

Reflections on World Food Day, 16th October 2018

As a country we have come to a point of no return. If we are ever going to be bold and politically courageous, the time is now. The socio-economic crisis in which people live is becoming worse every day. Millions of South African families are struggling to put food on the table. The line between hunger and anger is a thin one. Re-thinking the welfare system as an economic stimulus could be a politically courageous act to stimulate a consumer driven economic recovery; whilst allowing families to eat properly and begin to deal with the household affordability crisis.

South African households are net buyers of food. Most of us buy all our food in the supermarket. In a cash-based economy access to food requires money. The core pathway to get money – via a job – has become increasingly obstructed. 9,6 million South Africans are currently unemployed, of whom 8,6 million Black South Africans are currently unemployed.ⁱ Millions of South Africans are struggling to put food on the table. The consequences of such low levels of nutrition threaten to undermine all our developmental outcomes.

The expanded unemployment rate for Black South Africans has stagnated at extremely high levels over the past several years. Five years ago (2013) the expanded unemployment rate for Black South Africans was 41%, it is currently sitting at 41,5%ⁱⁱ (see Figure 2).

Of 10 Black South Africans of working age – only 4 have a job.ⁱⁱⁱ Most Black South African households rely on just one wage earner. The historical racialised low-baseline wage regime is exacerbating this situation as most Black South African workers who do have a job, and whose wage is now coming under greater pressure, due to a myriad of shocks not least of which high fuel and electricity prices, are paid at extremely low wages. The median wage for Black South African workers is R3 000 a month,^{iv} dispersed through households this becomes a poverty wage^v (see Figure 3). The National Minimum Wage, not yet implemented, set at an hourly rate of R20, when dispersed through households also becomes a poverty wage. The Old-Age Grant set at R1 700 a month, and like wages shared within families also becomes a poverty wage.

In October 2018, the cost of foods in the Household Food Basket, a basket designed with women living on low incomes in Pietermaritzburg, was R3 038,50. In October 2018 households underspent on basic but proper nutritious food by 26%

Poverty levels are accelerating. The latest poverty statistics showed a marked reversal upward from 2015. More than two-thirds of Black South Africans lived below the poverty line in 2015 (64,2% or ±30 million people).^{vi} These statistics do not reflect the massive food price spikes which hit supermarket shelves from November 2015 through 2017 due to the drought, or the recent hikes in fuel prices, or the hikes in electricity prices or the hike in VAT.

At the most basic level an economy should provide for the needs of a household. The crudest of all needs is that of putting food on the table. We now face a situation where most South African families are unable to put proper nutritious food on the table. 30% of boy children and 25% of girl children under the age of 5 years are stunted.^{vii} Stunting in many cases is not reversible.

Women tell us that they cannot get through the month on the levels of income that come into the home. Households struggle to secure the goods and services their families need. Most households have already cut back consumption to levels that are damaging. Women tell us that despite the pressures they are under, they are not able to prioritise food purchases first because food is one of the few expenses they have some measure of control over. Non-negotiable expenses such as transport, electricity, scholar expenses, burial insurance and debt repayments take precedence over food. It means that: (1) the food budget is low and households underspend on food; (2) food runs short before the end of the month; (3) women absorb these food shortfalls by sacrificing their own nutritional needs as an attempt to protect those of their children; and (4) by taking on more debt.

The prolonged and deepening economic crisis has removed many of the buffers which households need to absorb shocks. Women tell us that they are carrying the burden of the economic crisis not only on their backs but in their own bodies.

We are entering a period of great social instability. We require great political courage. What could a politically courageous act look like?

As a country we have come to a point of no return. If we are ever going to be bold and politically courageous, the time is now.

Emerging from the Jobs Summit was the idea of creating a possible 275 000 jobs a year. While this is welcome we must bear in mind that 519 000 people joined the labour force over this past year and with 9,6 million people currently unemployed; this intervention is unlikely to shift our current economic trajectory.

With no likely solution to the jobs crisis in the short-term; an apparent unwillingness to pay workers a living wage; government reluctance to remove VAT off food and make food a public good; or to intervene decisively to reduce the cost of goods and services: it seems to us that South Africa's social security system may be our best instrument to provide an immediate, direct and cost-effective intervention to deal with the crisis.

Can we re-think the welfare system as an economic stimulus?

Our welfare system is unlike any other. It is not a small safety net for a few people that have fallen through the cracks. It serves ±17,5 million^{viii} people directly and many more almost as closely because grants are shared in families. Grants are able to reach the highest numbers of people in the quickest most direct way. Can we re-think the welfare system as an economic stimulus that can drive a consumer-led economic recovery and creating work for people in areas where people are struggling? Currently the level of the grant is set too low to be considered an economic stimulus and to assist millions of households to better absorb the impact of the deepening economic crisis. It neither protects people who are in poverty nor does it act as a stimulus to move people out of poverty.

It appears that welfare administrators and National Treasury do not fully understand that welfare concessions are cyclical: restrictive to reinforce work norms and expansive in response to economic crisis and to quell civil discontent. We are currently in a context where welfare is required to support struggling households. Increasing the value of the social grants to a higher level could stimulate a consumer driven economic recovery; allow families to eat properly and begin to deal with the household affordability crisis.

In our current trajectory our low economic growth is becoming institutionalised. Poverty levels are now accelerating. Inequality is deepening. Millions of people will continue to struggle to put food on the table.

Food is core to all our developmental outcomes: our social, health, education and economic outcomes all rest on our bodies and therefore the ability to secure a diversity of good quality nutritious food. We need an intervention and we need it quickly if we are to avoid the dire consequences that such low levels of nutrition will bring by undermining everything we as a country wish to achieve.

Dealing with the food affordability crisis requires greater economic activity finding ways to increase incomes (wages and social grants) and reduce the cost of all goods and services households require.

Key data from the Household Affordability Index:

- From June 2018 to August 2018 food prices were in decline; however, September 2018 signalled the start of upward price movements in food prices, with October 2018 signalling the second consecutive month of increases (*see Figure 1*).
- In October 2018 the cost of the Household Food Basket was **R3 038,50** (*see Appendix 1*).
- In October 2018 the cost of the Basic Nutritional Food Basket was **R4 085,12** (*see Appendix 2*). Households living on low-incomes underspent on basic but proper nutritious food by **26%**.
- In October 2018 VAT on the Household Food Basket came to **R219,38** (VAT makes up **7,2%** of the total cost of the Household Food Basket).
- In October 2018 the price of 35kg maize meal was **R234,58**.
- Women prioritise the purchase of 'bucket foods' first (the big staple food purchases): these include maize meal, rice, cake flour, white sugar, sugar beans, samp, cooking oil, salt, potatoes, onions, cabbage, frozen chicken portions, stocks and soups, tea, green bar soap, washing powder, toothpaste and cream.
- Women prioritise starches and foods that enable meals to be prepared (starches, sugars, fats and salts). A limited variety and small quantities of vegetables are bought. Low volumes and very poor-quality meats and amasi are bought. Women prioritise meats, eggs, amasi, vegetables, fruits, polony and peanut butter for their children. Diets are extremely low in protein, vegetables, calcium, fibre, minerals and vitamins. There is very little dietary diversity on the family plate.
- In October 2018 the cost of feeding a small child aged 10-13 years a basic but proper nutritious diet per month was **R572,09**.
- The Child Support Grant of **R410** a month is set **25%** below the Food Poverty Line of **R547** per month and even further (**28%**) below the **R572,09** monthly cost to feed a small child a proper nutritious diet per month. The deficit increases for older children.
- For details on individual food price movements and on how the Household Food Basket is constructed see *Appendix 1*.

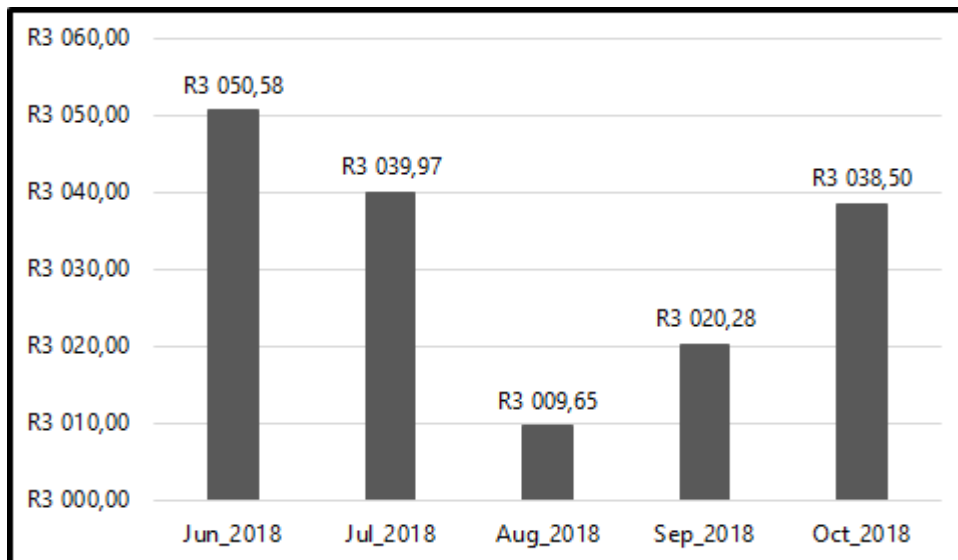


Figure 1: Trends in the cost of the Household Food Basket from June 2018 to October 2018 (The Pietermaritzburg Economic Justice & Dignity Group's food price data is only available from June 2018).

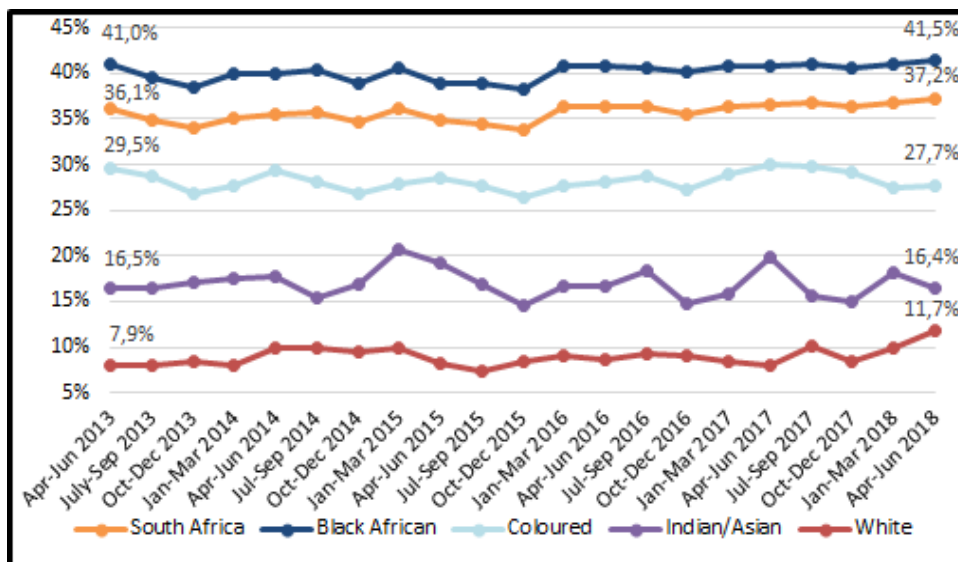


Figure 2: Trends in the expanded unemployment rate by population group from 2013 to 2018 (Statistics South Africa, 2018, Quarterly Labour Force Surveys 2013-2018).

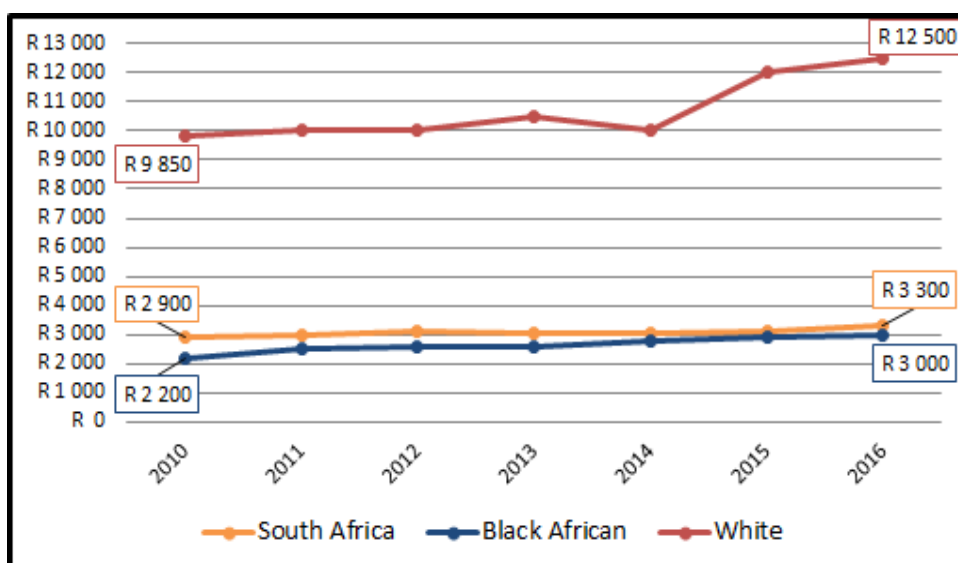


Figure 3: Trends in the median wage from 2010 to 2016 (Statistics South Africa, 2018, Labour market dynamics in South Africa, 2016).

Appendix 1: October 2018 Household Food Index

OCTOBER Household Food Index

| Foods tracked | Quantity tracked | Index 2018 | | | change in Rands | | change in % | |
|------------------------------------|------------------|------------------|------------------|------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Jun_2018 | Sep_2018 | Oct_2018 | Sep 2018 vs. Oct 2018 | Jun 2018 vs. Oct 2018 | Sep 2018 vs. Oct 2018 | Jun 2018 vs. Oct 2018 |
| Maize meal | 25kg + 10kg | R 227,49 | R 239,32 | R 234,58 | -R 4,74 | R 7,10 | -2% | 3% |
| Rice | 10kg | R 74,32 | R 76,99 | R 76,82 | -R 0,17 | R 2,50 | 0% | 3% |
| Cake Flour | 10kg | R 70,82 | R 76,49 | R 75,66 | -R 0,83 | R 4,83 | -1% | 7% |
| White sugar | 10kg | R 128,66 | R 123,82 | R 140,82 | R 17,00 | R 12,17 | 14% | 9% |
| Sugar beans | 5kg | R 96,82 | R 89,32 | R 85,82 | -R 3,50 | -R 11,00 | -4% | -11% |
| Samp | 5kg | R 30,99 | R 29,49 | R 29,16 | -R 0,33 | -R 1,83 | -1% | -6% |
| Cooking oil | 5L | R 72,66 | R 78,32 | R 83,49 | R 5,17 | R 10,83 | 7% | 15% |
| Salt | 1kg | R 13,74 | R 13,91 | R 13,91 | R 0,00 | R 0,17 | 0% | 1% |
| Potatoes | 10kg | R 50,94 | R 48,09 | R 48,68 | R 0,60 | -R 2,26 | 1% | -4% |
| Onions | 10kg | R 64,75 | R 68,80 | R 67,80 | -R 1,00 | R 3,05 | -1% | 5% |
| Frozen chicken portions | 10kg | R 327,98 | R 309,48 | R 314,48 | R 5,00 | -R 13,50 | 2% | -4% |
| Curry powder | 200g | R 26,99 | R 26,49 | R 27,99 | R 1,50 | R 1,00 | 6% | 4% |
| Stock cubes | 24 cubes x2 | R 32,31 | R 32,65 | R 37,65 | R 5,00 | R 5,33 | 15% | 17% |
| Soup | 400g x2 | R 24,98 | R 24,65 | R 26,31 | R 1,67 | R 1,33 | 7% | 5% |
| Tea | 250g | R 23,49 | R 29,16 | R 29,16 | R 0,00 | R 5,67 | 0% | 24% |
| Maas | 4L | R 40,83 | R 41,32 | R 41,32 | R 0,00 | R 0,50 | 0% | 1% |
| Eggs | 60 eggs | R 97,99 | R 94,16 | R 94,16 | R 0,00 | -R 3,84 | 0% | -4% |
| Chicken feet | 5kg | R 155,97 | R 144,72 | R 144,72 | R 0,00 | -R 11,25 | 0% | -7% |
| Gizzards | 2kg | R 55,99 | R 46,48 | R 40,48 | -R 6,00 | -R 15,51 | -13% | -28% |
| Beef | 2kg | R 152,98 | R 143,98 | R 136,48 | -R 7,50 | -R 16,50 | -5% | -11% |
| Wors | 2kg | R 80,98 | R 85,48 | R 82,98 | -R 2,50 | R 2,00 | -3% | 2% |
| Inyama yangaphakathi | 2kg | R 49,44 | R 60,48 | R 56,48 | -R 4,00 | R 7,04 | -7% | 14% |
| Tomatoes | 6kg | R 76,58 | R 51,00 | R 65,83 | R 14,83 | -R 10,75 | 29% | -14% |
| Carrots | 5kg | R 33,00 | R 25,60 | R 31,66 | R 6,06 | -R 1,34 | 24% | -4% |
| Butternut | 10kg | R 40,94 | R 68,27 | R 64,99 | -R 3,29 | R 24,05 | -5% | 59% |
| Spinach | 8 bunches | R 51,92 | R 47,92 | R 43,96 | -R 3,96 | -R 7,96 | -8% | -15% |
| Cabbage | 2 heads | R 25,32 | R 21,99 | R 18,65 | -R 3,34 | -R 6,67 | -15% | -26% |
| Cremera | 800g | R 32,49 | R 33,99 | R 30,32 | -R 3,67 | -R 2,17 | -11% | -7% |
| Tinned pilchards | 400g x6 | R 87,32 | R 93,96 | R 92,96 | -R 1,00 | R 5,64 | -1% | 6% |
| Canned beans | 410g x6 | R 55,48 | R 60,96 | R 60,63 | -R 0,33 | R 5,15 | -1% | 9% |
| Bananas | 4kg | R 42,63 | R 35,29 | R 35,29 | R 0,00 | -R 7,34 | 0% | -17% |
| Apples | 1.5kg | R 17,82 | R 14,49 | R 17,82 | R 3,33 | R 0,00 | 23% | 0% |
| Margarine | 1kg x2 | R 62,98 | R 62,65 | R 59,32 | -R 3,33 | -R 3,66 | -5% | -6% |
| Peanut butter | 400g x2 | R 49,31 | R 51,98 | R 48,65 | -R 3,33 | -R 0,66 | -6% | -1% |
| Polony | 2.5kg | R 50,82 | R 57,49 | R 58,99 | R 1,50 | R 8,17 | 3% | 16% |
| Apricot jam | 900g x2 | R 49,31 | R 49,65 | R 50,31 | R 0,67 | R 1,00 | 1% | 2% |
| White bread | 25 loaves | R 247,00 | R 242,00 | R 246,54 | R 4,54 | -R 0,46 | 2% | 0% |
| Brown bread | 25 loaves | R 226,54 | R 219,46 | R 223,63 | R 4,17 | -R 2,91 | 2% | -1% |
| Total household food basket | | R3 050,58 | R3 020,28 | R3 038,50 | R 18,22 | -R 12,08 | 0,6% | -0,4% |

Month-on-month: The cost of the household food basket *increased* by R18,22 (0,6%) to R3 038,50 in October 2018.

From June 2018: The cost of the household food basket *decreased* by -R12,08 (-0,4%) from R3 050,58 in June 2018 to R3 038,50 in October 2018.

The household food basket has been designed together with women living on low incomes in Pietermaritzburg. It includes the foods and the volumes of these foods which women living in a household with seven members (the average low-income household size in Pietermaritzburg) tell us they typically try and secure each month. Food prices are sourced from supermarkets (6) and butcheries (4) that target the low-income market and which women identified as those they shop at. Food selection at the supermarket shelves mirrors how women themselves make decisions at the supermarket shelves viz. that the foods are chosen on relative affordability and reasonable quality. The date for data collection is between the 1st and 4th day of each month. There are 38 foods in the household food basket.

The household food index is designed with women living on low incomes to provide a sense of what the food baskets of low-income households cost in Pietermaritzburg and is specifically designed to measure food price inflation as experienced by households living on low incomes. Although located in Pietermaritzburg, the household food index may provide a picture into food price inflation as experienced by households living on low incomes in South Africa.

Appendix 2: October 2018 Basic Nutritional Food Index

OCTOBER Basic Nutritional Food Index: families

| By number of family members | Index 2018 | | | change in Rands | | change in % | |
|-----------------------------|------------|-----------|-----------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jun_2018 | Sep_2018 | Oct_2018 | Sep 2018 vs. Oct 2018 | Jun 2018 vs. Oct 2018 | Sep 2018 vs. Oct 2018 | Jun 2018 vs. Oct 2018 |
| Four (4) | R2 382,64 | R2 318,39 | R2 337,18 | R 18,79 | -R 45,46 | 0,8% | -1,9% |
| Five (5) | R3 006,46 | R2 925,04 | R2 949,96 | R 24,92 | -R 56,50 | 0,9% | -1,9% |
| Seven (7) | R4 163,65 | R4 050,39 | R4 085,12 | R 34,73 | -R 78,53 | 0,9% | -1,9% |

Month-on-month: The cost of the **basic nutritional food basket for a family of 7 members increased** by R34,73 (0,9%) to R4 085,12 in October 2018.

From June 2018: The cost of the **basic nutritional food basket for a family of 7 members decreased** by -R78,53 (-1,9%) from R4 163,65 in June 2018 to R4 085,12 in October 2018.

In October 2018 the difference in cost between the foods which families living on low incomes try and buy each month (the household food basket) and the foods which families would like to buy and should buy to meet basic nutrition (the basic nutritional food basket) was **R3 038,50 vs. R4 085,12** (-R1 046,62).

It means that in October 2018, families with seven members underspent on basic nutritional food by **26%** (R1 046,62).

OCTOBER Basic Nutritional Food Index: children

| By age of child | Index 2018 | | | change in Rands | | change in % | |
|------------------------------|------------|----------|----------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jun_2018 | Sep_2018 | Oct_2018 | Sep 2018 vs. Oct 2018 | Jun 2018 vs. Oct 2018 | Sep 2018 vs. Oct 2018 | Jun 2018 vs. Oct 2018 |
| Small child aged 3-9 years | R542,96 | R526,98 | R531,39 | R 4,41 | -R 11,57 | 0,8% | -2,1% |
| Small child aged 10-13 years | R583,39 | R566,82 | R572,09 | R 5,27 | -R 11,30 | 0,9% | -1,9% |
| Girl child aged 14-18 years | R614,24 | R598,37 | R603,77 | R 5,40 | -R 10,47 | 0,9% | -1,7% |
| Boy child aged 14-18 years | R682,49 | R666,06 | R670,63 | R 4,57 | -R 11,86 | 0,7% | -1,7% |

Month-on-month: The cost of a feeding a **small child aged 10-13 years a basic nutritious diet increased** by R5,27 (0,9%) to R572,09 in October 2018.

From June 2018: The cost of a feeding a **small child aged 10-13 years a basic nutritious diet decreased** by -R11,30 (-1,9%) from R583,39 in June 2018 to R572,09 in October 2018.

As children grow older, their nutritional requirements increase. It means that the cost of feeding a child increases in price as a child grows older and is also different for teenage girls and boys.

For the 2018/19 term the Government Child Support Grant is **R410** per month. This is a fixed value and does not increase as a child grows older.

The food poverty line calculated by Statistics South Africa is **R547** per capita per month (latest April 2018).

In October 2018 it cost **R572,09** to feed a small child aged 10-13 years a basic nutritious diet per month.

The Child Support Grant of R410 per month is set **below** the food poverty line and **further below** the cost to secure a basic nutritious diet for a small child.

In October 2018, the Child Support Grant is **25%** below the food poverty line and **28%** below the cost to secure a basic nutritious diet for a small child. This percentage deficit is higher for older children.

OCTOBER Basic Nutritional Food Index: adults

| By sex, activity level & lifestage | Index 2018 | | | change in Rands | | change in % | |
|--|------------|----------|----------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Jun_2018 | Sep_2018 | Oct_2018 | Sep 2018 vs. Oct 2018 | Jun 2018 vs. Oct 2018 | Sep 2018 vs. Oct 2018 | Jun 2018 vs. Oct 2018 |
| Adult women and Elderly women >65 yrs | R583,39 | R566,82 | R572,09 | R 5,27 | -R 11,30 | 0,9% | -1,9% |
| Very active women, Adult men and Elderly men >65 yrs | R614,24 | R598,37 | R603,77 | R 5,40 | -R 10,47 | 0,9% | -1,7% |
| Very active men and Pregnant & lactating women | R682,49 | R666,06 | R670,63 | R 4,57 | -R 11,86 | 0,7% | -1,7% |

Endnotes

ⁱ *For stats on labour market dynamics:*

STATSSA (2018). **Quarterly Labour Force Survey, Quarter 2, 2018**. Statistical release P0211. Statistics South Africa. Pretoria. P21-22, 39-40 & 69. See Link: <http://www.statssa.gov.za/publications/P0211/P02112ndQuarter2018.pdf>

ⁱⁱ *For stats on labour market dynamics:*

STATSSA (2018). **Quarterly Labour Force Survey, Quarter 2, 2018**. Statistical release P0211. Statistics South Africa. Pretoria. P21-22, 39-40 & 69. See Link: <http://www.statssa.gov.za/publications/P0211/P02112ndQuarter2018.pdf>

ⁱⁱⁱ *For stats on labour market dynamics:*

STATSSA (2018). **Quarterly Labour Force Survey, Quarter 2, 2018**. Statistical release P0211. Statistics South Africa. Pretoria. P21-22, 39-40 & 69. See Link: <http://www.statssa.gov.za/publications/P0211/P02112ndQuarter2018.pdf>

^{iv} *For stats on median wages:*

STATSSA (2018). **Labour market dynamics in South Africa, 2016**. Report no. 02-11-02 (2018). Statistics South Africa. Pretoria. P61. See Link: <http://www.statssa.gov.za/publications/Report-02-11-02/Report-02-11-022016.pdf>

^v *For stats on poverty line values and numbers of people living below poverty line:*

STATSSA (2018). **National Poverty Lines 2018**. Statistical Release P0310.1. Statistics South Africa. Pretoria. P3-4. See link: <http://www.statssa.gov.za/publications/P03101/P031012018.pdf>

^{vi} STATSSA (2017). **Poverty Trends in South Africa: An examination of absolute poverty between 2006 and 2015**. Report No. 03-10-06. Statistics South Africa, Pretoria, South Africa. P8, 14 & 58. See link:

<http://www.statssa.gov.za/publications/Report-03-10-06/Report-03-10-062015.pdf>

^{vii} *For stats on stunting levels in children:*

STATSSA (2017). **South Africa Demographic and Health Survey 2016: Key Indicator Report**. Statistics South Africa. Pretoria. P27-28. See link: <http://www.statssa.gov.za/publications/Report%2003-00-09/Report%2003-00-092016.pdf>

^{viii} *For stats on numbers of people accessing social grants:*

SASSA (2018). Fact sheet: Issue no 2 of 2018 – 28 February 2018. **A statistical summary of social grants in South Africa**. SOCPEN system. P1. See link: http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKewjR7dGyqvjaAhVDJcAKHV81Cc4QFggmMAA&url=http%3A%2F%2Fwww.sassa.gov.za%2Findex.php%2Fknowledge-centre%2Fstatistical-reports%3Fdownload%3D761%3Afact-sheet-issue-no-02-february-2018&usq=AOvVaw3hnqrtsJazK_pIR2JiFIWg