5/93	Training workshops mooted for Oct/Nov 93 to help people make use of data.
Steering Committee	19/5/93	S.C. authorises Wilson to approach Scandinavian donors during forthcoming visit to Oslo & Stockholm about further funding for long-term programme after clearance by Reference Group.
Steering Committee with Sirur	2/6/93	Other universities should be drawn in to the process, training should be given, Sirur suggests EDI procedures for capacity building and confirms S.C.'s view of importance of systematic analysis being done in country.
Steering Committee	11/8.93	Conference mooted and Post Phase I discussed.
Reference Group	27/8/93	Moots idea of 3 day workshops to train researchers in accessing data Targets <ul style="list-style-type: none"> <li>(a) Public Servants</li> <li>(b) Institutional researchers</li> <li>(c) Soc.Sc. post-grads</li> <li>(d) Development Agencies</li> </ul> Puts forward Nov 93 and Feb 94 as possible dates. View expressed that survey should be repeated every 3 years to maintain continuity. Moots idea of large conference with international and South African participants
Steering Committee	1/10/93	Mentions a general training workshop using clean data from 1000 questionnaires in Nov/Dec 93. Wilson reports that Sirur would like to be part of the planning process. Floats idea that survey should be run again in 1996 and usefulness of keeping structure in place to do this. Also raises issue of restructuring.

Meeting Type	Date	Issue
Steering Committee with del Ninno	19/10/93	Wilson reports that Sirur envisages a major high-powered conference and training is mentioned again
Steering Committee	15/11/93	Wilson seeks authority to discuss with Sirur budgetary implications of programme continuing beyond December 1993.
Steering Committee with Sirur	28/11/93	Sirur presents thoughts on Phase II which requires a systematic plan. Further funding would be required and this would be discussed with Nordic donors. Should be a capacity building process with a strong emphasis on affirmative action. A first stage would be to clean data and produce a set of tables. Next step an in-house training course over a 2-3 month period in early 1994 recruiting up to 12 good black researchers from around the country. The possibility of setting up a new Independent Institute to conduct the survey and analyse policy in future is floated
Steering Committee	23/1/94	Data to be released by May 94 and preliminary abstract to be prepared for May/June 94 workshop.
Steering Committee	25/3/94	Preliminary data to be released with caveats. The idea of an Institute for Statistics on Living Standards and Development is discussed as well as an international conference.
Staff meeting	11/4/94	Horner takes on function of 'traffic manager' for the abstract. Del Ninno's file format roster is discussed and joyfully adopted. Tabulation tasks are distributed between W. B. and Saldrú staff.
Steering Committee	26/5/94	Gratefully acknowledges budget extension approved by Sirur

## INSTITUTIONAL USE OF PSLSD DATA BASE AS AT 30 JUNE 1995

### SOUTH AFRICA:

- Government:**
1. Ministry of Finance, Unit for Fiscal Analysis.
  2. Fiscal and Finance Commission.
  3. Ministry of Housing.
  4. Ministry of Lands.
  5. Office of the Reconstruction and Development Programme.
  6. Ministry of Water Affairs and Forestry.
- Parastats:**
1. Council for Scientific and Industrial Research (CSIR), Building Technology Unit.
  2. C.S.I.R., Forestry Science and Technology Division.
  3. Human Sciences Research Council (H.S.R.C) in the three centres of Cape Town, Durban and Pretoria.
  4. Telkom.
  5. Development Bank of S.A. (DBSA).
  6. Medical Research Council (MRC).
- Provinces:**
1. Government of Kwazulu/Natal, Department of Health.
- Multilateral:**
1. UNICEF Mission, Pretoria.
  2. World Bank Resident Mission
- Private Consultants:** Nine agencies around the country.
- Independent Research Institutes :** Nine around the country.
- Universities:**
1. Cape Town, Economics.  
Cape Town, Energy for Development Research Centre.  
Cape Town, Medical School.  
" , Sociology.  
" , Student Advice Office.
  2. Natal, Durban, Centre for Social and Development Studies.  
" Computer Services Division.  
" Economics.
  3. Natal, Pietermaritzburg, Economics.
  4. The North, Agricultural Economics.
  5. Pretoria, Agricultural Economics.  
" , Economics.
  6. South Africa, Bureau of Market Research.
  7. Stellenbosch, Economics.  
Stellenbosch, Sociology.
  8. Western Cape, Education Policy Unit.  
" , Institute of Social Development.  
" , Public Health Programme.  
" , Sociology.
  9. Witwatersrand, Economics  
" , Sociology, Population Research Programme.
  10. Zululand, Library.

**ELSEWHERE:**

**Norway:** FAFO in Oslo

**Sweden:** University of Goteborg, School of Economics and Commercial Law.

**U.K.** 1. London, Dept. of Economics at SOAS.  
2. Oxford, Institute of Economics and Statistics.  
3. Brighton, School of African and Asian Studies at the University of Sussex.

**U.S.A. :** 1. Chicago, private consultant.  
2. Los Angeles, U.C.L.A.  
3. Princeton, Dept. of Economics, Woodrow Wilson School.  
4. Santa Monica, Rand Corporation.  
5. Stanford University.  
6. Washington, World Bank.  
7. Cambridge, Harvard University, Dept. of Economics.  
8. Columbus, Ohio State University, Agriculture.

Harvard University Economics	Assoc Prof. Jonathan Morduch	Undergraduate & Post graduates
Ministry of Finance	Ms. Ingrid Woolard	Public Servants
Oxford University, Centre for the Study of African Economics	John Knight	Post- graduates, Researchers
Princeton University	Prof. Anne Case  Prof. Angus Deaton	Undergraduate & Post graduates Post graduates
University of Cape Town Energy for Development Research Centre Economics Saldru	Mark Davis  Dr Murray Leibrandt Sten Dieden Dudley Horner Simon Mpele	Undergraduate & Post graduates  Development Agencies Undergraduate & Post graduates, Public Servants
University of Natal Durban, Centre for Social & Dev. Studies	Ms. Libby Ardington Ms. Francie Lund	Post graduates and Public servants
University of Natal, Pietermatizburg, Economics	Prof M.D. McGrath	Post-graduates
University of the Western Cape, Institute of Social Development	Prof. Pieter Le Roux	Post-graduates
World Bank, Resident Mission	Dr Stefan Klasen	Post-graduates
World Bank Washington	Dr. Harold Alderman	S.A. visiting researchers

As of September 1995 the register of users of the LSDS database reads like an **Ivy League** of South Africans, Americans and Europeans. It can hardly be claimed that affirmative or corrective action has been applied in any significant way.

On a less gloomy note capacity may be measured by the use to which the database has been put and some of the outcomes. The release, in August 1994, of the abstract, and the computer diskettes was arranged in such a manner as to publicise the existence of the new data set and its usefulness as widely as possible. An invited list of guests attended the launch by the Hon. Jay Naidoo, Minister in the Office of the President charged with implementing the Reconstruction and Development Programme. Coinciding with the launch was a workshop attended by staff and consultants from the World Bank. South African social scientists, and members of the new government. The launch engendered wide publicity in press, radio, and television (clippings attached).

The abstract together with appropriate companion volumes were distributed free of charge to relevant ministries of the central government. The Minister of Water Affairs and Forestry, for example, received both the abstract, South Africans Rich and Poor, and the publication on Water Supply and Sanitation. The RDP in the Office of the President received two full free sets of all 14 publications. The office ordered more on a selective basis. The Ministry of Health had originally ordered 11 copies of the abstract (two for the national ministry and one for each provincial health department) but subsequently increased the number to 24. Copies of the abstract and appropriate companion volumes were sent free of charge to the following Ministries in each of the nine new provinces: Office of the Premier; Departments of Education; Economic Affairs; Health; Transport and Public Works. The publicity together with these free copies engendered wide interest in the data, both for the descriptive information to be gleaned from the statistical tables in the abstract as well as for the raw data for deeper analysis. Approximately 500 copies of the abstract were sold in the first 12 months.

It is safe to conclude that the existence of the survey is reasonably well known amongst potential analysts both in South Africa and internationally. In addition to being used for South African government reports at Copenhagen, Beijing, and Istanbul in 1995 its publication came shortly before an international conference on poverty held in December 1994 under the auspices of CROP and Unesco in Paris where its potential was discussed. Rules governing the availability of its raw data are likewise fairly well known and are made freely available to any enquirer at Saldru.

### **Analysis**

In order to encourage analytical work to be done as soon as possible, people were invited to Workshops in August and December 1994. Continuing this process, again with support from the World Bank, a third workshop was held in June 1995 under the auspices of the Land and Agriculture Policy Centre (LAPC). This process seems to have been fairly successful in encouraging

analytical work on the data for by August 1995, within 12 months of its first release, a substantial number of papers have been written. Most of them had been presented at one or more workshops but were still at the Work-in-Progress stage and being revised for final publication.

The institutions listed which have the PSLSD data base indicates the extent of its use within the first year of its being released. It is notable that of the 22 South African universities only 10 possess the data base and of these 10 seven are the old established, formerly largely white, universities whilst of the remaining 3 neither the University of the North nor of Zululand are yet (September, 1995) actively using the data. Most of the papers analysing the data have been produced by the established and already more highly qualified members of the academic community.

At all 22 South African universities computer hardware and software is available. The level of technical sophistication is biased towards the old established universities and the extent of human resources capacity to use this equipment varies widely, with many of the newer, largely black, universities in a weak position and badly needing strengthening. One major difficulty with which these universities are currently wrestling in this period of transition derives from the fact that both the Government of National Unity and the private sector are drawing on these very universities for their skilled political, and managerial leaders thus exacerbating their capacity problem even further.

There are certain offices in government explicitly charged with policy analysis at both central and regional level. It is not clear whether even the government has a full list of all offices and persons charged with such analysis but none is publicly available. What we do know however is that the National Information Project within the Ministry of the RDP received a report in November 1994 from a mission under the auspices of the International Development Research Centre (IDRC) which describes the process necessary for a comprehensive transformation of the public sector decision making environment. In the past heavy reliance was placed on work done by semi-state institutions such as the Centre for Economic Advisory Services (the CEAS, formerly the Prime Minister's/President's Economic Advisory Council) the HSRC, CSIR, the MRC, and the DBSA. Whilst not organically part of the government these institutions were not as independent as some of the Universities. Many of these institutions are in the process of being transformed to reflect the new realities and government is continuing to rely on their services. Thus, the CSIR, for example has been commissioned through its building technology unit to prepare the background paper upon which the government will base its submission to the World Habitat II Conference to be held in Istanbul in late 1995. The government is using private consultants to prepare its submission to the fourth Women's Word Conference in Beijing in August/September 1995. On the other hand, for the world summit on Social Development in Copenhagen in March 1995 the government, through the RDP Office, prepared its own submission. In all three instances the PSLSD data has been utilised.

The level of computer, technical and economic analytical skills within government varies enormously. The unit for Fiscal Analysis in the Ministry of Finance has sophisticated hardware and software and a high-powered analytical team. The same applies to the Dept. of Health in KwaZulu/Natal. However not all departments at either central or provincial level are so well equipped with either the technology or the appropriately trained personnel. It is clear that major capacity building will be necessary at every tier of government in every part of the country before even this set of PSLSD data can be properly and fully utilised for planning purposes.

#### **E. The Record of Analysis of the LSDS IN ITS FIRST YEAR.**

With hindsight the original project budget and two supplementary budgets have better enskilled South Africans to conduct surveys to provide the data for Living Standards analysis rather than the analysis itself. Looking back this is actually what was built into the design of the project perhaps through too loose a use of the word "capacity". SALDRU was contracted to produce a data set according to the formula by the end of December 1993. This was done and South Africans white and black, male and female, were undoubtedly enskilled and further enskilled in appropriate techniques to do this using sophisticated modern methodology and Technology. It was only late in 1993 that thought started to be directed to the form of the end product, i.e. the statistical abstract in the form of tables. Looking back it is perhaps fair to say that the primary objective of the Bank was to obtain good data which could be used for poverty assessment. And it was to produce this data that the PSLSD was initiated and Saldru was contracted. The second goal, which emerged after the Project was under way was to produce the hard copy of the statistical tables. This goal was achieved using a supplementary budget and like the first phase was done in such a way as to enhance the capacity of a wide range of South Africans of all races in cleaning data sets and building such tables for use by informed policy makers. It is probably still too early to assess what impact analysis done thus far has had on policy. All analysis that we can trace is presented in the bibliography.

#### **Preliminary Abstract of Core Modules**

Intense cleaning of the data set took place from March to late June 1994 and some 207 tables were compiled for a heavily embargoed **PSLSD Preliminary Abstract** in a volume of 228 pages. This was presented to the Hon. Trevor Manuel, Minister of Trade and Industry in the GNU and a member of the Reference Group of the PSLSD at a workshop at the end of June. On the following day in the presence of Dr. Crispian Olver a director in the Reconstruction and Development Programme in the Office of the President (see Phase II below) it was intensively workshopped with members of the Reference Group and survey agencies. Commentary at the workshop and subsequently was later incorporated in the final abstract.

#### **Final Abstract of the Core Modules**

Further intensive cleaning of the data set continued in July and August. A final abstract entitled **South Africans Rich and Poor: Baseline Household Statistics** containing 325 tables plus maps, an explanatory commentary, schedules of sample

clusters and the questionnaire in a 404 page volume was launched by the Hon. Jay Naidoo, Minister in the Office of the President on the 25th August 1994. The book launch was accompanied by a two-and-half day workshop attended by some 150 participants. The World Bank was strongly represented as were UNICEF, the IDRC and the Danish and Dutch Embassies. On the South African side there was participation from the ministries of the RDP, Water Affairs, Finance, Agriculture, Health, Labour, Western and Eastern and Kwazulu/Natal provincial government, the Cape Town City Council, politicians, NGOs and CBOs, academics and the CSS, HSRC, MRC and Eskom. The abstract was distributed free to all participants. Some of the participants purchased full database sets on diskettes during or immediately after the workshop. The book launch and some of the papers presented at the workshop received excellent coverage in newspapers, radio and television. Cleaning of the database has continued in response to a dialogue in which Saldru has engaged with the 'active users' listed in Appendix 1.

### **Abstracts of the Modules of Special Emphasis**

A community questionnaire and a literacy module were later added on to the LSDS. In most instances the community questionnaire was poorly administered, almost as if the survey agency had considered it as an afterthought. It is nevertheless included on the database set.

The literacy module was only finally cleaned in the first quarter of 1995. A paper by Fuller, Pillay and Sirur (see bibliography) was presented to seminars and released in the U.S.A. to the South African Press Association (SAPA). It received attention in the South African and presumably foreign press because Saldru received enquiries about its content. Saldru procured a copy and it is now available. It has neither Saldru nor the World Bank's *imprimatur*.

### **Special Policy Studies**

A few studies have been done and published while a number of papers are known to be in various stages of preparation or revision. The GNU, through the RDP Office has either itself or through commissioned analysts used the LSDS for the country presentations to the Copenhagen Social Summit in March 1995 and the Beijing Conference on Women in September 1995. The Ministry of Housing has commissioned the CSIR for an input using their dataset for the Habitat II Conference in Istanbul in October.

The Ministry of Water Affairs and Forestry used and cited the LSDS in its White Paper on Water and Sanitation.

Robert Mazur was commissioned by the Centre for Epidemiological Research in SA (CERSA), a division in the MRC. to produce a paper on **Population Structure, Fertility and Childhood Mortality in South Africa** using the LSDS. This was published in May 1995. Whiteford, Posel and Kelatwang published a paper using LSDS income data in 1995.

The Land and Agriculture Policy Centre (LAPC) commissioned Data Research Africa (DRA) - one of the survey/research agencies sub-contracted by the PSLSD to

occasions and among its members, with P.S.L.S.D. connections, all of them white, were:

Ann Duncan	World Bank
Dudley Horner	Deputy-Director, Saldru
Stephan Klasen	World Bank Resident Mission
Francie Lund	CSDS
Julian May	DRA
Valerie Møller	CSDS
Mark Orkin	Case (recently appointed Director General of the CSS)
Ingrid Woolard	UPA, Ministry of Finance.

A large workshop on monitoring poverty was convened by the RDP/World Bank in May 1995. For this workshop Saldru was commissioned to produce a directory of people involved in poverty-related issues, a broad bibliography covering eight key indicators for poverty evaluation and monitoring and a report on the PSLSD. This it did. Valerie Møller of the CSDS subsequently produced a report of the proceedings of this workshop. These documents are available from CASE in Johannesburg. A list of the participants is contained in annexure 2.

In 1995 Saldru trained analysts in the use of STATA to manipulate the LSDS database from the following institutions:

Department of Health, Government of Kwazulu/Natal

Finance and Fiscal Commission

Public Information Centre/IDASA

Rural Foundation

The only other trainers known to possess STATA skills, as well as the LSDS database and to be **using** them for training of **South Africans** are the World Bank in Washington, the Resident Mission in Johannesburg, Professor Pieter le Roux at the University of the Western Cape, and Ms Ingrid Woolard at the Ministry of Finance **THAT IS ALL**. STATA is not being widely used.

In March, at short notice and at her request, Saldru's Deputy Director convened a panel for the chair of the Parliamentary Joint Standing Committee on Finance to discuss certain implications of a new tax structure with the JSCF's multi-party members. The five-person panel met with the committee for a four hour session at the end of March. Members of the panel with PSLSD connections included Horner, le Roux and Pillay. Horner presented an 18 page memorandum (with annexures) on tax and poverty affecting households with incomes of R10 000-R23 000 p.a. This utilised the PSLSD data base. The **tax threshold** was raised from R10-R15 000 p.a. There may have been some connections. Le Roux spoke to the issues of pension income and nutrition while Pillay addressed aspects of education.

Not least among the other outcomes were the 13 companion volumes produced by the PSLSD from between September 1993 and August 1994 to complement the LSDS. Unfortunately, not all these publications conformed to the TORs given to their compilers. It would have been desirable to refer some of these reports back and to have had all refereed. Time and funding constraints obviated this. From the list below the most notable contributions were those on the PWV (now Gauteng) the (formerly Orange) Free State, the Western Cape and that on Water Supply and Sanitation. The latter awaited the Minister of Water Affairs and Forestry as well as his two special advisors on their first day in office.

#### **COMPANION PUBLICATIONS OF LSDS**

BEUKES, E. & PEARCE, A: - Profile of the Orange Free State. SALDRU, UCT, 88pp, 1993.

ERASMUS, J: - Regional Poverty Profile: Northern & Eastern Transvaal. SALDRU, UCT, 300pp, 1993.

BRIJLAL, P, & HADEBE, P: - KwaZulu/Natal. SALDRU, UCT, 83pp, 1994.

COBBLEDICK, J. & SHARRATT, M: - A Profile of Poverty in the Durban Region. SALDRU, UCT, 152pp, 1993.

BEDER, N: et al - Dimensions of Poverty in the Western Cape Region, South Africa. SALDRU, UCT, 203pp, 1993.

EMMETT, A, et al - Water Supply and Sanitation Services in South Africa. SALDRU, UCT, 218pp, 1993.

FINCHAM, R, et al - The State of Nutrition and the Development of Nutrition Policy. SALDRU, UCT, 87, 1993.

HALL, P, et al - A Profile of Poverty in the PWV, Vol 1&2. SALDRU, UCT, 362pp, 1993.

HINDSON, D, & PAREKH, B: Urbanisation, Housing and Poverty. A National Literature Survey, 1980 -1993. SALDRU, UCT, 21pp, 1993.

KRUGER, V, & BUTHELEZI, S: - Eastern Cape/Border/Ciskei Regional Profile. SALDRU, UCT, 43pp, 1994.

LEVIN, M, SOFISA, TN: Profile of Port Elizabeth, Uitenhage & Kirkwood. SALDRU, UCT, 100pp, 1993.

MPAMBANI, S A: Poverty Profile of the Transkei Region. SALDRU, UCT, 78pp, 1994.

VAN HOREN, C. et al - Energy Poverty in South Africa: Widening Access to Basic Energy Services. SALDRU, UCT, 188pp, 1993.

There are four aspects, initially envisaged, which were abandoned: The greater area of what has become the Province of the Northern Cape, a region of what has become the Province of the Western Cape, the region which became the North West Province, and education. The other publications are available to anyone who can afford their very reasonable prices. All were distributed free of charge to national and provincial ministries. Two are now out of print and consideration is being given to reprinting.

## **F. Lessons from Hindsight**

In terms of the contract for **this** commissioned case study Saldrú was asked what could have been handled differently within the budget provided **and** if there were an unlimited budget. Certain assumptions need to be made in order to do this:

- Some of the main South African actors in the PSLSD would be retained.
- It would be independent of S.A. government institutions.
- The World Bank would have a role.
- Costs would be static.

It then becomes feasible to consider gearing, structures, design and implementation

### **(i) Lessons for Design of Survey Projects**

#### **(a) Budget**

The initial Budget for which the contract provided was R3 256 500 (\$952 193) on the South African side with further costs accruing in Washington (see pages 6 and 7). This was retransferred in December 1992 with some costs being redistributed between heads of the budget. For example, the original budget had envisaged the purchase of 2 4x4 vehicles but these costs were absorbed in survey agencies' contracts. Only one motor car was purchased for the project and subsequently sold. On the other hand, a survey director and systems manager were appointed in late 1992 to work to the director and steering committee. Several modules were added and Phase I ran into Phase II in a rather unsystematic manner. Following discussions and communications between the steering committee and the Bank in 1992, 1993 & 1994, the budget for Phase I was variously amended to the following.

	<u>R</u>
A. Household Survey	
(i) Survey	2 117 624
(ii) Project Coordination	126 027
(iii) Field Supervisors	78 526
(iv) Data Entry	
(a) Salaries of Capturers	386 225
(b) Equipment and office supplies	211 135
(v) Publishing the second abstract	7 299
B. Regional Studies	203 989
C. Saldru overhead	691 775
D. Workshops	270 814
E. Salaries of Co-ordinators	264 366
F. Literacy module	195 215
	<hr/>
	4 552 995
	<hr/>
	\$ 1 422 811

There was an over run of some R90 000 on this revised budget which was defrayed by Saldru from sales of project publications, the motor vehicle with Bank approval, and fees for training courses. In effect Saldru received an overhead of less than 15% for this exercise. Of this overhead the following expenses were directly consumed by the PSLSD:

	<u>R</u>
Administrators' salaries	104 765
Telephones and faxes	72 855
Stationery	18 367
	<hr/>
	195 987

The additional costs to Saldru in terms of the salaries of its deputy director, two administrators and three research workers, particularly in 1994 when Phase I slipped into Phase II without clear distinction could probably be imputed at ± R182 000. It is important to bear these costs in mind in planning future budgets. An overall budget of R4 500 000 (= \$1 250 000 at September '95 exchange rates) would be scheduled as follows:

	<u>R</u>
A Household Survey	
(i) Survey	2 062 000
(ii) Project Coordination	100 000
(iii) Field Supervisors	75 000
(iv) Data Entry	
(a) Salaries of Capturers	374 000
(b) Equipment and office supplies	100 000
(v) Publishing the abstract	100 000
B. Regional Studies	250 000
C. Saldru overhead	700 000
D. Workshops	215 000
E. Salaries of Co-ordinators	324 000
F. Literacy module	200 000
	4 500 000

This is how the budget on the South African side would have been restructured if the LSDS had taken place in a normal environment and not in the rather unruly period in which it did take place. The original contract mentioned a period of 16-18 months to capture data, cut initial tables and prepare diskettes of the data base but the budget was scheduled for the shorter period. The extra two months is necessary to complete the task satisfactorily

**(b) Gearing for the LSDS**

With hindsight Saldru should have restructured itself and where possible redeployed existing staff in the project putting on hold its other long-standing programmes. Unnecessary and destructive tension could have been contained if not entirely avoided. Its ten-year old Co-operative and Rural Service Programme would not have collapsed and its nineteen year old labour market programme would not have become endangered. In terms of capacity its complement of 12 staff and 14 interns in 1992 before the project began shrank dramatically to seven staff, one visiting research fellow and no interns in 1995. Capacity was certainly artificially built during the project but severely impaired after it.

**(c) Reference group and steering committee**

The 25 person reference group and five person steering committee would be collapsed into a single seven to 10 person steering committee consisting largely of professionals and technicians. This would effect savings in terms of workshop expenses.

#### **(d) Questionnaire design**

The questionnaire based on Bank experience was intensively workshopped through 12 versions with a great variety of participants with specific expertise. The final questionnaire served its purpose well but there **were** flaws and more are being revealed in the ongoing dialogue between 'active users' and Saldrú via the electronic superway. In some cases it is a simple matter of rephrasing a question more precisely, in others it is a matter of omission. Some examples are:

- Income from social pensions. This has to be rephrased to capture South African peculiarities and prevent unnecessary confusion.
- Employment status occasioned debate between Bank and South African participants. The primary question (employed/unemployed) was followed by subordinate questions on respondents' activities. In many instances respondents reported themselves as unemployed but subsequently reported income generating activities. This was particularly the case in rural areas where apparently unemployed people had access to land and water, grew crops, owned livestock and consumed or sold the products. Their perception was that they were not gainfully employed. A question on time allocation for farming activities could resolve this.
- Health: A question on HIV was included but virtually nobody reported an incidence. This is at variance with all health statistics collected elsewhere. No question was included on other STDs but S.A. taxpayers spend a considerable sum on special clinics for these diseases.

Housing: Should specify semi-detached dwelling as well as part of house, this caused data entry problems.

- Should include question of intra household time allocation to various activities.
- Employment: check that most up-to-date SIC and SOC are used.

Self employment: needs to be tightened up, first entry yielded enormous 'other' residual category which occasioned a lot of unnecessary cleaning and correcting later.

- Fertility: questions did not cover all possible pregnancy outcomes or current fertility. Fertility may be underestimated. Questions need to be improved. Has implications for training of interviewers.

Income and expenditure remain problematic. Questions need refining particularly at upper income levels.

Integrated questionnaire a bit unwieldy and difficult to implement, has implications for training of interviewers.

- Anthropometry needs to be given more thought, results disappointing.
- Modules vs full questionnaire as well as *ad hoc* surveys.
- Seasonality is not covered

Literacy module: numeracy tests may need to be redesigned.

## (ii) Lessons for Implementation

### (a) Project Management

One lesson learned the hard way was that a project such as this needs hands on management more than full-time for its entire duration. There had been some consideration of this and some compelling argument in its favour at the beginning of the project. Were such a project to be undertaken again, apart from the steering committee, the following management team would be required: Survey Director, Systems Manager, Field Manager. In the LSDS there were certain *ad hoc* arrangements which were undesirable. The survey director would be appointed for a full 18 month period, the systems manager for 12 months and the field manager for  $\pm 6$  months. Costs would rise from  $\pm R265\ 000$  in the 1993 LSDS to  $\pm R324\ 000$  in a fresh exercise. There would be savings on other heads of the budget.

The management team would need a small secretariat. The 1993 LSDS initially hired one senior administrator to be paid from the Saldru overhead. At least one senior administrator and a junior would be required, the former for the full 18 months and the latter for 12. Costs would rise from R105 000 to R135 000. On the other hand, costs of project coordination would fall from R126 000 to R100 000.

### (b) Survey costs

These could be cut from R2 117 624 in 1993 to about R2 062 000. Some of the 1993 costs related to purchasing customised office equipment for housing survey material as well as hardware and software. It may be necessary to upgrade computer systems with technological progress but initial setting up costs would decrease dramatically. If such a survey were conducted in 1997 it would be appropriate to capture data provincially in each of the nine provinces. It has been suggested that the **sample** be equally distributed, i.e. 1000 to each province. This requires further thought. It may be better

to weight the sample in advance to reflect the different demographic mixes and population densities. The project could run from May to April with data capture occurring in August/ September or September /October. Much tighter supervision coupled with experience gained on the first LSIDS should improve the quality of data capture in a second round.

**Data capture and entry** could be improved, particularly if entry were to take place in the field. This would have implications for training of interviewers and entry clerks and supervisors. Tight overall supervision in the field would be a *sine qua non*. Wage costs would remain about the same but equipment and office supplies would come down. The anthropometric section would need further careful thought. It would certainly need specialised training if it were to be more effective than round one. **Field supervisors** costs would remain roughly the same.

No specific budget item was initially allocated to publishing an end product. Two abstracts emerged from the 1993/4 LSIDS and the second volume was costly. Prior thought should be given to this but obviously a second round would publish only **one**.

At least nine provincial studies should be repeated and possibly up to five theme studies.

Workshop costs would decrease and they would be differently scheduled. More of them would be devoted to training.

## V Phase II - LSIDS Maintenance and the RDP

The LSIDS project was overtaken by the April 1994 elections, the Presidential inauguration and the installation of the GNU. The government has adopted the ANC's Reconstruction and Development Programme (RDP) - see RDP White Paper Discussion Document, September, 1994. The government has established an RDP Office headed by a senior Cabinet Minister and located it in the Office of the President,. It is a Ministry with no department and its status, nature and functions are still being determined. It is seen by some as a coordinating institution and by others as an engine of growth. For the moment its influence on economic policy in general has been redirected to a special Cabinet Committee.

The national statistical agency C.S.S. falls under the jurisdiction of the RDP Office. A new head of the CSS has been appointed recently. The CSS conducted its first October Household Survey (OHS) in 1993, and unlike the 1993 LSIDS, excluded the TBVC states. The results were released in Statistical Release PO317 on 23 May 1994. The 1994 OHS was released on 8 May 1995 in Statistical Release PO317.1. Database sets on diskettes are available from the CSS. The 1994 OHS excluded hostels from its sample which drastically underestimates the number of people employed in mining.

The National Information Project is another activity of the RDP Office. The following two reports sponsored by the Canadian International Development Research Centre (IDRC) describe the need for a co-ordinated national system of information collection, storage and dissemination:

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CAPE TOWN SEPTEMBER 1995

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Wilson, Francis. 1994. *Overview of poverty research in South Africa*. Paper presented at a SALDRU workshop on statistics for measuring poverty, Cape Town.

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Alderman, H: Duncan, Anne and Stephan Klasen. *Key indicators of poverty in South Africa*

Alderman, H. *Safety nets in South Africa*

Ardington, L. *Rural livelihoods programme*.

Ardington, L. *Methodology analysis*.

Case, Anne and Angus Deaton. *The effects of pension payments in South Africa*

Johnston, Deborah. *Some aspects of the sampling and weighting methods in the World Bank survey of South Africa*.

Le Roux, Pieter. *The impact of social old age pensions and maintenance grants on poverty*.

Le Roux, Pieter. *Poverty, social policy and the RDP*

Le Roux, Pieter. *Nutrition*.

Le Roux, Pieter. *Rural poverty*.

Moll, Peter G. 1995. *Primary schooling, cognitive skills and wages in South Africa*. Unpublished paper, Chicago.

Moller, Valerie. *Black South African families with older members: opportunities and constraints*.

Pillay, Pundy. *An overview of poverty in South Africa*.

Schreiner, Mark. *Analysis of household debt in South Africa*.

Simkins, Charles. 1994. *Income distribution model*. Unpublished paper.

Woolard, Ingrid. *Towards an understanding of South Africa's inequality*

Not least among the other outcomes were the 13 companion volumes produced by the PSLSD from between September 1993 and August 1994 to complement the LSDS. Unfortunately, not all these publications conformed to the TORs given to their compilers. It would have been desirable to refer some of these reports back and to have had all refereed. Time and funding constraints obviated this. From the list below the most notable contributions were those on the PWV (now Gauteng) the (formerly Orange) Free State, the Western Cape and that on Water Supply and Sanitation. The latter awaited the Minister of Water Affairs and Forestry as well as his two special advisors on their first day in office.

#### **COMPANION PUBLICATIONS OF LSDS**

BEUKES, E. & PEARCE, A: - Profile of the Orange Free State. SALDRU UCT, 88pp, 1993.

ERASMUS, J: - Regional Poverty Profile: Northern & Eastern Transvaal  
SALDRU, UCT, 300pp, 1993.

BRIJLAL, P, & HADEBE, P: - KwaZulu/Natal. SALDRU, UCT, 83pp, 1994.

COBBLEDICK, J. & SHARRATT, M: - A Profile of Poverty in the Durban Region.  
SALDRU, UCT, 152pp, 1993.

BEDER, N: et al - Dimensions of Poverty in the Western Cape Region, South Africa. SALDRU, UCT, 203pp, 1993.

EMMETT, A , et al - Water Supply and Sanitation Services in South Africa  
SALDRU, UCT, 218pp, 1993.

FINCHAM, R, et al - The State of Nutrition and the Development of Nutrition Policy. SALDRU, UCT, 87, 1993.

HALL, P, et al - A Profile of Poverty in the PWV, Vol 1&2. SALDRU UCT, 362pp, 1993.

HINDSON, D, & PAREKH, B: Urbanisation, Housing and Poverty. A National Literature Survey, 1980 -1993. SALDRU, UCT, 21pp, 1993.

KRUGER, V, & BUTHELEZI, S: - Eastern Cape/Border/Ciskei Regional Profile.  
SALDRU, UCT, 43pp, 1994.

LEVIN, M, SOFISA, TN: Profile of Port Elizabeth, Uitenhage & Kirkwood.  
SALDRU, UCT, 100pp, 1993.

MPAMBANI, S A Poverty Profile of the Transkei Region SALDRU UCT, 78pp, 1994.

VAN HOREN, C. et al - Energy Poverty in South Africa: Widening Access to Basic Energy Services. SALDRU, UCT, 188pp, 1993.

There are four aspects, initially envisaged, which were abandoned: The greater area of what has become the Province of the Northern Cape, a region of what has become the Province of the Western Cape, the region which became the North West Province, and education. The other publications are available to anyone who can afford their very reasonable prices. All were distributed free of charge to national and provincial ministries. Two are now out of print and consideration is being given to reprinting.

## **F. Lessons from Hindsight**

In terms of the contract for **this** commissioned case study Saldrú was asked what could have been handled differently within the budget provided **and** if there were an unlimited budget. Certain assumptions need to be made in order to do this:

- Some of the main South African actors in the PSLSD would be retained.
- It would be independent of S.A. government institutions.
- The World Bank would have a role
- Costs would be static.

It then becomes feasible to consider gearing, structures, design and implementation.

### **(i) Lessons for Design of Survey Projects**

#### **(a) Budget**

The initial Budget for which the contract provided was R3 256 500 (\$952 193) on the South African side with further costs accruing in Washington (see pages 6 and 7). This was retransched in December 1992 with some costs being redistributed between heads of the budget. For example, the original budget had envisaged the purchase of 2 4x4 vehicles but these costs were absorbed in survey agencies' contracts. Only one motor car was purchased for the project and subsequently sold. On the other hand, a survey director and systems manager were appointed in late 1992 to work to the director and steering committee. Several modules were added and Phase I ran into Phase II in a rather unsystematic manner. Following discussions and communications between the steering committee and the Bank in 1992, 1993 & 1994, the budget for Phase I was variously amended to the following.

	<u>R</u>
A. Household Survey	
(i) Survey	2 117 624
(ii) Project Coordination	126 027
(iii) Field Supervisors	78 526
(iv) Data Entry	
(a) Salaries of Capturers	386 225
(b) Equipment and office supplies	211 135
(v) Publishing the second abstract	7 299
B. Regional Studies	203 989
C. Saldru overhead	691 775
D. Workshops	270 814
E. Salaries of Co-ordinators	264 366
F. Literacy module	195 215
	<hr/>
	4 552 995
	<hr/>
	\$ 1 422 811

There was an over run of some R90 000 on this revised budget which was defrayed by Saldru from sales of project publications, the motor vehicle with Bank approval, and fees for training courses. In effect Saldru received an overhead of less than 15% for this exercise. Of this overhead the following expenses were directly consumed by the PSLSD:

	<u>R</u>
Administrators' salaries	104 765
Telephones and faxes	72 855
Stationery	18 367
	<hr/>
	195 987

The additional costs to Saldru in terms of the salaries of its deputy director, two administrators and three research workers, particularly in 1994 when Phase I slipped into Phase II without clear distinction could probably be imputed at ± R182 000. It is important to bear these costs in mind in planning future budgets. An overall budget of R4 500 000 (= \$1 250 000 at September '95 exchange rates) would be scheduled as follows:

	<u>R</u>
A. Household Survey	
(i) Survey	2 062 000
(ii) Project Coordination	100 000
(iii) Field Supervisors	75 000
(iv) Data Entry	
(a) Salaries of Capturers	374 000
(b) Equipment and office supplies	100 000
(v) Publishing the abstract	100 000
B. Regional Studies	250 000
C. Saldru overhead	700 000
D. Workshops	215 000
E. Salaries of Co-ordinators	324 000
F. Literacy module	200 000
	<hr/>
	4 500 000
	<hr/>

This is how the budget on the South African side would have been restructured if the LSDS had taken place in a normal environment and not in the rather unruly period in which it did take place. The original contract mentioned a period of 16-18 months to capture data, cut initial tables and prepare diskettes of the data base but the budget was scheduled for the shorter period. The extra two months is necessary to complete the task satisfactorily

**(b) Gearing for the LSDS**

With hindsight Saldru should have restructured itself and where possible redeployed existing staff in the project putting on hold its other long-standing programmes. Unnecessary and destructive tension could have been contained if not entirely avoided. Its ten-year old Co-operative and Rural Service Programme would not have collapsed and its nineteen year old labour market programme would not have become endangered. In terms of capacity its complement of 12 staff and 14 interns in 1992 before the project began shrank dramatically to seven staff, one visiting research fellow and no interns in 1995. Capacity was certainly artificially built during the project but severely impaired after it.

**(c) Reference group and steering committee**

The 25 person reference group and five person steering committee would be collapsed into a single seven to 10 person steering committee consisting largely of professionals and technicians. This would effect savings in terms of workshop expenses.

**(d) Questionnaire design**

The questionnaire based on Bank experience was intensively workshopped through 12 versions with a great variety of participants with specific expertise. The final questionnaire served its purpose well but there **were** flaws and more are being revealed in the ongoing dialogue between 'active users' and Saldrú via the electronic superway. In some cases it is a simple matter of rephrasing a question more precisely, in others it is a matter of omission. Some examples are:

- Income from social pensions. This has to be rephrased to capture South African peculiarities and prevent unnecessary confusion.
- Employment status occasioned debate between Bank and South African participants. The primary question (employed/unemployed) was followed by subordinate questions on respondents' activities. In many instances respondents reported themselves as unemployed but subsequently reported income generating activities. This was particularly the case in rural areas where apparently unemployed people had access to land and water, grew crops, owned livestock and consumed or sold the products. Their perception was that they were not gainfully employed. A question on time allocation for farming activities could resolve this.
- Health: A question on HIV was included but virtually nobody reported an incidence. This is at variance with all health statistics collected elsewhere. No question was included on other STDs but S.A. taxpayers spend a considerable sum on special clinics for these diseases.
- Housing: Should specify semi-detached dwelling as well as part of house, this caused data entry problems.

Should include question of intra household time allocation to various activities.

- Employment: check that most up-to-date SIC and SOC are used.
- Self employment: needs to be tightened up, first entry yielded enormous 'other' residual category which occasioned a lot of unnecessary cleaning and correcting later.
- Fertility: questions did not cover all possible pregnancy outcomes or current fertility. Fertility may be underestimated. Questions need to be improved. Has implications for training of interviewers.

- Income and expenditure remain problematic. Questions need refining particularly at upper income levels.
- Integrated questionnaire a bit unwieldy and difficult to implement, has implications for training of interviewers.

Anthropometry needs to be given more thought, results disappointing.

- Modules vs full questionnaire as well as *ad hoc* surveys.
- Seasonality is not covered
- Literacy module: numeracy tests may need to be redesigned.

## (ii) Lessons for Implementation

### (a) Project Management

One lesson learned the hard way was that a project such as this needs hands on management more than full-time for its entire duration. There had been some consideration of this and some compelling argument in its favour at the beginning of the project. Were such a project to be undertaken again, apart from the steering committee, the following management team would be required: Survey Director, Systems Manager, Field Manager. In the LSDS there were certain *ad hoc* arrangements which were undesirable. The survey director would be appointed for a full 18 month period, the systems manager for 12 months and the field manager for  $\pm 6$  months. Costs would rise from  $\pm R265\ 000$  in the 1993 LSDS to  $\pm R324\ 000$  in a fresh exercise. There would be savings on other heads of the budget.

The management team would need a small secretariat. The 1993 LSDS initially hired one senior administrator to be paid from the Saldru overhead. At least one senior administrator and a junior would be required, the former for the full 18 months and the latter for 12. Costs would rise from R105 000 to R135 000. On the other hand, costs of project coordination would fall from R126 000 to R100 000.

### (b) Survey costs

These could be cut from R2 117 624 in 1993 to about R2 062 000. Some of the 1993 costs related to purchasing customised office equipment for housing survey material as well as hardware and software. It may be necessary to upgrade computer systems with technological progress but initial setting up costs would decrease dramatically. If such a survey were conducted in 1997 it would be appropriate to capture data provincially in each of the nine provinces. It has been suggested that the **sample** be equally distributed, i.e. 1000 to each province. This requires further thought. It may be better

to weight the sample in advance to reflect the different demographic mixes and population densities. The project could run from May to April with data capture occurring in August/ September or September /October. Much tighter supervision coupled with experience gained on the first LSDS should improve the quality of data capture in a second round.

**Data capture and entry** could be improved, particularly if entry were to take place in the field. This would have implications for training of interviewers and entry clerks and supervisors. Tight overall supervision in the field would be a *sine qua non*. Wage costs would remain about the same but equipment and office supplies would come down. The anthropometric section would need further careful thought. It would certainly need specialised training if it were to be more effective than round one. **Field supervisors** costs would remain roughly the same.

No specific budget item was initially allocated to publishing an end product. Two abstracts emerged from the 1993/4 LSDS and the second volume was costly. Prior thought should be given to this but obviously a second round would publish only **one**.

At least nine provincial studies should be repeated and possibly up to five theme studies.

Workshop costs would decrease and they would be differently scheduled. More of them would be devoted to training.

## **V Phase II - LSDS Maintenance and the RDP**

The LSDS project was overtaken by the April 1994 elections, the Presidential inauguration and the installation of the GNU. The government has adopted the ANC's Reconstruction and Development Programme (RDP) - see RDP White Paper Discussion Document, September, 1994. The government has established an RDP Office headed by a senior Cabinet Minister and located it in the Office of the President. It is a Ministry with no department and its status, nature and functions are still being determined. It is seen by some as a coordinating institution and by others as an engine of growth. For the moment its influence on economic policy in general has been redirected to a special Cabinet Committee.

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