



Building the Solidarity Economy and Movement in Ivory Park, Gauteng

Mapping Research Report 1

Advancing Solidarity Economy Solutions from Below

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Acronyms

COPAC	- Cooperative and Policy Alternative Center
SE	- Solidarity Economy
SEE	- Solidarity Economy Enterprises
Midrand SEEC	- Midrand Solidarity Economy Education and Communication Cooperative
SETA	- Sectoral Education Training Authority

Maps, Tables, Figures and Diagrams

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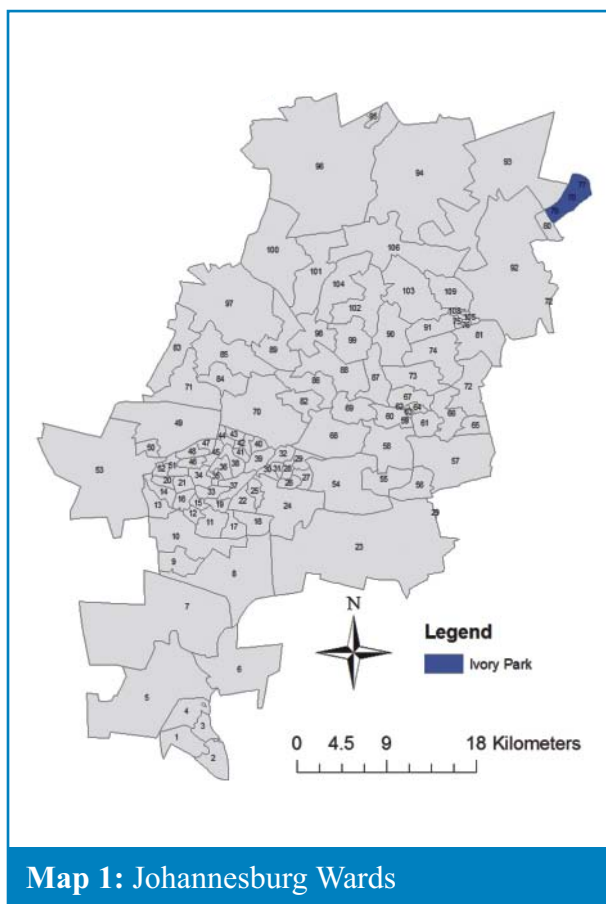
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Introduction

This report aims to examine the key social problems facing Ivory Park and what can be done about them through the development of the solidarity economy. The research was coordinated by the Cooperative and Policy Alternative Centre (COPAC), and involved surveying 429 households, 150 enterprises that are located in wards 77, 78 and 79 that make up Ivory Park. The survey was conducted by local activists that are linked to the Midrand Solidarity Economy Education and Communication Cooperative (SEECC), based in the Eco-village. The results were compiled into numbers so that an understanding around key issues in Ivory Park could be developed. The issues faced by households include employment and incomes, education, food, control of finance, housing and energy. Moreover, issues faced by local enterprises have been studied including training and financing needs. The results have been summarised in this report so as to be easily available for the residents of Ivory Park.



The report is divided in two: the first section covers issues in households in Ivory Park, and the second covers issues around the enterprises. Under each section there are themes that lay out the results found in the survey and then ways in which the development of the solidarity economy, centred around the Midrand Solidarity Economy Education and Communication Cooperative (SEECC) working with the community, might be able to address them. The main idea in the report is to ensure that as much as possible solutions are locally based in Ivory Park. For example, to address food stress, home food gardens and food production by cooperatives in Ivory Park is suggested.

Furthermore, to address the need for local finance, a community financing institution is suggested that is designed to address the financial needs of Ivory Park residents. Indeed, to get all these things working in Ivory Park will require education and training, which will be centred on the SEECC and driven by community members' needs. The aim is for you, the residents of Ivory Park, to be able to achieve improvements in your lives through bottom up solidarity economy solutions.

This report is a learning tool and an activist guide to start building the solidarity economy in Ivory Park. By working together and embracing the solidarity economy solutions proposed the residents of Ivory Park can change their lives and lay the basis for a different future.

Mapping Household Challenges and Solidarity Economy Solutions

Unemployment and Income

Problems

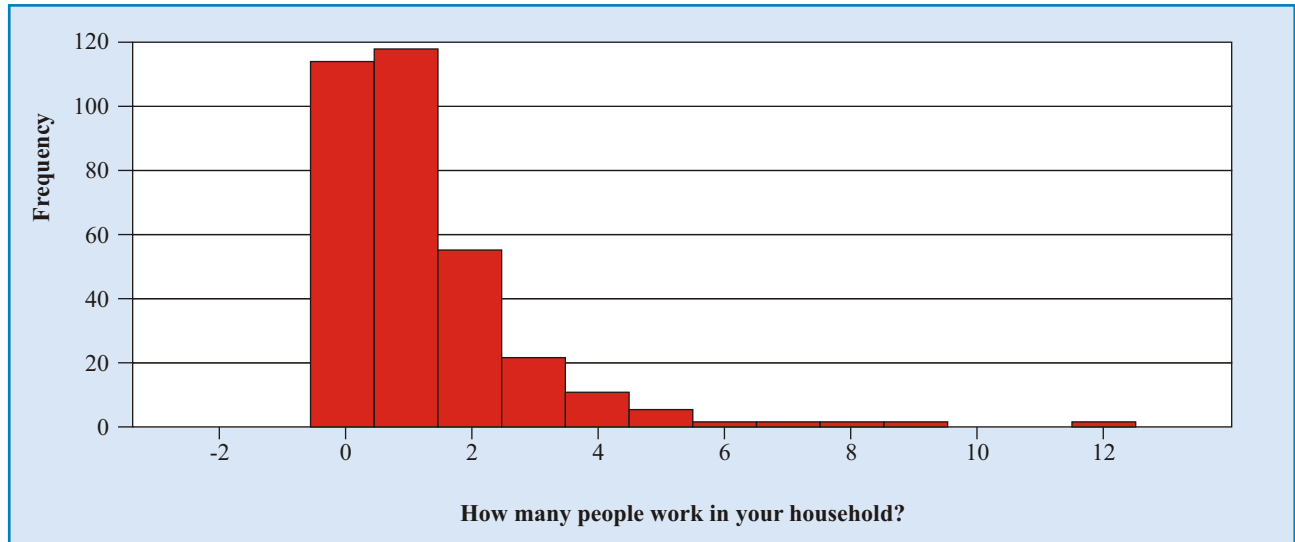


Figure 1: Number of people that work per household

High Unemployment - 26% of households in the survey reported that no one living in their house works, while 27% reported that only one person works. There is therefore high unemployment in Ivory Park.

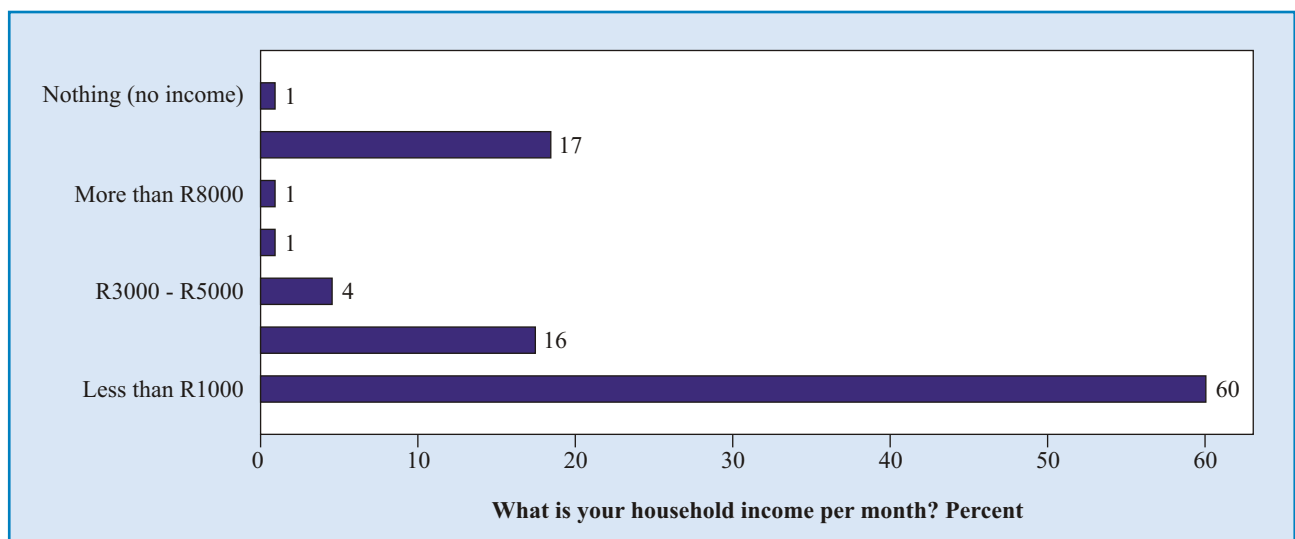


Figure 2: Household Income

Income and Types of Work - High unemployment means that households have quite low incomes. Households surveyed have various sources of income. Only 16% of households get their income from formal work alone. 19% get their income from informal work, and 16% get theirs from government grants alone. Many households get their income from combining these three sources, in different ways.

Of the households where someone does work, only 20% have formal jobs, while another 20% have informal jobs. So of the people living in Ivory Park that are employed, many of them do not have good and secure jobs. We can link this further to the fact that 60% of households in the survey have a monthly income of less than R1000, and only 16% had an income of R1000 - R3000 per month.

All this means that there is high unemployment in Ivory Park; linked to this is low household income, and where people do have jobs, they are often not desirable or well paying ones. This then places pressure on how households are able to afford their food and other important needs.

Solutions

Worker Cooperatives - The aim of the solidarity economy in Ivory Park is to place production of the key things that people need, like food, housing and clothes, within Ivory Park and beyond. An important possible way to organise production in Ivory Park is through the creation of worker cooperatives. As production in Ivory Park increases, so might employment in these cooperatives.

A Peoples Approach to the Council Budget - The government spends money on development in Ivory Park. This needs to be informed by community needs. It also needs to be transparent and share benefits with all inside the community, including sharing jobs. To democratise the budget through the solidarity economy process we are proposing a peoples approach to the budget which entails developing a budget for Ivory Park through community participation. This people's budget must be used to democratise the councils budget and how resources are spent in Ivory Park.

Control of Capital

Households

Problems

Low Savings - Only 32% of households said that a member saves money regularly, and 58% said that they do not. Very few people therefore save money regularly, which will be linked to the fact that many people have low incomes and are unemployed and therefore do not have enough money over at the end of each month, after buying all the things that they need, to save.

Low Access to Finance - Only 22% of respondents indicated that a member in their household saves money regularly with a bank. This means that it will be difficult for people to get finance (money) to start a business, for example. This is because banks have lots of rules about who they will lend money to. There does seem to be a demand for money to start businesses, as many people indicated in the survey that one of the reasons they would like to take a loan from a community controlled financing institution, if one existed, is to start a business.

Solutions

Solidarity Economy Fund - Households will be encouraged to save through this community controlled solidarity fund. It will serve as a community controlled financing mechanism for the people of Ivory Park. It is essentially similar to a bank, but is specifically suited to the borrowing, saving and financing needs of the people of Ivory Park. This is different to normal banks that have rules and ways of working. Banks do not work to suit the needs of people with lower incomes. Through the Midrand SEEC further research will have to be done on how households utilise finance and a model for a community based solidarity economy fund will be developed.

Basic Income Grant - This could be an important thing to pressure government to provide in Ivory Park (and even in the rest of South Africa). How a basic income grant works is everyone in a country receives a basic income per year or month from the government. It doesn't matter whether you are rich or poor, everyone receives a grant (a minimum age level could be set though). This means that people might have more money to save, pay school fees, buy food, start a business or purchase membership shares in a cooperative in Ivory Park. This could then have many knock-on benefits, like increased standards of living, increased financial independence and so forth. Through the Midrand SEEC a community proposal needs to be developed and championed.

Assets Index - When we think of poverty, we usually think of income. That is, someone is poor if they earn below a certain amount per day or month. But assets - the things that are important for us to survive and produce, like a house, tools, food garden, water etc - are also a very important part of how a household lives. So if we want to reduce poverty, we don't only have to talk about money and giving people more of it to escape poverty. In order to address poverty in many different ways, we can focus on increasing the assets that people need to survive.

In order to develop a strategy in this regard, we need to do some research on what assets people need to survive in Ivory Park. Based on this we can then develop the right strategy to address these needs and to increase the assets that households have in Ivory Park, like tools for gardening, a rainwater harvester, solar water geyser and so forth, that would contribute to decreasing poverty as well as reduce the pressure on money that people earn.

Food

Households

Problems

Food Stress - For 44% of the households surveyed, food is the main thing that they spend their money on. On average, households spend R704.97 on food per month. This can be contrasted with the fact that nearly two-thirds of households earn less than R1000 per month. Together with having to spend money on other important needs like energy, transport and rent, this means that it is very difficult for many households to pay for all the food that they need. It therefore appears that there is a high level of food stress in Ivory Park.

Types of Food Consumed - Mealie meal is the most important type of food for 67% of households surveyed. For 30% meat is the most important. Vegetables are the most important for only 7% of households, and are the second most important for 25% and third most important for 29% of households. Also, snacks were the fourth most important priority in one out of ten households that were surveyed. But while snacks like chips, chocolates and coke taste good, they are very unhealthy! Less healthy food is often cheaper than healthy food.

Mealie meal is relatively cheap compared to other foods and can be an important source of carbohydrates. Perhaps vegetables are not so important to households because they are more expensive (many people might think that they are also not as tasty as meat! But if cooked in various ways they can taste very good), but they are much higher in different types of nutrients, which are important for feeling healthy and strong. We therefore need to think how people can more easily have access to more vegetables than they currently do.

Very Few Households Have Vegetable Gardens - While mealie meal is very important to households in Ivory Park, and vegetables are very healthy, very few people grow their own maize or have vegetable patches at home. Only 22% of people said that they grow fruit or vegetables in their gardens, while 74% said that they do not.

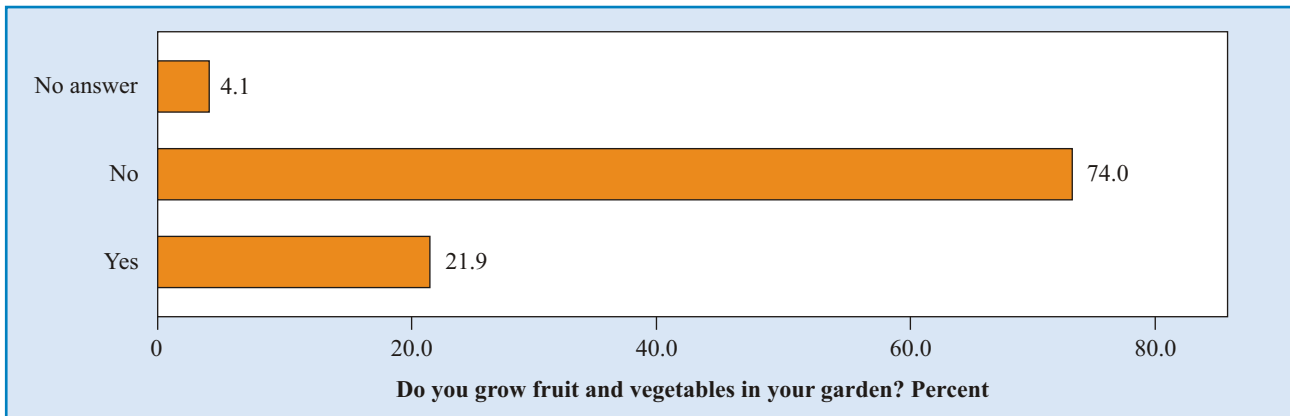


Figure 3: Percentage of households that grow fruit or vegetables in the garden

Solutions

Food Sovereignty Campaign

Objectives - The objective of a food sovereignty campaign would be to make people as independent as possible in terms of the food they eat, where they get it from, who controls its production and how much it costs. Food is a basic human need (and right) - it doesn't matter who you are, everyone needs it to survive. But why then is food sometimes so hard to get? Why do so many households not have enough food? This is not only because many people do not have a job and so cannot afford to pay for food, but because food is becoming more and more expensive. But if humans need food - without it we cannot live - then shouldn't it be that everyone can get enough food even if they cannot pay for it? The production of food is mostly controlled by big corporations who are not as interested in whether everyone has enough food, but rather how much PROFIT they can make from selling it.

On the other hand, the aim of food sovereignty is to say “Right! We do not need to depend on buying food from big corporations, we will grow and sell food in ways that we as communities can control, so that it is easier for everyone to get the food that their bodies need! It also means building a local food economy to meet the needs of households and the community!”

But how can we take control of the food we eat in Ivory Park? Well, there are a few ways that this can be done:

Food Producing Cooperatives - These cooperatives will be linked to the SEECC, and will have the aim of producing healthy food and selling that food to the residents of Ivory Park at fair prices, as well as providing employment. This also means that rather than giving money to corporations and big supermarkets, money is kept inside Ivory Park, contributing to further creating employment and incomes.

Home Food Gardening - People will also be encouraged to begin growing their own food in their own yards. The SEECC is starting one demonstration garden in each ward, where people can come and learn how to plant their own food. It is in fact not hard at all, and it will also be a chance for people to come together, to learn from each other and have fun together! After people

have learnt the basics of starting a vegetable garden at home, it will help people to have healthy food, that they do not have to go and buy from the shop (seeds are quite cheap). It will mean then a little bit less money can be spent on food every month, which means a little more money to save or to use for other important things.

Food Education - The SEECC can do certain things to help people understand the importance of eating healthy food that can be grown in your own back garden, like creating a recipe book to give ideas on making vegetables taste interesting and delicious, running education workshops and cooking classes. The SEECC will also market and inform all residents about the local food economy and how they can get involved.

Creating an Integrated Food Sovereignty System - All of this will be part of creating a food sovereignty system in Ivory Park, and so it will also involve establishing seed banks (so that we don't even need to buy seeds from outside Ivory Park), a nursery where people can get the food plants for planting at home, composting systems, organic and permaculture methods and training at the demonstration sites, water management, creating local food markets and so forth.

Research - Research will also be conducted periodically to monitor the whole process, so that we can know where we can improve certain things and to build capacity. The Midrand SEECC will also research the local food economy to assist with its development.

Education

Problems

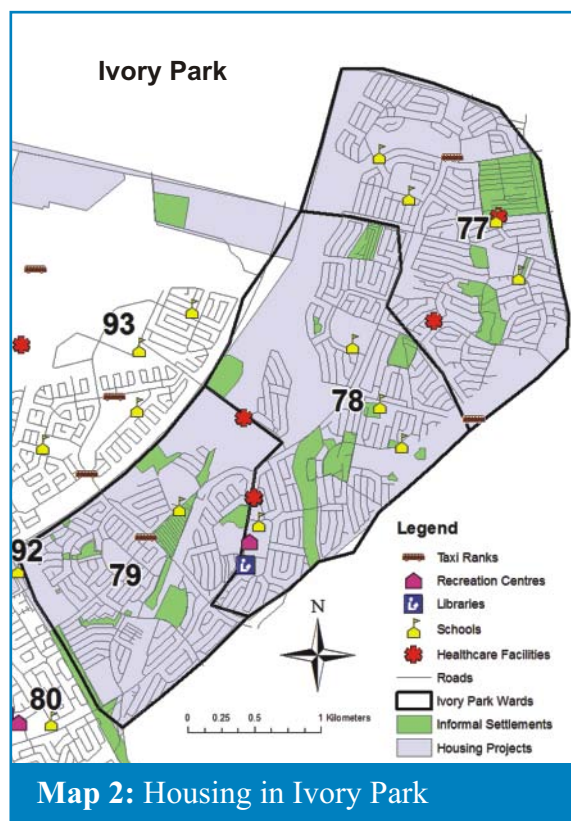
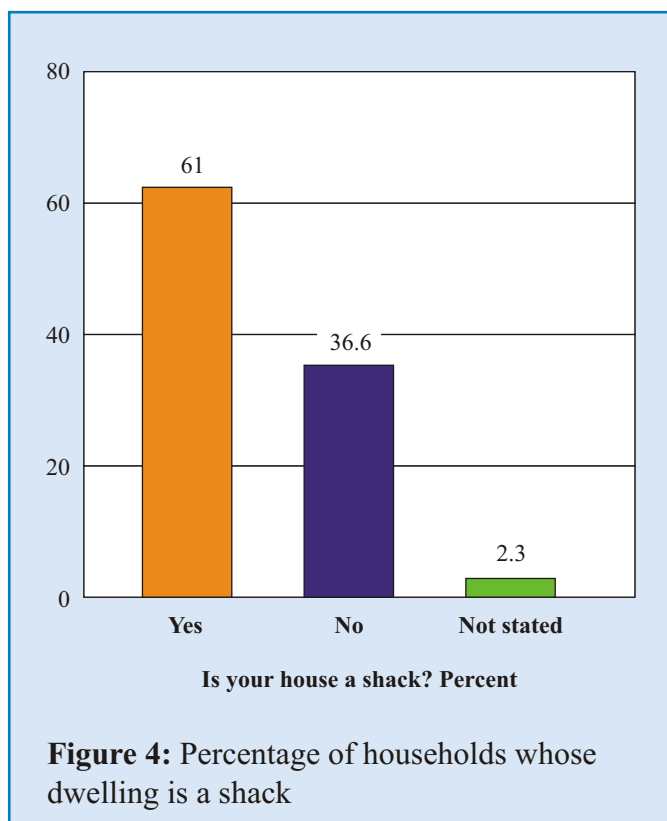
Low Education Levels - The survey showed that many people have quite low school education levels and very few people have studied after school like at university. For example, across ward 77, 78 and 79, only between 13-15% of people in the survey have passed Grade 12. Also, a high number of people cannot read or write. As such, many people indicated that one of the things they would like to use a loan from a community controlled financing institution for is education.

Solutions

Adult Literacy Classes - The SEECC will attempt to work with organisations that are involved in basic adult literacy to hold such classes in Ivory Park. Such a process could move towards developing literacy trainers from within the communities in Ivory Park so that skills are created in Ivory Park and used for its benefit.

SEECC as Centre of Education on Solidarity Economy - The training offered through the SEECC, like food sovereignty, controlling finance and eco-building, will contribute to the development of certain skills that can help in addressing vital needs in Ivory Park.

Housing



Problems

There is a housing problem in Ivory Park, as 61% of people reported in the survey that they live in a shack rather than a cement and brick house. Shacks can be particularly badly hit by flooding, which happens very often in Ivory Park, and are not as warm in winter as brick houses. As such, many people indicated that they would like to get a loan from a community controlled financing institution for building a house.

Solutions

Housing Financing by Solidarity Economy Fund - The Solidarity Economy Fund, the community controlled financing institution, could create a specific product for providing finance to people for building a house. For example, one where a group of people collectively contribute a certain amount of money every week or month, and then when there is enough money to build a house, one person can have their house built from the funds saved. The next round of saving then begins to save for the next person's house, and so on until everyone in the group has their house. However, this will require further research, together with residents, to decide on the type of plan that would best suit their needs.

Energy

Problem

Electricity, gas and paraffin is quite an important expense in households surveyed. On average households spend close to R250 a month on electricity, gas and paraffin. Much of the energy used produces a lot of carbon dioxide, which is bad for health as well as the planet. Also, this energy costs money for households. There are other technologies for meeting energy needs that can reduce the costs for households and that are safer.

Solutions

Education on Energy - People in Ivory Park can learn about different forms of energy, from gas to wood to paraffin to electricity to solar. People can understand the dangers of some as well as what effects they have on the planet. As a result, people can learn more about solar energy and how important it is in both meeting the needs of people in Ivory Park as well as being better for the planet on which we all live.

Link to Community Controlled Financing Institution - A possible route would also be to create a way for the Solidarity Economy Fund to provide loans to households to install solar water geysers and even solar panels to provide electricity to the whole house. Solar water geysers can be a big cost saving for households, and they can also be a cheap way, once it is installed, to provide hot water to households that they do not already have.

Campaign for Government to Provide Solar Water Heaters - Solar water heaters are also much better for the planet because they do not use electricity. Together we can put pressure on government to provide solar water geysers in Ivory Park, not only to provide people in Ivory Park with hot water, but because South Africa needs to reduce its emissions of green house gases that are contributing to global warming.

Mapping Enterprise Challenges and Solidarity Economy Solutions

Informal Enterprise Indicators

A total of 150 enterprises were surveyed. From this number 65% have been reported as informal.

Character - Of the 150 enterprises surveyed over Wards 77, 78 and 79, a lot of them were informal (65%), which means that they are not registered with the government as a company, cooperative etc. Most of these enterprises (77%) sell things to the community, like fruit and vegetables. Some also provide services like hair dressing and shoe repairs (19%). These enterprises are very small, but many have been in Ivory Park for a long time and serve a lot of people.

Very Few Enterprises Surveyed Actually Produce Goods - It also means that a lot of goods that are being sold contribute very little to employment in Ivory Park because they are not being produced there. Food is a very good example of this. Many enterprises sell food, and there is a high demand for food in Ivory Park, but very few people are actually employed in producing it (as discussed later).

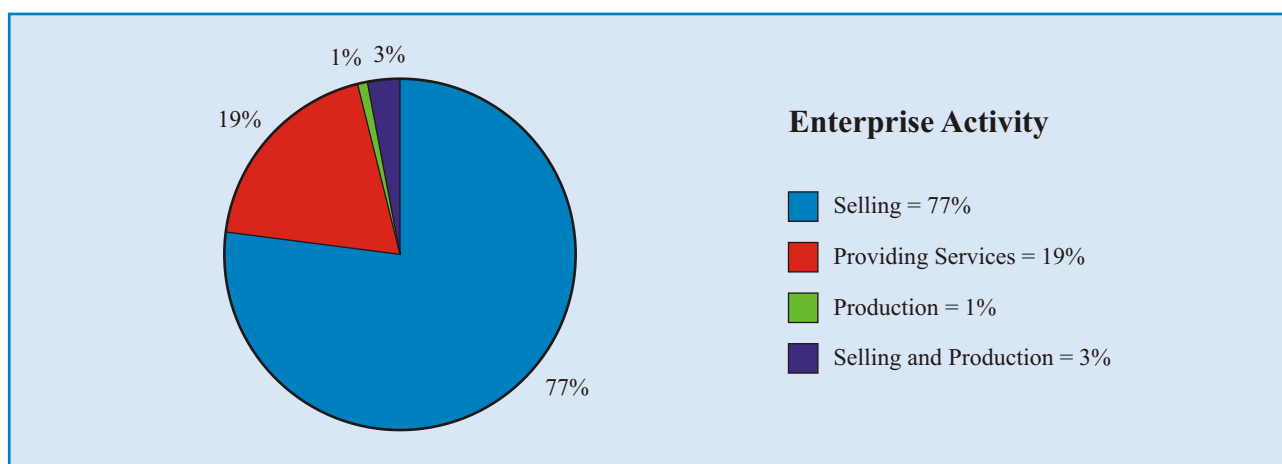


Figure 5: Activities of different enterprises

Market Share - A relatively low number of people buy their food from spaza shops and street traders, with the greatest proportion buying their food from the grocery store or stores in Midrand. However, although spaza shops do form a sustained part of sources of bought food (indicated by the fact the almost one-third of enterprises have existed in Ivory Park for between 5 and 10 years), they occupy a relatively weak position in the value chain. This is in contrast to the fact that people will always demand food. Reasons for people buying from grocery and chain stores may be linked to distance, perceived quality, perceived price, and convenience in terms of being able to buy everything in one place.

Employment - These enterprises employ quite a small number of people. For example, 44% of enterprises surveyed employ 1 or 2 people, and 37% employ 2 to 4 people.

Competition Between Enterprises - With very few enterprises producing things and a large amount of them selling things also means that there is a high amount of competition amongst enterprises. There is therefore low cooperation between enterprises, and there is no organisation through which enterprises can work to ensure that there can be benefit for everybody.

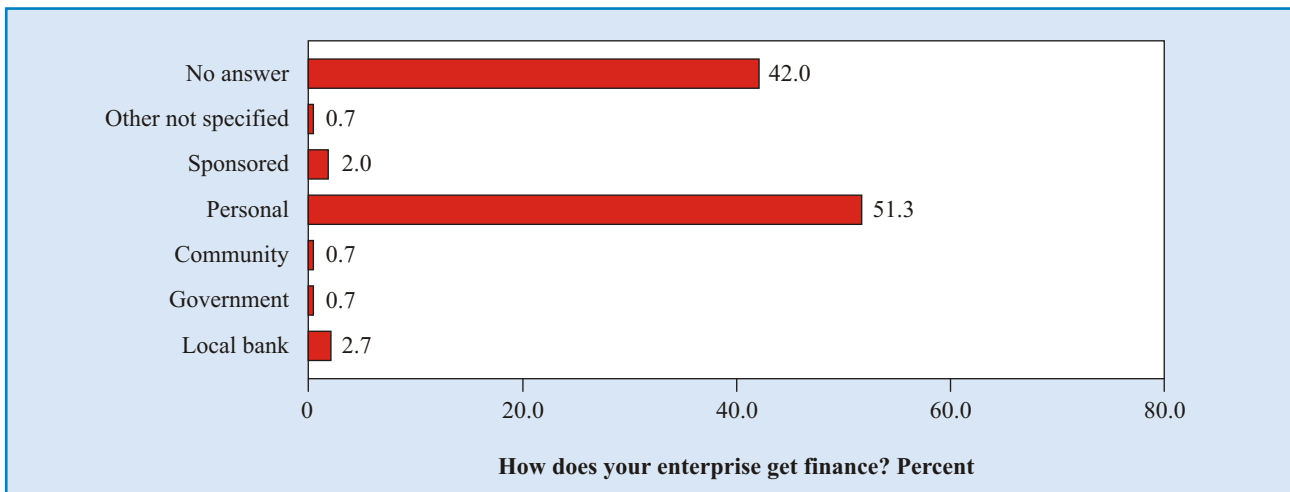


Figure 6: Source of finance for enterprises

Control of Capital - Enterprise have found it difficult to access finance for their start up and working capital needs forcing many of them to be self financed. Financial access challenges are mainly due to the informal nature of the enterprises.

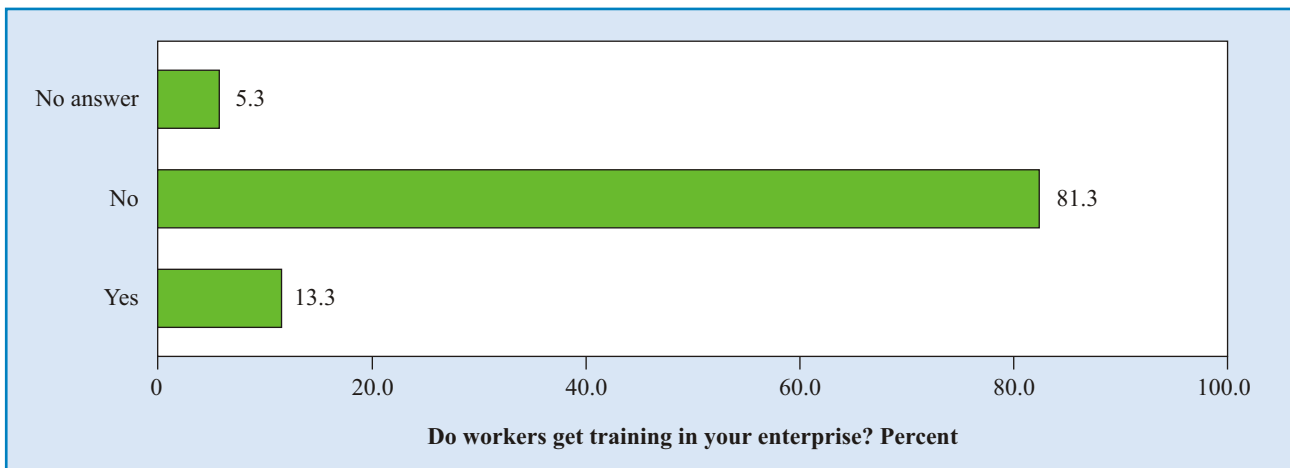


Figure 7: Percentage of enterprises in which workers get training

Education and Training - 81% of enterprises reported that they do not provide training and only 5% reported that their workers had been trained by the Government or SETA. Majority of these enterprises identified that they need training in business management, financial management, marketing, project management and specialised technical training.

Solutions

The above issues illustrate that there exists in Ivory Park a certain value chain that does not lead to viable economy activity. There is an opportunity to create a new value chain that would benefit people in Ivory Park. Such a value chain can provide access to finance, employment, food, and greater purchasing power on the part of enterprises if grouped into worker cooperatives for services, organising consumers and production that are linked together to ensure cooperation and the benefits of economic scale remain in Ivory Park.

Solidarity Economy Enterprise Indicators

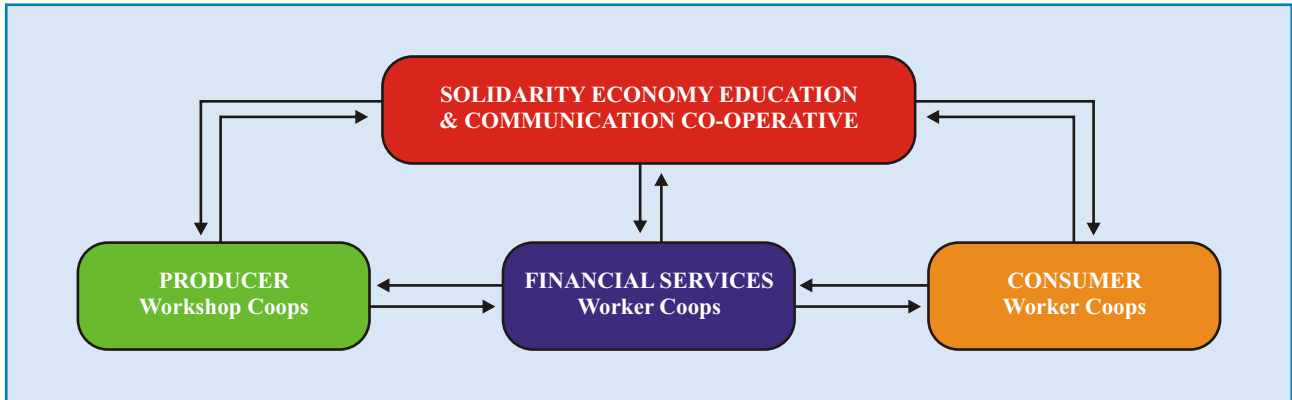


Diagram 1: Potential Solidarity Economy Value Chain

The SEEC will play an important role of providing education, training and organising the enterprises into worker co-operatives based on viable trading options and opportunities. Linked to this value chain will have to be a SE fund co-operative to provide access to loans and savings products to the enterprises.

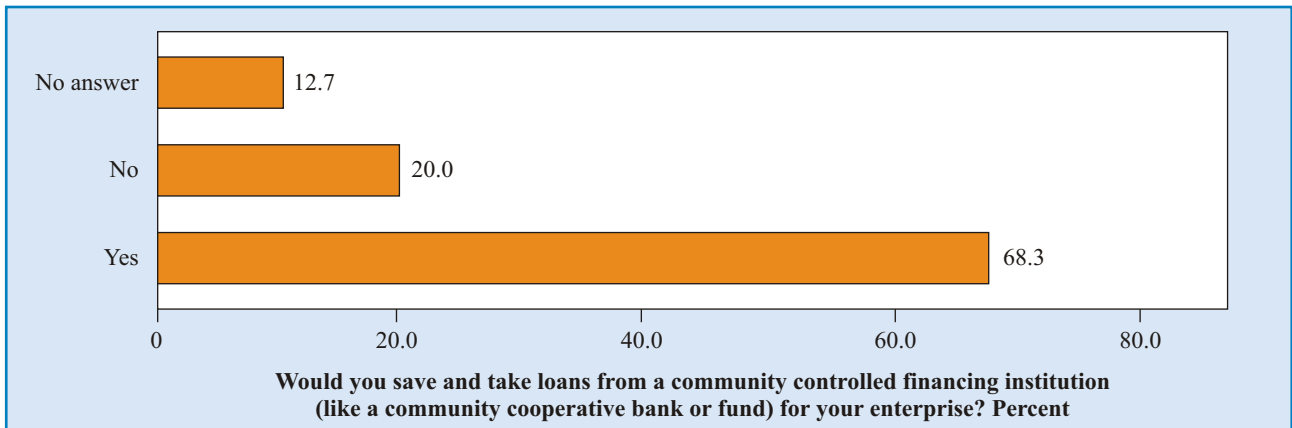


Figure 8: Percentage of enterprises that would take a loan from a community controlled financing institution

It is encouraging that 67% of the enterprises reported that they would save in a community controlled financing mechanism.

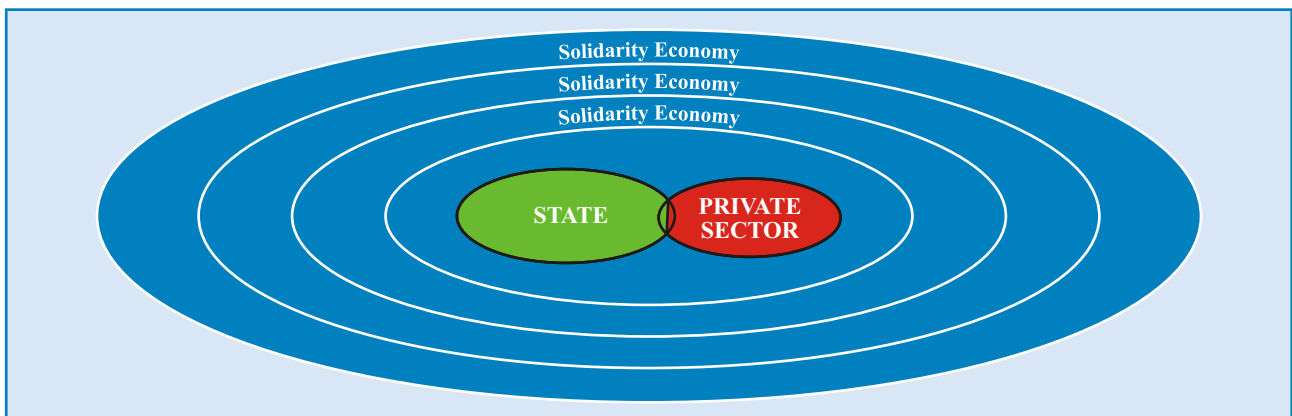


Diagram 2: Solidarity Economy Vision

Solidarity Economy Values and Principles

In different parts of the world solidarity economy movements and networks emphasise a core of ethical values and principles. Some of the main ethical values of the solidarity economy are **caring, sharing, self reliance, honesty, democracy, equality, learning, ecological consciousness, social justice and openness.**

The process of the solidarity economy is guided by the following principles:

- **Solidarity:** provides the social basis for the solidarity economy. It informs the cooperation between members inside a solidarity economy enterprise, between such enterprises and with the community more broadly.
- **Collective ownership:** ensures the assets and resources of the solidarity economy enterprise brings benefits to all within the enterprise, to the community and future generations. It ensures control and power is shared.
- **Self management:** gives members (women and men) and worker owners the rights to impact on decision-making. Such a principle ensures one-person-one-vote institutionalises accountability and responsibility. Ongoing education and training is crucial for viable self management.
- **Control of capital:** is a crucial practice to secure benefits for the individual enterprises, the wider solidarity economy and the community. It requires developing mechanism's to build up capital from below and subordinating it to democratic control so that the vision, values and principles of the solidarity economy informs lending practices. Such criteria will also inform the behaviour of the borrower.
- **Eco-centric:** practice places an emphasis on a non-destructive relationship with nature through inputs, production processes, services rendered, consumption and household practices.
- **Community benefit:** encourages a broader social awareness as an integral part of how the solidarity economy works. Such community benefit to be accounted for through transparent financial reporting.
- **Participatory democracy:** provides an institutional space for the decentralised power of citizens and solidarity economy actors for and with the solidarity economy process. Such an institutional space to bring together and unite such social forces to ensure effective coordination and development of the solidarity economy.

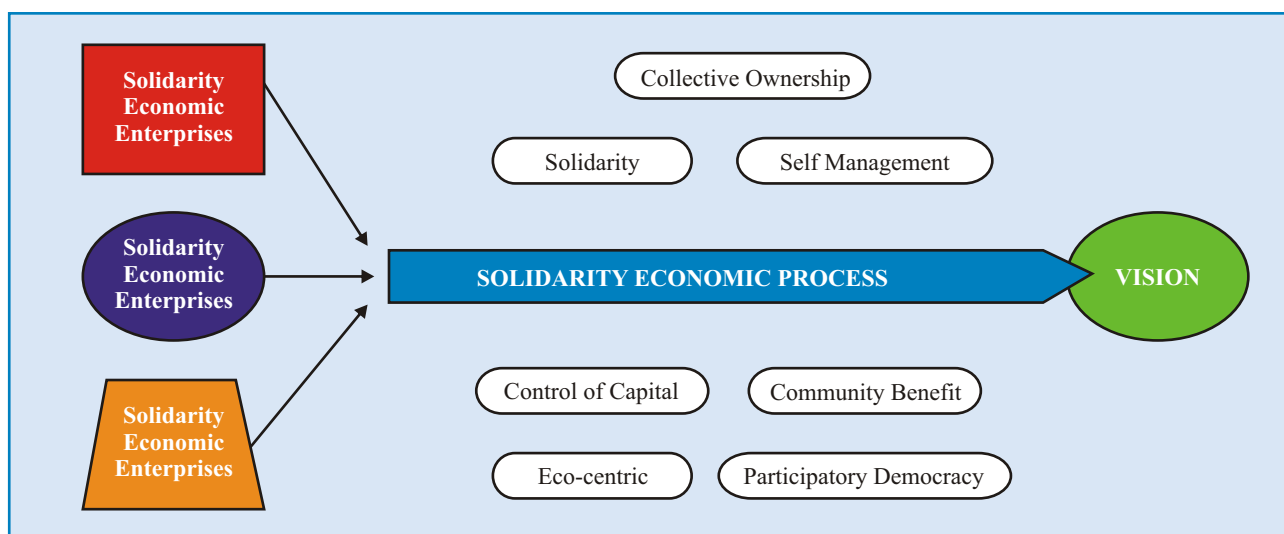


Diagram 3: Solidarity Economy Process

A total of six co-operatives were surveyed. The following table outlines some of their challenges in terms of becoming fully fledged solidarity economy enterprises grounded in the values and principles of the solidarity economy process:

Table 1: Challenges Facing Cooperatives in Ivory Park

Character	67% reported that they are primary co-operatives and the other 33% are unsure.
Employment Level	All of the co-operatives in Ivory Park have a small membership base averaging 7.2 members per coop. This reflects that output and scale of production is still very small.
Reported Member Benefits	Only 17% of the coops reported benefits to their members. This ranges from receiving shares from surpluses, livelihood, food, stipend, loans, monthly income and food from their food gardens.
Education & Training	Again 17% reported education and training needs around agriculture, savings, basic business skills around marketing and finance.
Internal Organisation	All of the co-operatives have registered constitutions but 50% reported that they neither own shares nor pay membership fees. 17% of the coops reported that they do not have a board of directors and were unclear about strategic and operational decision making in the co-operative.

Many of the co-operatives face staying marginal due to a lack of stronger internal controls, self-management, solidarity, control of capital and access to the market. The solution to many of the SEE challenges lie in the Solidarity Economy Process and Forum.

Taking Forward Solidarity Economy Solutions Through The Solidarity Economy Process and Forum

The solidarity economy process seeks to achieve:

- Collective self organising to sustain life (human and non human)
- Democratic co-ordination of economic and social enterprises
- Self managed enterprises
- Worker and collective ownership
- Participatory civic and social action
- Ongoing learning for progress
- Social transformation centered on human need and the environment

The solidarity economy process will be convened through a Midrand SEEC forum. Both informal and SEE should participate to achieve the objectives of the solidarity economy process.



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