Lessons from the Project for Statistics on Living Standards and Development: The South African Story

Francis Wilson
Dudley Horner

March 1996

Poverty and Human Resources Division
Policy Research Department
The World Bank

This paper is a product of the research project, "Improving the Policy Relevance of Living Standards Measurement Study Surveys" being carried out under the guidance of Margaret Grosh and Paul Glewwe by the Poverty and Human Resources Division of the Policy Research Department of the World Bank. The findings, interpretations, and conclusions are the authors' own and should not be attributed to the Government of South Africa or to the World Bank, its Board of Directors, or any of its member countries.
Contents

PART I. THE SETTING  ......................................................... 1
  1. Introduction ................................................................. 1
  2. Historical Background .................................................. 1
  3. South African Database Environment ................................ 2
  4. Establishment and Goals of the Project ............................. 3

PART II. COLLECTION & DISSEMINATION OF DATA ........................................ 6
  5. Foundations ................................................................. 6
  6. Literature Survey .......................................................... 7
  7. Development of the Questionnaire .................................... 9
  8. Sampling ................................................................. 10
  9. Building the Survey Consortium ...................................... 10
 10. Administering the Questionnaire ................................... 11
 11. Entry and Cleaning of Data ............................................ 11
 12. Dissemination of Data .................................................. 12

PART III. ANALYSIS, CAPACITY-BUILDING & ASSESSMENT ............................. 14
  13. Analysis for Policy ..................................................... 14
  14. Overall Assessment including Capacity Building .................... 16
  15. Conclusion: Looking forward with hindsight ......................... 20

APPENDICES
  A: Budget ................................................................. 23
  B: Suggested Questionnaire Revisions for Future Surveys ............ 29
  C: Holders, Users, and Analysts of dataset as of August 1, 1995 .. 30
  D: Bibliography of Conference, Seminar, and Other Papers Prepared with the Data 33
  E: Lessons from Hindsight .................................................. 36
REPORT ON
THE PROJECT FOR STATISTICS ON LIVING STANDARDS
AND DEVELOPMENT

PART I. THE SETTING

1. Introduction

This report is intended not only to account for, but also to draw lessons from, the Project for Statistics on Living Standards and Development (PSLSD) which undertook what ultimately became known as the South African Living Standards Survey (SALSS). The process, which began to be discussed in early 1992 with a contract finalized 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. Although further work, particularly with regard to policy analysis and capacity building, was needed in 1995 and 1996 it is the 28 month period, September 1992-December 1994, that is the main focus of this report.

2. 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 (funded wholly or partially by the tax-payer) existed within the government of the day, within parastatals, and within research centres at some universities 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, both with a focus 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 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 publicly against apartheid policy were kept firmly at arms length or worse.

In the years before 1990 an alternative network of social scientists fiercely opposed to apartheid existed both inside and outside the country. Within the country, these social scientists were located in some of the universities, in the trade union movement, and in an extensive network
of community based organisations (CBOs) and non-governmental organisations (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 although by no means entirely funded by donors, both governmental and non-governmental, 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.

3. 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. 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. Subsequently 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 exclude these areas. 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. 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

---

1 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/CSS) maintain the flow.

2 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.
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 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 areas. From this date the OHS based on a large sample of 28 000 households has been planned to take place on an annual basis. The quinquennial census, which was last taken 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.

4. **Establishment and Goals of the Project**

It was in an attempt to overcome the weaknesses in the national data sets 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.

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 from and
interaction with an institution such as the World Bank, is, we believe, one that needs to be developed further.

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.

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. In the terms of reference, negotiated between the World Bank and Saldru at the time of the contract, it was spelt out that:

"The specific objectives of the proposed project are two-fold: first, to create an adequate (and credible) national database on poverty for use in policy analysis and program design; and second, to help strengthen independent (non-government) capacity within South Africa for poverty data collection/analysis and for continuous monitoring of the national effort to reduce the incidence of poverty. These objectives would be furthered in two distinct project phases as summarised below:

(i) Phase I...would be aimed at updating and filling gaps in national poverty information...
(ii) Phase II...would be aimed at strengthening independent capacity for continuous poverty monitoring...

To the extent that design of Phase II of the project requires considerable further refinement...the present focus is on implementation of Phase I. A detailed proposal for Phase II would be developed by about February 1993 and implementation arrangements would be firmed up once funding has been secured. In this context, the scope of work outlined [in the terms of reference] focuses almost exclusively on Phase I."

In the end, for reasons that will be explored, whilst Phase I was somewhat extended both in time and scope Phase II was never designed nor implemented. Assessment of the Project for Statistics on Living Standards and Development must thus itself fall into two parts: the first assessing Phase I in terms of the goals and tasks set in the terms of reference and subsequent discussion; the second assessing the reasons and consequences of failing to develop and implement Phase II.

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 not only to have been done as professionally and competently as possible but also to have been done in such a manner as to restore public confidence that political bias had, as far as possible,
been eliminated.

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 underlying thinking was that open access to such information should be one of the hallmarks of the new South African democracy. Thus the data should be immediately available not only to the new government and to the World Bank to guide policy but also to independent researchers, think tanks, NGOs and anybody else who wished to use it for purposes of analysis.

The third goal agreed upon by all parties was that the Project should, from the very beginning, 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 the different types of capacity building needed were not sufficiently thought through nor clearly spelt out at the beginning. 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 as quickly as possible 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.

With hindsight it is possible to identify the main steps that were necessary in order for the Project to achieve its goals. To help structure this report we list these steps and will then describe and assess them one by one. Budgetary details are kept as far as possible to the endnotes (Appendix A) where each note has a letter that corresponds to the relevant superscript in this main report.

<table>
<thead>
<tr>
<th>Table 1. Main Steps to achieve goals of the Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>0. Foundations</td>
</tr>
<tr>
<td>1. Literature Survey</td>
</tr>
<tr>
<td>2. Development of the Questionnaire</td>
</tr>
<tr>
<td>3. Sampling</td>
</tr>
<tr>
<td>4. Building the Survey Consortium</td>
</tr>
<tr>
<td>5. Administering the Questionnaire</td>
</tr>
<tr>
<td>6. Entry &amp; Cleaning of Data</td>
</tr>
<tr>
<td>7. Data into the Public Arena</td>
</tr>
<tr>
<td>8. Analysis for Policy</td>
</tr>
<tr>
<td>9. Capacity Building</td>
</tr>
</tbody>
</table>
PART II. COLLECTION & DISSEMINATION OF DATA

5. Foundations

The importance of laying the necessary foundations for a Project of this nature cannot be over-emphasised. In a country like South Africa it is simply not possible to undertake a major social survey without careful consultation and the subsequent establishment of appropriate structures that meet the concerns of those consulted.

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 asked to serve in their individual capacities. It is interesting to note where some of these persons were in the period after the new democratic government came to power: Trevor Manuel, Minister of Trade and Industry; Alec Irwin, Deputy Minister of Finance; Cheryl Carolus, Deputy General 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 Barn, General Secretary of the South African Council of Churches; Mahlamola Skhosana, Deputy General Secretary of NACTU; Professor Charles Simkins, Econometrician and Professor of Political Economy at the University of the Witwatersrand; Dr Johann Liebenberg, Chamber of Mines; Professor Wiseman Nkhuhlu, Chairman of the Development Bank of Southern Africa; 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/Pediatrics at Red Cross Children's Hospital and Associate Professor in Pediatrics 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.

The reference group of 25 eminent South Africans plus donor representatives\(^3\) 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

\(^3\)The three donors were, by agreement, normally represented either by Peter Hansen of Norway or Yoke Brandt of the Netherlands.
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 well, we believe, but would probably not have to be repeated in future.

The steering committee (consisting of three 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 Director of SALDRU, Professor Francis Wilson, with the overall management of the project. This committee was augmented by Dr Pundy Pillay who was appointed Survey Director early in 1993. It was provided with a budget and 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. The committee met frequently and World Bank participants attended these meetings whenever their visits to South Africa coincided. The main points of discussion and decisions were recorded in minutes or aide memoirs. Some of them also visited survey organizations and other participants around the country as the project progressed. The knowledge and experience of steering committee members was considerably enriched by their deep involvement with the Project and it would be a waste if this experience were to be dissipated. In sum, the establishment of the Reference Group and of a Steering Committee to broaden the managerial base beyond one university whilst leaving one research organisation with clear responsibility for delivery, proved to be creative and helpful innovations.

6. Literature Survey

A comprehensive search of the available literature was undertaken, at the suggestion of the World Bank, in order to collate all information about living standards and development in South Africa just prior to the start of the Survey itself. 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 and the Bank seconded a South African intern, Peter Ellis, to Saldru for a year from September 1992 to work on recruiting and commissioning suitable researchers to undertake these studies.

Social scientists were drawn in from universities and other research organizations 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. They are listed in Table 2.
TABLE 2. PUBLICATIONS RESULTING FROM THE LITERATURE SURVEY


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


7. Development of the Questionnaire

Drawing largely on World Bank experience of similar surveys in other countries both in Africa and in Asia, a preliminary draft questionnaire for an integrated household survey (Mark One) was drawn up as a basis for discussion. A workshop in Cape Town 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 developing the questionnaire.

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.

There is no doubt that the long process of debating the questionnaire through many versions and in different parts of the country was worth doing for at least two major reasons. One was that the process of encouraging debate amongst a wide range of social scientists who had not previously worked with data from an integrated household questionnaire helped in the process of learning about the potential (& the limits) of such surveys. Second was the fact that input by people coming from different parts of the country, and trained in different disciplines helped ensure that important aspects were not entirely excluded from the questionnaire. For example, urban based social scientists from the Western Cape or Johannesburg might have been willing, under pressure of the severe limit to the total number of questions which could be asked in a survey of this magnitude, to forgo detailed questions on rural subsistence farming on the grounds that other questions (eg about migration) were more important and needed to be included. But social scientists, at workshops held in the eastern Cape and Natal, would have none of it. They knew how important for the rural poor are those few assets such as goats and gardens which do not normally feature in any count of the country's productive capacity. Similarly the economists were by no means all persuaded of the need for normative, opinion-type, questions asking household's of their assessment of personal safety or of well-being. But the views of sociologists and anthropologists prevailed, resulting in some fascinating statistics (yet to be analysed fully) about crime and about perceived quality of life.

Needless to say those working on the Project discovered more flaws, of both commission and omission, 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.4

8. 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, such a sample would 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 recognize from the beginning that weighting would be necessary. Selecting and drawing the sample was undertaken by a World Bank consultant assisted by a South African Intern (see p. ), by Bank staff and by members of the steering committee. The capacity of the Intern 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, bearing mind the fact that neither the total number nor the boundaries of the new provinces were known at the time of drawing the sample. Most of the costs involved in these activities were absorbed by the Bank.

9. Building the Survey Consortium

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.5 The following professional survey organizations, each with different strengths were sub-contracted to apply the questionnaire in the field: Data Research Africa (Durban); Social Surveys (Johannesburg); Bureau of Market Research (Pretoria); Human Sciences Research Council (Durban); Human Sciences Research Council (Cape Town); Mark Data (HSRC, Pretoria); and the University of Transkei/Transkei Govt. Statistics Dept. (Umtata).

Given the historical circumstances it was found useful to spend time and money on workshops and on informal meetings to enable the leading players in the different survey organisations to meet each other where they had not previously done so; and to get to know and appreciate each other. This building of mutual trust and sense of common purpose in a joint

---

4 See Appendix B for details of some questions that need to be revised or added for the next survey.
enterprise to obtain the best possible data set was important and will hopefully facilitate future survey work in the country.

Before, however, the survey organizations entered the field intensive training of their interviewers began. This was conducted mainly by the Project's survey director with help from a member of the Bank's staff. A large workshop was held in Cape Town in May 1993 while other training took place in situ at some of the survey organizations. While up to three pilots were undertaken by four of the survey agencies.

10. Administering the Questionnaire

The months during which the questionnaire was being administered were not the quietest in South Africa's often troubled history. The run up to the first democratic election had begun and parts of the country were wracked by violence. The hijacking of a minibus containing a set of completed questionnaires was a sharp reminder of the difficulties facing survey organizations. In another, extremely high-income, metropolitan area it proved impossible to penetrate the households' security systems and the clusters had to be abandoned in spite of strenuous and repeated efforts. These difficulties caused cost overruns, particularly in the cases of Social Surveys and Mark Data, which could not really have been foreseen or prevented.

When the results of the first pilot questionnaires were received in May 1993 the importance of verifying the data actually captured was realised and the World Bank was asked to increase the initial budget to provide for verification in the field. Observers (fliers) independent of the particular survey organization working in an area were sent 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. These difficulties in the field increased considerably the costs for data capture and cleaning which had to be done that much more carefully as a result. 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.

11. Entry and Cleaning of Data

In August 1993 two data capture supervisors were employed on initial contracts until May 1994. 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 that 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 but the work was not yet complete and the country was in the midst of the hectic four month run-up to historic democratic elections. A number of those involved in leading the Project had to be away for one reason or another, including monitoring the elections on behalf of the Independent Electoral Commission and preparing budgets for the new government-to-be. Thus Saldru's Deputy Director was assigned to hold the fort. Early in 1994 the Bank's consultant, Dr. Carlo del Ninno, designed an elegant file format with a roster. And cleaning continued apace until June 1994. Despite widespread release at this date it was made clear to all potential users that criticism of the data was called for and that further cleaning would continue until such time as a 'revised authorised version' could be generally agreed upon. This was tentatively achieved in May 1995 although of course, in the field of data cleaning, it is seldom possible to talk of absolutely final versions. Additional cleaning in fact continued until August 1995.

12. \textbf{Dissemination of Data}

Given that the first democratic elections were being held at the end of April 1994, the timing of the Project was exceptionally tight. Reconciling the 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 and proper presentation of data was not always easy but the conflicting needs were resolved by releasing the data, in stages, subject to decreasingly stringent restrictions.

In March 1994 templates for a preliminary abstract were devised. Saldru's Horner was assigned the task of 'traffic manager' or co-ordinator. A production team at Saldru in Cape Town and at the World Bank in Washington began the task of cutting tables and assembling the abstract. Cleaning of data continued by way of checking and correcting for obvious errors along the way. By 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 Development Bank of Southern Africa, 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, [which was installed on 10th. May] 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.
Suggestions made at the workshop and subsequently were incorporated in the design and production of the final abstract.

Further intensive cleaning of the data set continued in July and August. The final volume 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 Minister in the Office of the President, the Hon. Jay Naidoo, 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 two of the three donor 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, the Medical Research Council and the Electricity Supply Commission (Escom). The abstract was distributed free to all participants. Some of the participants purchased full database sets on diskettes. The book launch and some of the papers presented at the workshop received excellent coverage in newspapers, radio and television. The abstract together with appropriate companion volumes (see Table 2 p.12) 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 major 1995 conferences in Copenhagen, Beijing, and Istanbul 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. The database files on seven 3.5 inch diskettes are available from Saldru at R250 per set (plus postage) to anybody who wants them. They can also

---

be electronically transmitted and are expected to be available in cyber-space on Web Sites in both SALDRU at the University of Cape Town and at the World Bank by mid 1996. A list of those known to be using the data within the first twelve months of its release is contained in appendix C.

PART III. ANALYSIS, CAPACITY-BUILDING & ASSESSMENT

13. Analysis for Policy

In order to encourage analytical work to be done as soon as possible, people were invited by Saldru to Workshops at the University of Cape Town 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) in Johannesburg. 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 had 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 (see appendix C) which have the SALSS 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 10 possess the data base but that of these 10 seven are the old established, formerly largely white, universities whilst of the remaining 3 only one is actively using the data. Most of the papers analyzing the data have been produced by the established and 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 was commissioned through its building technology unit to prepare the background paper upon which the government based its submission to the World Habitat II Conference held in Istanbul in late 1995. The government used private consultants to prepare its submission to the fourth Women's World 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 SALSS data was utilized.

In addition to these reports, a few special policy studies have been published while a number of papers are known to be in various stages of preparation or revision. The Ministry of Water Affairs and Forestry used and cited the data in its White Paper on Water and Sanitation. At least one of the papers presented (by Dudley Horner) at the December 1994 Workshop was forwarded as a background paper for the Presidential Conference on Small Business held in Durban in March 1995. Robert Mazur was commissioned by the Centre for Epidemiological Research in SA (CERSA), a division in the Medical Research Council, to produce a paper on Population Structure, Fertility and Childhood Mortality in South Africa using the SALSS. This was published in May 1995. Whiteford, Posel and Kelatwang published a paper using the 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 Saldru to capture data] to compile a report on rural poverty using the SALSS. The second version of this was critiqued at a workshop in June 1995 and a final version was being prepared shortly thereafter.

The RDP in the Office of the President has published a paper, drawn up by a World Bank team, on Key Indicators Of Poverty in South Africa. A further number of academic research papers have and are being generated. It is still too early to assess what impact analysis done thus far has had on policy but there is no doubt that the data itself has been used to inform a number of government policy documents. Thus, for example, at the request of the chairperson of the Parliamentary Joint Standing Committee on Finance (JSCF), Saldru's Deputy Director, in March 1995, convened a panel to discuss certain implications of a new tax structure with the JSCF's multi-party members. Members of the panel, all deeply involved in the Project, met with the committee for a four hour session. Dudley Horner presented an 18 page memorandum (with annexes) on tax and poverty affecting those households with incomes ranging between R10 000 and R23 000 p.a. Pieter Le Roux spoke to the issues of pension income and nutrition, while Pundy Pillay addressed aspects of education. All three utilized the SALSS data base. Subsequently in a decision that may have been influenced by these presentations, the Joint Standing Committee raised the threshold below which no income taxes are paid from R10 000 to R15 000 per annum.

Later that year Saldru was asked to use the SALSS data base together with the results of the 1994 October Household Survey to generate tables on the labour market for the Minister of
Labour's Comprehensive Labour Market Commission (CLMC).

A comprehensive list of all articles and reports (using the data) known to Saldru by the end of 1995 is contained in the bibliography in appendix D.

14. Overall Assessment including Capacity Building

Going back to the terms of reference (see p.6) we remind ourselves that the Project had two specific objectives: first to create an adequate (and credible) national database on poverty for use in policy analysis and program design; and second, to help strengthen independent (non-governmental) capacity within South Africa for poverty data collection/analysis and for continuous monitoring to the national effort to reduce the incidence of poverty.” Phase 1, for which the funds were provided, was “aimed at updating and filling gaps in national poverty information”.

Phase 2, “aimed at strengthening independent capacity for continuous poverty monitoring”, was seen to require considerable further refinement during the early months of implementing the first phase. A proposal was to be ready near the beginning of 1993 with fund raising soon thereafter.

The immediate goals, as they became clarified (see p.7) in discussion amongst those responsible for the Project, were generally agreed to be:

1. To collect the best data possible & to do so in such a manner as to ensure maximum credibility of the information gathered.
2. To disseminate the results of the survey as widely as possible and to ensure public access to the data.
3. To run the process in such a way as to maximize the building of capacity within South Africa.

With this background we turn now to an assessment of the Project as it evolved to the end of 1995. The ten steps involved are listed in Table 1 (p.8) viz:

Laying foundations (both political & infrastructural); literature survey; development of the questionnaire; sampling; building the survey consortium; administering the questionnaire; entry & cleaning of data; dissemination of the data; analysis for policy; capacity building.

In terms of the terms of reference, phase 1 was highly successful. The goal of obtaining accurate, properly sampled, and credible (in both professional and political terms) data was achieved. Of course the statistics are by no means perfect, as the cleaning process made all too painfully clear, and we have detailed in this report some of the difficulties and the imperfections. Nevertheless the information now available as a result of the South African Living Standards Survey is generally agreed to be a good integrated household data set which provides a far clearer picture and enables much deeper and more comprehensive analysis than anything previously collected in this field in South Africa. The process of collection, cleaning, and dissemination was systematic and rapid which meant that the data was widely available for analysis within less than twelve months of its being collected in the field. And comprehensive tables summarising the main
findings were likewise published within the year. The availability of the data and its main (descriptive) findings were, as we have seen (pp.20-21) widely publicised in the press, radio, and television. Appendices C & D, detailing who was actually using the data as well as the articles and reports that drew on it within the first twelve months of its release, provide a measure of the extent to which the first two of the three goals listed above (p.26) were achieved.

What then of Phase II and the "strengthening [of] independent capacity for continuous poverty monitoring"? In attempting to answer this question we run immediately into the shifting dynamics of the Project as it unfolded during the turbulent and rapidly changing environment during the 18 months running up to the first democratic elections in April 1994 and the 18 months that succeeded them when the new Government of National Unity was finding its feet. We run also into the fact that the "capacity" to be strengthened was itself not clearly defined at the beginning of the Project. With the advantages of hindsight it is possible to identify a number of different dimensions or aspects of capacity as they unfolded during the course of this Project. Essentially capacity building was required to increase both the number and the skills of South African individuals &/or institutions able to:

1. Undertake the tasks that had to be done in the SALSS including sampling, drawing up and administering a questionnaire, and cleaning the data.

2. Analyse the data, at what one might call the primary level, in order to obtain basic information such as that contained in the descriptive, two-way, tables published in *South Africans Rich and Poor: Basic Household Statistics*.

3. Interrogate the data at a deeper, secondary, level in order to undertake more sophisticated analysis such as that done by Pieter le Roux on Pensions, Michael McGrath on Income Distribution, or Julian May & others on Rural Poverty.

Underlying these three dimensions of capacity building were two further important aspects, viz. The need to:

4. Overcome the historical bias within South Africa which had resulted in the fact that, in general, there were far more white than black research workers available with the necessary training and experience, and far more historically-white than historically-black Universities with the research capacity required for the Project.

5. Lay the groundwork for ensuring an ongoing process of independent poverty monitoring by setting up the structures to undertake further integrated household surveys in future years. In other words, to ensure, that the South African Living Standards Survey conducted as the core of the Project for Statistics on Living Standards and Development was not a once off investigation but that it marked the beginning of a process that it was hoped would continue and be repeated many years into the future.

Considering these five aspects of capacity-building one by one, it seems to be generally agreed amongst those involved in the Project that the first was well done. South African capacity, at both institutional and individual level, to undertake all aspects of a national integrated household survey was enormously enhanced by the processes put in place during the course of undertaking
this first survey. Not the least of these processes which drew together a wide range of already existing survey organisations (known irreverently as ‘the motley crew’) in such a way that they could learn from and complement each other--despite some initial prickliness. In general, in terms of drawing up the questionnaire, sampling, cleaning the data etc. the process also did much to overcome historical bias through training both formal and informal (including participation in workshops) and through learning by doing.

With regard to the second aspect, of capacity-building for primary analysis, it is probably fair to say that the Project did reasonably well but not as well as it could or should have done. It did well in the sense that a significant number of South Africans who had not previously done much manipulation of data learned how to get access to the SALSS data set and how to analyse it using either STATA or one of the older statistical packages. The book of basic tables from the data was produced, in a model interactive process between Saldr in Cape Town and the World Bank in Washington, at great speed under considerable deadline pressure from anxious politicians. But more could and should have been done earlier, as an integral part of the Project from the very beginning, to train more people (using other data, perhaps from another country) so that they would have been ready to analyse the South African data as soon as it was available. In the event, as can be seen from appendix C.

Quite apart from the situation in different Universities and other independent research organisations 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 Department of Health in KwaZulu/Natal. However not all departments at either central or provincial government 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 SALSS data can be properly and fully utilised for planning purposes. In both the academic world and government there is a long way still to go in overcoming the historical bias which determines who in South Africa is able to use the data.

This conclusion holds even more strongly with regard to secondary analysis. Thus whilst we may conclude that South Africa has done rather well in the sense of adapting and upgrading its existing capacity to ask searching questions of the data at a fairly deep level within months of it being available, it has not done nearly so well in reducing the proportion of whites (who in general are also male) amongst those writing the analytical, econometric, papers which ultimately are most likely to have an impact upon policy. Of course the level of training required before such analysis can be undertaken is such that there was little that could be done at short notice by a project of this nature. Nevertheless an opportunity existed (which was missed because flexible funds were not available nor did it prove possible to raise more when the window opened) to train half a dozen black students who had obtained their Honours (4th year) degree in Economics and who could have been lured into spending two years writing up different Masters' theses, using the SALSS data, under first rate supervision at the University of Natal.
With regard to the impact of the Project in strengthening research capacity at Historically black Universities significant work was done in the following three ways:

1. At the University of the Western Cape the presence of Professor Le Roux, Director of the Institute for Social Development as an active and hard-working member of the Project’s Steering Committee, led to a good deal of training of students in primary data analysis.

2. At the University of Fort Hare a team led by Vanessa Kruger & Sipho Buthelezi produced one of the literature surveys (see table 2 p.12), whilst Professor Mac Makalima, a member of the Reference Group, hosted an eastern Cape workshop to discuss the questionnaire, thus ensuring that the University participated in the ongoing process of the Project.

3. At the University of the Transkei a team led by Sintu Mpambani of the Transkei Department of Statistics worked with Saldru to administer the Questionnaire in that region.

None of these activities, important though they were, were sufficient to overcome the historical bias referred to above nevertheless they marked important breakthroughs, pointing the way to future mutually beneficial research collaboration between South African universities with different historical backgrounds.

But it is with regard to the fifth aspect of capacity building that the final outcome was very different from what was originally envisaged. And it is to an assessment of what finally happened and why that we now turn. From the beginning of the Project all those involved were agreed that, as spelt out in the terms of reference, the process of collecting data in 1993 should be seen only as a first phase, to be followed by one which would, as explained above, lay the groundwork for ensuring an ongoing process of independent poverty monitoring by setting up the structures to undertake further integrated household surveys in future years. Considerable discussion about these ideas took place on numerous occasions within the Steering Committee and elsewhere as the Project developed from its earliest beginning in 1992 until the time of the installation of the new government in May 1994. For a long time it was thought that an independent poverty research institute might be set up, possibly in the western Cape where it could draw directly on the resources of the three universities there. But in the end it became clear that neither such an Institute nor indeed even a second SALSS co-ordinated by Saldru or some other independent research consortium would be possible until the new government had had time to settle down and decisions had been made as to what national statistics were and were not going to be gathered by the Central Statistical Services. This discussion has been under way during 1995 and 1996 but it is not yet clear as to how the ongoing process of poverty monitoring, by way of collecting new data, is to be institutionalised. The October Household Survey if it continues to be conducted annually by the CSS will clearly be important and indeed necessary. But it may not be sufficient in the sense that, given the size of the sample, not enough time may be allocated to questioning each household for the detail that was possible to obtain in the SALSS. Moreover even the comprehensive (i.e. including the TBVC areas) OHS of 1994 excluded migrant hostels from its purview which introduces a significant bias into the results. The possibility of a regular
independent (perhaps university based) survey being designed and conducted in such a way that it complements (and is complemented by) the OHS might be the best way forward and requires serious consideration. It is important that the momentum built up during the four years since the original survey was first mooted and then undertaken be not lost.

Meanwhile, the need to upgrade the analytical skills of South African researchers thus creating a much broader pool of persons available to analyse the sort of data produced by the SALSS remains urgent.

In 1995 Saldru continued tasks associated with cleaning and maintaining the database, disseminating information, training users and responding to queries and comments from users around the world. Amongst those trained in primary analysis, to manipulate the data base using STATA, were persons from the following institutions: Department of Health, Government of KwaZulu/Natal; the Finance and Fiscal Commission; IDASA’s Public Information Centre; and the Rural Foundation.

Elsewhere in the country there is some training in how to read the data base but a more comprehensive programme needs to be put in place, particularly in the Universities where economists and other social scientists might first be trained and then encouraged to teach their students how to do both primary and secondary analysis. One consequence of the whole Project is that awareness of the value of econometric analysis for policy purposes has been much advanced and a demand has been created which will become a serious missed opportunity if it is not met.

In terms of linking lessons from the whole Project for Living Standards and Development with the new government’s thinking about poverty monitoring we note simply that most of those involved in running the Project were drawn into consultations at the CSS in Pretoria not only about the OHS survey but also about questions for the 1996 Census. And in May 1995 a large workshop on monitoring poverty was convened by the RDP/World Bank for which 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.  

15. Conclusion: Looking forward with hindsight

To conclude then, as we look into the future drawing on the experience and insights gained during the long process described in this report, there are three key points which need to be further thought through and acted upon by the appropriate organisations and individuals.

The first concerns the need for a comprehensive programme of training to increase as rapidly as possible the number of South Africans, especially but not only those from disadvantaged backgrounds.

---

6 Valerie Møller of the CSDS at the University of Natal (Durban) subsequently produced a report of the proceedings of this workshop. These documents are available from CASE in Johannesburg.
backgrounds, able to undertake both primary and secondary analysis of SALSS and similar data. This will require not only crash courses for existing users of data (e.g. government employees in various departments) but also a systematic expansion of statistical and econometric courses using such data within the social sciences (particularly economics) at all South African universities.

The second concerns the need for a second integrated household survey with a sample that is large enough to ensure confidence in the results at least to the provincial level but which is, at the same time, small enough to ensure that enough time can be spent with each household to obtain the amount of detailed information required. Whether this can best be done by government Central Statistical Services using, say, a subset of the sample interviewed in the annual October Household Survey or whether it would best be undertaken by a university-based consortium or by some other independent research body is not yet clear but the need for such a survey to be updated on a regular basis is vital. Moreover, irrespective of where it is based, it is important that neither the experience nor the momentum gained by the Project for Statistics in Living Standards and Development during its years of operation, 1992-1995, as covered in this report should be lost. Planning should surely start now for a new integrated household survey to be undertaken not later than 1998, i.e. five years after the SALSS. (See appendix F).

The third point is less clearly defined but no less important. It concerns the relationship that needs to exist in an externally funded national research survey project of this nature between the government of the country concerned, the World Bank (where it is acting on behalf of donor governments), and independent (often university based) individuals and institutions commissioned to undertake the research within the country concerned. The particular project which forms the subject of this report was unusual in that the historical circumstances required the World Bank to work directly with an independent university-based research unit and not with the government then (before May 1994) existing. In many ways this was a great advantage for it enabled a flexibility, independence, and an access to a wide range of university researchers that governments do not always manage in similar projects elsewhere. Without going into all the ins and outs of the shifting dynamics of what was in general a very fruitful project undertaken during a period of extraordinary political transition we would simply note here that these relationships still need further thought in projects of this nature so that the interests of the different institutions and individuals may be properly balanced. Thus, for example, in further projects should it be assumed that control of donor funds be vested in the World Bank? In general LSMS Surveys are seen as “World Bank projects” although in the South African case care was taken to ensure that the SALSS was managed by a South African team with the broad support of a South African reference group. It was very much a South African project with widespread input from South Africans all around the country. Nevertheless the power-relationships and hence the dynamics were different from what they would have been had the donor governments made the money directly available to a South African institution or consortium which might then have called on the World Bank for technical advice. In the circumstances of 1992 there is no doubt that the donor governments, after due consultation with the relevant South Africans, made the correct decision and the participation of the World Bank was enormously helpful. Nevertheless we raise the point in order the highlight the process of capacity building, for in the long-run a vital aspect of such a process is that institutions (including government) within the country undertaking the survey
need to control their own funding—subject, of course, to appropriate accountability. Similarly there needs to be careful thinking about independence and accountability in the relationship between government and university-based research. But happily all these matters are the subject of active discussion within the newly democratic South Africa. It is our hope that the experience of the Project for Statistics on Living Standards and Development as spelt out in this report may contribute to that debate not only within South Africa but in other countries wrestling with similar issues.
Appendix A. Budget

The notes that follow are lettered to relate, as far as possible, to the portion of the report where the text has a corresponding endnote letter.

(a) Costs of the Project and evolution of the budget.

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 cost R4 643 436 ($1 451 074) over the extended period September 1992 to December 1994. The World Bank organized most of the 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.

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:

<table>
<thead>
<tr>
<th>Sub-Head</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Household Survey</td>
<td>R1 720 846</td>
</tr>
<tr>
<td>B. Data Entry</td>
<td>R441 154</td>
</tr>
<tr>
<td>C. Workshops</td>
<td>R240 000</td>
</tr>
<tr>
<td>D. Project Coordination</td>
<td>R135 000</td>
</tr>
<tr>
<td>E. Saldru Overhead</td>
<td>R532 000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>R3 069 000</strong></td>
</tr>
<tr>
<td>F. Commissioned papers (to complement the LSDS)</td>
<td>R187 500</td>
</tr>
</tbody>
</table>
| **Total**                       | **R3 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.

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 above). This was retracted 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. (See pp.25 ff.) 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:

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 Coordinators 264 366
F. Literacy module 195 215

R 4 552 995

$ 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, sale of the motor vehicle, 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 Project:

\[
\begin{align*}
\text{Administrators' salaries} & \quad 104 765 \\
\text{Telephones and faxes} & \quad 72 855 \\
\text{Stationery} & \quad 18 367 \\
\end{align*}
\]

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:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Household Survey</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(I) Survey</td>
</tr>
<tr>
<td></td>
<td>(ii) Project Coordination</td>
</tr>
<tr>
<td></td>
<td>(iii) Field Supervisors</td>
</tr>
<tr>
<td></td>
<td>(iv) Data Entry</td>
</tr>
<tr>
<td></td>
<td>(a) Salaries of Capturers</td>
</tr>
<tr>
<td></td>
<td>(b) Equipment and office supplies</td>
</tr>
<tr>
<td></td>
<td>(v) Publishing the abstract</td>
</tr>
<tr>
<td>B. Regional Studies</td>
<td>250 000</td>
</tr>
<tr>
<td>C. Saldru overhead</td>
<td>700 000</td>
</tr>
<tr>
<td>D. Workshops</td>
<td>215 000</td>
</tr>
<tr>
<td>E. Salaries of Coordinators</td>
<td>324 000</td>
</tr>
<tr>
<td>F. Literacy module</td>
<td>200 000</td>
</tr>
</tbody>
</table>

4 500 000

This is how the budget on the South African side would have been restructured if the SALSS 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 are necessary to complete the task satisfactorily.

(b) 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.

(c) 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.

(d) 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.
(e) Workshop Zero held on 11/10/92 costing R17 097 = $5 000.

(f) Workshop | Date       | R   | $   |
-------------|------------|-----|-----|
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  |

| Total       | 52 087     | 15 666 |

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.

(g) 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).

(h) Expenditure by survey organisations.

<table>
<thead>
<tr>
<th>Name</th>
<th>Contract (Rands)</th>
<th>Actual Expenditure (Rands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Research Africa (Durban)</td>
<td>295 000</td>
<td>296 926</td>
</tr>
<tr>
<td>Social Surveys (Johannesburg)</td>
<td>214 500</td>
<td>233 352</td>
</tr>
<tr>
<td>Bureau of Market Research (Pretoria)</td>
<td>306 110</td>
<td>306 110</td>
</tr>
<tr>
<td>HSRC (Cape Town)</td>
<td>178 000</td>
<td>184 248</td>
</tr>
<tr>
<td>HSRC (Durban)</td>
<td>98 500</td>
<td>98 500</td>
</tr>
<tr>
<td>Mark Data (HSRC: Pretoria)</td>
<td>369 000</td>
<td>379 002</td>
</tr>
<tr>
<td>U. of Transkei/Stats.Dept.T'kei Govt</td>
<td>132 236</td>
<td>132 236</td>
</tr>
<tr>
<td>Medway Search (Durban)</td>
<td>42 500</td>
<td>42 500</td>
</tr>
<tr>
<td>Africart (Durban)</td>
<td>85 000</td>
<td>85 000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1 720 846</td>
<td>1 757 874</td>
</tr>
</tbody>
</table>

|               |                | $549 336 |

(i) Costing R33 345 ($10 420)

(j) This cannot be precisely costed but some R38 718 ($12 100) was spent on travel (air & car) and subsistence.
(k) These cost another R39 068 ($12 209)

(l) Printing the questionnaires cost R45 762 ($14 300)

(m) By R92 000 ($28 750)

(n) At an estimated cost of R70 875 ($22 148), well within the original budget.

(o) Item | Budget (Rands) | Actual Expenditure (Rands)  
---|----------------|-----------------  
Wages of Data Capturers | 235 154 | 386 225  
Equipment | 206 000 | 211 135  
TOTAL | 441 154 | 597 360  
| | $186 675

(p) This workshop cost R12 498 ($3 906).

(q) The budget for this is R137 026 to which the World Bank has pledged a contribution of R91 250 ($25 000).
Appendix B. Suggested Questionnaire Revisions for Future Surveys

Some examples are:

- 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.
Appendix C: Holders, Users, and Analysts of Datasets as of August 1, 1995

The register of individuals and their affiliations, who possess the SALSS database is contained this appendix. 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.

Government:
1. Ministry of Finance, Unit for Fiscal Analysis.
3. Ministry of Housing.
5. Office of the Reconstruction and Development Programme.

Parastatals:
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.
6. Medical Research Council (MRC).

Provinces: 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.
" Computer Services Division.
4. The North, Agricultural Economics.
5. Pretoria, Agricultural Economics.
   " , Economics.
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.

ELSEWHERE:
Norway: FAFO in Oslo

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

U.K.:
1. London, Dept. of Economics at SOAS.
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.
4. Santa Monica, Rand Corporation.
5. Stanford University.
7. Cambridge, Harvard University, Dept. of Economics.
8. Columbus, Ohio State University, Agriculture.
<table>
<thead>
<tr>
<th>Institution</th>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harvard University Economics</td>
<td>Assoc Prof. Jonathan Morduch</td>
<td>Undergraduate &amp; Postgraduates</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>Ms. Ingrid Woolard</td>
<td>Public Servants</td>
</tr>
<tr>
<td>Oxford University, Centre for the Study of African Economics</td>
<td>John Knight</td>
<td>Postgraduates, Researchers</td>
</tr>
<tr>
<td>Princeton University</td>
<td>Prof. Anne Case</td>
<td>Undergraduate &amp; Postgraduates</td>
</tr>
<tr>
<td></td>
<td>Prof. Angus Deaton</td>
<td>Postgraduates</td>
</tr>
<tr>
<td>University of Cape Town Energy for Development Research Centre Economics</td>
<td>Mark Davis</td>
<td>Undergraduate &amp; Postgraduates</td>
</tr>
<tr>
<td>University of Natal Durban, Centre for Social &amp; Dev. Studies</td>
<td>Dr Murray Leibbrandt, Sten Dieden, Dudley Horner, Simon Mpele</td>
<td>Development Agencies, Undergraduate &amp; Postgraduates, Public Servants</td>
</tr>
<tr>
<td>University of Natal, Pietermaritzburg, Economics</td>
<td>Ms. Libby Ardington, Ms. Francie Lund</td>
<td>Postgraduates and Public servants</td>
</tr>
<tr>
<td>University of the Western Cape, Institute of Social Development</td>
<td>Prof. Pieter Le Roux</td>
<td>Postgraduates</td>
</tr>
<tr>
<td>World Bank, Resident Mission</td>
<td>Dr Stefan Klasen</td>
<td>Postgraduates</td>
</tr>
<tr>
<td>World Bank Washington</td>
<td>Dr. Harold Alderman</td>
<td>S.A. visiting researchers</td>
</tr>
</tbody>
</table>
Appendix D. Bibliography of Conference, Seminar, and Other Papers Prepared with the Data

LSDS BIBLIOGRAPHY


May, Julian. 1994. *Rural development policy research, rural incomes and institutions study*. 33


Unpublished Papers

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. *Poverty, social policy and the RDP*


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

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


Woolard, Ingrid. *Towards an understanding of South Africa's inequality*
Appendix E. Lessons from Hindsight

In the terms of reference for this report, Saldru was asked what could or should be handled differently should the Survey be undertaken on another occasion assuming either that the budget was not increased in real terms or that there were unlimited funds available. Much of this question has been answered in the main body of the text particularly in Part III where the assessment points to weaknesses in capacity building. But there are, in addition, a few more detailed points with regard to organisation next time round that are worth noting. We list them below for further consideration.

1. The elaborate over-arching structure of a 25 member reference group plus five person steering committee served its function very well and would not need to be repeated in exactly the same form. What might be most useful would be a seven to ten person advisory committee consisting largely of professionals and technicians (including some with detailed knowledge of rural areas) to ensure adequate input, monitoring and a sounding board during the course of the project.

2. 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. At least four effective organisers are required: Director or leader of the project working (for at least 18 months) with a team of three high-level managers one each responsible for finance, including the final financial report (18 months); computer systems (12 months); and the survey in the field (8 months). Care must be taken to ensure that each is appointed for a period that allows sufficient time before and after the actual survey to ensure adequate preparation and, no less important, adequate reporting and tying up of loose ends. The management team would need a small secretariat including a junior financial administrator. It would also be well worth while to sit down at the very beginning of the Project to list the major tasks that have to be done, to think through the critical time path for everything, and to draw up detailed job-descriptions (which must be reassessed as frequent intervals) for all jobs. In this connection, those involved in this process would probably find it useful to draw on the experience gained during the first Project by talking to members of Saldru and the Steering Committee.

It is difficult to estimate precisely the changes to the budget that this sort of reorganisation would imply but, assuming no inflation, management plus secretarial expenses of approx. R265000 + R105000 (=R370000) to R324000 + R135000 (=R459000), an increase of some 24%.

3. Survey costs could be cut by approximately 9% from R2117624 to about R2062000. Some of the 1993 costs related to purchase of customised office equipment for housing survey material as well as hardware and software. It may be necessary to upgrade computer systems but initial setting up costs would decrease dramatically. If such a survey were conducted in 1998 it would be appropriate to capture data provincially in each of the nine provinces. It has been suggested that the sample be equally distributed, ie 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 for 12 months starting in May 1998 with
data capture occurring in August/September or September/October. Experience gained on the first round of the PSLSD combined with tighter supervision should improve the quality of data capture in a second round.

4. 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 sine qua non. Wages costs would remain about the same but equipment and office supplies would come down. The anthropometric section would need further careful thought. There would certainly have to be more thorough specialised training of field workers if it were to be more effective than round one. Field supervisors costs would remain roughly the same.

5. No specific budget provision was initially made for publishing the statistical abstract. A preliminary and a final version emerged from the 1993/94 survey and the second volume was costly.

6. Finally, if the argument of this report is accepted, a second round of an integrated household survey should begin with a clear commitment, backed by adequate funding, to use the process to build capacity not only to collect data but more importantly to analyse it at both primary and secondary levels.

How much of such capacity building can be done will, of course, depend, on the funds available but we believe it would be a serious omission not to build such training into the structure of the project from the very beginning. This could be dovetailed with a programme of encouraging universities to develop courses for their senior undergraduate and post-graduate students making use of the new data (to replace the 1993 data) as it emerges.
<table>
<thead>
<tr>
<th>Working Paper Number</th>
<th>Title</th>
<th>Author(s)</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 1</td>
<td>Building Analytic Capacity in Conjunction with LSMS Surveys: The Jamaica Story</td>
<td>Lorraine Blank, Margaret E. Grosh, Pauline Knight</td>
<td>March 1996</td>
</tr>
<tr>
<td>No. 4</td>
<td>Building Analytic Capacity in Conjunction with LSMS Surveys: The Kyrgyz Republic</td>
<td>Raylynn Oliver</td>
<td>November 1995</td>
</tr>
<tr>
<td>No. 6</td>
<td>The Sensitivity of Consumption Aggregates to Questionnaire Formulation: Some Preliminary Evidence from the Jamaican and Ghanaian LSMS Survey</td>
<td>Margaret E. Grosh, Qing-hua Zhao, Henri-Pierre Jeancard</td>
<td>January 1995</td>
</tr>
<tr>
<td>No. 7</td>
<td>Review of the Agricultural Activities Module from the Living Standards Measurement Study (LSMS) Survey</td>
<td>Dean Jolliffe</td>
<td>July 1995</td>
</tr>
</tbody>
</table>