

**PETER BRUCE:** Business Day Dialogues are an informal series of panel discussions we host, and we reproduce an edited version of the conversation in the paper as a supplement. We also video the discussion and we put up clips of the discussion on our website, and we carry a full length transcript of the conversations in case anybody finds it useful on the website as well. Today we are going to discuss Census 2011. Pali, I think you start Monday after next?

**PALI LEHOHLA:** The next Monday – there’s 10 days to go.

**PETER BRUCE:** We have with us today Professor Charles Simkins, who among his many titles is a professor of economics at St Augustine’s University - a private university in Johannesburg. He’s a former head of the School of Economics at Wits University, and a former member of the Council of Statistics SA.

Pali Lehohla who is the Statistician General if anyone can’t spot him in his yellow suit...

Miriam Altman who is a commissioner on the National Planning Commission.

Itumeleng Mahabane who is a columnist for Business Day as you all know and a partner at Brunswick in South Africa.

Ashleigh Theophanides who is a director at Deloitte and currently heads up the healthcare and wider fields practice within the actuarial division at Deloitte.

Xolela Mangcu who is also a prominent commentator, sometime columnist for Business Day and others, and who is about to go and teach at UCT.

Richard Pike who is the chief executive of Adcorp.

We’ll talk for an hour, break for ten minutes and talk for another hour. We also have people observing and recording what we say, partly for the supplement, but also partly here to help me elicit some intelligent questions when I run out of the three that I have. Just joking... I will invite questions from the floor towards the end of the discussion.

I’m going to start Charles Simkins with you. Pali Lehohla wrote recently that the undercount in the 2001 census keeps him awake at night - 10 years later should we have gotten everything right this time, and what should he and his team have been working on for the past decade?

**CHARLES SIMKINS:** The ideal in every Census is to count everybody once, and nobody more than once. No census actually matches this ideal - though some censuses come close. I remember being at Princeton in the 1980s meeting a Chinese demographer. I said “what was the undercount in the last Chinese census?” He said “one half of 1%.” “China is a very organised society,” he added. We are much worse than that. Now if you have this degree of inaccuracy in the primary count, there are things that you can do to statistically adjust your population afterwards – there’s more than one thing that you can do – but all of these methods are statistical and they introduce a degree of error in the final estimate of the population that you give. Now the error at the national level may

not be very big – although there was a 17% undercount in the 2001 census, Statistics SA concluded that the national population was known to within 1% with 95% certainty – so it's not a large margin of error. The trouble is as you go down and you break down the units into provinces and municipalities, and then areas within municipalities, the relative error becomes much greater so that you have a high undercount – you can't know with great certainty what's going on in Port Elizabeth or in Motherwell, places like that – and there is no other replacement information that will tell you what's going on there, so there is no getting away from the need for a much lower undercount than we've had in the past if we're going to be able to do small area demography with any confidence.

**PETER BRUCE:** Pali Lehohla, are you confident that you can reduce the undercount? It must be quite strange to begin to do something that you know isn't going to be perfect – but how do you get closer to perfection, and how do you get closer to a real count? As Charles says, counting every person once?

**PALI LEHOHLA:** Indeed, that's the intention. The question is how South African society is organised – in the way it is, it's quite a difficult society to work with in terms of undertaking a count. High mobility undermines the exercise, and South Africa institutionally is a highly mobile society – a highly commuter-influenced society leaving home at 4am and arriving back at 10pm. There's a mutual disjuncture between the enumerator and the person that we're trying to enumerate. That's the first hurdle we see. What one would have liked ideally is to declare a curfew – lock everybody in and then count them – but our constitutional democracy probably wouldn't allow us to do that. In other countries these things get done – I was in Iraq recently, I was in Sudan and Nigeria where they keep you indoors until the count is done. This is the difficulty that we have. However, even with that difficulty we believe that a single digit count is possible this time around. In 1996 there was a 9.6% undercount, in 2001 of course we lost the plot with 17% which was one in six. That shouldn't and cannot be repeated because it corrodes the confidence in the statistics system. Let me say what it is that we are doing differently – first we've got a secure budget. In 1996 we went in with a 50% budget so the plan couldn't be concluded until when the budget was there, and in fact we almost overspent. In 2001 we went in with a 33% shortfall on the budget. This time around the issue of budget is neither here nor there – I think we've allowed about 5% but that's not really the issue.

What we have done – there are three things that we have done. The first is really to start early with the census. By early I don't mean months ahead – I just mean a number of days ahead. We will exit slowly, and in an orderly fashion. Watch this space – we will be mounting a "know your enumerator" campaign. Those three elements are key to making this census succeed. What are the benefits of starting early? Starting early means that you bring in teams in waves, one at a time. The first wave was the wave that we sent out from our own head office to district offices – 128 of them – and we placed our permanent staff in those offices. We placed them in June already. The second wave was a 5,000 team that we appointed middle August, the third wave was the one that we appointed on 24 August. The last wave is the one that we will be appointing on Sunday – and that is 120,000. Previously we would bring all the 150,000 all in at one go. We will bring them in, train them, deploy them, pay them, decommission them and get our boxes back at Sandton. That was a recipe for chaos.

This time around, starting early each one of those waves has a specific role. The 5,000 in the main have to establish the offices and establish presence for the 30,000. The 30,000 came in – they listed, created a register of dwellings for South Africa. Our initial estimate is about 15 million dwellings in South Africa. That register is continuing – we are left with about 1.2 million to finalise and match the 15 million or exceed it because that was an estimate. The actual process now does that register, and that is done by the 24,000 team that we have now in field. They just took a break for training – once they finish training they should go and finalise that 1.3 million that is outstanding. That is the register.

Against this register people have to go into the dwellings – that is the 120,000. They have to go in each of those, and count everyone in those dwellings. That's the 120,000 that we are deploying from this Sunday. On Monday we have the "Know your enumerator" campaign which is a campaign of these people with their photographs so that the neighbourhoods can know them. We have got a new set of politicians in town for about five weeks as we handle the enumeration. These three strategies I maintain will reduce the undercount. One, we have improved on our management in terms of bringing in these waves over a period of time; two, we have a process by which we make South Africans comfortable with enumerators; three, we have a campaign that certainly is much bigger than any other we have ever mounted in the previous censuses. These three things should generate a lower undercount.

**PETER BRUCE:** Miriam, you're on the National Planning Commission – what are you going to do with the census results? Will they be out in time for you? Will they help? Are you using the 2001 census, which Pali says he blew?

**MIRIAM ALTMAN:** We're coming up with our first national plan on 11 November 2011 – if I can just do a plug – working with demographers now to do the best we can with the information that we have. Which is always what one does. It's never perfect. Pali, I think, is used to dealing with uncertainty – one does the best one can with the resources one has – so we've been doing demographic projections, mostly revolving around health and around potential changes in immigration. Those are probably the two biggest wild cards. Otherwise I guess we're pretty clear on what's happening – and this census will update it – and then we will go from there. The National Planning Commission is a standing commission – a permanent commission – so each of us has been appointed for five years and then other commissioners will be appointed, so we don't wait for the census to come out to begin our work. When the census does come out then we may revise what it is we do – so it's very helpful. The question that arises then – if I can just come back to what Charles Simkins was saying – there is one question that you don't want to double count, but of course there's the undercount problem that's already been raised but there is a very specific issue in relation to understanding immigration which I think we've got a very poor handle on. Even if you are able to go to every house and you are fully budgeted for it's one of those things that people may simply not want to be recognised – or may not understand the process. I understand that there are efforts to do something about that, but from a perspective of understanding economic activity – how many people there are, the design of local services – understanding that particular piece of information is going to be incredibly important.

**PETER BRUCE:** Itumeleng, your column in the Business Day newspaper this week was talking about the government with all its money, and the poor – to what

extent does a census like this, to what extent would you expect a survey like this to help them get it better, or do you worry that whatever the numbers are in front of them they will simply carry on behaving as they have in the past?

**ITUMELENG MAHABANE:** Obviously a lot of resources are spent on the census – and government isn't doing it just for the sake of it – it obviously values that information. Whatever the quibbles I may have of the quality of government planning – I don't believe that government doesn't actually use whatever information it has to try and get a better grip on the social development needs – so I think the census is hugely important. We have huge needs in terms of social development policy, we have as everybody knows limited resources. We have numbers competing for resources – so the better the quality of that information, the better the job that government can do. I do think that they will use it. I think the problem is not just the information – and I agree with everybody that information is never perfect – but I don't think the problems with government to be honest are just about the quality of information. Although I do think that is an issue – I think that the planning deficiencies are cultural, to be honest. It's not about the quality of information.

**PETER BRUCE:** Ashleigh, you're in the private sector – does this help you? We talk about the way censuses are important to government to help them plan for poverty relief, development etcetera – are they of any use to you in the private sector?

**ASHLEIGH THEOPHANIDES:** Most definitely. Besides the work that we're doing within both the government sphere of social planning itself – so within the social security commission, the planning commission – my team is actually also helping with a lot of the work and a lot of the challenges around migration, as well as the burden of disease that's influencing our population base. But then if we even look a little bit further in terms of economic development and our ability to be able to ensure that as a country we see the positive aspects of economic development occurring, it is very important for the private sector to understand the availability of resources in particular areas – and the impact that will have for them if they actually have to introduce additional services in those places, as to is it economically viable to do so? We all know that with a lot of focus being on social security reform – both on the pension and provident fund side, as well as within the health side – is that there is a business imperative. There is an imperative for society as a whole to be able to ensure that we have a far more productive population, a healthier population, to be able to ensure that as a society as a whole we can reduce our unemployment and ensure that we prosper, and ensure that a lot of the concerns around our Gini coefficient (inequality of income or wealth) and so forth can be addressed and ultimately that's positive for business as a whole.

**PETER BRUCE:** If I can just ask a supplementary question – if there was a big undercount last time have you been barking up all the wrong trees? How do you deal with the fact that there was an undercount? As Charles says, they feel confident that they were 96% right – is that good enough for you?

**ASHLEIGH THEOPHANIDES:** The advantage is that there are many sources of information that one can use, so one wouldn't just rely on one set of information. There's also the Community Survey that was conducted in 2007. By creating model points to be able to put the different sectors' information together that can give one a better set. As mentioned before, the information that you have at your

disposal is unfortunately all that you do have you need to make the best of it, and understanding the shortcomings of that. That's what makes me quite positive about the 2011 census – a lot of effort has been put in to understand the challenges as to what went wrong, and to try and find actions in order to ensure that doesn't occur going forward. However, I am still concerned about the migration problem. I do believe that is still a challenge for us.

**PETER BRUCE:** I forgot to mention that Xolela is a qualified town planner. I'm not sure whether that will come into discourse during this debate, but Xolela, do you expect with the information the government gets in this new census – would you expect the new census in any way to change its behaviour?

**XOLELA MANGCU:** I'm a sceptic when it comes to things like this. It's almost like there are two sides of me that are rubbing against each other. On the one hand, as a planner I can understand the desire to have the numbers right, and I can imagine technocrats sitting in all kinds of places saying "we need to have the numbers right." As a sociologist, I say, "What does it matter – will it change the way that we think about development in this country, will it change the way we live?" It can tell us a lot about who is in the country, but it doesn't tell us very much about how we live in the country. So for me, numbers are important but they are important only to the extent that they answer these qualitative questions that we have to deal with as a society, as a government. For example, as a planner you could say it's a problem that we had an undercount, it's a problem that you can't organise society, but as a sociologist it's like "wow" you know what better kind of society could you wish for than a society that is not rigidly controlled, and under the gaze of some planner? I suppose what I'm saying is the census is important, but what's even more important is the creativity that we as a society bring to it in terms of not just who is here, but how do we live, how do we develop our society? We live in a very technocratic society – so it's very easy for something like the census to fall into that culture. If we can take it out of that culture then I think it could do much more than it will do at present.

**PETER BRUCE:** Richard Pike, you're also in the private sector and you do your own surveys – is the sort of thing that needs to be done by government or government agency, or could it be outsourced to the private sector? Who could count better?

**RICHARD PIKE:** Something on the scale of the census, I think it's just too big for the private sector to handle. Maybe there could be some private sector subcontracting, if you like, of it. I think it's just on a scale that is probably too enormous – and it's pretty comprehensive from what I understand – so just in terms of the headcount that you're looking at to carry this thing out, the logistics, the support that one would need from communities I think it would be a pretty difficult task to handle from the private sector. But I think obviously a critical task – from a planning point of view it's as vital to the private sector as it is to the public sector. I know with some of our big clients in the retail sector, it's quite a big thing for them to understand what's going to happen to consumption in the future – they need to know numbers about that. Coming back to some of the points earlier about accuracy, it is critical because it's garbage in, garbage out. If we get the wrong numbers in, we're going to make the wrong planning decisions going forward – so I think that is important.

**PETER BRUCE:** Having gone around everybody I'm going to ask you if you wouldn't mind having a conversation among yourselves. I am going to come back to you Pali,

colleague of mine, Bronwyn Nortje behind the colourful laptop lid, has a Masters in Economics – she does lots of surveys and statistics – and helps us write editorials on Business Day. We tried to fill in the census form just now and we got to about eight minutes and we hadn't got very far – her view was that it would take at least 15 minutes for a very skilled enumerator in a one-person house to fill the form in. How quickly – you said you were going to exit slowly, and I'm not quite sure what that meant – obviously there'll be a night which will be your base night, but the question would be for how long the information on the base night is accurate, because the longer it takes for you to finish I presume the less reliable what happened on the base night might be, how many people were in the house, etcetera? What do you expect? It does seem to be an extraordinarily complex form – are you not asking too much?

**PALI LEHOHLA:** Yes, in a way we could be asking too much...

**PETER BRUCE:** That makes a great headline - it has the word "admit"...

**PALI LEHOHLA:** Let me say there's a lot we're asking – but that "lot" is what is essential and is needed. We asked that in 1996, we asked that in 2001 we asked that in 2007 and then of course now in 2011. The statistician's dream is not to cut the time series so we are likely to see this continuing into the future until we find substitute sources for that information. There are 75 questions in this, 50 are personal and 25 are household. We have taken our enumerators through a period of time to deal with this. I am sure they will struggle with the first house that they meet and the second and the third but by the time they get to the fifth it will run quite quickly. Empirical evidence is that for a household of four it will take about 45 minutes and therefore that is not very far off in terms of one person spending about 15 minutes but what is 45 minutes in every five years? It's nothing really.

**PETER BRUCE:** I was just talking about how quickly an enumerator could get through this...

**PALI LEHOHLA:** Our estimate is that they can do 10 questionnaires in a day so we've given them 20 days to complete about 120 or so questionnaires. So there will be another three visits and that time is allowed for revisits. If they were working flat out it would be 10 days but we have another 11 days of revisits that they will have to deal with. The exit slowly is a mop up period. We have five weeks, three weeks regulated time two weeks optional time. This actually gives you the kind of resources that we are putting into this to ensure that there is a reduced undercount.

**PETER BRUCE:** Charles, there seems to be two things. One thing that I want to ask about is two people have raised the question of counting immigrants, the other thing I notice on the form is there's quite a lot of financial information that Stats SA wants to know about - in your experience are people willing to part with that information, and if they are to what extent can they be trusted to tell you the truth?

**CHARLES SIMKINS:** I think that on the immigration front it would help if we had a rational immigration policy – if people knew that they could come from Africa and they could go up a ladder into permanent residence and then apply for naturalisation – it would make a lot of difference to willingness to identify themselves. I was once asked to do a study of Hillbrow so I went to the 2001

Census and looked at the geographic information system and what I discovered about Hillbrow is that 40% of the black people there, term themselves as Zulus. Only about 11% Sotho and what-not. Who are these Zulus? They are not Zulus at all - they are foreigners who have Zulu "name recognition" who are converting themselves into South Africans for the purposes of enumeration. That's because we have this uncertain and rather arbitrary immigration policy. It makes people uncomfortable – they are quite often about their identity – so I think you may be enumerating people, but you maybe enumerating them inaccurately as far as immigration is concerned. Until we have a better immigration policy I don't see that changing very much.

**PETER BRUCE:** There is nothing obviously that Stats SA can do about immigration policy, but they will have to eventually deal with the figures with the results that they get. On this particular question the results could be quite skewed because people are obviously frightened...

**CHARLES SIMKINS:** Yes, what you might get is a whole bunch of people swelling the ranks of the Zulus – or whomever – and then a relatively small number of people accurately reporting themselves as foreign.

**PETER BRUCE:** Miriam, how much of a problem is that?

**MIRIAM ALTMAN:** I guess at least one knows how many people there actually are. Of course it's a problem – but as Charles has rightly said until that policy issue is sorted out people will rightly not elect to say where they are from. I wanted to come back to something if I may – I would hate to think those reading this dialogue would come away without a full understanding of how important this is. I can't speak for Pali but I would have said that this is one of the most important things that Stats SA does. It's this, it's measuring the GDP and inflation. There are actually very few things as I understand it that really is the essence of what Stats SA needs to deliver – this is the backdrop against which all planning happens. That means the budget, everything that SA Treasury does, the allocations to provinces, the allocations to local areas, the allocations to health spending. As Ashleigh was saying the thinking around healthcare. It's the denominator to everything. It's not meant to be qualitative – in other words it's not meant to be about policy per se. It's for policy makers and others to see how they use this data. It's a necessary but not sufficient kind of thing – but again it's the backdrop that enables all the rest of any kind of financial or other policy planning that arises.

**PETER BRUCE:** Point is well made. The reason I wanted to discuss it here is that people reading it could understand the extent to which it influences policy and perhaps hopefully encourage them...

**XOLELA MANGCU:** It's a very important point that Miriam made, and I think in part in response to some of the stuff that I was saying. I agree completely that you have to have a census – you have to have the numbers – I worry about turning the numbers into a fetish. It's very easy in our country, a country that since 1994 the public discourse has been around numbers, the number of houses we are going to build, the number of this, the number of that. I am saying I am hoping that this census could lead to a different set of conversations. Let me give you an example – there's a term in political science where they appropriate the word census, the fear of ethnic census, or racial census, the idea that you can look at elections and look at the number of black people who vote for the DA and the number of people who

vote for the ANC. Then you can make an argument about an election being an ethnic census – it's an example of what I am talking about that the concept of a census enables you to make certain qualitative analysis about what's going on in society. I suck when it comes to numbers – that's partly why I am talking like this – but I'll be sitting at home worried about other changes in the political loyalties in this country because I find that extremely important. The statistics are wonderful – they can either confound or confirm that theory – all I am saying is that it is wonderful to have all these numbers but the downside is you can have a government that says “we had an undercount and that's why we didn't perform”. There are many ways in which the numbers can be used that's all I am saying.

**ITUMELENG MAHABANE:** I would like to add to what Xolela is saying. I think he and I can agree on this – there is no question that this is vital, absolutely no question about that – part of what we are saying is that we spend a lot of money on something that is vital, that's important not just for the public sector but for the private sector as well – but the issue that I think he is raising is we invest enormous resources into this, but to what extent does it actually lead from a policy perspective to a rigorous use of that information? As Miriam rightly points out it is a factor in budgeting but here's a problem – you take the equitable share that's in part based on this the truth is that those municipalities don't use this, and there is no way for us to even track that the equitable share is used in the way that it is supposed to be used. I think this is what Xolela is aiming at so this information does not change the culture of a government that in truth does not actually act in a way that is about dealing in a qualitative way with the social challenges that we face. In fact from a government perspective a lot of this information is not fully utilised. That I think is the problem that we are alluding to.

**PETER BRUCE:** Is it an ethnic survey as well Pali? Will it ask you whether you are Zulu or Xhosa?

**PALI LEHOHLA:** It approaches it indirectly – in the sense that it's the language that you speak. From there you can infer – so from the mother tongue perspective you can do that. Ethnicity in some censuses is actually measured, in others not. In the case of South Africa we dealt with this matter at length – and then we agreed on say what is the mother tongue? Anyone who wants to do ethnic analysis as well as regional analysis can use both geography and the mother tongue as the basis for making the inferences. Pretty much census after census those patterns seem quite consistent.

**PETER BRUCE:** Richard Pike, how would you look at the financial information that people give to the enumerators? Bronwyn again, I am very grateful to her, was making the point – and I'm sure it's a statistical thing that you build in – but if you take remittances presumably one house would be receiving remittances and another house would be giving them. How do you calculate incomes on that basis?

**RICHARD PIKE:** I think it's difficult; it actually comes back to a whole lot of issues that are contained in the census. We talked about the immigration issue. You are relying on people's honesty in responding to these things. I think there are perceptions – and we see it in our surveys – that people are quite scared to give information for fear of being taxed, or fear of being deported if it's an immigration issue, etcetera. I don't know how you take that fear away. For better or worse Stats SA is a government body and I think there's a perception that information might be compromised. I think it is difficult and it does undermine some of that information



and maybe just to touch on one of the issues that we are quite hot on – and we've bumped heads with Pali on this so there is a bit of an elephant in the room...

**PETER BRUCE:** We are going to get to it – that's why you are here...

**RICHARD PIKE:** It relates to the size of the informal sector. Stats SA is a survey based piece of work and we think the size of the informal sector is significantly bigger – and ours has a different basis of calculation where we look at the extent of cash and coin that's in circulation in the economy outside of the banking sector, and how that has grown. We look at that as a proxy for the growth in the informal sector. I wonder if the difference between the two potentially could be a reticence on people's behalf that are informally employed in actually acknowledging that they are because of fear of tax and the like. That sort of information ripples through a census like this. Immigration I think is a big issue. I think it is important to understand the size of the illegal immigrant population in South Africa, once again for planning, once again for security. We've seen xenophobic attacks in this country. What is xenophobia? Xenophobia in essence is competition for jobs. I don't think that inherently we are a xenophobic nation – we proved that in the World Cup where we welcomed people with open arms – but yet on the ground there is xenophobia. As I say it's competition for jobs between the immigrant population and locals. I don't think we have a handle on that number...

**PETER BRUCE:** To get over that what you are arguing is that we should be measuring the informal sector better – you are saying it's growing and that Stats SA might be undercounting it because of the way they approach this?

**RICHARD PIKE:** I think there are different methodologies. I think that potentially it's a lot bigger than Stats SA's figures would suggest. I'm saying where it's survey-based where you're asking someone a question will you get an honest response? I'm sure in your census there must be lots of potentially threatening questions that people will be asked. Interestingly on the language issue I was thinking about Charles' comments about the people in Hillbrow – to try and draw inference on ethnicity from a language group – where I'm sure a lot of people would probably answer English. That probably wouldn't necessarily give you a sense as to whether that represents an ethnic group – so I think there are those kinds of limitations. I suppose you have to do the best with the methodology that you have at hand.

**PETER BRUCE:** Ashleigh in your job you are serving clients and using this information as a core part of the business that you do with them – and you presumably charge them hideous amounts of money for it – how important is it that they get it right? Would you prefer from Stats SA more regular information? I think Richard does a monthly survey – and I think you do a quarterly survey – would it be possible and would it be helpful to do the quarterly unemployment survey every month. Is that feasible as a consumer?

**ASHLEIGH THEOPHANIDES:** Being actuaries we love data – the more data we have the better – however one has to balance the accuracy of the information with potential survey fatigue and how that would impact the accuracy of the information and that brings additional challenges. Given that if one looks at international standards having the surveys on the basis that we are having them is in line with what one would expect. However, in any survey there would be some bias – which is why it is important to understand the questions that are being asked and the potential concerns with those questions, which is why just using the census

information would most likely get you into a bit of trouble. You would need to use other forms of information to be able to either validate or adjust the information as accurately as possible. My biggest concern though with the high level of undercounting that occurred in the 2001 survey where 17% was very high the way in which that information would then be extrapolated for the rest of the sub-groupings – so for the population as a whole that's quite simple, but as you start breaking it down into age, gender, location and all those other factors your accuracy almost diminishes. If we can at least get a higher undercounting rate and I believe you are trying to target 2% which is very admirable that would definitely help a lot. From our perspective the more accurate the information the better – being done more frequently is not necessarily going to increase the accuracy of it – however using other methods such as other surveys, as well as proxies within the survey itself. For example do you have a television and so forth can also help one establish the LSM the person is in and one can then infer their level of income.

**CHARLES SIMKINS:** Can I say something about these income questions. I think in the census also you are given a choice – you can either report your income as a number, and then say whether that's per month or per year – or you can put yourself in a band. It would be one of about 14 bands where you tick yourself off. When you take that into account it's remarkable firstly how high a response rate there is to that – because there is one option on the whole question and that is to refuse, and some people do – but not all that many. Secondly the incomes that you get out of it look plausible – they follow the standard distributions and so forth, so I think people are often surprisingly candid to Stats SA about their income. I am not quite sure why...

**PETER BRUCE:** Pali, is this harder to do in town or rural areas?

**PALI LEHOHLA:** It depends on what we are looking at. Access can be very hard in high walled areas as well as informal settlements. Access just becomes equally hard – although the class and race issues are quite different. There it's a question of how many people are there at the household? The probability of getting anybody at home when you come is very low, and that results in absence or lack of access. The other one is content. On the content side you get different levels of challenges in terms of how that content gets done. On the income side the kinds of income levels that we get in the census – albeit under-reported – correlate in terms of patterns with the income and expenditure surveys which are quite elaborate where one asks income and then expenditure and look at how the things add up though the patterns look very similar in both surveys although at different levels. There are other questions that are fairly difficult – and you have to adjust for the inaccuracies there, particularly those that relate to children because from there you have to estimate the growth rates of the population. Those questions are highly difficult in the census.

**PETER BRUCE:** There also don't seem to be any specific questions on social grants in the questionnaire we had a look at - is there a reason for that?

**PALI LEHOHLA:** If we were to go for social grants we would go for other questions in other sectors of the questionnaire. What we want to know is what is your income, and what is that source of income - is that work or pension? That's how you come to that kind of conclusion.

**MIRIAM ALTMAN:** I think there is something else that one needs to understand is that this kind of census as I was saying forms a backdrop, and every other survey that gets done uses this as a foundation – any major or national survey that is designed specifically to answer a question - this will ask “do you work?” or ask some kind of question around unemployment or employment. But that’s not the data we use to understand employment. It just gives a sense. We use the quarterly labour force survey or we use the...

**PALI LEHOHLA :** The quarterly employment survey...

**MIRIAM ALTMAN:** That’s a different thing because it’s based on firms. The quarterly labour force survey I assume then gets revised in a way that it rolls out based on what is found in the census. Similarly at HSRC when we do a survey – not a local area survey, but some kind of a national survey – we would look at the census and we would design it around the census. That forms the backdrop to all the user specific surveys that get done – and those in relation to what you are asking would then be the quarterly labour survey, it would be the income and expenditure survey, it would be the general household survey – that look at income, activity. Anything to do with households then gets designed on the basis of what is found here. The difference between something that say HSRC might do or that Adcorp might do and so on – I don’t know what the methods are that Adcorp uses – is that what I’ve found Stats SA welcomes you may do a very specific study for example we looked at all the migration corridors with the Departments of Science and Technology and CSIR and we picked the main migration corridors internally to see how are people moving, how their livelihoods change, why do they move, what happens after they move and so on? It doesn’t have the status of official data but it’s the sort of research that gets done. Firstly, it’s designed using the Stats SA census data - we use the IEC data and a range of other data sets – but then we meet with Stats SA and say “this is something that we found - is this something that you need to internalise?” Or they learn from it, we also learn. But we can’t do this unless we have accurate census data...

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**PETER BRUCE:** Can I just ask then, and it’s an open question, assuming that you're a planner and you get the data from the census – and let’s say that it exposes high levels of poverty in rural Transkei or wherever that might be...

**MIRIAM ALTMAN:** Which it will...

**PETER BRUCE:** What is the instinct – and I’m not asking you Pali because your job is to get the data – but if you're a planner what do you then do? Do you pump money into the Transkei, or do you pump money into the place they are going to like the Western Cape? Where does the money go?

**MIRIAM ALTMAN:** For the National Planning Commission that’s one of our number one questions...

**PETER BRUCE:** How would you answer that, Itumeleng?

**ITUMELENG MAHABANE:** I’m glad I don’t actually have to do so in real life.

**PETER BRUCE:** This is the joy of being a columnist...

**ITUMELENG MAHABANE:** Let's take the issue of health - we all know that actually in truth Gauteng carries the burden of the needs because that's what migration leads to. I suppose in a way it comes back to what Xolela was talking about again – that one shouldn't get too lost in the quantitative aspects of this. The question is you've got the data – part of what you then need to do you need to extrapolate what does it mean broadly in terms of the needs of the country, and what it is that you're trying to achieve? If you're building infrastructure – if you're building schools that's easy because kids don't move around as much - but I suppose the question or the challenge is it just about the number of schools that you have, or is it also in fact about how you train? Actually I think I'm going to pass the buck on this...

**XOLELA MANGCU:** This question captures in one sentence what I was trying to say in so many sentences earlier – that this is precisely the kind of formulation that I think is unfortunate. What happens when people have the census and then they have the numbers what they then do is say “given that we have these numbers, we can actually quantitatively say “there is the need – that's where we put the money.” This is a debate that took 100 years in the planning field and in the social sciences, and the question was “can you actually plan in that way?” Particularly in the 1940s and the 1950s there was tension between can you actually get the information and plan? Somebody called Herbert Simon who was an administration theorist came up with the concept of what he called “satisficing.” The idea is that, yes, it's important to have the information, it's important to have the data – but you can never have all of the data. What's important in planning is that you don't look simply at the data, but you look at the trends. The best thing on planning that I've ever read is actually an essay by Eric Hobsbawm because he makes the point that when you plan what you're looking at is not exactitude – when you plan what you are looking at are broad trends, and to be able to anticipate those trends. Those trends could be economic, they could be racial, they could be all kinds of trends – but the idea that you're going to say “there are five million people here, two million are going to move there and then let the money follow the numbers...” That's a recipe for disaster. That is exactly what happened in this country with RDP and all these policies that we are stuck with because they adopted that formula. All I'm asking is whether in fact a census with all the information that it has – is whether that can lead to different kinds of questions, and hopefully different answers because we've got 17 years to draw on at least.

**RICHARD PIKE:** If I can just add a comment – what I think is critical coming out of a census is what's happening to population growth. That's a major issue that faces the world at the moment. We are sitting on a demographic time bomb globally the reason being that in the vast majority of the countries populations are declining so your planning looks very different – if you take a country like Japan for example they've got an ageing population, and a declining population – so your tax base is actually shrinking but your demand on social security is actually increasing to the extent that probably about one in five people in Japan now are expected to be over the age of 70 in the next 10 years. If you're looking to open a nightclub this is definitely not the place to do it. If you get that kind of statistic wrong you've got a serious problem. One of the endowments that South Africa does have is we have increasing population – but do we know the extent to which it will increase? I was privy to a presentation that Miriam did recently and there were some quite interesting assumptions about what would happen to population growth in South Africa. I think it's a critical issue because historically around the world where you've had population growth you typically have economic prosperity. I think that if we

could glean that type of information out of it then you know where to allocate your resources – because it's not only have you got a growing population, but what do you do with that population? In our case clearly things like education, training and the like – those are priorities that we need to understand. Then in terms of where is this population expanding - is it in the urban areas, in the rural areas? If it's in the urban areas what does that mean for infrastructure, etcetera? I think these are important questions that come out of a census of that regard.

**PETER BRUCE:** We are going to roll up this half of it, but I want to just ask you Charles whether you have a short answer for Xolela and his dilemma of where to put the money?

**CHARLES SIMKINS:** I think that's not the only thing a census can be used for. For instance, this census should help us fix our ideas about where fertility levels are in this country. A new thing that's happened sociologically to the black population over the last 25 years or so is not the growth of the black middle class – which has a much longer history than that – it's falling fertility and we think quite rapidly falling fertility. We should get a new fix from the data on what's happened to that fertility. That is something that is insufficiently talked about – because it means a whole set of things for size of households, for actuaries, for education and training – a lot of different things. There are some things you can get out of this which are not planning oriented. The other thing to say about planning is you can say the job of a planner is to say “we must install 10 lavatories in Blikkiesdorp Location Section F” and we must have the data that tells us that. That kind of planning I think is actually obsolete - the world doesn't work like that. Again at the level of local authorities you need to have a narrative of what this local authority is – the sort of people who live there, the kinds of issues it faces. The census can help you in that. It's not the only thing you use but it gives you some kind of framework to get that discussion going and it can be done with relatively simple extraction of data and not great complicated statistical analyses.

**PETER BRUCE:** Thanks very much, we will take a break for 10 minutes. When we come back we will ask Pali some more rude questions about his enumerators and whether they're ready for the job.

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## HOUR TWO

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**PETER BRUCE:** Xolela tells me that he and Charles were talking about issues of identity - is there any way he wanted to know whether the census could be used to disrupt the patterns of identity in our society? We all know that in South Africa identity is everything, and it often leads us down rocky paths and difficult arguments... Charles, is it a potential tool for this “disruption” that he talks about?

**CHARLES SIMKINS:** I think so. I think South Africans are quite slow to update their sense of self as the society changes – the census could play a role in relation to that - for instance integration of the population as far as settlement is concerned. At the end of the census we will have a map with something like 110,000 to 120,000 enumerator areas on it on which we can plot who lives where. That will be a very interesting map to do – in fact we did one for 2001 so we can go back to 2001 and

compare how things have changed. Then there's the broader issues of what's happening to fertility and mortality – we should get a fix in this census on both of those issues, and just to talk about what the implications of that is and particularly you also have an idea of the distribution of household sizes. If you've got lots of smaller households that's a different world from where households were once very large. I think there's a whole lot of sociological things that would come out of the census and it's worth having public discussion of what these are and what these might mean. That's my view. I also think it might be sensible for somebody to form an NGO that goes around, if you like, retailing census results and other Stats SA results to communities both in terms of analysing it for their needs and being able to get across to communities who are unused to this kind of information and what the information is and what it might mean.

**PETER BRUCE:** It would be nice to instinctively know more about ourselves and one's own country – but does knowing the numbers help you disrupt the fixation with identity?

**XOLELA MANGCU:** Knowing the numbers helps you ask different kinds of questions than the questions we ask normally – which is how many houses do you build given this shortage and the number of people? It can help you ask a different question which might be is it okay that the settlement patterns are still segregated in this country? Could knowledge of settlement patterns in a particular area lead to the Department of Human Settlements deciding to build in different places, instead of continuing to strait-jacket people into the same old settlements that reinforce the sense of settled, unchanging identities? I used to have a boss who used to say to me, "Xolela, it's the data, it's the data, it's the data..." The reason she would say this is she was working with community organisations in New York City and in Washington DC – what these organisation were doing, they were engaging local government on the numbers. The nice thing there is would be that you'd get some hotshot PhD student from MIT working with those community organisations on the numbers – but the numbers were being used to ask different kinds of questions. The NGO that Charles was talking about could be an NGO that does exactly that kind of work where these new questions are raised. By the way, I'm a latter-day believer in local democracy – I think in this country we focus too much on national leadership and national issues. This is the kind of stuff that could happen at the local level.

**MIRIAM ALTMAN:** I want to ask Pali a question - there's always debate when the census comes out and we see that household size has fallen, has shrunk, and we may even have an average of two or three people in a household – yet we know that in most poor families one wage-earner supports many people, very often six to eight people. In a way a false picture possibly gets communicated. I wonder if you could speak to how one should be dealing with that issue?

**PALI LEHOHLA:** I'm not sure where to start, but let me start nonetheless on the question. Indeed, the average household size in South Africa is dropping and dropping very, very fast. At the moment it's about 3.75 people per household. There are a number of components to this – two components to this are your high-walled areas, and shack settlements that contribute extensively to this average that you see. The third contributor is rural areas where migrants come from into urban areas – so households are breaking up. Those are the three components of this. Twenty-five percent of informal or shack settlements constitute about 15% of households in South Africa, and 25% of those are single-person households. The

second 25% is two people and the remainder of 50% is more than two people. That average household size is very, very small and it contributes significantly to the average household size. At the top end it's similar patterns where at least 50% of the households have more than two people – but not more than three. Those are the contributing factors to the small average household size. In your traditional rural areas the grannies will have quite a number of children they look after – but the main able-bodied people will be these ones that are in the informal settlements in Johannesburg and so on. We see a pattern of immigration both in the census of 2001 and the community survey of 2007. As we prepare for this census there are interesting things emerging as we look at the register of dwellings where there are major surges into certain provinces, and into specific areas in those provinces. I think the census will be very telling in relation to those patterns of movement.

**PETER BRUCE:** We talked about emigration earlier on, but clearly internal migration of people is a very important thing – once again particularly for planners, and very hard for you I presume to pick up on – or maybe I'm wrong and maybe it's easy? To what extent are you going to try and map that?

**PALI LEHOHLA:** In the sense that we ask where a person was five years ago and when was the year they moved into that area? It's not so much about the last five years – but you can plot when the person moved in there so you can measure the direction, the region, as well as well as the tempo of migration into specific areas. You could, from an economic perspective – because the other thing we are doing in Statistics SA – is to generate a map of economic activity and generate an urban function index. We started this in 1996 and 2001 and we believe that 2011 will tell us a very strong tale around what the urban function index has been, and what the causes and consequences of that have been. These two sets of information are going to provide comprehensive information around the population dynamics of the country as well as the economics.

**PETER BRUCE:** Itumeleng, if we knew that more accurately that would change and might be the “disruptive” thing that Xolela was looking for – if we knew where people were going, and how many of them were going – that would entirely change the kind of conversation we have...

**ITUMELENG MAHABANE:** It should, but would it? Just to lengthen these two things – and this is a question more than a comment I guess – it seems to me one of the problems and the challenges that we have is that our mindset is very bureaucratically-minded. I think we treat South Africans often as units rather than as people. It's a question – could we conceptualise a census in the future that apart from the hard data it gives us, helps us to start to create instead of a service delivery orientated notion we have a capability oriented notion – which I think is part of that disruption. For me is there a way in which we can use the census to enable that kind of a notion of approaching society – how do we promote capability rather than reducing people to units who must have things delivered to them?

**PETER BRUCE:** Like you were saying Ashleigh the numbers as an actuary are your thing – you were telling me that your government clients are in South Africa, Namibia and in India – what kind of thing do they need to know? What would they want from this census? If it's just raw numbers and if it's not the kind of trend that Itumeleng was talking about...

**ASHLEIGH THEOPHANIDES:** If you can't measure it, you can't manage it. At least having that base allows you to make decisions. Countries that are going through a process of reform for example South Africa is looking at social security and health insurance, it's important to understand what is the population base you're looking at, and what are the levels of unemployment? What is the spread between rural and urban, and dependencies and age groups? That allows you to understand the situation as it is, and people's ability to access resources government as well as private as well as the ability to understand where resources are available why the outcome measures such as, for example, the millennium development goals aren't actually being achieved at the level we would expect. It allows one to be able to take a dipstick approach and compare with the previous information that we had, and what could be the reasons for the change – so that either there could be a change in policy direction, or it could be a way in which we deliver the policy that we already have in place. Without having the opportunity to be able to measure this we may be going down a path where we are being almost intellectually dishonest towards ourselves because we are basing our decisions as well as our premise on information that is not valid or appropriate and won't get us where we want to get to.

**PETER BRUCE:** Pali, can I just take advantage of your eternal good nature and ask you a couple of rude questions? One is to what extent can we be sure that the enumerators won't lie to you? In other words doing this is rough work – it's a bit of a slog so the temptation if nobody answers the bell immediately might be to move on to the next house... Presumably people aren't being paid by the number of people they count? How do you know that they will come back with truthful answers to the questions you want to them to ask?

**PALI LEHOHLA:** It's 150,000 people so to trust that all of them will be honest I'd be lying to myself – I'm sure that there will be some who will not be as honest – but creating dishonest answers and fudging numbers for 75 questions 50 for individuals to generate those answers for each and every other individual requires a lot of honesty. To be dishonest – you can't generate that kind of information. The names will start looking alike, the numbers will start looking alike. Just by looking at that form you will realise there has been something dishonest here. We also have random checks on houses, revisits, where we compare with the document that we have in hand. That already puts anyone who has been dishonest on a tight leash.

**PETER BRUCE:** So in this period after the count you said you have two weeks and then three weeks?

**PALI LEHOHLA:** No, as they go into the field the 120,000 enumerators and 25,000 supervisors – each one of those questionnaires are retrieved every day and they look at them and then on a random sample basis they visit these dwellings and they have to account for what is available. That limits the scope for being dishonest. What could happen certainly is fatigue not finding anybody at home and coming back and saying "I've gone there several times and haven't got anybody." That's the kind of problem that I would anticipate. That's based on the ratio of supervisors to enumerators as well as the close contact the enumerators will always have with their supervisors.

**PETER BRUCE:** I wanted to get to the "elephant in the room" as Richard was saying earlier on but is it possible for your quarterly survey to be outsourced? Do you



have enough human capital, do you have enough statisticians, are you able to attract at Stats SA the kind of people you need to do this job so that the government is getting accurate information? If you've studied statistics you could probably go off and do anything - you've got a wide world of private enterprise presumably or academia to go into - are you paying outside of government norms? How do you get these people to work for you?

**PALI LEHOHLA:** We have a fairly reasonable wage and flexible ways in which we can do things at Stats SA. The government I wouldn't like to say is lavish around that - but if I need a number of experts I can pay them at the level of a director, and I can bring about as many as the budget can fit, or I can motivate for more if I wish. I would argue that salaries in relation to the work that we do are not a major constraint. I think what is a major constraint is to get the kinds of people that can interface statistics with sociology with a lot of ease and become useful in collecting the kind of information that is required - without dabbling into policy discourse. We cannot produce the data and then be engrossed in policy issues otherwise you will be compromising your objectivity in this. That brings me to the question as to whether one can outsource this function? The function of information and statistics is one that puts policy and information apart - therefore it's very difficult to outsource it. That's in terms of the United Nations fundamental principles of official statistics to have an institution that is a state institution that gathers facts about the state that is autonomous and governed by those fundamental principles. It has to be autonomous from policy - but it shouldn't be afraid to interface with policy because it has to generate policy rather than information. In order to mitigate the situation between government and the statistics offices you have a Statistics Council which is an autonomous body that then mitigates between the policy environment and the statistics environment. Then of course there are principles that govern the release of information - the information is released to everyone all at the same time. That we stick to. Those are the things that govern this. Under those circumstances it's very difficult to outsource this because once an official series has been started it has to be continued all the time - if you outsource it to a private concern private concerns have their own interests, and those interests fluctuate with changing weather. You need state statistics that are lasting and continuous.

**PETER BRUCE:** Miriam, you wanted to say something?

**MIRIAM ALTMAN:** A few things. I would have to agree with Pali on that point. The first thing is that there is a special role for the state in providing official statistics. What agencies like the HSRC or the CSIR which is a parastatal - or the private sector, and there are many very good survey companies - is to produce other specialised studies. We interrogate the official data all the time - in fact we give feedback all the time as well, when we think something might be off or if it would be better if we had some official data. Most recently I think in the general household survey we cooperated around an introduction of a food security module because we felt can we just get some stable numbers around nutrition - then we can do our other qualitative studies around that - but it would be better to have Stats SA producing official data around that. You have checks and balances through that process. The second thing I was going to say was that it's a lot easier to quality check a survey than you would think. What you find - the question about whether people can fill the forms to be honest people aren't that smart in doing it, and when enumerators do that you can see that somebody was doing it. It's actually a lot more obvious than one would think - they're not clever enough over 75

questions. Just to clarify it does come out - it's a lot easier to see than you would think as long as you're doing the quality check. The final thing I was going to say – and that comes back to the policy issue – there is one issue where you respond to the numbers that you find, and there's another where the numbers respond to what you're doing. For example, we were talking earlier that the distribution of anti-retrovirals seems to already be having a potential impact on life expectancy. Of course we are looking forward and that's coming from a demographic model looking forward – nevertheless that is the kind of number we are going to start to see because of a policy choice that arose. Similarly, if we were successful at land reform and small farmer development you may find that we are expecting people to move out of the rural areas – we might find that that moves more slowly than would otherwise happen – so the data can also respond to our choices.

**PETER BRUCE:** It's very rare that we have two antagonists in a particular debate in the room at the same time – I wanted to ask Adcorp that produces a monthly employment survey ...

**RICHARD PIKE:** The Adcorp Employment Index...

**PETER BRUCE:** My understanding is Stats SA objects – certainly the unions seem to object to it because I think they regard him as a labour broker – what's your objection to Adcorp doing that? Does it do you harm, does it make your life more difficult – what's the problem?

**PALI LEHOHLA:** Let me say that in the field of work of information there are quite a number of players, and that is a healthy situation. Of course there is the player which is Stats SA that's the official institution created by statute – and given a particular responsibility on the numbers for the nation. So having cleared those two things the authority that the Statistician General has is to make statements around the numbers, and when there is evidence that the numbers are not telling what it is she or he has the responsibility to do so. Even when Stats SA figures are not questioned the Statistician General has the responsibility to talk on any numbers around the country – and in fact anywhere else in the world because we are enjoined by this kind of responsibility on what the numbers say. Coming to the issues around labour force surveys what we do is we go to households – there is a survey process that is followed that is scientific, that is statistical, that generates the numbers. These numbers are fairly consistent with what the total size of the population is, what the age distribution of people between the age of 15 and 64 is including participation rates – that's quite consistent. They are also consistent with the numbers that are generated from our quarterly employment survey that gives eight million in terms of formal sector employment, and 13 million in terms of total number of people who are employed – which is what you get from the quarterly labour force survey. The debate we are having with Richard is we have 13 million people employed – are we agreed on that or not? If we agreed on that, how that split occurs between formal and informal is an academic debate. But I do not know what number – which is the upper number he has. If he has 17 million then that number will be very inconsistent with the total population of the country, the distribution of active population and the unemployment rate. That's the point. So we approach this from both angles and we see these kinds of numbers. If we hear six million employed in the informal sector in the quarterly labour force survey I get three million because some of the formal sector is not covered by the quarterly employment surveys because these are not on the VAT register database from which we draw our surveys.

**PETER BRUCE:** Which would fit the definition of it being informal...

**PALI LEHOHLA:** Which would fit the definition of it being informal. But from our side the Quarterly Labour Force Survey they are classified as formal because they are registered as employees. The key issue is really the point of departure – what is the total population size of South Africa, and what is the economically active population in that population size, and then what are the numbers of unemployed? If we go by possibly the number that they may have then there's no unemployment in South Africa so everybody is happy and there's 7% or 5% unemployment. But unfortunately the surveys that we run show different. I think the work that they do in terms of looking at registers is a very important task that we have to pursue – but where the registers are badly kept then that information is full of notorious biases.

**PETER BRUCE:** Richard, is this just a methodological debate or is it political? In other words why are your numbers so different? Why are you counting so many more people in informal employment than Stats SA, and why is your upper number so much higher than theirs?

**RICHARD PIKE:** If I can just talk a little bit about the index, it's history and where it's got to – hopefully that will help to answer the question. First of all it's not political. As Adcorp we interview about one million people that are job seekers each and every year, of whom we place about 200,000 in positions of employment each year.

**PETER BRUCE:** Temporary or permanent?

**RICHARD PIKE:** Temporary and permanent. Being a publicly listed company I interact extensively with the investment community – and there's been a sense in the investment community that the trends in employment mirror trends in economic activity, but we've found that not necessarily to be the case. In the old days there was almost a direct correlation – if jobs were being created that showed the economy was on the up, and the converse was true as well. What we've seen is a recent phenomenon that's dogging the world called jobless growth – so economic or employment data hasn't necessarily been a proxy for economic growth – although if you drill down to industry sector level you can draw some sort of correlation. So we've been inundated by the investment community for information about what's happening in the employment industry – I suppose they're trying to draw some kind of conclusions about what that may mean for the sectors they're invested in. If you look globally typically employment data moves markets – if you look at the US for example when the employment data comes out it literally moves markets. In South Africa it hasn't done that – so we have the Quarterly Labour Survey and everyone looks at that and “oohs and aahs” but I don't think it has necessarily swayed the investment community. We wanted to utilise the data that was at our disposal – these million-odd people that we see on an annual basis – and come out with something that hopefully was of relevance to investment communities, to our clients, and also to ourselves because we have to do our own internal planning. I think, to say to you Pali, there was never an

intention to come up with a “competitive survey” if you like. Importantly, this is not a survey – this is an econometric model not a survey. It’s important that these two things are distinctive. When we launched it – and it’s been going just under two years – we found that there’s been an insatiable demand for that information. Some of the information that we’ve tried to get out of it that I think is important is that, first of all, it’s monthly. We are not a quarterly survey, we are a monthly index. What’s important is that we’ve found that there’s a dynamic in the labour market that you can’t encapsulate in just an overall number of unemployment – that is there are people who are employed formally, permanently, there are people who are employed formally on a contractual basis. That contractor base has grown quite dramatically, and that’s been important information for us. That number has grown by about 1.5million people at the beginning of the last decade to about 3.9million people. So there has been a massive increase in the contractor base in South Africa to the extent that about 30% of South Africans are employed on a contractual basis. That’s been important information for a number of constituencies and that was one of the key elements that drove us. When we then got into these figures what we’ve looked at – just to say, by the way, that our numbers are not dissimilar to yours in terms of the total number of people that are employed, the kind of trends of unemployment – whenever your quarterly employment survey comes out it tends to look pretty similar to ours. If yours is going down, ours is going down and vice versa. So I think there’s a lot of commonality on that. The only distinction – and I’d like to say the only difference of opinion – is to the extent that we have this massive unemployment your survey says that there are roughly 4.4million people officially unemployed, about 2million people that are classified as discouraged from looking for work, so that’s about 6.4million people – and there’s a further 2.1million people that are called under-employed. So there are about 8.5million people that to a greater or lesser extent are not economically active in this country per the quarterly survey. We think that a high proportion of those are eking out some kind of economic activity and to call it employment is probably incorrect. That doesn’t mean there isn’t a problem – so to say that the unemployment rate is 7% is not actually correct. I think what you actually want to understand is who is formally employed, and who has been forced into this informality. Our sense – I mentioned earlier that we look at cash and coin outside of the banking sector as a proxy for how the informal sector has grown – is that I think there’s been a huge shift in the formality of employment in our environment, and that’s something we should be extremely concerned about. I think that probably would be our only point of departure. If we have initiated debate around that I think we’ve served a purpose because I think it is something that’s critical in this country.

**PETER BRUCE:** Pali, isn’t this something you could appropriate? In the sense that Richard is right we wait – even in South Africa - to hear the American employment numbers because they do move the markets. I’m not sure through what agency these numbers are released in the US but listening to Richard – are there elements of what he’s saying that you’re attracted to, and that you could have for yourselves if you had the resources to go out and get them?

**PALI LEHOHLA:** I think labour force studies are very important and should drive decisions – but at the same time in an environment of high unemployment the instrument just becomes blunt, and the mind just gets numb to this. We have that kind of situation in South Africa. I think in a regime where unemployment is fairly

low and labour mobility is very fast then these numbers have the prospect of moving markets. Obviously, a monthly labour force survey is quite difficult to mount – it requires a lot more resources than just compiling the consumer price index and the producer price index and the like.

**PETER BRUCE:** It's not impossible but you'd need more resources...

**PALI LEHOHLA:** We would need more resources. I'm trying to figure out how well – I think the index they have is quite a useful one. What I think we don't agree on and we may need to engage on that is this 8million that Richard is talking about because in our book there's 13million, there's 4million that are unemployed plus another 2million that are discouraged – if we were to include them the unemployment rate would have been around 30% – but the official rate is 25%. So there is this other two million that he's talking about and what happens to this 8million in the course of time.

**PETER BRUCE:** Let's hope this is the beginning of a fruitful discussion...

**XOLELA MANGCU:** The idea that these things are not political - it's hard to persuade me of that. Any government would like to see lower unemployment numbers. All I am saying is that I think the idea that there's no political interests in the numbers is not going to persuade me.

**PETER BRUCE:** Itumeleng?

**ITUMELENG MAHABANE:** To be honest I'm not even sure what this debate is about. Here's the question – ultimately shouldn't we be more concerned with two things, employment and income? The extent to which there a huge informal – whether you are arguing about whether they are unemployed, or they are in formal employment – what we should be concerned about is what is the level of employment and what is the household income? I'm not sure why we are elevating this issue of whether those people are unemployed or formally employed to be honest...

**PETER BRUCE:** We are elevating it because they are both in the same room – it's the elevation in the room ...

**RICHARD PIKE:** I think there is quite an interesting issue at play – we've seen some interesting global issues with the Arab spring uprising, we've seen the riots in London. If we look at who those people are they're typically young unemployed people. We have exactly the same problem in South Africa – these people we talk about that are unemployed are typically young. We haven't had that in South Africa interestingly. Some people might say the service delivery protests are related to that – but we haven't had that. Why haven't we had eight million taking to the streets and I think, and my personal view is that's because the informal sector is tolerated in South Africa. If you look at what gave rise to Arab spring uprising the straw that broke the camel's back was in Tunisia when an informal trader was hustled off the street by the police. He doused himself in petrol and set himself alight and that actually started the whole sequence of events.

**ITUMELENG MAHABANE:** Richard, I'm not sure which country you're living in – there are uprisings all the time in this country and they are serious...

**RICHARD PIKE:** They are, but they're not about unemployment...

**ITUMELENG MAHABANE:** I think you must separate how people in this country protest – versus the notion that there is no protest. Simply because these people are not trying to overthrow the ANC does not mean that in fact there's not a huge level of uprising in this country - there is enormous discontent and a lot of it is driven by young people. If you look often at communities that end up being ablaze like last week often it's when there are in fact young men in those communities.

**RICHARD PIKE:** Agreed, but it's related to service delivery primarily...

**MIRIAM ALTMAN:** People are angry and alienated...

**ITUMELENG MAHABANE:** The idea that there is no anger in South Africa is absolutely rubbish. I think that's again because the geography of our society means that often we don't see what is happening. This country is ablaze that's the truth of it. It's not just ablaze in the places that you see...

**PETER BRUCE:** Miriam, did you want to say something?

**MIRIAM ALTMAN:** The first thing is in response to Pali. I think that if Adcorp numbers were correct the labour market is bigger than what the statistics are stating – that would be the upshot. I don't think the issue is that we have such tiny unemployment necessarily – although it would be lower. I think we would be saying that we have a bigger labour market in fact. The statistics are showing a very small labour market right now, with very low levels of participation generally. The thing with these statistics – and this is where I sometimes feel concerned – is that it's incredibly important to have a base line that we can agree on, whether there are problems with it or not and to know whether it's getting better or worse. It's true for so many things like child mortality and child weight and unemployment and so on. From a policy perspective it's so important to have some kind of stable set of numbers that we can follow so that we can understand what is going on. Sometimes in this debate where I get worried is that these numbers reported on as official but until we have a deeper understanding of how they are put together statistically, how they interface with – we as the HSRC do this all the time with Stats SA where we look at our methodology, we look at what Stats SA is doing. It sometimes gets them to question their methodology, it certainly gets us to question our methodology – but we have to treat this as a standard until we can show why ours is better. That's always our starting point when we are doing work – it has to be – and until this is under public scrutiny it is very hard to see it as something that is better. It could be better...

**RICHARD PIKE:** I think you are missing the point – it's not competitive, it's a complementary study. We would never like to usurp Stats SA and that's not the intention...

**MIRIAM ALTMAN:** Why it matters and that's what I am coming to it obviously can't be competitive as Stats SA has a particular role in issuing information – any private actor can put out their own information as well, and it's a free world and Pali has accepted that – the issue that arises is that on something that is so emotive and

important as this high level kind of number we have a responsibility to try to communicate in a way that enables society to make sense of what is going on, because it is so frustrating. If we find that the statistics are not correctly reflecting what is going on we really need to know that – so that provocation is a very useful one that you are putting forward. But enabling society to understand – is it getting better, or is it getting worse and is anything we are doing helping, or is it hindering? That's so important when you are trying to solve a major issue like this...

**PETER BRUCE:** I have one last question for Pali – just a guess – at the end of the census how many people do you think we will be?

**PALI LEHOHLA:** I wouldn't count if I could guess but I think about 52 million might be the number.

**PETER BRUCE:** Any questions from the floor?

**SUE BLAINE:** Are you doing any education along the lines that census answers will remain secret, and why is the first question somebody's name? Surely if you left that out you would get more honest answers? The other question to Richard Pike is around the huge shift in formality with more people being employed on contract – as far as I'm aware that's the way the world is going – is that necessarily a problem?

**PALI LEHOHLA:** The question of a name – I suppose if Peter was here and he didn't know my name we wouldn't be having a civilised conversation. There is a particular need for a name because you have to re-visit dwellings so you need to know who you missed or who you still need to discuss. The check-backs you have to check back on an identifier, and a name is a universal identifier that is not offending. We could go for an ID but that's even more complex. There is an independent post enumeration survey where after this census we go to about 600 of the enumeration areas, and in each one those we cover 200 households. The first port of call for matching the answers to see what the quality of the information is the names, and then all the other data. We need those in order to get an accurate count. In fact the name information is actually detachable – at processing you detach it and go and shred it, and then we just deal with the statistics thereafter. Yes, there has to be public awareness and education around the census that indeed it remains secret.

**RICHARD PIKE:** Sue, to answer your question you are 100% correct – the trend that we see in South Africa is exactly what we are seeing globally, so we are not out of kilter. Roughly 28% to 30% of our workforce is contracted. That's one of the things we wanted to understand – are we in line with global norms? Clearly we are if you look at countries like Japan where it's about 35% of the workforce, the UK is about 34%. Even with our Brics colleagues we are not out of kilter. Is it a problem? If you ask me – and I provide contractors – I'd clearly say no. But we are under threat by people like Cosatu in particular who want to ban this practice. Our point is that is quite serious because South Africa then would be extremely uncompetitive and lose the flexibility that contracting affords one.

**PETER BRUCE:** Bronwyn?

**BRONWYN NORTJE:** I know that you take aerial photographs in order to establish your EAs and your districts – but I've heard rumours that when previously when

trying to find GIS data that Stats SA isn't very keen on sharing it with other people. Is that true, and if not why? We would really like it. We've used 2001 Census data but coming up with our own maps - but as said earlier the census is so big. Everybody benefits from the research that comes from it...

**PALI LEHOHLA:** You want to take our importance away by sharing this? With this data there is always a risk that we will identify someone in the environment through a cross source – so what we do to create randomisation when you cross tab if there is a likelihood of one person being a doctor, and you know who the doctor is – you then generate a random number where you say there are five doctors there, and you don't know which doctor it is. If we are able to do that and still provide a geographic backdrop then we can actually provide the data. What we will do with information at the level of the enumeration area we are secure in our conscience and in practice that the cross tabulation that we make several times doesn't generate that identifier for one individual. Then we can give you the enumeration area. Otherwise we aggregate further and further. The maps are in-built and you get a map with the enumeration areas. What we need is to define the level at which we disseminate the information - is it at the enumeration area level which is 120000 households, or an aggregation of enumeration areas? If we get more sophisticated randomisation we can actually give information at an enumeration level, or even at the block level – but it is confidentiality that stops us from providing information at that level.

**BRONWYN NORTJE:** So theoretically we can phone Stats SA and say “please can we have your maps?”

**PALI LEHOHLA:** Absolutely, they are available.