

**AN EVALUATION OF THE SOCIO-ECONOMIC
EFFECTS OF POVERTY IN THE NORTH WEST
PROVINCE: 2011**

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DECLARATION

I declare that the thesis submitted for examination titled an evaluation of the socio economic effects of poverty in North West Province is my own work and that all the sources that I have quoted have been indicated and acknowledged by means of complete references

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Signed:

Date:

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ABSTRACT

The aim and objective of this study is to investigate the cause of poverty, assess the rate of poverty, the relationship between poverty, and income inequality and income deficiency in South Africa. The get to the objective the primary data was collected using a survey and a questionnaire was administered to the respondent. Thirty respondents managed to answer the questionnaire out of a total of forty. The response rate was 75% of the total questionnaires distributed. Chapter two interrogate the literature, whilst chapter three discusses the research methodology, that is; General Household Survey(GHS), October Household Survey(OHS), Quarterly Labour Force Survey (QLFS), Income Expenditure Survey (IES) all collected and analysed by Statistics South Africa were used to review the income expenditure patterns of South Africa. A body of literature review of previous similar studies on poverty and income inequality is contained in this study to try and expand the broad definition of poverty and inequality. Primary data collected from the households is computed and analysed using SPSS statistical tool and the results are presented through frequency tables and graphs. The results from the analysis is grouped and compared and conclusions are made on what is perceived as a solution to the problem. The results indicate that people from the villages perceive their poverty as a result of government's lack of policies directed at creating sustainable employment opportunities and lack of monitoring and evaluation of pilot projects aimed at alleviating poverty. Lastly, the last chapter close by summary of events throughout the study, conclusions and recommendations are brought forward. The necessity for future research regarding this topic is mentioned.

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CHAPTER ONE: INTRODUCTION

1.1 Introduction

The first chapter introduces the study outline in sequence. South Africans still perceive themselves as lacking enough food and income to meet all their households need (Human Science Research Council, 2003, 2004 and 2005). The background of the study introduces the reader to the area in which the data was collected. It is then followed by the problem statement which helps construct the question why the study should be conducted. The purpose of the study introduces the reader as to why the study should be conducted. This is followed by the aim and objectives of the study. That is, what is it that we want to achieve by conducting this study?

1.2 Background of the study

The focus of the study is limited to Ramatlabama villages in the Ngaka Modiri Molema district municipality. Ngaka Modiri Molema district Municipality is the second largest of the four districts in the North West Province in terms of both population and size. The size of the population is estimated at around 691000. The area of Ngaka Modiri Molema district municipality spreads over 47 square hectares in the North Central part of the province, bordering Botswana in the North. Ngaka Modiri Molema comprises of five local municipalities; that is: Mafikeng local municipality, which is the Provincial capital; Ditsobotla local municipality; Setla-Kgobi local municipality; Tswaing local municipality and Ramotshere Moilwa local municipality (formerly Zeerust). Ramatlabama villages are named after the border between South Africa and Botswana and comprise of Tsetse, Makgokgwane, and Botshabelo which is popularly known as Six Hundred, Ikopeleng and Miga. All the above mentioned villages are the victims of forced removal of 1977 from the old white South Africa to the former Bantustan of Bophuthatswana. The inhabitants of the villages suffered hardships of change as they have to start new lives and had to fend for new jobs in a new environment. When they arrived in their new places, they were allocated tents and tin houses as temporary shelter. There were street taps of running water and the source of energy was wood as there was no electricity because all the villages received electricity only in 1993. Currently, almost all the households have running water inside their dwellings, even though there is a problem of payment for services as there are

no metering facilities and possibly because of the high rate of lack of income and poverty incidence.

The legitimacy of this study is that the inhabitants of Ramatlabama villages are mostly doing the same types of jobs, such as being police men or women, soldiers or teachers. After 1994 a process of restructuring in the South African defence force saw a lot of public servants opting for severance packages, of which most of them are now jobless. The police force also underwent restructuring process from a police force to police service. Most police men left the jobs as they were not prepared to relocate to other areas of need.

Under Bophuthatswana regime there was a broiler farm next to Ramatlabama border named Agrichicks. Most of the households around this villages depended on this project as their means of employment. Under the regime agrichicks was bailed out more than twice by the then government under the auspices of Agricor (agricultural corporation) which was under department of agriculture. The then government bailed out as a form of the so-called artificial economy in order to keep the workers working. The bail out was done repeatedly despite the fact that the culprits were mismanaging the company resources and were never brought to justice in all instances to account for the missing funds.

Things changed when the new African National Congress led government took power and emphasised that the Bophuthatswana government was never legitimate and its economy was therefore artificial. The company was put under a judicial management for almost two years and never managed to make profit, until it was liquidated and sold to new owners. The most unfortunate part was that the new management could not absorb the original manpower of more than 3000 workforce, and they had to be laid-off. The consequence of the judicial management is still felt and can be seen on all those former employees. It can be seen that the dismissal of the workers would have exacerbated the poverty situation in the Ramatlabama villages.

The research will assess the extent of the poverty as well as the poverty gap that exists in the Ramatlabama villages. The study will also assess the prevalence of unemployment in the area. The study will also provide detailed analysis of the socio-economic development trends and development programmes aimed at eradicating poverty in Ngaka Modiri Molema district municipality.

Poverty is a political issue because it relates to the effective allocation and distribution of resources by the government for its people and also reflects on the impact of the past and present policy choices (Meth 2006). The conceptualisation, definition and measurement poverty in a society are like a mirror image of the ideals of that society. Society means a shared life. If some individuals are poor and others are not poor, then the principles on which life is shared are at issue: society itself is in question (Halsey 1985). After 1994, a number of reports on poverty were commissioned by various bodies including the office of the Deputy President. These includes the 1995 key indicators of Poverty in South Africa, the Participatory Poverty Assessment- south Africa report and the Poverty and inequality report, both published in 1998. These studies and reports were part of a national commitment to eradicating poverty that was embodied in the “War on Poverty” declared by then President Nelson Mandela on behalf of the state in 1996.

It is imperative to note that according to the 1995 Copenhagen Declaration, South Africa has a commitment to adopt an official measure of poverty. Different measures have been developed and used by different researchers as well as different government departments and agencies. Meanwhile, the lack of absolute consensus on the issue of poverty definitions and poverty measurements has negative and positive consequences. That is the reason why there is a need for more research projects on poverty dimensions.

1.3 Problem Statement

The Ngaka Modiri Molema district municipality community has experienced hardships with regard to the provision of education, health, housing, water and sanitation which are ingredients and basic needs of all humans. This problem manifests itself in low incomes prevailing in the community and the district.

The distinct problem that characterises South Africa even after fifteen years of democratic elections of 1994 is the high unemployment rates which manifest itself in the high poverty rate and the fact that South Africa has one of the worst income inequalities in the world (World Bank Report 2006). It is important to note that in reality these two variables are different and their differences have important policy consequences. The first objective of the study will focus on an overview of the previous studies on poverty and income distribution in South Africa. The focus

will be on various definitions of poverty and income inequality. The most common indicators used to measure poverty and inequality will be outlined as well as forms of deprivation.

1.4 Purpose of the study

The purpose of the study is to explore the deep effects of poverty in the lives of the people of Ramatlabama. The Six Hundred, Miga and Ikopeleng areas of Ramatlabama provide a good case for evaluating poverty incidences as they became some of the most underprivileged areas of Mafikeng after they were forcefully removed from their original land of birth in 1977 by the then apartheid government.

1.5 Aims and Objectives of the Study

The aim of the study is to investigate the nature and dimensions of poverty in conjunction income inequality and lack of employment opportunities.

The objective of the study will be to:

- 1.5.1 Investigate the socio-economic profile of households of Ramatlabama, outlining the nature, character, dynamics of poverty levels and also highlight the issues that force people to be trapped in poverty in the area;
- 1.5.2 Provide a critical assessment of poverty measurements and poverty gaps;
- 1.5.3 Suggest recommendations and identify available Poverty Alleviation Programmes (PAP's) and policies that can be used to reduce the levels of poverty and which involve the community at large.

1.6 Research hypothesis

- 1.6.1 Relative poverty is present among South Africans and it is due to government's inability to create decent jobs for its inhabitants.
- 1.6.2 Absolute poverty is as a result of government's lack of monitoring and evaluation mechanisms.
- 1.6.3 Poverty is due to lack of government policies aimed at supporting the poor.

1.6.4 Income poverty and income inequality is due to lack of sound redistributive policies.

1.6.5 Poverty is due to lack of decent education and skills acquisition backblocks.

1.7 Significance of the study

Changes in poverty and inequality are key dimensions of transformation in South Africa after the legacy of apartheid. The majority of people are poor. There are various dimensions of poverty in this country such as racial, geographic, and gender.

This study is significant because it can help bring appropriate policy intervention measures needed to eliminate the scourge of poverty in Ngaka Modiri Molema district Municipality, the North West Province and South Africa. The study of this nature will also enhance our understanding of the concept of poverty as a whole and its effects on the population in general. Indeed, it is a critical task for South Africa as a country, with its majority of its inhabitants living under the abject poverty, to come up with sound economic policies which will help alleviate poverty. Sound economic policies relevant to the current situation could only be realised through extensive research, government and non-government initiatives as well as private-public partnerships. Other researchers will also benefit from this investigation of income poverty and income inequality at Ramatlabama villages in the North West Province, South Africa.

1.8 Limitation of the study

The focus of the study is limited to Ramatlabama villages in the Ngaka Modiri Molema district municipality which is the second largest of the four districts in terms of both population and size. The population size is estimated at around 691000 and its area spreads over 47 square hectares in the North Central part of the province, bordering Botswana in the North. Ngaka Modiri Molema is comprised of five local municipalities; that is: Mafikeng local municipality which is the Provincial capital, Ditsobotla local municipality, Setla-Kgobi local municipality, Tswaing local municipality and Ramotshere Moilwa local municipality (formerly Zeerust). Ramatlabama villages are named after the border between South Africa and Botswana and comprises of Tsetse, Makgokgwane, Botshabelo or Six Hundred, Ikopeleng and Miga. All the above mentioned villages are the victims of forced removals of 1977 from the old white South Africa to the former Bantustan of Bophuthatswana. The reason for the selection of these villages is because of their

close proximity to the researcher, lack of funds to travel the whole district or all villages and accessibility of the area.

1.9 Research methodology

After the literature review of the theory of poverty, a survey methodology was employed to collect primary data on households. A sample of 30 households was randomly picked from the population of the villages. This was followed by in-depth interviews using questionnaires prepared by the researcher. In addition, secondary data of General Household Survey (GHS), October Household Survey (OHS), Quarterly Labour Force Survey (QLFS), Labour Force Survey (LFS) and Income Expenditure Survey collected and computed by Statistics South Africa was used.

The research used quantitative and qualitative methodology strategies. The study focuses on the quest to find solutions to the problems of the socio-economic impact of poverty on the lives of ordinary South Africans. The study will also focus on the evaluation of the effects of poverty, obviously with the intention of bringing new concepts into the literature.

In order to test the respondents' response the pilot study was undertaken in the Botshabelo and Makgokgwane. The sample size comprised thirty households who all participated and responded well in the questionnaires that were distributed in time. The method of sampling was a simple random sampling, which means there was no bias in the selection of the respondents. Testing of the questionnaires was done and also accurate. Tables and graphs were used to analyse the data collected and to get the inferred statistics.

1.10 Definition of Concepts

Quantitative research includes singular, unambiguous interpretations, which are aimed at thorough precise operationalisation of variables, accuracy in data collection. (Mikkelson 1995). Thus, the method helps the researcher to be at the same level of understanding with the participant and the research outcomes become more practical.

Qualitative methodology allows the researcher to look at settings and the people in a holistic manner. It also studies the respondents in the context of their background and the situations they

find themselves. Filstead (1995) defines the qualitative methodology as an outcome where the researchers obtain the firsthand knowledge about the social world and experiences of people in poverty. It also develops the analytical, conceptual and categorical components of explanation from the data itself.

Case study approach includes both qualitative and quantitative methods meant to explore the investigation fully. The surveyor takes every aspect to be considered. The researcher also collect and examine as much information as possible regarding the subject of the study. Babbie (1986) defines a case study as a comprehensive description and explanation of many components of a given social situation. The researcher will learn about the history of the community, its religious, political, economic, geographical and racial makeup.

Questionnaire is a formalised schedule for collecting data from the respondents so that it can meet the aims of the research. It accurately reflects the information on the topic of study (Centre for Science Development, 1993). Questions are closed and are pre-coded and the alternatives are listed on the questionnaire and the interviewer ticks a box next to the appropriate response. This is done in order to minimise the role and influence of the interviewer and to enable a more objective comparison of the results (Bless and Higson-Smith 1997).

Poverty definitions are immense and are debatable. There is, however a common agreement about the degrees of poverty. These are absolute or extreme poverty; moderate poverty and relative poverty. **Absolute poverty** implies that households are unable to meet their basic needs for survival. This means that they are chronically hungry, unable to access health care, they lack of amenities of safe drinking water and sanitation, cannot afford education for some or all children and sometimes even lack basic shelter and basic article of clothing like shoes (Sachs 2005). **Moderate poverty** refers to conditions of life in which basic needs are met, but just barely. While **relative poverty** is generally perceived to be household income level below a given proportion of average national income.

Inequality is measured by the **Gini** coefficient, which can vary between “0” and “1”. The closer to 1, the more unequal is a society and the closer to 0 the more equal a society is. In a perfectly equal society 10% of the population will receive 10% percent of the income, 20 percent of the population will receive 20% of the income and so on, and for such a society the Gini coefficient

will be zero. If the 10% of the population receives 30% of the income or 20 percent of the population receives 60% of the income then the income distribution of that society is said to be more unequal and the Gini coefficient is higher. The Gini coefficient of South Africa is calculated at 0.6 which makes South Africa one of the most unequal societies in the world. The Gini coefficient among blacks is higher than in the whites. The living conditions of the people in the area will be assessed.

Inequality is also present if membership of different social groups is linked to highly differential power relations. Inequality is closely linked to the notion of social exclusions, in that unequal power relations may be linked to differential access to political or socio-economic rights. In a narrow economic sense, inequality can refer to an imbalance in the distribution of particular resources such as income, in a specific population. If a country is well resourced, poverty can be said to be manifestation of inequality. **Inequality** can be measured using the **Gini coefficient**, which is the measure of distributional inequality in a population. Inequality can also be measured using the **mean log deviation** and the **Theil** index.

Poverty can mean a number of different things to different people. An important variable of poverty is that of material lack- more significantly the lack of resources necessary for survival. In a **narrow** or broad sense, poverty can be construed as a lack of income. In a **broad**er sense Poverty can be seen as a multi dimensional, encompassing other issues such as housing, health, education and access to services like electricity, fresh drinking water and sanitation. A more expansive way of understanding poverty is that people are poor if they are unable to participate in society as full citizens.

Deprivation refers to the effects of poverty in a person's life. It also takes account of how being poor limits what a person can do or cannot do both in terms of immediate or future actions (Alcock 2006). Indicators of Poverty Deprivation include lack of access to services like basic electricity, fresh drinking tap water and lack of decent housing.

Vulnerability is the state of being that is defenceless to threats to someone's wellbeing. People are vulnerable when they cannot cope when there is a shock in their lives and cannot recoup or recover from financial losses during recession or disease outbreak. An example is when there is a

cholera outbreak, the casualties are most likely to be the poor who are most hit by the outbreak when compared to the rich.

Poverty gap refers to the level of resources required to bring everybody out and above the designated measure of poverty. It is a measure of poverty severity within a population.

Poverty definitions serve two functions in the public area. First, such definitions allow policy makers to identify the poor: to determine, for example, the appropriate allocation of antipoverty funds across regions or individuals (Oster 1975). Secondly, poverty definitions also serve second policy function which is to help policy makers design and evaluate programmes to help the poor. Stats SA defines **poverty** as the denial of opportunities and choices that are most basic to human development to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-esteem and respect from others.

Chronic poverty is the state of poverty that exists over time. According to chronic poverty research centre (CPRC 2004) developed in Manchester, chronic poverty is when an individual experience poverty for extended period of time or throughout their entire lives. According to these definitions, chronic poverty is likely to be transferred from generation to the next and probably affecting the children of adults living in a state of chronic poverty.

Poverty relief, poverty alleviation, poverty reduction and poverty reduction are terms which are often used interchangeably and can sometimes lead to confusion.

Poverty relief refers to policies and interventions that seek to give short term assistance to people who are living in poverty, the negative consequence is that it is linked to external shocks and sometimes pushes the poor to a more severe state of vulnerability than before.

Poverty alleviation aims to reduce the negative impact of poverty on the lives of the poor people, but in a more sustained and permanent way than poverty relief programmes. An example is the social grant programmes which have longer term goals than the social relief programmes.

Poverty reduction refers to the strategies and policies that reduce the number or percentage of people living in poverty or the severity of the impact of poverty in the lives of poor people.

Poverty eradication in its simplest definition, means ending the existence of poverty. The South African government has been mandated to halve the rate of people living in poverty by 2014.

1.11 Study layout

The research problem is discussed in chapter one, which also sheds light on research design, objectives of the study, aims of the study and selected research methodologies. The introductory chapter gives us the understanding of the research. It further provides the impetus of chapter progression of this study will be as in this format.

Chapter two contains the literature review and theoretical framework about the definition, experiences that people live in and thus presenting the overall view of poverty in South Africa in comparison to the global community.

Chapter three covers the South African economic policy overview, its achievements and some critics regarding the policies. These entails GEAR targets, economic growth, inflation status and employment created or lost during the policy cycle.

Chapter four covers the research methodology.

Chapter five briefly presents the case study of the Ngaka Modiri Molema district municipality by looking at the socio-economic impact of poverty in the municipality.

Chapter six is the data interpretation of the survey sample.

Chapter seven concentrates on the summary, conclusion and recommendations of alternative policy strategies.

1.12 Summary of contents

Chapter one is the introductory chapter whereby the reader is introduced to the research topic in order to have a better idea of what is exactly going to take place in the development of the research. It gives the overview and the background of the study. It outlines the research problem, significance of the study, objectives of the study, aims of the study and the methodology that will be used in the progress of the research. The next chapter will deal with the literature review and the theoretical framework of the study. The chapter focuses on the theories of poverty, concepts

of poverty, definition of poverty, poverty dimensions and other academic findings related to poverty.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The government of national unity, led by the African National Congress (ANC), which took power in 1994, inherited a country of gross inequalities with high unemployment. Even though much has been achieved with regard to education, health care, housing and provision of basic services like electricity and water, poverty still continues to be rampant and widespread across the whole population. Income disparities and unemployment still remains high and visible across the population as many still lack access to basic necessities. Although the country is self-sufficient in food production, about 14 million people are said to be vulnerable to food insecurity and 43 percent suffer from food poverty (National Treachery, 2003). According to Marais (cited in FAO, 2004), South Africa is classified as an upper middle-income country with one of the most skewed distribution of income in the world with an estimated Gini coefficient of 0.68 which was calculated from the 1996 population census data. That was higher than the mid-1990s Gini coefficient of 0.58. This compels the government to give attention to the large *income gap* between the poor and the rich. A number of policies aimed at bridging the income gap and promoting economic empowerment of previously disadvantaged communities are already in place but seem not to be meeting the required obligations of poverty alleviation. According to the Human Sciences Research Council (HSRC, Fact sheet no: 1, 2004), the new estimates of poverty show that the proportion of people living in poverty in South Africa has not changed significantly between 1996 and 2001. It also states that those households living in poverty have sunk deeper into poverty and the gap between the rich and the poor has widened. The Human Sciences Research Council (HSRC) generated these estimates in collaboration with South African economist Mr. Andrew Whiteford. The HSRC has used a measure called *poverty gap* to measure the required annual income transfer to all poor households in order to bring them out of poverty. According to the study, the poverty gap has grown from R56-billion in 1996 to R81-billion in 2001, which clearly indicates that poor households have sunk deeper into poverty over that period.

The study also indicates that the *poverty gap* has grown faster than the economy, indicating that the poor households have not shared in the benefits of the *economic growth*. That is, in 1996 the

total **poverty gap** was equivalent to 6.7% of the Gross Domestic Product (GDP); and in 2001 it had risen to 8.3%. This is also evident from the fact that poorer households have not benefited from the proceeds of the economic growth reflected in the rise in inequality between the rich and the poor. It is also evident from the results that South Africa's Gini coefficient has raised from 0.69 in 1996 to 0.77 in 2001. Even though poverty rate measures the proportion of a region's population living below the **poverty line**, it does not give any indication of how far below the **poverty line** poor households are (HSRC, 2004). The HSRC has used a measure called the poverty gap. The poverty gap measures the required annual income transfer to all poor households in order to bring them out of poverty.

2.2 Why do we need to measure poverty?

In cases where poverty is severe and apparent, people might not find the necessity and relevance of poverty measurements. It is evident from previous research works by a number of government and non government institutions that poverty in South Africa is huge and there is a need for politicians to do something to eradicate the causes of poverty and to alleviate its effects on the poorest of the poor. Even though the existence of poverty might be all clear, it is evident that the government is spending billions of Rands in social spending in an effort to reduce the impact of poverty to the most vulnerable. Some critics argue that social security has failed to provide income security for the majority of the unemployed, as such the safety nets is not all encompassing (Taylor, 2002; Samson 2004). It is stated that economic policies are unable to resolve the issue of more job seekers than available jobs. This spending is all directed to the poor, such as the social grants programme. However, for the government to assess whether its allocated budget on social spending meets its targeted poverty alleviation programme there is a need to measure poverty. This is essential as part of design of policy and government interventions. Clarifying what is meant by **Poverty** can contribute to effective poverty eradication in the following ways:

- By being able to measure poverty, the government can also be able to map geographically where poverty is more severe and direct resources accordingly.

- By understanding the various dimensions of deprivation experienced by people living in poverty, government can focus its resources on specific programmes, such as housing, basic services like water, sanitation, electricity, clinics and education.
- By having measuring poverty, the government is able at appropriate intervals to evaluate whether the poverty alleviating programmes are being effective and then be able to move people out of poverty and improve their wellbeing both in the short term and extended period of time.
- By placing information about the levels of poverty and the resultant inequality in South Africa in the public domain, the government can build a national commitment to eradicate poverty that goes beyond it.

In addition, South Africa is bound by a number of international institutions such as the World Bank and the UNDP to adopt a poverty measure and to work towards ending the current levels of poverty.

2.3 What are poverty perceptions in South Africa?

A participatory poverty assessment was undertaken in South Africa in 1997. It important to note that in order to get a clear picture about who are the poor, then assessment has to be done among the poor.

How does the Poor characterise their poverty?

They characterise their poverty as:

- **Food insecurity:** Households where children go hungry to bed or are malnourished are seen as living in poverty.
- **Alienation from kinship and the community:** The elderly without care from younger family members are seen as poor.
- **Crowded homes and living in shacks:** individuals who live in overcrowded homes which need maintenance or living in shacks regard themselves as poor.

- **Use of basic forms of energy like woods:** Individuals with no access to efficient sources of energy and having to travel long distances to fetch wood are perceived as poor.
- **Lack of adequate paid, secure jobs:** the poor perceive lack of employment opportunities, low wages and lack of job security as a major contributing factor to their poverty.
- **Fragmentation of the family:** many poor households are characterised by absent fathers or children living apart from their parents. Households may be split over a number of sites as a survival strategy.

The focus will be on the fact that money supports improved access to basic education, basic health care and food security. The essay also focuses on the following:

- The relationship between unemployment and income poverty
- Knowledge about household income
- The role played by social assistance in boosting household income and thereby alleviating poverty

South Africa has one of the most unequal distributions of income in the world (UNDP 2004). The level of inequality is confirmed by the Gini coefficient. A Gini coefficient of one indicates perfect inequality whereas a Gini coefficient of 0 indicates perfect equality. The report notes that Gini coefficient had risen from 0.596 in 1995 to 0.635 in 2002. The United Nations Development Programs (UNDP) report states that steep wealth contributes to persistent and rising income poverty and inequality.

2.4 The Socio-Economic Context of Poverty

Structurally, poverty is deeply rooted and presents itself as one of the major problems and challenges of the social ills of the apartheid era. Many observers agree that almost half the population of South Africa is poor and lives below the poverty line regardless of poverty alleviation initiatives undertaken by the ANC-led government since the democratic elections in 1994. Taylor's report of March 2002 also notes that between 45 and 55 percent of the population

lives in poverty, depending in the poverty line that is used. The poverty line is also complicated by a variety of indicators like income, expenditure, consumption and assets that is used to measure poverty. The report goes on to clarify that “the choice of indicators depends on whether one is interested in the absolute poverty or relative poverty.” Identifying poverty lines requires analysts to make assumptions about acceptable levels of income or consumption or inequality.

2.4.1 Economic opportunities: Growth and rising incomes of the poor

It should be stated that numerous statistical studies confirm that rapid economic growth is the engine of poverty reduction, using both income and non-income measures of poverty. Macroeconomic policy’s stability provides an important precondition for higher growth rates and also helps prevent the balance of payment crises and resurgence of inflation, both which have negative consequence for poverty (Klugman, 2002). It is also noted that high inflation can also stifle economic expansion and thus limit the poor people’s opportunities to acquire assets necessary to hedge against income shocks. Removing barriers to access to new goods, technology and investment opportunities have generally been associated with economic growth. Similarly, it can be said that good governance is crucial for accelerating private investment and thus economic growth.

2.4.2 Various types of asset endowments that directly influence the wellbeing of the poor

- **Human capital:** It is academically accepted that the most widely accepted way of improving the asset base of the poor is through investment in human capital. Shifting budget allocations in favour of the poor will encourage human capital accumulation in favour of the poor. When employment opportunities are widened, this could also lead to skill acquisition among the low- income earners.
- **Infrastructure:** Lack of access to infrastructure services like water, sanitation, transport, electricity and information technology can lead to unhealthy living conditions for the poor and reduce their ability to use these services, engage in productive activities and also access employment opportunities.

- **Land:** Lack of access to land affects the poor negatively as it prohibits them from at least producing even small scale farming. This could be solved through land reform and improvement in the functioning of land markets. Security of tenure can stimulate investment to improve agricultural productivity and promote development of effective land market.
- **Credit:** Access to finance or micro credit is one of the major constraints that affect the poor as in most cases they lack physical collateral necessary to obtain loans. Often, it is difficult to extend credit access to the poor as they lack access to formal or informal financial institutions through which credit and information about credit schemes is available.

It is important to understand the extent to which escapees from poverty tend to possess a combination of assets or have gained access to catalytic asset in each local context, in order to break the vicious circle of poverty. An example could be the security of land tenure should facilitate access to credit. Simultaneous improvements in access to financial services and provision of training on small business management skills or novel farming techniques can enhance the impact of increasing land tenure security among smallholder farmers.

- **Capabilities: Health and Education**

Low levels of educational achievements, illness, malnutrition and high fertility (high population growth) are major contributors to income poverty. Education and health are among the primary dimensions of individual well-being. The child health outcomes depend on the dietary choices at the household level and access to- and the quality of – health services. Government policies and actions should be designed to improve literacy and health among those who need it the most.

- **Security**

Insecurity is understood as vulnerability to decline in well-being. The shock triggering the decline could be the illness or death at household level. Declines in incomes have a more devastating effect on the poor than on the rich. Poverty analysis could be linked to information

on food shortages and relative price changes in order to identify specific social protection strategies needed to reduce the risk faced by vulnerable groups.

- **Empowerment: The Influence of the Poor**

One important dimension of empowerment is access to, and influence over state institutions and social processes that set public policies. As the level of empowerment among the poor increases, they gain access to economic opportunities, develop human capabilities, and establish greater income security. The more the poor become empowered, the more they are likely to influence public policy discussions on how well and effective policies and programmes that constitute poverty reduction strategies meet their needs.

According to (Klugman, 2002), the ***Empowerment*** is an active process that occurs at different levels and is influenced by different but overlapping sets of factors:

- ***At the household level***, empowerment refers to intrahousehold inequality, access to and control over resources, and decision making processes (example, desired number of children or whether to use contraception).
- ***At the community, regional and national levels***, inequality in access to resources and social interactions affects gender inequality as well as the empowerment outcomes of different income, ethnic or religious groups. Empowerment also entails representation in decision making bodies at the local and national levels of government. Klugman further argues that, greater transparency and accountability increase the ability of the poor to gain access and influence state institutions and social processes.

2.5 Who are poor in South Africa?

South African population with an average of 40 and 50 percent can be classified as living in poverty (Terblanche, 2002). Although the country is self-sufficient in food production, an estimated 14 million people are vulnerable to food insecurity and 43 percent of households suffer from food poverty (National treasury, 2003).

Undoubtedly, poverty is multi-faceted. It can be linked to hunger, unemployment, exploitation, and lack of access to clean water, sanitation, health care or schools. It is also attributed to vulnerability to crisis and homelessness.

According to the working paper prepared for DFID (SA), July 2002, by Dr Ingrid Woolard “the living standards of South Africans are closely correlated with race”. Woolard (2002) further states that poverty is not confined to one racial group in South Africa. It is concentrated among blacks, particularly Africans. According to the 1999 October household survey:

- 52% of Africans are poor.
- While Africans make up 78% of the population, they account for 95% of the poor.
- 17% of the coloureds are poor compared to 5 % among Indians and whites.

The survey has also its shortfalls as it did not include in the small ethnic minorities such as the San community who also live under extreme poverty. Poor households lack access to basic services, even though there have been remarkable strides in the provision of clean water and adequate sanitation since 1994. The October Household Survey (OHS) of 1999 found that:

- 75% of the non-poor had electricity, compared with 27% of the poor;
- 73% of the non-poor had access to adequate sanitation (flush, chemical or VIP toilets), compared with 38% of the poor;
- 77% of the non-poor have piped water, compared with 47% of the poor.
- There study also found that there is a very strong correlation between educational attainment and standard of living. According to 1998 IES and OHS,
- 58% of adults with no education are poor;
- 53% of adults that have less than seven years of primary education are poor.
- 34% of adults with incomplete secondary schooling are poor.

- Poverty rates drop significantly with the attainment of “matric” and further qualifications. 15% of those with completed high school are poor whilst only 5% of those with tertiary education are poor.

2.6 Where are the poor located in South Africa?

According to the October Household survey of 1995 and the Income and Expenditure Survey (IES), the poor are mainly concentrated in the former homelands- Bophuthatswana (North West province), Ciskei and Transkei (Eastern province), Kwazulu (Kwazulu-natal), Lebowa & Venda (Limpopo province) the sub-urban areas and the townships. 74% of the poor live in rural areas, 15% live in small towns and 4% live in the secondary cities. 62% of the rural population are poor, compared with 32% of those living in small towns and 25% in the secondary cities and 13% live in metropolitan areas.

According to OHS 1999, the Eastern Cape and Limpopo are the poorest provinces whilst the Western Cape and Gauteng have the lowest rates of poverty. According to the 1996 census, the poorest magisterial districts in the country are both in the Eastern Cape and are Elliotdale and Willowvale.

2.7 Inequality in South Africa

The trend in global unemployment has continued to exacerbate the rate of global inequality. It has been established that the divisions between the global rich and global poor continue to grow (Haines, 2001). The income discrepancies between a fifth of the world’s population who live in the world’s richest countries and a fifth who live in the poorest countries was 30:1 in 1960, and has grown to 74:1 in 1997 (UNDP, 1999).

The United Nations Development Program’s report maintains that 2.5 billion of the world’s poorest people have a collective income which is roughly equal to the wealth of the world’s richest 225 billionaires (Ukpere and Slabert, 2007).

Vast number of studies has been carried about South Africa’s income inequality and there is no doubt that South Africa is one of the most unequal countries in distribution of income. The fact that the poorer households have not shared in the country’s economic growth is reflected in the

rise in inequality between the rich and the poor. According to the Human Sciences Research council (HSRC) 2004, South Africa's gini coefficient has risen from 0.69 in 1996 to 0.77 in 2001.

During the apartheid era inequality was largely defined along racial lines. The white population has a gini coefficient of 0.60 which is extremely high for a group whose education and occupational profile matches that of societies in highly industrialised countries (HSRC, 2004).

Table 2.1: Poverty indicators by Province

Province	No. of poor persons (million)	% of population in poverty	Poverty gap (R billion)	Share of poverty gap
Eastern Cape	4.6	72%	18.8	18.2%
Free State	1.8	68%	5.9	7.2%
Gauteng	3.7	42%	12.1	14.9%
Kwazulu-Natal	5.7	61%	18.3	22.5%
Limpopo	4.1	77%	11.5	14.1%
Mpumalanga	1.8	57%	7.1	8.7%
North West	1.9	52%	6.1	7.5%
Northern Cape	0.5	61%	1.5	1.8%
Western Cape	1.4	32%	4.1	5.0%
South Africa	25.7	57%	81.3	100%

Source: HSRC 2004

From the table above, it is clear that Kwazulu-Natal is the province with the highest poverty gap followed by the Eastern Cape and Gauteng, respectively. North West is ranked number five with 1.9 million people living under poverty.

2.8 Conceptualisation of poverty

Developed and developing countries have put their efforts and focus into the study of poverty as a subject for theoretical exploration as well as empirical investigation. This has been done with the collaboration of academics, government and civil society. It is clear from the books depicting the intensity of poverty written by different authors that the topic is receiving the relevant attention. The rate of global poverty has indeed increased owing to global inequality. Salvatore (2004) argues that increases in income inequality and poverty in the poorest developing countries has been attributed to globalisation during the past decades. Ukpere and Slabert (2007) also state that most of the incidents of increasing the rate of poverty around the world today cannot be attributed to nature but to man and the selfish capitalist institutions created by man.

2.9 Poverty as a Concept

It is important for me to state that poverty has different meanings to different people based on an individual's experience. Politically, when defining poverty, people are considered to be poor if their income is intolerably so low. The problem may arise in defining what intolerable means to different people as it may depict different responses from different individuals. What could be tolerable as a basic need to some might be intolerable to some.

Some writers also state that poverty is greatly influenced by an individual's background, experience and environment. This is escaped by the fact that South Africa as broad as it is, both rural and urban areas have populations which differ according to age, gender, race and other characteristics. Budlender (1998) further notes that poverty is not only lack of money but also more centrally about the scarcity of favourable occasions meant to allow people to build themselves decent lives.

There has been a lot of disagreement about the definition and nature of poverty. But poverty is generally classified as absolute or relative.

Absolute poverty implies that households are unable to meet basic needs for survival. According to Sachs (2005), poverty means chronically hungry, unable to access health care, lack of amenities of safe drinking water and sanitation, being unable to afford education for some or all children and perhaps lack of shelter and basic clothing like shoes.

Relative poverty is generally perceived to be a household income level below given proportion of average national income. Or according to Buckingham (1991), poverty is relative implying that poverty is about being poor in comparison to the standard of others and about being unable to do things that are generally accepted. Singh (1980) elaborates by saying that relative poverty is defined in terms of its relation to the standards which exist elsewhere in the society.

Cycle of poverty is a social problem which reproduces itself from generation to generation; the reason poverty is still the topic of cycle of poverty is visible today. It is a fact even though debatable that in most times when one comes from a poor background (born to poor people); the chances of being rich are very slim. These could be as a result of cultural backgrounds of which some when they start working have to fend their parents as well as their siblings. It is clear that the cycle of poverty is more like a permanent situation, where people are trapped and unable to escape. According to Dinitto and Dye (1983), poverty is a way of life passed from generations to generations in a self-perpetuating cycle.

2.10 Poverty Aspects

2.10.1 The social aspect of defining poverty: Poverty in South Africa manifests itself in all racial groups, but its severity is mostly seen in the black community. During the apartheid era, exclusion was based on race and class. Even after fifteen years of democracy, the wounds of apartheid economic policies are still itching and take long to heal. Black on black violence is prevalent and children who are malnourished and dying from hunger or malnutrition are countless. Even though we experienced years of economic growth, poverty and income inequality is on the rise like a runaway fire. The poor are still being denied their right to resources needed for an acceptable quality of life. According to Blackburn (1991), the dominant explanation in the past regarded poverty as a consequence of the moral weakness or the psychological or social inadequacy of the individual.

2.10.2 Economic aspect of defining poverty: It is evident that lack of growth and decent employment opportunities exacerbates the extent of poverty in all societies, as forms of human organisation depend on human labour to realise their full potential. Individuals trade their labour to produce goods and services in exchange for wage and salaries. If we have surplus labour not being fully utilised, this results in waste of resources such as human capital.

2.10.3 Political aspect of defining poverty: Poverty does have its own historical origins that are based on capitalism. It implies a devastating situation or state and suggests that individuals, groups, families and communities at large who are in poverty need assistance so that their situation is changed to a better life. Budlender states that poverty is not about lack of money alone, but also a dearth of opportunities and choices that allow people to build a healthy environment and decent lives for their own good.

2.11 Global Poverty

Global poverty is the scourge and disgrace of our affluent era, but it can be effectively alleviated as we know it in our times (Smith, 2005). It is important to focus on the awareness of these basic facts about poverty. It is noted that, the dimensions of extreme poverty are huge but an equal amount of progress has already been made. (Smith, 2005) brings to light the fact that we need to follow through already working strategies whilst carefully evaluating both new and old strategies and learning from their lessons.

The scale of Global poverty is immense. Both measures and nature of poverty are more complicated than the ones we have read and learned. According to the World Bank survey, about 1.25 billion people subsist on less than \$1 a day whilst some 2.8 billion-nearly half the world population live on less than \$2 per day. In addition, the global poverty which is affecting nearly 3 billion people worldwide is by most standards the biggest challenge of our age (John Weis and Haider Khan, 2006). The Millennium Development Goals (MDG)'s targets set by international community states that the first and most fundamental priority is the halving of extreme poverty by 2015.

2.11.1 The Global view of Poverty

It should be emphasised that the past decade has seen most developed and developing countries putting their focus on poverty alleviation, and yet income inequality has also been on the increase in the last two decades in both the developed and emerging countries (WIDER, 2001). Economists see greater income concentration as a source of greater incentives and a faster capital accumulation thus, creating income for all, including the poor. This comes as an opportunity for social mobility by those disfavoured minorities.

It should also be noted that for the past decade, the global economy has put a lot of emphasis on poverty reduction, though inequality has been absolutely ignored. According to World Institute for Development Economics Research, Discussion Paper No.2001/93, inequality has been mostly ignored, possibly because it raises uncomfortable questions about the social impact of bank and fund programmes. Definitely sure, poverty reduction can be achieved mainly through economic growth thus, targeting basic social services to the poor and social security agencies. But poverty reduction through growth is limited when income and assets inequalities are high, growth is then concentrated in a few selected groups. Although inequality raises many contentious issues, little progress can be made in poverty reduction when inequality is high and rising (WIDER, 2001).

Below is a table depicting the global trends of poverty as provided by the World Bank in the World Development indicators of 2005?

Table 2.2: People living on less than a dollar a day

	Poor in millions	Poor in millions	Poverty headcount @ %	Poverty headcount @ %
	Year 1990	Year 2001	Year 1990	Year 2001
East Asia and Pacific	472	271	29.6	14.9
China	375	212	33.0	16.6
Europe and Central Asia	2	17	0.5	3.6
Latin America and the Caribbean	49	50	11.3	9.5
Middle East and North Africa	6	7	2.3	2.4
South Asia	462	431	41.3	31.3
Sub-Saharan Africa	227	313	44.6	46.4
Total	1218	1089	27.9	21.1

Source: World Bank, World Development Report 2005.

It is evident from the table above that in the East Asia Pacific region, the number of people in poverty has decreased by almost 15 percent between 1990 and 2001. China's poor has decreased by 16.6 percent within the same period. Europe and Central Asia's poor has increased by 3.1 percent during the same period. Latin America and the Caribbean's poor have increased almost 2 percent. The Middle East and North Africa's poor has increased by 0.1 percent. South Asia's poor has decreased by 10 percent. The Sub-Saharan African people living under a dollar a day has increased by 1.8 percent. In general, when using the notion of a dollar a day then the figures above shows that between 1990 and 2001, the poverty incidence has decreased by 6.8 percent.

2.11.2 World Bank's view of Poverty.

According to the World Bank 2002, poverty is multi faceted. However, the one thing that underlies and causes all these facets or symptoms is the lack of wealth or money among the poor. Thus, out of all measures of poverty, the economic measure seems to be the most important. Below is the citation from the World Bank of 2002:

- Poverty is hunger.
- Poverty is lack of shelter.
- Poverty is being sick and not being able to see a doctor.
- Poverty is not being able to go to school and not knowing how to read.
- Poverty is not having a job, is fear of the future, living one day at a time.
- Poverty is losing a child due illness brought about by unclean water.
- Poverty is powerlessness, lack of representation and freedom.

2.11.3 The Faces of Poverty

Fast Facts on World Poverty

According to the United Nations' Millennium Development goals of 2005, more than one billion people live on less than one dollar a day. In total, 2.7 billion struggle to survive on less than two dollars per day. The survey further reveals that poverty in developing countries goes beyond income poverty. It means individuals have to walk more than a kilometre everyday simply to collect water and firewood, suffering from diseases that were eradicated from rich countries decades ago. Every year eleven million children die most under the age of five from preventable diseases like malaria, diarrhoea and pneumonia.

Basic facts outlining the roots and manifestation of poverty affecting one third of our world:

Health

- Every year six million children die from malnutrition before their birthday.
- More than 50 percent of Africans suffer from water-related diseases such as cholera and infant diarrhoea.
- Everyday HIV/AIDS kills 6,000 people and another 8,200 are infected by this deadly virus.
- Every 30 seconds an African child dies of malaria more than one million child deaths a year.
- Each year, approximately 300 to 500 million people are infected with malaria. Approximately three die as a result.
- TB is the leading AIDS-related killer and in some parts of Africa, 75 percent of people with HIV also have TB.

Hunger

- More than 800 million people go to bed hungry everyday ...300 are children.
- Of these 300 million children, only eight percent are victims of famine or other emergency situations. More than 90 percent are suffering long term malnourishment and micro nutrient deficiency.
- Every 3.6 seconds another person dies of starvation and a large number are children under the age of 5.

Water

- According to the United Nation Development Programme (2006) more than 2.6 billion people over 40 percent of the world population do not have basic sanitation and more than one billion people still use unsafe sources of drinking water.
- Four out of ten people in the world do not have access to a simple latrine.

- Five million people, mostly children, die each year from water-borne diseases.

Agriculture

- The study further reveals that in 1960, Africa was a net exporter of food; today the continent imports one third of its grain.
- More than 40 percent of Africans do not even have the ability to obtain sufficient food on a day to day basis.
- The declining soil fertility, land degradation and the AIDS pandemic have led to 23 percent decrease in food production per capita in the last 25 years even though the population has increased dramatically.
- And, for the African farmer, conventional fertilisers cost two to six times more than the world market price.

2.11.4 The Devastating Effects of Poverty on Women

The study further reveals that 80 percent of farmers in Africa are women, though 40 percent of them are illiterate or do not have access to basic education. If a girl is educated for six years or more, as an adult her prenatal care, postnatal care and child birth survival rates will dramatically and consistently improve. It is argued that educated mothers immunise their children 50 percent more often than illiterate mothers. AIDS spread twice as quickly among uneducated girls than those who have some years of schooling. Children of a woman with five years of schooling have 40 percent chances of survival than the woman with no schooling. The study also states that a woman living in sub-Saharan Africa has a 1 in 16 chance of dying in pregnancy. This compares with 1 in 3,700 risks for a woman from North America. There are an estimated number of 529,000 women who die each year from pregnancy-related causes. It also reveals that almost half births in developing countries take place without the help of skilled birth attendant.

2.11.5 What is Poverty?

- *Poverty* is hunger.
- *Poverty* is pervasive poor health and early death.
- *Poverty* is loss of childhood in which the resultant is child labour.
- *Poverty* is the denial of the rights to basic education.
- *Poverty* is an awareness and fear of becoming destitute as a result of shock of such illness or death of someone related to one.
- *Poverty* is vulnerability.
- *Poverty* is powerlessness; it's the lack of access to real markets that could offer a way out of poverty.
- *Poverty* is the systematic exploitation, theft and abuse, not only by the rich but by the government officials who are there to help the poor but instead defraud them by requesting bribes for access to free basic services. It is the debilitating and deliberately created psychological feeling of hopelessness and dependence on whatever minimal remuneration may be offered by a rich family in your sphere of life.
- *Poverty* is the violence from within the family and without.
- *Poverty* is the powerlessness to stop the things that are hurting you and your family and keeping you poor. These conditions of poverty needs a concerted effort and action from policy makers, private entities and affected households.

2.11.6 Understanding the Meaning of Extreme Poverty

Smith (2005) also notes that for government or policy makers to end poverty, they need to understand what poverty is and what it means to be trapped in poverty.

Poverty trap or structural poverty is described as something much more than just the lack of income, as it is not a temporary problem that people can eventually escape from through sustained efforts.

It is further stated that impoverished households are characterised by suffering from malnutrition, poor health and illiteracy. The poor live in environmentally degraded areas with no proper roads, houses in a form of shacks or built by mud. They have little or no political voice at all, even if they needed to raise concerns about their living conditions. This exploitative living condition absolutely means that the children are also likely to be trapped in poverty when they grow up too.

2.11.7 Voices of the Poor

In order for us to understand the extent of poverty and the conditions attached to it, we have to listen to the poor on their terms. Talking to the poor in their homes and their workplaces and observing how they go about their lives breathes some life into the whole effort of ending poverty (Smith, 2005). It provides an inspiration for better policies and programme of action for policy makers.

2.11.8 Effects and Miseries of Poverty

To give a clear picture about the miseries of the poor, it is advisable to quote paragraph from Kabeer (1994)

Quote from a poor woman in Bangladesh and it reads:

` When I can, I give my husband and sons more. Men don't understand if foods run short, so I wait till they have eaten. `

` A good wife is one who makes sure her husband has enough to eat. `

` If a woman eats before her husband, she shortens his life. `

` Men work harder than women, they need to eat more. `

‘ How can you explain to children that there is not enough food? When my son cries, I feed him. It is easier to make daughter understand. ’

‘ If there is less, I eat less. You have to feed the men more or they beat you. Even my son beats me if there is not enough food (Kabeer, 1994). ’

2.11.9 A day in the Life of Saroja

It is necessary to bring to the reader’s attention that the following paragraph is extracted from the site from the internet called Microplace in order to protect the writer the name of the place and the person are fictitious. This short essay is brought up here in order to give full sight of the conditions under which poor people live in.

A day in the Life of Saroja

Meet Saroja. She is forty-two years old and a resident of Chennai, in India. She and her family rent a small room on a side street off Greenways road, a busy thoroughfare in the city. Follow her through a day in her life for a unique perspective on the life of the working poor.

5:40 am

The strident horn of the water truck rattling down the street jolts Saroja awake from a fitful sleep. She fights the urge to ignore its summons. Five additional minutes in bed, and she and her family will not have water to drink or cook that day. Forcing herself to get up, she picks up the aluminium water pots and stumbles out of the house. There is already a queue of people waiting in front of the yellow and green truck, elbowing and jostling each other to make sure that they get their share of water. She manages to fill both her pots today. Cradling one on her hip and carefully the other on her head she walks slowly back home.

6:15 am

Saroja makes breakfast on a small kerosene stove. She carefully ladles the watery gruel into two tin plates. Her husband sprawls in a corner, snoring loudly fast asleep. Her daughter, Prabha asks to borrow Saroja’s slippers. Prabha old pair is falling apart. She is afraid her employers at the garment factory will not approve if she comes to work in bare feet. Saroja’s younger son Suresh

comes in from outside. He is in his school uniform. He gulps down his breakfast and wipes his mouth on his shirt sleeve. On his way out he reminds his mother that it is the last day for him to buy his books. Prabha slips into her mother's well worn sandals and silently follows him out.

7:10 am

The coal in the iron burn brightly as Saroja fans them with a piece of cardboard. When he is sober, her husband manages a small business pressing people's clothes. But he has been out drinking every night for the past three days and has not been awake enough to work. Clothes from last week's orders are still stacked in one corner. Saroja knows that she will have to press and deliver them herself today, or her customers will stop giving her work. After three hot and sweaty hours, the clothes are pressed and folded. She sorts them into bundles, ties them with newspaper and a string and loads them on to the family cart. To run their clothing business, they purchased the cart and the iron last year using a loan from the local moneylender. Far bigger than Saroja, the cart is difficult to push, but she manages to manoeuvre it through the street. She hopes her customers will not be too upset that she is late with their orders. She will have to lie again about her husband being ill and unable to work.

12: Noon

She is done with her clothing deliveries. It has been a good day. Most of her customers have given her more clothes to press and she has earned 400 Rupees (about \$9). Saroja tries to calculate how much she will have once she has paid the rent and purchased her rice and lentils for the week. She may have money left over to buy Suresh's school books but not enough to get Prabha new slippers. She worries about Prabha, almost twenty. Who would marry her if they did not have money for dowry? They would have to take another loan. She passes her son's school and decides to give him money for his books. She has to spend the money when she has it. She plans to go to the grocery shop to get her weekly ration of rice and lentils after she has dropped her cart. As she turns into the street her heart sinks. She has forgotten that it is the first of the month. Her landlord and his ruffians are standing at the far corner of the street. They are on their monthly collection spree. They see her pushing the cart and moving forward feeling threatened. Silently she hands over the remains of what she earned that morning. It would be futile to resist.

Besides, she is three months behind on her rent payments. This is so much for her weekly rations and her daughter's slippers. But she is glad that her son will get his school books.

2:00 pm

Saroja arrives at her job at Mrs Subramanian's house and is greeted with expletive for being late. She makes her way to the pantry where there is mound of vessels to be washed. The family is eating lunch and the smells from the kitchen are tantalising. She has not eaten all day. She will have to wait till they have finished eating before she can satisfy her hunger. But they are soon done and she sits down with the other maid servant to her first meal of the day. She always looks forward to Thursdays when she comes to Mrs. Subramanian's house to assist in the house work because of this one meal. There is rice and stew and vegetables and yogurt. There will even be some left to take home to her family. She spends the afternoon scrubbing floors, washing dishes, doing laundry and polishing the brass trinkets that dot the house. Mrs Subramanian is hosting a party that evening and needs Saroja to stay and help with the cooking. Saroja peels and chops onions, grates coconut, shells peas and makes the flatbread that will be served for dinner. It is almost seven o' clock by the time all the work is done. Mrs Subramanian pays her 200 rupees (about \$5) for helping out.

7:30 pm

Saroja catches the 42 bus home. The fare is two Rupees. It is luxury she does not usually indulge in but she is exhausted after a long day. And it is not over yet. She still needs to stop at the grocery store to pick up food, coal and kerosene and then prepare evening meal for her family.

8:25 pm

Saroja and her family eat their evening meal. Suresh is memorising maths tables from his text book while he eats. She has high hopes for her son. Perhaps one day he will get a steady job and his income could help support the family. She hopes that he won't develop his father's habits of alcohol. She looks across towards her husband. He is moody and sullen. He truculently asks her how much money she has earned. She does not answer. She knows what is coming. He will demand the money, asserting his right as her husband to have it. They will argue. He will yell

and scream. It could come to blows. She is too tired to fight today. She gives him what she has left over. He takes it and leaves.

9:35 pm

Saroja walks down the community restroom. It is dark and the night is warm. She splashes water on her hands and face wipes them with the edge of her sari. She pops some bitternut into her mouth as she makes her way back home. Her children are already asleep. She lights a mosquito coil in the vain hope that it will keep the insects away. She pulls the string that turns off the single bulb that hangs from the ceiling.

Saroja falls asleep as soon as her head touches her makeshift pillow. She will sleep until the strident horn of the water truck jolts her awake at 5:40 am the next day.

The perspective is based on a true story of Saroja's life as told by Ashwini Narayanan, General Manager of Microplace. Names and locations have been changed. The main purpose of this article is to depict the harsh conditions under which the vast majority of the poor lives on.

2.12 History of Inequality and poverty in South Africa

The past policies of apartheid (segregation and discrimination) have left a legacy of inequality and poverty and more recently low economic growth. The apartheid system was absolutely leaned towards providing health, education and housing services to the white minority at the expense of the large majority of the black population who were denied the opportunity to accumulate human and physical capital. By then labour market policies were aimed at protecting positions of white minority workers through active policies such as job reservation, while inferior education, influx control and the Group Areas Act ensured little competition from other race groups. The system also used laws to unequally distribute resources (which included land, mining rights and access to capital) thereby marginalising the largest sector of the population to poorly paid sectors of the labour market. This massive investment in state education for white schoolchildren in the 1950s and the 1960s enable white workers to acquire skills that empowered them regardless of the policies such as job reservation. This restrictive economic practices prevented large population from actively engaging in labour markets and resulted in skewed

income distribution which was in turn reinforced by an unequal distribution of skills and training.

Historically, South Africa has had one of the most unequal distributions of income in the world. This rise is likely to place it at the top of the world rankings (Woolard, 2004). Though inequality was defined along the race lines in the past, it is now defined within population groups. The gini coefficient for the African population has risen from 0.62 in 1991 to 0.72 in 2001, while the white population has a gini coefficient of 0.60.

Table 2.3: The Gini coefficient by population group in South Africa

	1991	1996	2001
African	0.62	0.66	0.72
White	0.46	0.50	0.60
Coloured	0.52	0.56	0.64
Asian	0.49	0.52	0.60
Total	0.68	0.69	0.77

Source: HSRC 2004

From the table above, it is clear that in general, from 1991 to 2001 income inequality has been rising up steadily and does not show any sign of decreasing. This quantifies surveys that reveal that South African income is not fairly distributed even though the economy has been growing at a sizable margin.

Aggregate poverty gap

Poverty gap measures the difference between each poor household's income and the poverty line. It thus measures the depth of poverty of each poor household. The aggregate poverty gap is calculated by adding up the poverty gaps of each poor household. It is therefore equivalent to the

total amount by which the incomes of poor households need to be raised each year to bring all households up to the poverty line and hence out of poverty.

It is important to emphasise that the poverty line varies according to the household size, the larger the household the larger the income required to keep its family members out of poverty. Below is a table showing the poverty lines as at 2001.

Table 2.4: Poverty income by household size (R per month)

Household size	YEAR 2001
1	587
2	773
3	1028
4	1290
5	1541
6	1806
7	2054
8	2503

Source: HSRC 2004

Gini coefficient

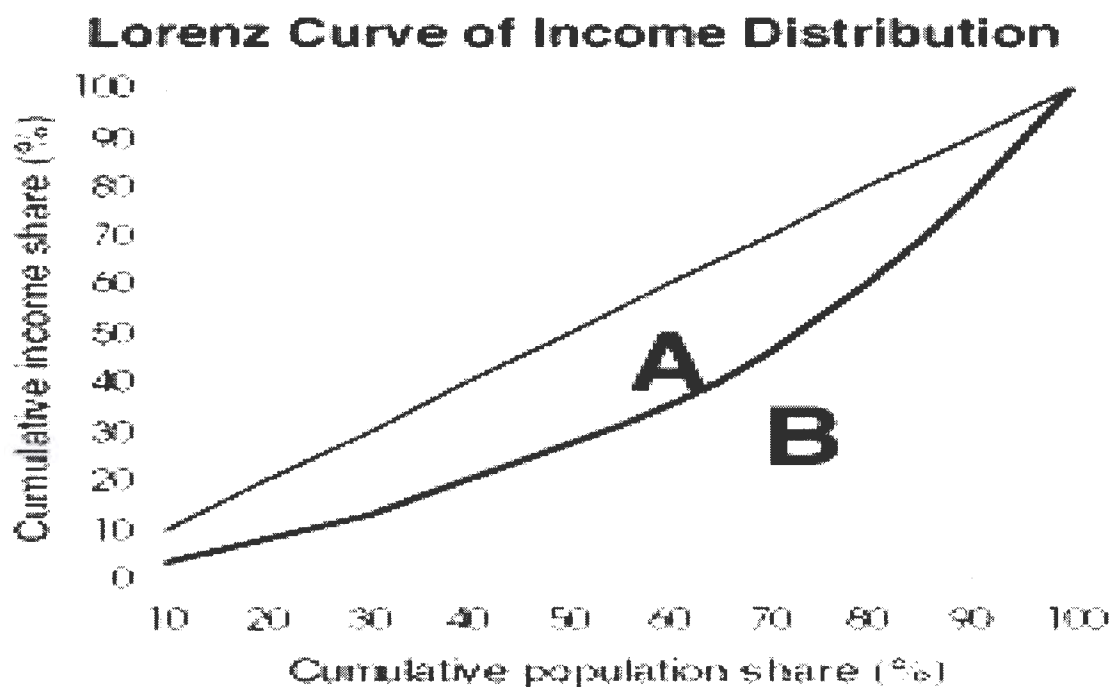
Inequality is measured by the gini coefficient, which can vary between “0” and “1”. The closer to 1 the more unequal a society is, and the closer to 0 the more equal a society is. That is, in case of perfect equality (0), it is assumed that all households earn equal income, whereas in case of imperfect equality (1) the assumption is that one household earns all income and the other households earn nothing.

The gini coefficient is calculated using the Lorenz curve that plots the cumulative percentages of total income received against the cumulative number of recipients, starting with the poorest household. The gini measures the area between the Lorenz curve and a hypothetical line of absolute equality, expressed as a percentage of the maximum area under the line. Geometrically the gini is measured as:

$$G = \frac{\text{area between Lorenz curve and line of perfect equality}}{\text{Total area below line of perfect equality}}$$

Total area below line of perfect equality

In a situation of perfect equality, the Lorenz curve would overlap the line of perfect equality and the Gini coefficient would equal zero. In a theoretical situation where one household is earning all the income, the Lorenz curve would coincide with the axes and the gini coefficient would equal to one.



2.13 Theories of Poverty

Poverty as defined in its general sense is the lack of basic necessities. This includes basic food, shelter, medical care, safety and sanitation. These are generally thought necessary on shared values of human dignity. According to (Sen, 1999), needs may be relative to what is possible and are based on social definition and past experience. Valentine (1968) says that the essence of poverty is inequality. In slightly different words, the basic meaning of poverty is relative deprivation. A social (relative) definition of poverty allows community flexibility in addressing pressing local concerns while objective definitions allow tracking progress and comparing one area to another. The most common objective definition of poverty is the statistical measure defined by the national government as the annual income needed for a family to survive that is, poverty gap.

2.13.1 Three theories of Poverty

It is important to note that recent literature in poverty uniformly acknowledges the different theories of poverty, and that the literature has classified these theories in multiple ways. From literature by Blank, (2003); Goldsmith and Blakely (1992); Jennings and Kushnick (1999); Rodgers (2000); Schiller (1989); and Shaw (1996), it is clear that virtually the authors distinguish between theories that root the cause of poverty in individual deficiencies (conservative) and theories that lay the cause on broader social phenomena (liberal or progressive). Ryan (1976) addresses this dichotomy in terms of blaming the victim. Goldsmith and Blakely distinguish poverty as pathology and poverty as a structure. Schiller (1989) describes poverty in terms of flawed characters and restrictive opportunity. Jennings (1999) reviews a number of variants on the individual versus society conceptions thus, giving focus to racial and political dynamics. Rank (2004) says the focus on the individual attributes as the cause of poverty is misdirected and misplaced. The blame is put on the structural failings of the economic, political and social system as the main cause of poverty instead.

2.13.1.1 Poverty Caused by Individual Deficiencies

The first theory of poverty is a large and multifaceted set of explanations that focus on the individual as responsible for their poverty situation. Typically, political conservative theoreticians blame individuals in poverty for creating their own problems, and argue that with harder work and better choices, the poor could have avoided their problems. The belief that poverty stems from individual deficiencies is old and is augmented by the religious doctrine that equates wealth with the favour of God as ascribed by (Weber, 2001). The blind, the crippled or the deformed people were believed to be punished by God for their parent's sins. Herrnstein and Murray (1994) are the modern uses and explanation of this theory. Rainwater (1976) critically discusses the individualistic theories of poverty as "moralising perspective" and notes that the poor are afflicted with the mark of Cain. They are meant to suffer; indeed they must suffer, because of their moral failings. They live in deserved hell on earth."

Ironically, the Neo-classical economics reinforces the individualistic theory of poverty. Their core paradigm of the study is that the conditions leading to poverty arise from the concept that individuals seek to maximise their own wellbeing by making choices and investments and seek to maximise their wellbeing. When some people choose short term and low-payoff returns, economic theory holds the individual largely responsible for their individual choices. The example cited is a foregoing college education or other training that will lead to better paying jobs in the future.

The economic theory that the poor lack incentives for improving their own conditions is a recurrent theme in articles that blame the welfare system's generosity on the perpetuation of poverty. Economists Gwartney and McCalieb argue that the years of the war on poverty has actually increased poverty among the working age adults in spite of unprecedented increases in welfare expenditures. They conclude that "the simple economic theory" suggests that the problem lies in the war on poverty programmes. According to them "the welfare programmes have introduced a pervasive incentive structure, one that penalises self-improvement and protects individuals against the consequences of their own bad choices."

These theorists also cast the poor as a moral hazard and holds that the problem of poverty continues to fester not because we are failing to do enough, but because we are doing too much

that is counterproductive. According to Gwartney and McCaleb, their economic model would solve poverty by assuring that the penalty of poverty was great enough that none would choose it. That is, welfare would be restricted to the truly disabled or otherwise those who are unable to work.

A version of individualistic theory of poverty which has received less wide criticism is that of American values of individualism. The Horatio Alger myth states that any individual can succeed by skills and hard work, and that motivation and persistence are all that are required to achieve success Asen (2002). The literature reinforces the belief that individuals fail because they do not try hard enough. Another literature on individualistic theory of poverty comes from Frank Bettinger (1977) who tells how he got a list of self-improvement goals on which to focus in order to become one of the most successful and highly paid salesmen in America. It is further said that anyone can succeed by an easy formula: focused goals and hard work. This message is envisaged in all books of self-help articles and sermons. Simply written, the literature implies that those who do not succeed must face the fact that they themselves are responsible for their failure.

2.13.1.2 Anti-Poverty Programmes from an Individual Theory of Poverty Perspective

According to Maskovsky (2001), the community development practice on welfare and social policy are aimed at remedying poverty based on individual deficiency theories. It is further said that “Explicitly or implicitly, individual deficiencies have been an easy policy approach not always carefully explored as they get implemented”. In terms of this view, the primary goal is to push the poor into work or “work list consensus.” Indeed, this move is accompanied by an increasing emphasis on self-help strategies for the poor to help themselves out of poverty.

The community development perspective shies away from blaming individuals. Thus, their anti-poverty programmes in community development tend to oppose strategies that punish or try to change individuals as a solution to poverty, though working with individual needs and abilities is a constant objective.

O'Connor (2001) and Quigley (2003), further collaborate that many contemporary anti-poverty programmes are not designed with compassion in mind but use punishment and the threat of

punishment in order to change behaviour and get people off public assistance. According to O'Connor and Quigley, the best example of response to poverty is to limit the number of years people can be on family assistance and to require participation in work activities after two years on welfare. From this strategy, the threat of a cut-off in assistance is believed to change behaviour since a person will lose assistance after five years.

Another study that was done was the one which reduced assistance to parents if their children fail to attend school. This was done with a view that children will graduate from high school and not become another generation of welfare recipients. The study finds that punishment does little to change behaviour, while teachers and school administrators help identify more complex reasons for school attendance (Campbell and Wright, 2005). The example of punitive measures of individual theories of poverty is the one that justifies policies that restrict public assistance to services and goods instead of cash because there is a lack of trust in the discretion of poor people. Providing food at school for children or offering homeless people shelters rather than cash to pay for housing is another example.

In conclusion, irrespective of the widespread societal view that individuals are responsible for their own poverty, community developers look to other theories of poverty for more positive approaches.

2.13.1.3 Poverty Caused by Cultural Belief Systems that Support Sub-Cultures of Poverty

The second theory of poverty is derived from the “*Culture of Poverty*”. The theory is sometimes linked to other theories below. According to the authors, the theory suggests that poverty is created by transmission of a set of beliefs, values and skills that are socially generated but individually held by generations.

Culture is socially generated and perpetuated, reflecting the interaction of individuals and community. Technically, the *culture of poverty* is a sub-culture of poor people in ghettos, poor regions, or social contexts where they develop a shared set of beliefs, values and norms for behaviour that are separate from but embedded in the culture of the main society.

One of the writers of the main literature on *culture of poverty* is Oscar Lewis. He defines the culture of poverty as a set of beliefs and values passed from generation to generation. He writes:

once the culture of poverty has come to existence it tends to perpetuate itself. By the time slum children are six or seven they have usually absorbed the basic attitudes and values of the sub-culture. Thereafter, they are psychologically not ready to take full advantage of changing conditions or improving opportunities that may develop in their lifetime.

The theory of *culture of poverty* which is based on perpetuation of cultural values has also been fraught with controversy. No one disputes that the poor people have sub-cultures or that sub-cultures of the poor are distinctive and perhaps detrimental. Their concern is over what causes and constitutes *sub-culture of poverty*.

Moynihan (1965) finds the concept particularly applicable to his study of Black poverty in the early 1960s and links Black poverty to the largely “dysfunctional” Black family found in the central cities. Valentine (1968) criticises Frazer who together with Moynihan (1965) portray the culture of the Negro poor as an “immoral chaos brought about by the disintegration of the black folk culture under the impact of urbanisation”.

Today the sub-cultural values are prized as an example of how sub-cultures can work in favour of groups trying to escape poverty.

2.13.1.4 Anti-Poverty Programmes from a Culture of Poverty Perspective.

If the theoretical reason for poverty lies in the values and beliefs, transmitted and reinforced in sub-cultures of disadvantaged persons, then the local anti-poverty efforts need to intervene to help change the culture and, this is called socialisation as a policy.

Valentine (1968) suggests three different models of cultural theories of poverty:

- 1) If one thinks of the culture of the poor as a dysfunctional system of beliefs and knowledge, the approach will be to replace that culture with a more functional culture that supports rather than undermines productive work, investment and social responsibility.
- 2) On the other hand, if one thinks of the culture of poverty as an opportunistic and non-productive sub-culture that is perpetuated over generations, then the focus will shift to youth to stop the recreation of the detrimental culture. According to Zigler and Styfco (1996), “head Start and many educational programmes are successful at providing an alternative

socialisation for next generation to reduce poverty, though the programmes need more coherence and quality. Similarly community developers are often involved in helping establish after school programmes for teens where their peer culture is monitored and positive social values are established, while keeping youth away from gangs and detrimental behaviour. These programmes are a policy favourite because they are believed to change the culture of youth while their values and norms are still malleable (Levitan, Mangum, & Sum 2003).

- 3) The third approach to the culture of poverty is to try to work within the culture to redefine culturally appropriate strategies to improve the group's wellbeing. An example thereof is that the community developers can enhance and build upon cultural values with the sub-cultures of the poor which can become assets for economic development. Local crafts are examples as are programmes that tap the traditions of small business and entrepreneurship found in sub-cultures as different as urban gangs and middle class single mothers. Institutions by which ethnic groups or clans assist each other in creating and financing businesses are well documented in the literature.

2.13.1.5 Poverty Caused by Economic, Political and Social Distortion or Discrimination

Theorists in this tradition look at the economic, political and social system which causes people to have limited opportunities and resources with which to achieve income and wellbeing. In this tradition, researchers and their theories attempt to redress the problem noted by Rank, Yoon and Hirschl (2003). Poverty researchers have in effect focused on who loses out at the economic game, rather than addressing the fact that the game produces losers in the first place. One of the 19th century social intellectuals was Karl Marx. Marx shows how the economic system of capitalism creates an army of the unemployed as a conscientious strategy to keep wages low. Durkheim also shows that even the most personal of actions (suicide) is in fact mediated by social systems. Recently there has been an increased in the number of suicides in the telecoms industry because of retrenchment caused by recession Cable News Network (CNN: 2009).

Recent literature on poverty now suggests that the economic system is structured in such a way that poor people fall behind regardless of how competent they may be. Jencks (1996) states that the problem could partly be the fact that the minimum wages do not allow single mothers or

their families to be economically self-sufficient. Another relevant recent example is the growing number of unemployed graduates in South Africa, who even though are qualified, they are said to be lacking relevant skills for the available job opportunities, (SABC RADIO NEWS).

Tobin (1994) says the problem of the working poor is increasingly seen as a wage problem linked to structural barriers preventing poor families from getting better jobs, complicated by limited number of jobs near their homes and lack of growth in sectors supporting lower skilled jobs. The research interestingly shows that the availability of jobs to low income earners is about the same as it has been, but the wages that workers can expect from these jobs have fallen. Fringe benefits, including health care and promotions have also become scarce for low skilled workers. Blank (1997) and Quigley (2003) also points to the fact that the economic changes and the way the system works has created increasingly difficult problems for those who want to work.

The other problem which is now getting attention in South Africa is the labour brokers' issue. The Congress of the South African Trade Unions (Cosatu) and its alliance partners are calling for the ANC government to ban labour brokers. The bone of contention is that most companies if not all have outsourced some of their so called non-core businesses to labour brokers thereby saving costs on human resources. The result is that these labour brokers sign contracts with businesses in exchange for labour provided by workers who are servicing these big companies and get paid by the labour brokers. The study by COSATU reveals that most of these labour brokers' rip-off an average of 50 to 60 percent of the contracted amount from the workers. That is, from the 100 percent contracted amount, the labour broker gets 60 percent in profits and pays the worker the remaining 40 percent. This in short does not give an individual an incentive to seek work under these harsh circumstances. In short, it is labour exploitation at its best or some form of slavery. It is true and relevant for those who benefit from this exercise to protect and speak for this practice as it is being done by the Democratic Alliance (DA) and Congress of the People (COPE) whose leadership is at loggerheads about whether to support the banning or regulation of labour brokers with the fear of losing voters as they are a new kid on the block.

In short, labour brokering is seen by many as labour exploitation as most of these jobs do not provide job security. Employees working in these companies are not able to buy houses nor cars

as their jobs cannot be guaranteed. An example of this is the case of Telkom SA which has recently terminated its contract with labour brokers which were offering call centre services to Telkom SA: September 2009 SABC Radio News.

The elimination of structural barriers to better jobs through education and training have received more attention through extensive manpower training thus, generating substantial successes but also perceived failures. Recent research has confirmed linkage between wealth and power, and has shown how poor people are less involved in political discussions while their interests are more vulnerable in the political process and they are excluded in many levels. Poor people lack influence in the political system. No treatment of poverty can be complete without acknowledging that groups against which discrimination is practiced have limited opportunities regardless of legal protections.

2.13.1.6 Anti-Poverty Programmes from Structure of Poverty Perspective.

The policy remedy of the structural poverty is to change the system rather than the poor themselves. It is easier said than done when it comes to this policy hence so many policy programmes revert to trying to change individual behaviour. The difficult part of this policy action is that it is hard for the government to create more jobs, improve schooling for the poor, equalise income distributions, remove discrimination or bias from housing, banking, education and employment and assure equal political participation by the poor person. All these tasks require interventions into the systems that bar the poor from benefiting from the social welfare. Rank (2004) argues that change can be mobilised to support better jobs for the poor and more effective system. Community organising has also helped reduce poverty across the different countries. The second strategy for changing the system is to create and develop alternative institutions which have access to openness innovation and a willingness to help the poor gain wellbeing. In addition, business strategies such as employee ownership also work. An example is the community owned businesses such as community banks which also provide alternative structures (Rank, 2004).

Lastly, change can occur through a policy change process (Page and Simmons, 2000). Social policies can be adjusted to accomplish poverty reduction, providing jobs, raising wages,

minimum wage policy, assuring effective access to medical care and coordinating social welfare income grants.

2.14 Conclusion

This chapter summarises the nature, impact and effects of poverty in South Africa. The literature provides the definition of poverty, poverty as a concept, how government institutions define poverty and how the poor characterise the status of poverty. The interrelatedness between poverty and lack of job opportunities has also been outlined. The government's macroeconomic policy such as RDP and GEAR has also been interrogated and discussed. It has also been discovered that the GEAR policy which emphasises growth first and redistribution later has not benefited from the profits of the past economic growth that this country has experienced. Instead, there have been retrenchments in many companies citing globalisation as the cause for their profit maximisation strategies and cost containment strategies which usually target the workforces of the companies. These strategies that aim at increasing profits mostly results in, if not always, chunk of labour being laid-off, ultimately leading to poverty for the affected communities as most of the vulnerable are low or semi skilled labourers who usually become the casualties of these strategies.

CHAPTER THREE: SOUTH AFRICAN ECONOMIC POLICY OVERVIEW

3.1 Introduction

Since the birth of a new dispensation, the South African government has developed policies which are meant to alleviate poverty, improve economic growth and reduce the budget deficit. This economic policy seems to be not succeeding in boosting economic growth thus, creating employment opportunities which will ultimately alleviate poverty. Even though the economy has been growing prior to the economic meltdown, the trickle-down effect has not been realized. South Africa's pro-poor economic policies have failed to create adequate employment opportunities and comprehensively tackle Income Inequality and Poverty.

3.2.1 International Economic Perspective of South Africa

World Bank (2001) classifies, the world economy into three broad income categories, namely:

- Low income, example: Zimbabwe, Zambia, Mozambique and Nigeria.
- Middle income, example: Namibia, South Africa, Botswana and Brazil
- High income, example: Australia, Japan, USA, Canada and New Zealand.

From the above information it is clear that South Africa is classified as a middle income country.

3.2.2 Comparison of Global economic growth 1990-1999

Table 3.1: Gross National Product (GNP)

Income category	Economy	Billions of dollars	World ranking	Average annual growth rate 1990-1999
Low Income	Average/Total	987.6	-	2.4
	Nigeria	2.0	17	2.5
	Mozambique	3.9	119	6.3
	Zambia	3.2	131	1.0
	Zimbabwe	6.1	102	2.4
Middle Income	Average/Total	5,323.2	-	3.5
	Botswana	5.1	108	4.3
	<u>South Africa</u>	<u>133.2</u>	<u>28</u>	<u>1.9</u>
	Brazil	742.8	8	2.9
	Mexico	428.8	12	2.7
	Namibia	3.2	130	3.4
	Argentina	277.9	17	-2.9
High Income	Average/Total	22,921.3	-	2.4
	Japan	4,078.9	2	1.4
	Canada	591.4	9	2.3
	Australia	380.8	15	3.8

	New Zealand	52.7	47	2.9
	United States	8,351	1	3.4

Source: World Bank, 2001

Note: Please note that the **bold**, *italic* and underlined row in the table represent the figures for South Africa.

The table above shows the economic performance of the South African Economy from 1990 to 1999. The GNP was worth \$133.2 and was ranked number 28 by the World Bank in 2001. The average annual growth rate from 1990 to 1999 was 1.9. It is clear that based on the above information, it will depend on whether growth rate is regarded as good or below average when it is compared with other countries. When South Africa is compared with Argentina, it is above average and when it is compared with Namibia it is below average.

3.2.3. South African GDP by Sector between 1994 and 2000

The significance of evaluating the GDP of country is to determine the nature of national economy and to highlight the extent of economic activity and its potential to alleviate poverty.

Table 3.2: Sectoral GDP for South Africa (R'000) 1994 & 2000

ECONOMIC SECTOR	1994	%	2000	%
Agriculture	24,126	5.0	25,389	4.4
Mining	35,946	7.4	33,821	5.9
Manufacturing	99,706	20.7	113587	19.9
Electricity	14,069	2.9	20,244	3.5
Construction	15,233	3.2	17,122	3.0
Trade	67,780	14.0	77,372	3.0

Transport	40,281	8.3	61,000	10.7
Finance	79,378	16,4	110,318	19.6
Community, social and personal services	106,264	22.0	111,900	19.6
TOTAL	485,783	100,0	570,753	100,0

SOURCE-SARB, 2001

From the table above, it is evident that manufacturing, trade, finance and community, social and personal services accounts for more than 10% of the National GDP in 1994 and in 2000 the transport sector joined in the upper 10 % of the GDP at 10, 7 %. Agriculture has a potential to be involved in poverty alleviation programmes due to its nature of being labour intensive and as such is capable of absorbing large numbers of labour labourers because of its relatively low capital intensity (World Bank 2001).

3.3 South African Macroeconomic Policy Overview

3.3.1 Reconstruction and Development Program (RDP)

During the path to democratic transition, the unions, civic movement and social organisations began to develop a plan for social transformation needed for the post-apartheid South Africa. After an extensive consultation within the ANC, its allies and a wide range of experts, the Reconstruction and Development Programme (RDP) was born and was adopted as South African economic policy in 1994. RDP aimed at addressing many social and economic problems that was facing the country. It linked reconstruction with development. The policy recognised that all the problems (shortage of jobs, inadequate education, poor health care facilities, lack of housing and failing economy) are connected. The policy proposed job creation through public works. That is, the building of houses and provision of services will be labour intensive thus, creating sizeable employment.

Goals were set as follows:

- **Housing:** to build well-located and affordable shelter for all by 2003. That is build one million houses in five years.
- **Water:** to supply 20 to 30 litres of clean water each day to every person in two years and 50 to 60 litres per day within five years from a point not more than 200 metres from their dwelling.
- **Electricity:** to supply 2.5 million more households and all schools and clinics with electricity by the year 2000.
- **Health care:** to give free medical care to children under the age of 6 and to homeless children; improve maternity care for women and organise programmes to prevent and treat major diseases like TB and AIDS.
- **Land reform:** to implement land reform based on redistribution of residential and productive land to those who need it but cannot afford it and restitution to those who lost land because of apartheid laws.
- **Job Creation through public works:** a national public works programme to provide basic needs such as water supply, sewerage and roads and at the same time create jobs, particularly in poor and rural areas.
- **Social security and social welfare:** a new social system to provide for all people regardless of their race, gender or physical disability. A pension system to meet the needs of workers in the formal and informal sectors.
- **Education and training:** literacy for all, equal opportunity, 10 years of free and compulsory education, class sizes of no more than 40 pupils, training workers to meet the challenges of the new political and economic conditions.

3.3.2 Growth, Employment and Redistribution policy (GEAR)

In June 1996 the Department of Finance adopted a new macroeconomic strategy called GEAR (Growth, Employment and Redistribution). It has a five year plan aimed at strengthening economic development, broadening employment, and redistribution of income and

socioeconomic opportunities in favour of the poor. Gear remains and is still the government policy. The key goals of the policy are economic growth of 6% in the year 2000 with inflation less than 10%, employment growth above an increase in economically active population, deficit on the current account and the balance of payment (BOP) between 2 and 3 percent, a ratio of gross domestic savings to GDP of 21.5 percent. In the year 2000, improvement in income distribution, relaxation of exchange control and reduction of budget deficit was to be below 4 percent of GDP.

3.3.3 Overview of GEAR Policy

After the RDP was replaced by the new macroeconomic policy GEAR, a lot of debates arose about the legitimacy or relevance prevailing situation. The GEAR policy was launched when the rand was quickly depreciating and foreign exchange reserves were at their extreme low levels. The strategy proposed a set of medium-term policies aimed at the rapid liberalisation, "regulated" flexibility in labour markets, strict deficit reduction targets and monetary policies aimed at stabilising the rand through market interest rates. Another component of the strategy was the privatisation of the state assets which was being negotiated through an earlier agreement between government and labour, called National Framework Agreement (NFA). Heintz (2003) states that the GEAR document contained ambitious targets for the South African economy. That is, by the year 2000 the economy was to generate a sustainable 6 percent average growth rate and 400,000 new jobs each year. A critical link in the logic of the GEAR strategy was a rapid expansion of new investments – in particular, foreign direct investments. According to the policy, high levels of investment would have supported rapid rates of economic growth which, in turn would have created hundreds of thousands of jobs. The twin engines of growth and rapid job creation would allow South Africans to overcome the vast inequalities that apartheid has left behind. Growth would allow for the eventual expansion of social services and the provision of infrastructure. Job creation would raise the incomes of ordinary South Africans.

3.3.4 The post-Apartheid Economy: Growth, Inflation and Investment

We now look at whether the South African Economy has been able to deliver the post-apartheid era. Table below shows the records on Gross Domestic Product (GDP) growth and its component expenditure categories, for the two-time periods- 1996-2002, corresponding to the introduction

of the GEAR policies and 1994-2002, corresponding to the entire democratic dispensation. It is clear from the figures that the economic growth never came close to the GEAR forecast. Even if the restriction is based on the GDP on the final years of the period, 2000-2002, the economy grew at an average annualised rate of approximately 3 percent, which was about half the target level. According to the study, the most important contributors to economic growth were an expansion of consumer spending and increased exports.

Table 3.3: Growth of expenditure components, South Africa

	1996-2002	1994-2002
	Annualised % change over entire period	Annualised % change over entire period
Real GDP	2.4%	2.8%
Household consumption	2.6%	3.3%
Investment	2.0%	3.9%
Government expenditure	1.6%	0.9%
Exports	2.8%	4.5%
Less: Imports	1.5%	4.2%

Source: South African Reserve Bank 2002

When comparing the records under the GEAR policies with that of the entire post-apartheid era, the annualised growth rates do not differ as much as anticipated by the targets of GEAR. That is, 2.4 percent versus 2.8 percent. It can be noted that the expenditure components of the GDP showed some significant drop with spending on imports going down during the years of the GEAR policy compared with the full time period. This in essence, shows that a decline in imports could positively influence demand for locally produced products which also help our country's balance of payment (BOP). When imports surpass the exports, the results are trade deficit, and when exports exceed the imports the country has a trade surplus.

Table 3.4: The social and economic indicators of South Africa, 1994-2002

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Economic growth	3.2%	3.1%	4.3%	2.6%	0.8%	2.0%	3.5%	2.8%	2.9%
Inflation	8.8%	8.7%	7.3%	8.6%	6.9%	5.2%	5.4%	5.7%	8.8%
Real prime lending rate	6.8%	9.2%	12.2%	11.4%	14.9%	12.8%	9.1%	8.1%	6.0%
Exchange rate	R3.54	R3.65	R4.68	R4.87	R5.86	R6.15	R7.57	R12.13	R8.51
Budget deficit/GDP	5.1%	4.5%	4.6%	3.8%	2.3%	2.0%	2.0%	1.4%	2.1%
Rate of accumulation of fixed capital	0.8%	1.3%	1.7%	1.9%	2.0%	1.0%	0.8%	0.9%	n/a
% pregnant women with HIV/AIDS, median urban	6.0	9.0	13.5	14.9	19.2	21.0	24.3	n/a	n/a
% pregnant women with HIV/AIDS, median non-urban	6.7	8.3	16.3	18.1	21.3	23.0	2.9	n/a	n/a
Growth rate: private sector employment	-0.9%	0.5%	-2.6%	-2.5%	-4.4%	-1.3%	-2.0%	-1.4%	n/a
Growth rate: total formal sector employment	-0.4%	-1.1%	-0.7%	-1.7%	-3.5%	-2.0%	-2.7%	-1.6%	n/a
National income per capita (R1995)	R13 586	R13656	R13961	R13987	R13759	R13641	R13789	R13862	n/a

Source: South African Reserve Bank 2002

The table above clearly provides a more detailed year-on-year socio economic picture of 1994 to 2002. The central key element of the GEAR policies is to keep inflation low while liberalising financial markets. It is evident from the table above that inflation has been relatively going down, but at the expense of high real interest rates, which hypothetically slowed the economic growth. It is also evident that the erosion of the value of the rand has contributed to the trade off between the interest rates and the inflation. Clearly, the rand never stabilised for this entire period and has led to inflationary pressures which included rapid increases in the prices of basic items.

The national treasury has managed to reduce the size of the budget deficit thus outperforming the original target set by the GEAR policy. The rate of fixed capital has remained at low levels for a long period. The prevalence of HIV pregnant women has increased drastically in both urban and non-urban areas. The total formal sector employment and private sector have seen a steady decline in new employment opportunities.

3.3.5 South African Jobless Growth

It is evident from previous subsection that many economists advocate that economic growth and investment lead to employment opportunities. But, in South Africa the situation has been different in that we have seen lot of job losses throughout the period. It can be seen from table above that a loss in jobs has aggravated the high rate of unemployment. Though economic growth has generally been positive throughout this period growth in employment has been consistently negative. It should be said that such jobless growth raises serious concerns such as that the current economic policies have failed to translate even modest levels of growth into real social benefits.

3.3.6 Population and Labour Force Participation

A substantial number of working age people do not participate in the labour market, mostly because they are studying, disabled, and working in their homes or have become discouraged and are no longer seeking work. This group is called economically inactive. The ratio of economically active adults – that is, the employed and those seeking work- to the total working age population is called the Labour Force Participation Rate. The key labour market indicators of

both formal and informal sectors have a decline labour participation rate from the first quarter of 2008 to the first quarter of 2009 (QLFS 2009). This has been attributed to the global economic meltdown (Recession) of 2009 which caused by mismanagement of American major banks that led to the credit crunch. The survey also finds out that the number of individuals seeking employment who have given up looking for jobs have increased due to the fact that they are discouraged from looking for work and feels that there is no work in the area they live in. According to the QLFS (2009), the industries which did not decline in labour participation rate was the finance sector, the community and social services, which saw an increase in the labour participation rate. The private households also saw an increase in labour participation rate. Year on year percentage change was 1.4 for finance industry, 1.1 for community and social services and 0.8 for private households.

3.4 Successes and Critics of the Macroeconomic Policy

Until recently, now with the global recession, the government's macroeconomic policy has managed to significantly lower the budget deficit and inflation. But, still the growth rate is still below the target of 6% goal which is seen as necessary to reduce unemployment thus reducing poverty too. COSATU with an affiliation of more than 19 unions and a membership of more than 1.8 million is seen as the most critics of the gear policy. It claims that the GEAR policy has failed to deliver the promised economic and job growth or significant redistribution of income and socioeconomic opportunities in favour of the poor. The labour federation base its critics on GEARs stringent monetary and fiscal targets, which are in conflict with the goals of the RDP of growth based on job creation, meeting people's basic needs, poverty reduction and a more equitable distribution of wealth.

COSATU also notes that GEAR brought about deep cuts in government spending between 1994 and 1996 which led to efforts to improve services to the poor being compromised, despite the continued reprioritisation of spending from the rich to the poor. In conclusion to all above, the COSATU's own research institute, the National Labour and Economic Development Institute (NALEDI) says that the necessary preconditions for economic success did not exist in South Africa, and as a result even though the budget deficit was slashed, the positive consequences anticipated by GEAR did not bear desirable fruits. On the same note, the government also

acknowledged GEAR's stringent limits, on expenditure limits the ability to meet social development goals of the RDP.

In contrast, the then President of South Africa Thabo Mbeki said in his annual state of the nation address in February 2001 that there has been a net gain of 1.1 million jobs between 1996 and 1999, but those jobs were mainly in the informal sector. NALEDI notes that however the opposite was on the formal sector that shed more than 400,000 between 1996 and 1999. The impact on families was disastrous, as there was little in the way for social security protection for the unemployed.

The net results of NALEDI show that the income of the poorest 40% of the population has declined by 20%. NALEDI concludes that GEAR, despite its name, has failed in terms of economic growth, creation of quality jobs and the redistribution of wealth to the poor.

Economic growth, poverty reduction and job creation remain the key goals of our economic policy. It should be noted that the South African government has made significant progress in meeting the goals of the RDP. Much still needs to be done. South Africa remains a divided economy with the huge majority of blacks remaining poor and most whites remaining rich. It is evident that economic growth is insufficient to create sizeable employment opportunities and thus reducing unemployment and curbing poverty.

3.5 Poverty reduction programmes by the private sector

During the apartheid era, blacks were subjected to all forms of oppression, which included being denied the right to vote for the government of their own choice and forced removals from urban to rural areas were the order of the day. This did not go unchallenged by the inhabitants of this country. This led to riots and lack of governance. In 1994 the new democratic government under the leadership of the ANC came to power formed. The situation in South Africa changed and the ANC focused on restoring the dignity of the black African people.

This was followed by large numbers of projects which were established to develop people, societies and communities. Some of these projects were carried out by private entities such as the Council for Scientific Research and Industrial Research (CSIR).

3.5.1 What is the role of CSIR?

The Council for Scientific and Industrial Research (CSIR) is the leading scientific and technology research and development and implementation organisation in Africa. Constituted by an act of parliament of 1945 as a science council, the CSIR undertakes directed and multi disciplinary research technological innovation as well as industrial and scientific development to improve the quality of life of the people.

A sample of CSIR projects includes the community based essential oils projects meant to create jobs. The development of community-based essential oils businesses opened in the Western Cape, Limpopo and Mpumalanga and it is a CSIR-led poverty alleviation project initiated by the department of science and technology. Essential oils are natural extracts from aromatic plants and are sold to the flavour, fragrance and personal hygiene and aromatherapy markets. This CSIR-developed chemical processing technology allows the production of essential oils by community based farmers in many diverse climate zones of South Africa. The establishment of these businesses involves significant skills transfer to the communities leading to sustainable businesses and creation of jobs. Another project is part of the innovation fund project supported by the Department of Science and Technology. The CSIR has formed a number of successful partnerships with rural communities in bridging the digital divide. In Pomfret, a place situated in the North West Province, the CSIR has piloted an innovative communications infrastructure and community service centre in support of local economic development. The multipurpose centre set up by CSIR houses the community's PC literacy and business skills training activities. The project stresses the importance of community participations, innovative, technologies, quality of life and sustainability.

The numbers of sustainable projects funded and supported by this institution are vast. They rank from the sisal incorporated project in the Northern Cape, advanced metal initiative project and the manufacturing sector projects across the country.

3.6 Conclusion

The South African macroeconomic policy has received a lot of criticism from both labour movements and different economists due to its lack of emphasis on the strategies to eradicate

poverty. The trickledown effect from the economic growth has not been realised. Even though the economy has been growing, there has been no sizeable employment created under this policy, but instead jobs have been lost under this policy. Some critics also say that the current government seems to be a welfare government instead of being economic growth government. This is so because every time there is a budget speech and the opposition parties question the lack of job opportunities in the past financial years, the respond from the government will be the increased number of individuals who now have access to social welfare systems. However, the economy has been growing and the interest rates have been capped to the government's desired level of between three and six percent, even though there has been criticism that prices of goods and services remain relatively high even when interest rates are low. This has also brought a lot of debate of whether interest rates should be perked or not. COSATU and its affiliates are pushing an agenda of economic policy reform which will also target the monetary policy review and the fiscal policy. It will thus be necessary for the government to amend its macroeconomic policy in order to come with a policy programme meant to grant all South Africans life of dignity and quality free from servitude of the past. However, the effective socio-economic upliftment can only occur within the framework of a healthy growing economy. Therefore, the economic policy needs some alterations to redress the imbalances of the past and the growing income inequality that this country is facing today.

CHAPTER FOUR: RESEARCH DESIGN

4.1 Introduction

In this chapter, the method of research is outlined. It clearly explain the rationale behind the methodology that is used or employed and how the research is conducted and what steps are taken to ensure the validity of the data that is collected in the area under study observation. The theoretical framework is provided in chapter one, two and chapter three. The purpose of the study stated in chapter one is the guiding force behind this investigation. An analytical investigation is employed to determine the effects and the socio-economic impact of poverty in different households in South Africa.

The main critical question in this study is to determine from the literature, the nature and scope of adverse effects of poverty and its severity and the burden it poses on the different households in South Africa. Secondly, to assess the availability of the Poverty Alleviation Programmes (PAPs) in the area, and if the programmes are available, then assessment should be done to determine whether those programmes are really helping the inhabitants of this area.

4.2 Case Study as a Methodological Frame-Work

The case study is a way of organising social data and looking at the object to be studied as a whole (Bless, 1995). Questionnaires and interviews are used to obtain information from the households. This is the case study of the effects and analysis of poverty in the households of Ramatlabama villages situated within the area of Ngaka Modiri Molema District Municipality of the North West Province in South Africa.

4.3 The Questionnaire as a Structured Tool

The questionnaire and (structured/ unstructured) interviews are the primary instruments used in the data collection for the study under review. The questionnaire as a method of research is frequently used to measure the attitudes of people towards other people, government policies or situation (Rob and Turney, 1971). The self-administered questionnaires filled in by the respondents are used.

4.3.1 Advantages of the Questionnaires

According to Bless (1995) a questionnaire can be easily standardised as it has low drain on time and finances and needs very little time for training researchers. The other advantage of a questionnaire is that it can be used without direct personal contact with the respondents.

4.3.2 Limitation of the Questionnaires

Even though questionnaires have their own advantages, there are certain limitations that can sometimes make it difficult to interpret subject responses. At the same time, it is difficult to check whether the respondents understand the questions or not. Another challenge regarding the limitations of the questionnaires could be low response which might lead to time constraints and bias of the respondents (Bless, 1995).

4.3.3 Questionnaire Construction

For the purpose of this study, the questionnaire is constructed and structured carefully and the table format with a fill in and multiple choice questions is used.

4.3.3.1 Development of Questionnaire Items

The questionnaire items are carefully constructed and developed to answer the objectives of the study. The needs and interests of the study as well as the response of the respondents are carefully considered before finalising the questionnaire. The sample of the final questionnaire is attached as an appendix in the research document.

4.4 Population and Sample Selection

The population study area is households in Ramatlabama villages. The selection is done randomly to avoid bias and skewedness of the data collection which might affect the imputation of the results thus, not reflecting the true sense of the study. That is, random selection is used considering the nature of the topic under study. Poverty is randomly scattered in South Africa hence random selection of data.

4.5 Conclusion

The purposeful random sampling techniques are used on the stratified groups of households. Face to face with individual head of the family of the households are used to gather the information and data from different households in the study area.

The results of the data collected from different households are recorded in the tables in the questionnaire and descriptive data is also collected using the same questionnaire.

CHAPTER FIVE: RAMATLABAMA VILLAGE – CASE STUDY

5.1 Introduction

Ramatlabama villages are mainly populated by people from different tribes and from different places who were forcefully removed from their ancestral locations by the then apartheid regime and were forced to live side by side in the then Bophuthatswana homeland even though they had different cultures. Botshabelo, Miga, and Ikopeleng are dominated by Batlounge tribe were forcefully relocated from Putfontein in Lichtenburg district to Ramatlabama village, named after the border gate bordering South Africa in the North with Botswana. Other villages which are enacted as Ramatlabama villages include Tsetse, originally the Bakwena-ba-Mogopa from around Koster district and Makgokgwane also the Bakwena from Ventersdorp district. Even though these tribes did not know each other before the forced removals of the 1970s, they are now neighbouring villages staying side by side. Most of the inhabitants of these villages are Setswana speaking nation. Ramatlabama villages fall under the jurisdiction of Ngaka Modiri Molema District Municipality.

Formerly, these villages were under the then South African apartheid government but were enacted under the Group Areas Act which established the homelands. During the forced removals, those who did not want to relocate were subjected to torture and their belongings were destroyed in the process. When these tribes arrived in their new places, there were no formal housing structures but a tin house and some two tents which were temporarily allocated these households.

During that era, the then administration of Bophuthatswana put an eye on those who were reluctant to move as they were accused of having ties with the then banned ANC freedom movement which was actually against the Group Areas Act. The General government, formerly GGG provided running water in the streets and that was the only service that was provided by the government by then. There was no electricity during that time. The government also provided tin latrines for free.

There was no formal employment by then as most of these villages were formally dependent on seasonal employment from commercial farming by the whites at that time. This gave a new administration a challenge to provide its new inhabitants with some form of employment.

Most of the jobs that were created were in the police force and the defence force. As a result, this led to the so-called artificial economy as many projects were created to employ people even though the demand forecast for those projects were not carried out. Most of these projects failed now and then but the then administration kept on pumping money just to sustain employment. Some of the failed projects include the broiler farm under the umbrella of Agrichicks which was funded by department of agriculture. It was bailed out several times and was eventually put under the judicial administration until it was sold to private owners. Unfortunately this led to retrenching of almost three thousands employees, which meant three thousand household's income has diminished. Other failed projects include Kgora project which planted vegetables and sold them to villages at less prices. Lastly, is the vast land that has been vacated by the farmers who complained about lack of rain among others when compared to their ancestral land and lack of financial assistance from the Land Bank? All this led to the current situation of high unemployment and poverty among the rural community areas under study.

5.2.1 Location of South Africa in the African map

Geographically, South Africa lies at the far tip of the continent of Africa between the Atlantic Ocean on the west and the Indian Ocean in eastern side. It shares the borders with Botswana, Mozambique, Namibia, Zimbabwe and Swaziland and Lesotho which is an enclave within South Africa itself.

South Africa is made up of nine provinces, namely: Gauteng, Free State, Eastern Cape, Western Cape, Northern Cape, North West, Limpopo, Mpumalanga and Kwazulu-Natal.

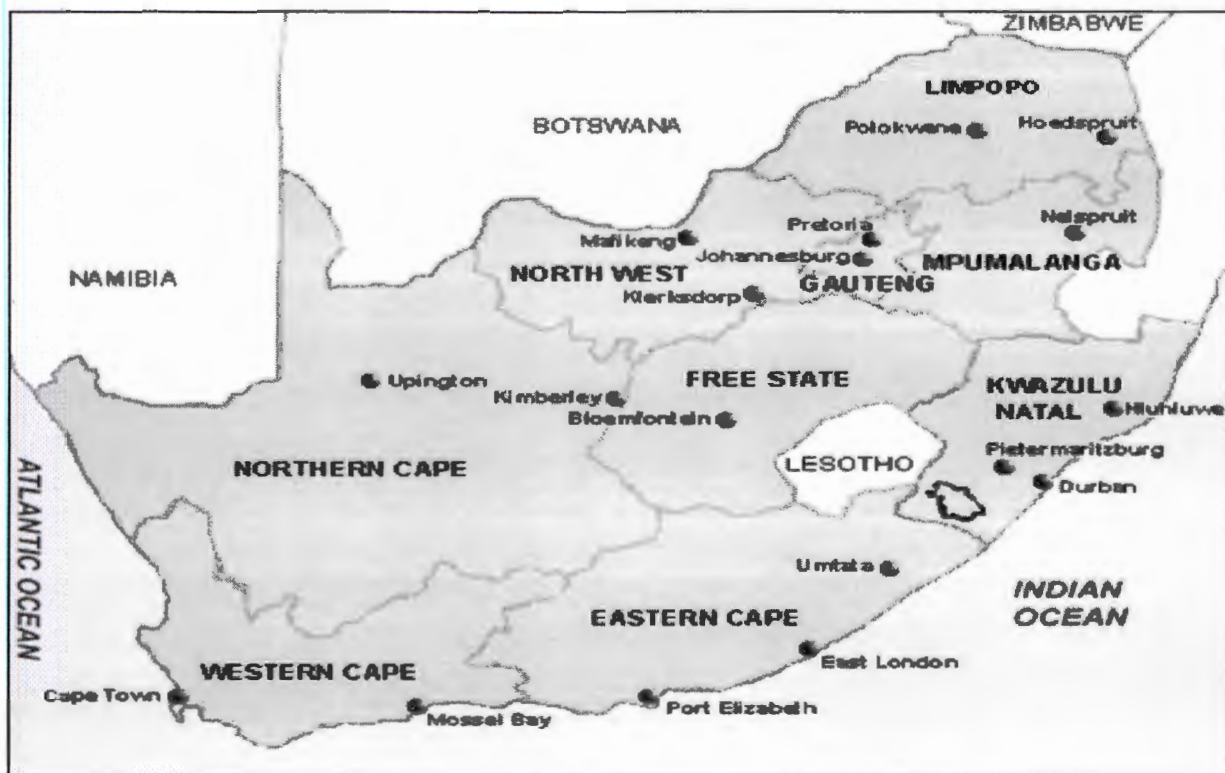
5.2.2 Brief discussion of Poverty

According Southafrica.info, (2017) on the report by then head of the office of the presidency, Mr Joel Netshitenzhe, the income of poorer South Africans has increased when compared to the past years. However it is not acknowledged that the rate of income among the poor has not kept up

with that of the rich, which means that while the income poverty was declining, the income inequality was growing, resulting in the worsening of inequality.

Economic growth has also shown a constant growth in the past years thus, positioning the country on the right path towards the goals of Accelerated Growth Initiative of South Africa (ASGISA). According to the report, the living conditions of the poor has also improved when compared to the post 1994 elections thus, the poor had now access to water and sanitation, electricity and better health care facilities. It is evident that the report was relevant by then but now the situation seems to have changed.

SOUTH AFRICAN MAP



Source: Www.southafrica.info

North West Map



SOURCE: [HTTP:WWW.SOUTHAFRICA.INFO/ABOUT/GEOGRAPHY/NORTH-WEST.HTM](http://www.southafrica.info/about/geography/north-west.htm)

5.3 The North West Province at a Glance

The North West Province lies north of South Africa on the Botswana border, again Limpopo on the north, Northern Cape on the south and Free State on the south-east. Mafikeng is the capital and is best known for the famous siege of the Anglo-Boer war. The main cities in the North West are Mmabatho, Potchefstroom, Britz, Rustenburg and Klerksdorp. The Bojanala district is known for its tourism industry and mining activity which produces chrome and platinum. The Dr Kenneth Kaunda district municipality was known for its Gold mining around Klerksdorp and Stilfontein areas. The gold reserves in that area has shown some decline in the past years, seemingly due to costs of excavation.

The Dr Ruth Segomotsi Mompati district area is also known for its agricultural products. It is sometimes referred to as the Texas of South Africa due to its excess supply of beef products. Ironically, this excess supply of products does not seem to benefit the locals as one finds that the

products are expensive where they are produced instead of being cheaper. An example which could be cited is the meat products like processed meat which is a bit expensive in Vryburg and cement is more expensive in Mafikeng and Mmabatho area where it is surrounded by two cement factories because of its richness in limestone. Here the trickledown effect does not seem to materialise as most of these factories have long been operating.

The North West Province has an area of 106 512 square kilometres and has a population of 3.4million people. Two-thirds of the population speaks Setswana. Only 35% of the population is urbanised while the rest is rural area.

The area was created in 1994 by the merger of the former Bophuthatswana Bantustan or homeland and the western part of the province of Transvaal. The North West Province is famous for its tourist attraction facilities in the Pilanesburg nature reserve and the Sun City hotel complexes. The Sun City hotel hosts one of the biggest entertainment centres and casinos with an 18-hole golf course, theatres and concert halls, beaches and a wave pool at the valley of the waves. The Sun City golf course annually hosts the Sun City golf challenge popularly known as the Nedbank golf challenge (southafrica.info).

With this in mind, it is for sure that the province is 65 percent rural and more is needed in terms of rural development. The majority of the inhabitants of the North West province are dependent on the agricultural seasonal employment from the farmers who seasonally farm on maize, tomatoes, potatoes, sorghum, wheat and lot of other farm products. As such, poverty is prevalent in the whole province. The North West Provincial Government is overwhelmed by the massive quest for the creation of jobs for its people.

5.4 Ngaka Modiri Molema District Municipality's Economic history

Ngaka Modiri Molema District Municipality is one of the four district municipalities that constitute the North West Province. The other district municipalities are Bojanala, Dr Kenneth Kaunda and Dr Ruth Segomotsi Mompati district municipalities.

The municipality under study is Ngaka Modiri Molema District municipality. The area consists mainly of farm lands. Main factories around the area are Pretoria Portland Cement (PPC), Lafarge Cement and other small factories which employ a sizeable number of people but

not enough to curb employment. During the past few years, the locals have seen the closer of some of the factories and companies, some citing globalisation and some saying lack of government intervention has led to the closer of their businesses.

The names are listless but few names can be quoted. The absorption of the former Bophuthatswana Broadcasting Corporation SABC has seen a sizeable number of employees being retrenched, the transformation of the North-West Development Corporation, the merger between the former University of Bophuthatswana and the Potchefstroom university, the closure of the Sebowana mills, Clean Meats Products, Mimosa nest (Egg Farm), the liquidation of the Agrichicks which owned and housed egg production, broiler farm, and a processing plant and now bought by supreme chickens and others not mentioned have seen a massive retrenchment scale with no alternative job opportunities. All this has led to a crippled economy with no sign of revival which has also exacerbated the state of poverty and its severity on individual households as some of those retrenched years ago have never been able to secure any kind of job till now.

5.5 Government Policy on Poverty

Previously, there has been Poverty Alleviation Projects and many have been closed, but reasons thereof are not clear or explainable. The names are listless as there have been poultry projects targeted for the poorest of the poor in most of the villages like Ramatlabama, slate project for Dinokana village in Lehurutshe and brick laying factory planned for Gopane village also in Lehurutshe. There is a long overdue cement project at Bodibe village and the now and then long overdue Mafikeng Industrial Development Zone's Bio-diesel project which has received a lot of political contestation about its viability for the past 15 years now. Truly, these are excellent government policies, like they say: it is easy to say but hard to do, or rather it's easy to plan but hard to implement.

If all these policy plans, could have received a concerted effort they could have absolutely removed the scourge of poverty long before the United Nations could come with its vision on Millennium Development Goals (MDG) of 2015.

Clearly, it could be said without doubt that different writers on public policy really applaud the South African public policy with regard to poverty and welfare programmes but the problems

lies with implementation thereof or if successfully implemented the sustainability of the project becomes the burning issue.

Previously, the then president of South Africa and the current leadership set 2014 as the year that we are supposed to see the halving of unemployment and the drastic reduction of poverty. Honestly, when one reads government gazettes and different news papers, there are many projects in the pipe line that are not implemented. Surely, if it could have been possible that all these projects receive the same planning, organising, control, leadership rigour, vibrancy and project management skills that the 2010 soccer projects have received within a short period of time, then poverty could have been history in South Africa.

5.6 Status of Infrastructure in the villages

The status of infrastructure in the villages is not good or bad as most basic needs of the community are accessible. The provision of basic services is enshrined in our constitution. This could be generalised as provision of appropriate services geared to better the quality of South African lives, reduction of obstacles that make it difficult for people to access health care facilities, thus ultimately balancing between the people and their environment. The provision of these basic services by the government is crucial for the development and functioning of the community as well as the government as a whole.

- **Physical Infrastructure**

The access roads to the villages link with the N18 road that links with the Nelson Mandela road to Mafikeng. The road has recently been upgraded and has become an up market road design to carry buses, taxis and trucks to and from the Ramatlabama border gate for transportation of goods between South Africa and the Sub-Saharan Southern African countries. According to politicians, this N18 refurbished road is said to be an anchor road project for the MIDZ projects at the Airport. When the project is completed, the MIDZ project at the Airport will store and transport goods to and from this area.

The internal roads in the villages get periodic maintenance from the Ngaka Modiri Molema District Municipality's roads and infrastructure department section. The residents are solely dependent on three modes of transport, which are buses, taxi and own cars.

- **Electricity Supply**

Except for the new residential areas and vacated stands, almost all the houses are electrified. The houses were all electrified under one project and thus, almost all the households are able to access the electricity grid through the project. The burning issue about the electricity supply is that when it is windy or there are thunder storms, the supply can go for three days without any help even if the problem has been reported at the utility company (Eskom). The residents use prepaid vouchers to buy their electricity for household consumption.

- **Water Supply**

Water supply in the villages is currently not a big problem. There are generators in the villages that suck water from the ground and fill the stainless steel tanks to feed the villages. The thorny issue is that this water is seldom tested for chemicals that could be harmful for human consumption. Each street has a pipe of running water passing in front of it. Most if not all the households have direct connection of fresh tap water connected in each household. This was done in collaboration with the local tribal council. Residents are required by law (tribal by-laws) to pay ten Rands for their water consumption.

- **Health Care Facilities**

All the Ramatlabama villages have access to clinics. The complaints usually received daily could rise from clinics that close early (e.g. 16:00). Lack of medications in our health care facilities is also of a great concern among the villagers. Or sometimes understaffed personnel in these institutions are of great concern.

- **Community Governance**

These villages are under the leadership of traditional leaders. Constitutionally, the South African government recognise the tribal leaders and their rulings. It makes no difference that the villages under study are also under the leadership of tribal leaders in the form of chiefs or kings.

In the olden days, the tribal council used to administer almost everything, ranging from finances (tax collection), to discipline. If one stole someone's belonging, then there would be a tribal court and the one found guilty will be forced to pay the complainant and get punishment in a form of lashes. The other changes in the running of the tribal council is that the tribal council does not work alone in decision making about the affairs of the community but works with local councillors when it comes to the development in the community area.

That is, the local councillor must find the needs of the community and bring them forward to the council meetings. All targeted development for the village will then be communicated to the councillor who then informs the tribal council of any Integrated Development Projects (IDPs) aimed to be executed any time soon or in the future. This is a coordinated effort between the community leaders and the local councillors in order to achieve government goals of rural development and poverty eradication.

5.7 Conclusions

The residents of Ramatlabama are helpless, poverty-stricken and most have given up looking for jobs. There is a need for a concerted effort by all government spheres, community leaders, business community, international investors and the community itself to get involved in the development of their own lives.

CHAPTER SIX: RESEARCH FINDINGS AND PRESENTATION

6.1 Introduction

The chapter presents the research findings of both qualitative and quantitative data that was collected and analysed. Our main focus of study was on the investigation of the severity of poverty, its impact on the socio-economic aspect of poverty on the households. The results of the study survey on the effects of poverty on different households and its relationship to unemployment is thoroughly interrogated. This includes the interrogation on information pertaining to access to basic necessities like water, electricity, health care facilities, shelter, education, recreational facilities and safety.

6.2 Demographic Information

Figure A: Pie-Chart: Gender of the population under study

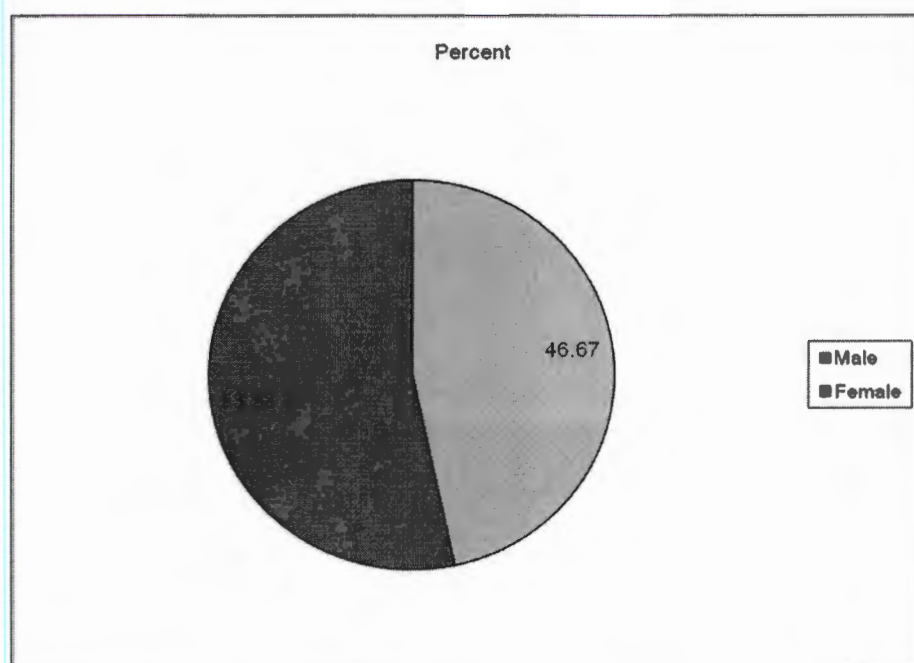


Table: 6.2.1

Gender of Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	14	46.7	46.7	46.7
	2	16	53.3	53.3	100.0
	Total	30	100.0	100.0	

According to the data collected and the analysis thereof, 46, 67% of respondents are male whereas 53, 33% are females. This means that there are more households that are headed by females than males. The pie chart above clearly shows the percentage relating to the results shown here.

Figure B: Bar chart: Age analysis of the Respondents

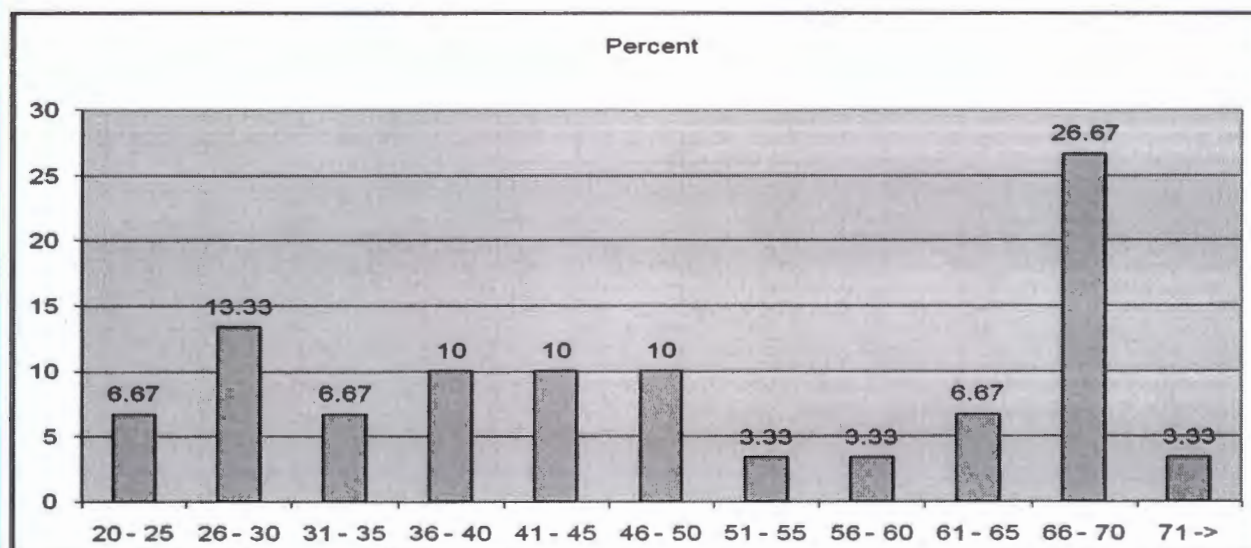


Table: 6.2.2

Frequency Table Of Age Analysis Of the Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	2	6.7	6.7	6.7
	3	4	13.3	13.3	20.0
	4	2	6.7	6.7	26.7
	5	3	10.0	10.0	36.7
	6	3	10.0	10.0	46.7
	7	3	10.0	10.0	56.7
	8	1	3.3	3.3	60.0
	9	1	3.3	3.3	63.3
	10	2	6.7	6.7	70.0
	11	8	26.7	26.7	96.7
	12	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

The results on the age analysis shows that 26.67% of a respondents or residents are youth with age ranging from 20 years to 35 years of age whereas those between 36 and 45 are young adults with a percentage is 20. Residents within the age group of 46 and 59 are classified as adults and

constitute 16.67 percent of the whole total number of respondents. Those within the age from 60 and above are classified as pensioners as all of them are already receiving old age pensions and makes 36.67 percent of the population under study. This also shows that out of the whole population under study, 63, 34 percent of the population is a working age group. The bar chart above clearly shows the percentage age analysis of all respondents.

Figure C: Bar chart: Marital status of the respondents

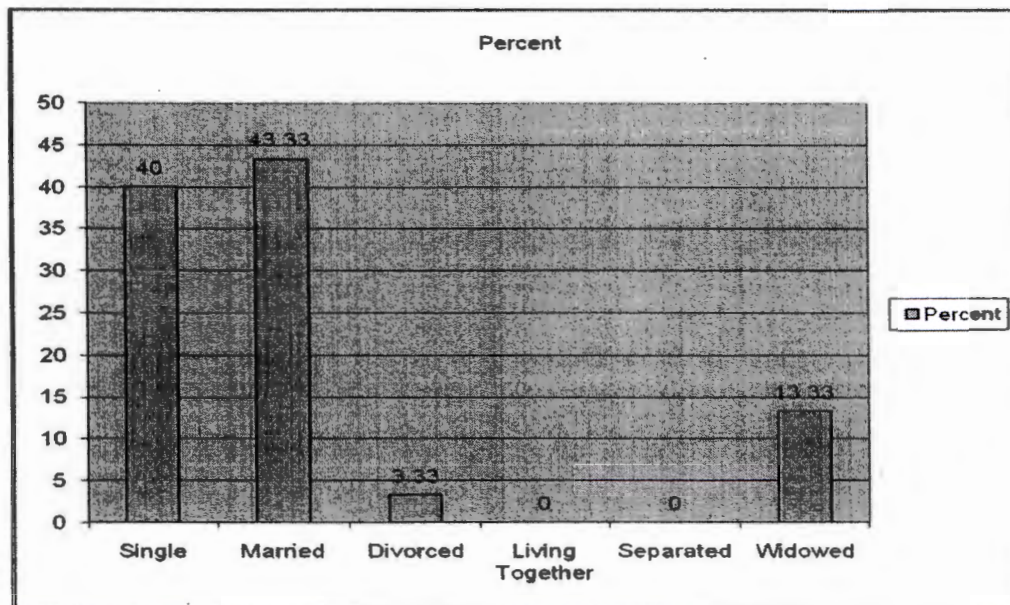


Table: 6.2.3

Frequency table on Marital Status of the Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	12	40.0	40.0	40.0
	2	13	43.3	43.3	83.3
	3	1	3.3	3.3	86.7
	6	4	13.3	13.3	100.0

The results show that out of a total number of 30 respondents 40% of the respondents are single 43, 33 % are married and 3, 33% are divorcees. There are zero findings on couples who live together as well as those who are separated. The fact that there are no couples living together could be attributed to the fact that tribal laws do not entertain single women owning stands or houses as this is thought to be the main cause of broken marriages. The assumption is that women who are single are prone to having multiple relationships and as such some married couples end up leaving their couples and cheating with single women. There is one incident or 3, 33 percent outcome or respondent who is a widow. The above depicts the results of the analysis.

Table: 6.2.4**Family size by number of children**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	33.3	33.3	33.3
	2	5	16.7	16.7	50.0
	3	5	16.7	16.7	66.7
	4	3	10.0	10.0	76.7
	5	2	6.7	6.7	83.3
	6	5	16.7	16.7	100.0
	Total	30	100.0	100.0	

Frequency Table on the Age of Children

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	22	73.3	73.3	73.3
	1	8	26.7	26.7	100.0
	Total	30	100.0	100.0	

Table: 6.2.5

Table on number of extended family living with Respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	14	46.7	48.3	48.3
	2	15	50.0	51.7	100.0
	Total	29	96.7	100.0	
Missing	System	1	3.3		
	Total	30	100.0		

The graph above depicts the number of children per household. According to the analysis, 33, 33 % of respondents have one child, 16.67% of the respondents have two children 16, 67% had three children, 10% of the interviewee have four children. Households which had five children accounts for 6, 67 person whilst those with more than five children accounts for 16, 67% of the respondents.

Table: 6.2.6

How many extended families are living with you?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	7	23.3	53.8	53.8
	2	2	6.7	15.4	69.2
	3	1	3.3	7.7	76.9
	4	2	6.7	15.4	92.3
	6	1	3.3	7.7	100.0
	Total	13	43.3	100.0	
Missing	System	17	56.7		
	Total	30	100.0		

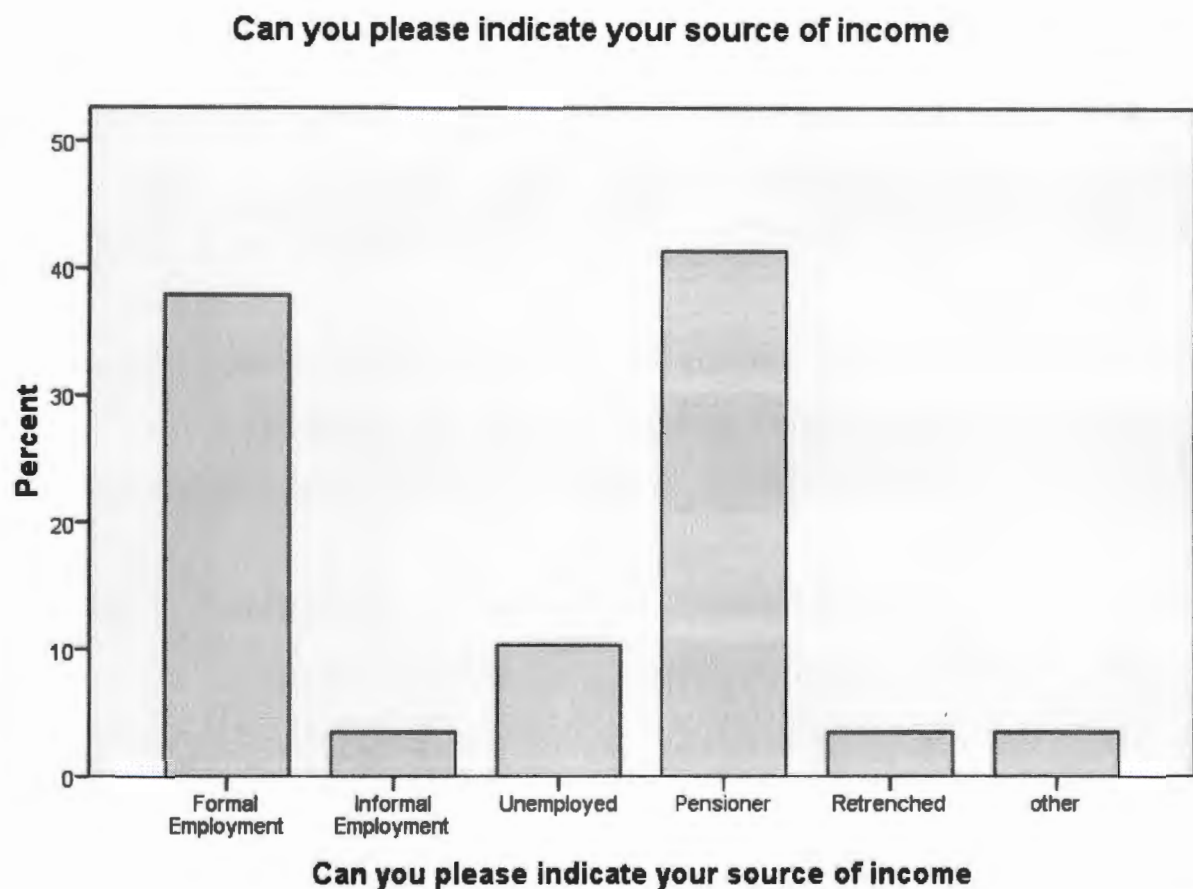
6.3 Socioeconomic Status of the Respondents

Employment status of the respondents

Table 6.3.1

Can you please indicate your source of income?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	11	36.7	37.9	37.9
	2	1	3.3	3.4	41.4
	3	3	10.0	10.3	51.7
	6	12	40.0	41.4	93.1
	7	1	3.3	3.4	96.6
	8	1	3.3	3.4	100.0
	Total	29	96.7	100.0	
Missing	System	1	3.3		
	Total	30	100.0		

Figure D: Bar chart: Source of income



The socioeconomic status of the area under study reveals the following results. From the survey, 37, 93% out of the total number of households interviewed have formal employment. The pensioners constitutes 41, 38% of the sample study whilst 17, 24 percent are basically unemployed youth and working age individuals. The graph above indicates the frequencies of socioeconomic conditions of the people at the villages surveyed.

Table 6.3.2

How many family members are dependent on your income?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	20.0	20.7	20.7
	2	6	20.0	20.7	41.4
	3	5	16.7	17.2	58.6
	4	7	23.3	24.1	82.8
	5	3	10.0	10.3	93.1
	6	1	3.3	3.4	96.6
	8	1	3.3	3.4	100.0
	Total	29	96.7	100.0	
Missing	System	1	3.3		
	Total	30	100.0		

How many family members are dependent on your income?

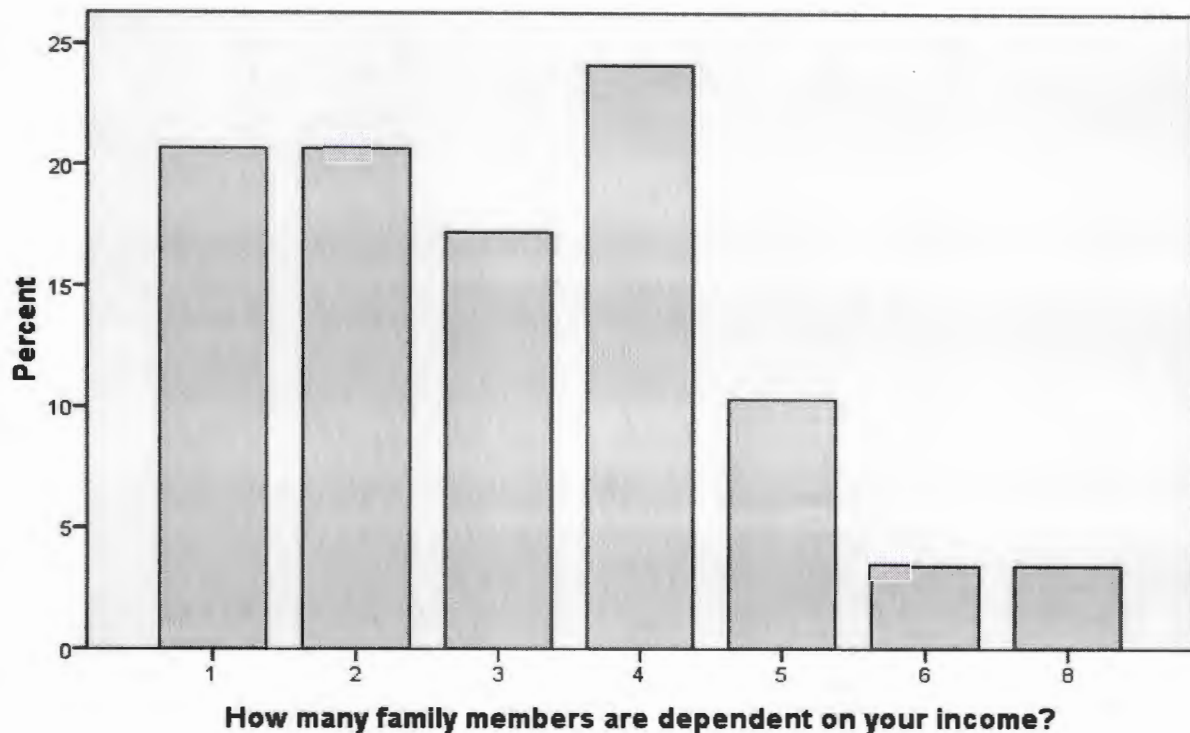


Figure E: Bar chart: Family members dependent on your income

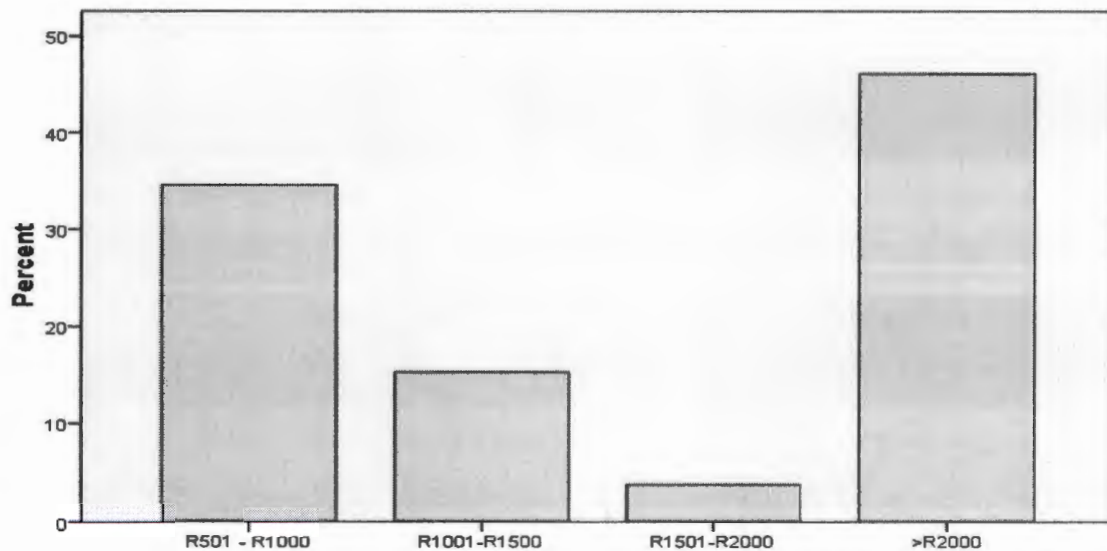
The results from the data analysed indicate on the frequency table that 20, 69% of the respondents have one dependent on their income, 20, 69% have two dependents on their income, 17, 24% had three dependents, 24, 14% had four dependents, 10, 34% have five dependents on their total income, 3, 45% have six dependents on their income and lastly 3, 45% of the respondents declares that they have more than seven dependent on their income. It is clear from the results depicted on the graph that the more the dependents the more economic burden it becomes for consumption. In economic model, $Y=C+I+G$. That is, Y is income, C is consumption, and I represent Investment while G is for government expenditure. That is, then less the people are employed, the less the disposable income. And the results will be more economic burden for those individuals who are staying with those who are not employed. This is because of the autonomous consumption we find on the following equation: $Y=c(C)+I+G$, small

c represents autonomous consumption. This means that even if people are not employed, they still consume.

Table 6.3.3

Can you kindly give us the average monthly income of your household?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3	9	30.0	34.6	34.6
	4	4	13.3	15.4	50.0
	5	1	3.3	3.8	53.8
	6	12	40.0	46.2	100.0
	Total	26	86.7	100.0	
Missing	System	4	13.3		
	Total	30	100.0		

Can you kindly give us the average monthly income of your household?



Can you kindly give us the average monthly income of your household?

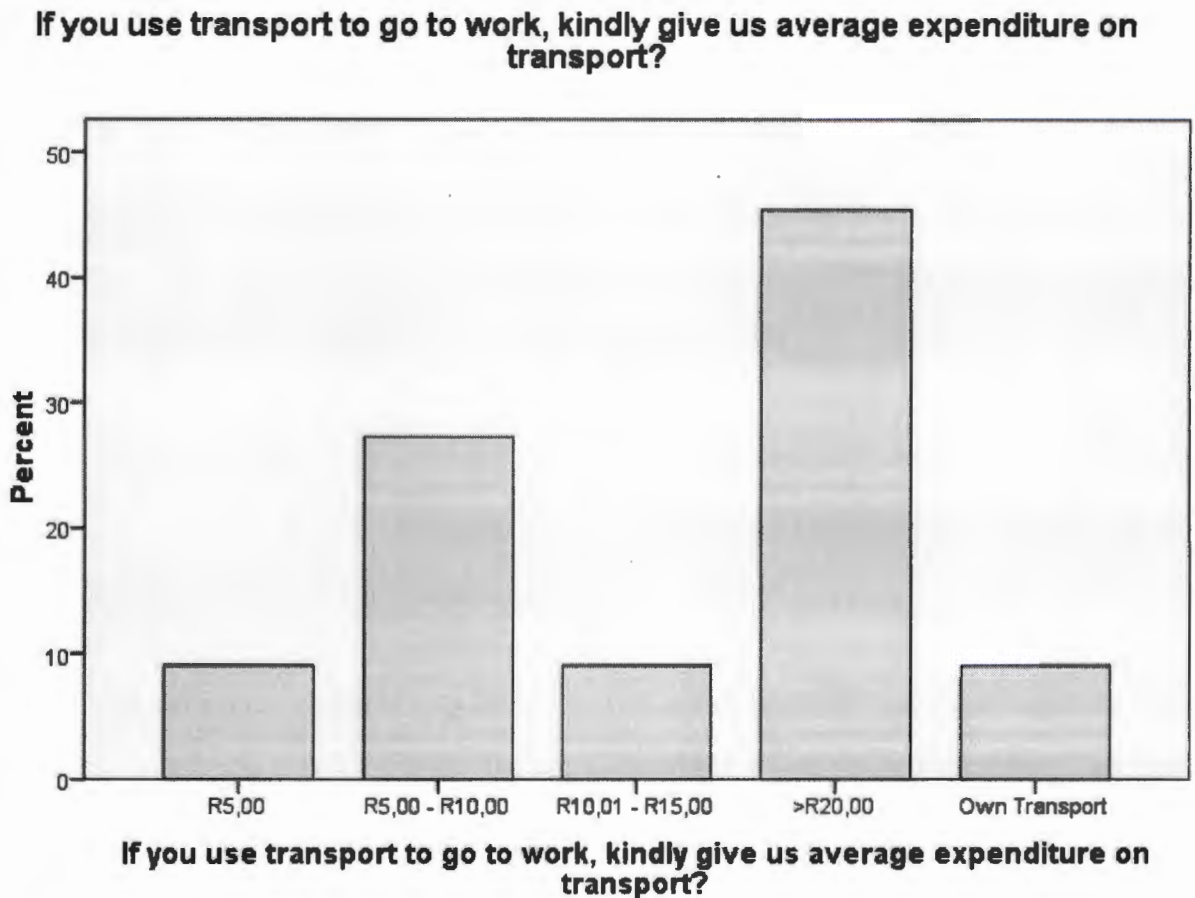
Figure F: Bar chart: Average Income of Households

It is clear and obvious that when it comes to an individual's income, people become more sensitive. This has led the researcher to come with an estimation based on average instead of accurate or exact figures relating to individual's income. On average 34, 62% of respondents indicated that their income is between R501 and R1000, 15, 38% indicates that theirs is between R1001 and R1500. The results also indicates that we had 3, 85% of individuals who indicate that their income is between R1501 and R2000. Lastly 46, 15% of the respondents indicate that their income is above R2000. This information is clearly depicted on the graph above.

Table 6.3.4

If you use transport to go to work, kindly give us average expenditure on transport?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	3.3	9.1	9.1
	2	3	10.0	27.3	36.4
	3	1	3.3	9.1	45.5
	5	5	16.7	45.5	90.9
	6	1	3.3	9.1	100.0
	Total	11	36.7	100.0	
Missing	System	19	63.3		
	Total	30	100.0		

Figure G: Bar chart: Average expenditure on transport to work



The data on expenditure is analysed based on those individuals who are working and as such we have eleven respondents who consider themselves as having formal employment. The results indicated that 9, 09% of the respondents spent R5.00 on transport, 27, 27% indicated that they spend between R5.01 and R10.00 on transport, whilst 9, 09% of the respondents spend between R10.01 and R15.00 on transport. 45, 45% of the respondents indicate that they spend more than R20.00 for their daily fares to work. This could be attributed to those individuals, who have to change transport from home to town and from town to work and vice versa. For those individuals transport drains their income as more money is spent on transport on both trips. And lastly, the results indicate that 9, 09% of respondents use their own transport to work. The analysed data is also clear in the graph above.

Table 6.3.5

If you work, what mode of transport do you use to work?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	6.7	14.3	14.3
	2	1	3.3	7.1	21.4
	3	3	10.0	21.4	42.9
	4	7	23.3	50.0	92.9
	5	1	3.3	7.1	100.0

If you work, what mode of transport do you use to work?

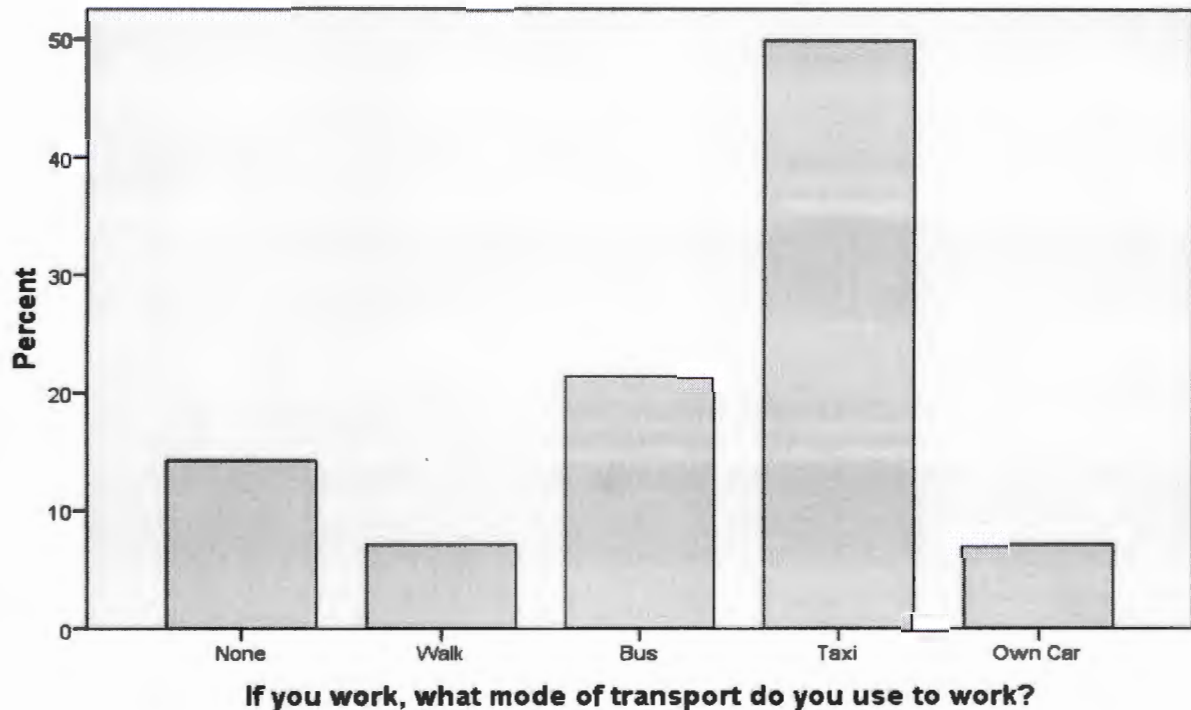
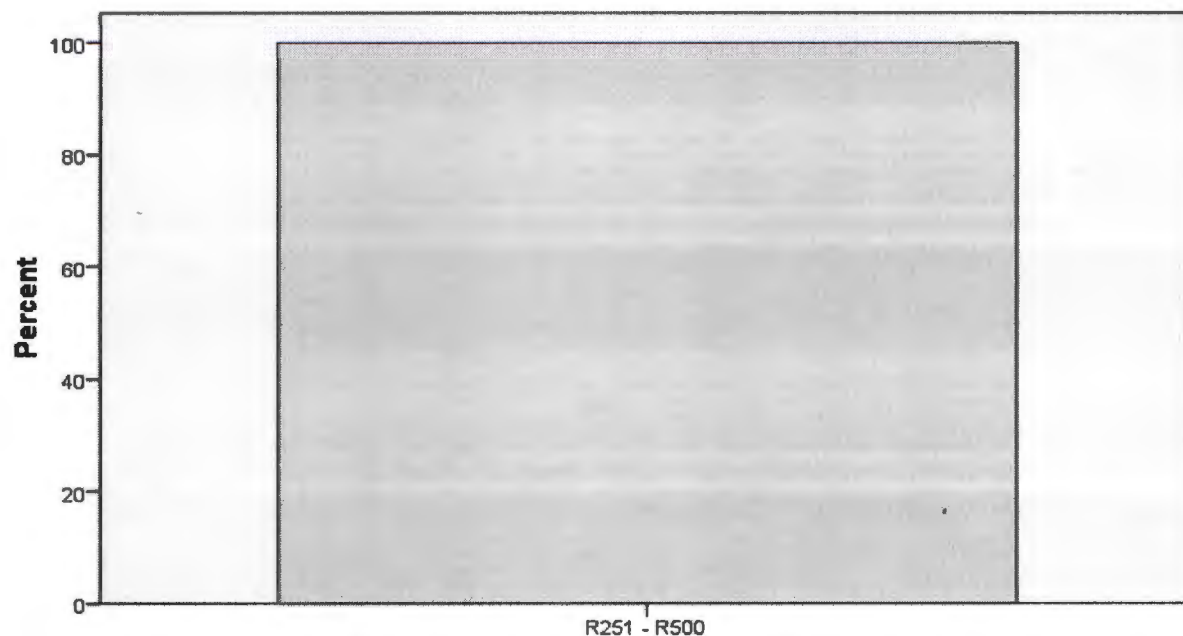


Figure H: Bar chart: Mode of transport used when going to work

According to the results from the data analysed, 14.29% of the individuals interviewed do not use any mode of transport to go to work. 7.14% go to work on foot, 21.43% used bus services, 50% used Taxis whilst 7.14% use their own car to work. Still on transport there were two observations were the respondents indicate that their petrol and maintenance on their mode of transport is between R251 and R500. That is 100% is within the same expenditure bracket on their mode of transport.

Figure I: Bar chart: Additional Income

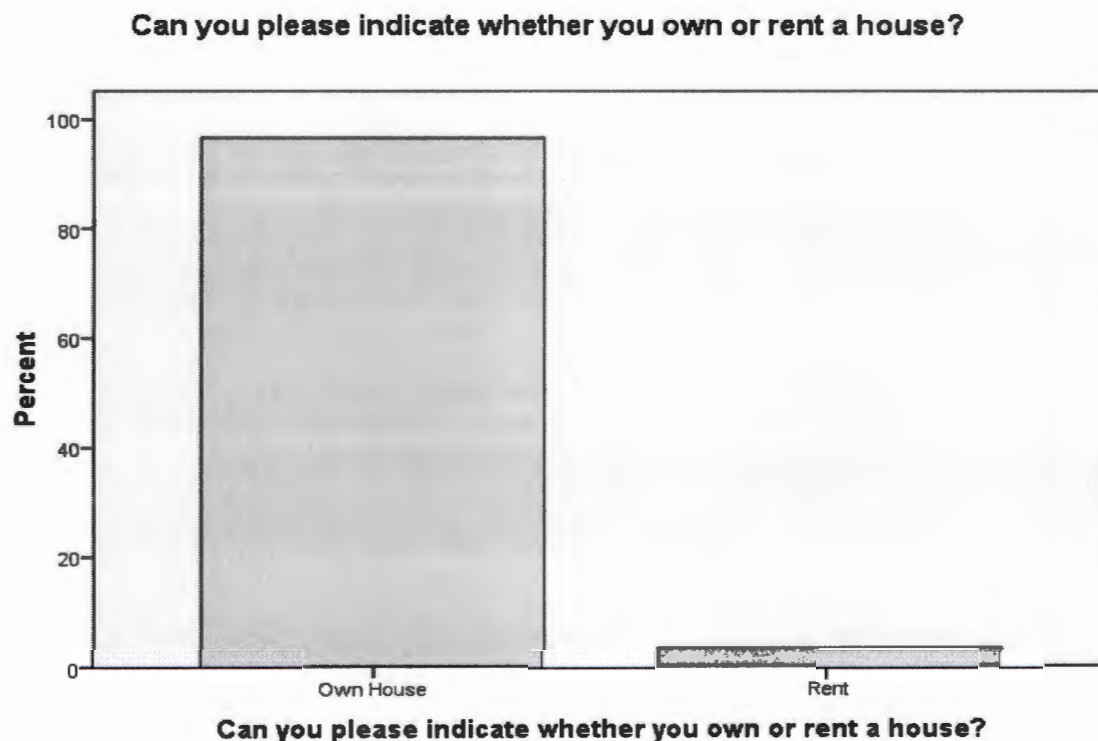
If you have any alternative source of income, can you kindly provide us with the income you receive



If you have any alternative source of income, can you kindly provide us with the income you receive

The results here are obvious and expected that no one is willing to divulge any information whether she or he receives any income apart from the income, pension or grants he or she receives. That is, all respondents indicate that they do not receive any additional income. Thus, the frequency is 100% of respondents who have no additional income.

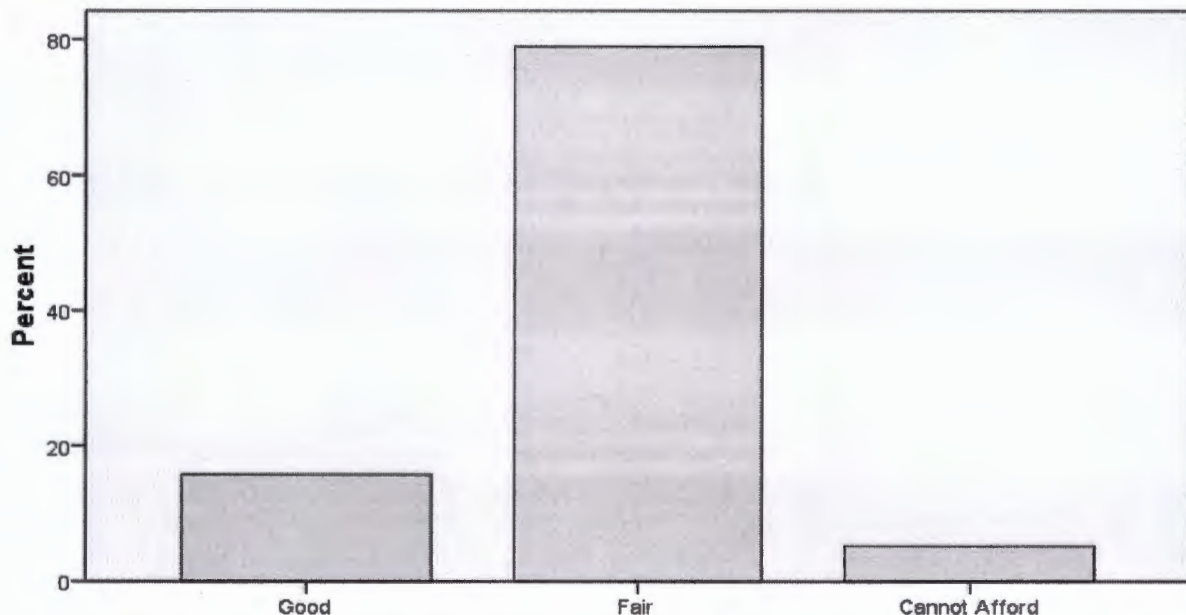
Figure J: Bar chart: Shelter or Type of Dwelling



The results from the analysed data indicate that of the whole population that is interviewed and sample data collected, 96, 67% own their houses and do not pay bond or owe any bank. Only 3, 3% rent the houses they live in. The results clearly indicate that housing or shelter in the villages is not of serious nature. Currently, there has been an agreement with the tribal council to build low cost houses on the tribal land popularly known to locals as RDP houses. The houses are built on township-like stands with formal streets, water pipes within a 100 metres radius. Electricity is also within reach when applied for if an individual is new in the village.

Figure K: Bar chart: Water Facilities in the Villages

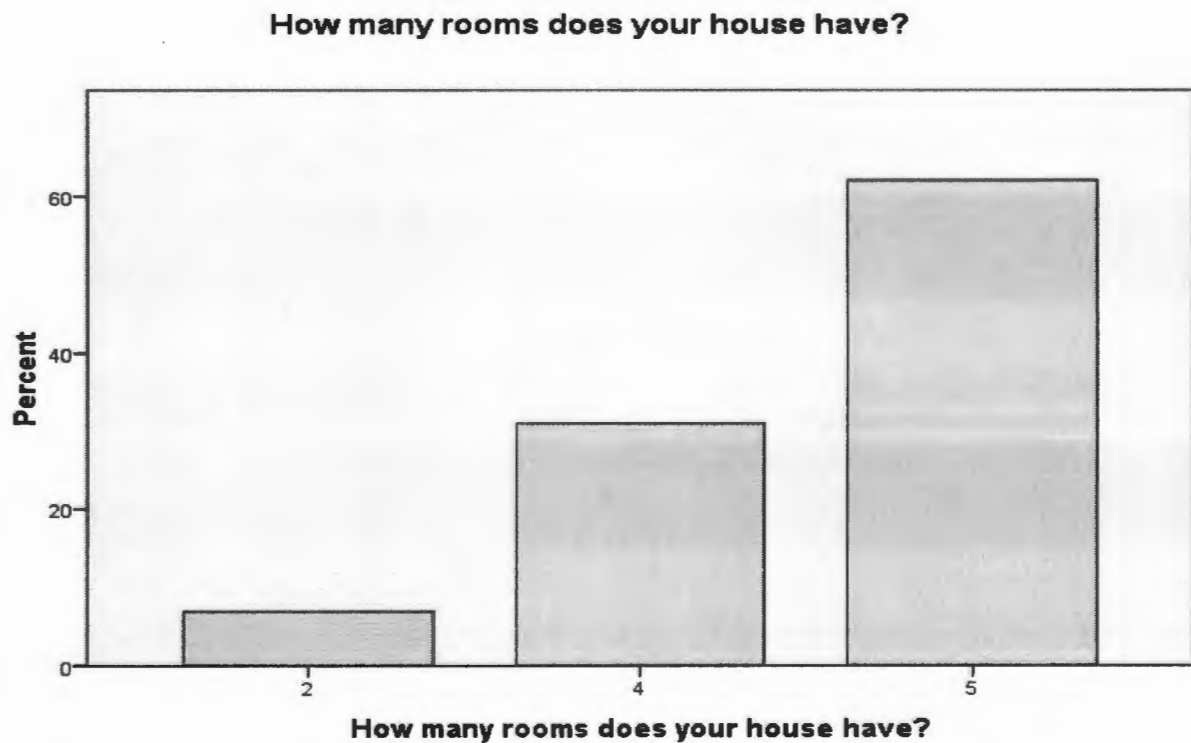
The local tribal council requires residents to pay a nominal standard rate for water consumption. How will you rate the charges for water by the tribal council?



The local tribal council requires residents to pay a nominal standard rate for water consumption. How will you rate the charges for water by the tribal council?

According to the survey carried out in this research we find that the residents are not paying for water services anymore but rather the district Municipality has taken the burden of giving free water to the Ramatlabama villages. The residents rate the water services as following: 15,79% rated the provision of water as good, 78, 95% rate the provision of water as fair as they complained that even though water is there for consumption there is some hiccups as demand is too high and supply is too low and this leads to low pressure of water reticulation. Eventually, residents have to wait a bit long next to their taps because of slow moving water from their taps. This also affects those who rely on subsistence farming as it affects their ability to plant enough vegetable for family consumption. There is also lack of information dissemination as there are individuals who do not know that they do not pay water anymore. Due to this lack of information, 5, 26% response from individuals indicate that they cannot afford to pay for the free resource in the village.

Figure L: Bar chart: Type of House



The type and spaciousness of the house provided with only three frequencies. According to the sample collected, 6, 90% of respondents have houses with two rooms, 31, 03% of respondents have houses with four rooms whilst 62, 07% have houses with more than five rooms in their yards. This is a clear indication that according to the researcher, 93% of households live in reasonable spacious houses.

Table 6.5.1

What is your highest level of education?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	13.3	13.3	13.3
	2	1	3.3	3.3	16.7
	4	1	3.3	3.3	20.0
	6	1	3.3	3.3	23.3
	7	3	10.0	10.0	33.3
	8	1	3.3	3.3	36.7
	9	3	10.0	10.0	46.7
	11	1	3.3	3.3	50.0
	12	1	3.3	3.3	53.3
	13	10	33.3	33.3	86.7
	14	2	6.7	6.7	93.3
	15	1	3.3	3.3	96.7
	16	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

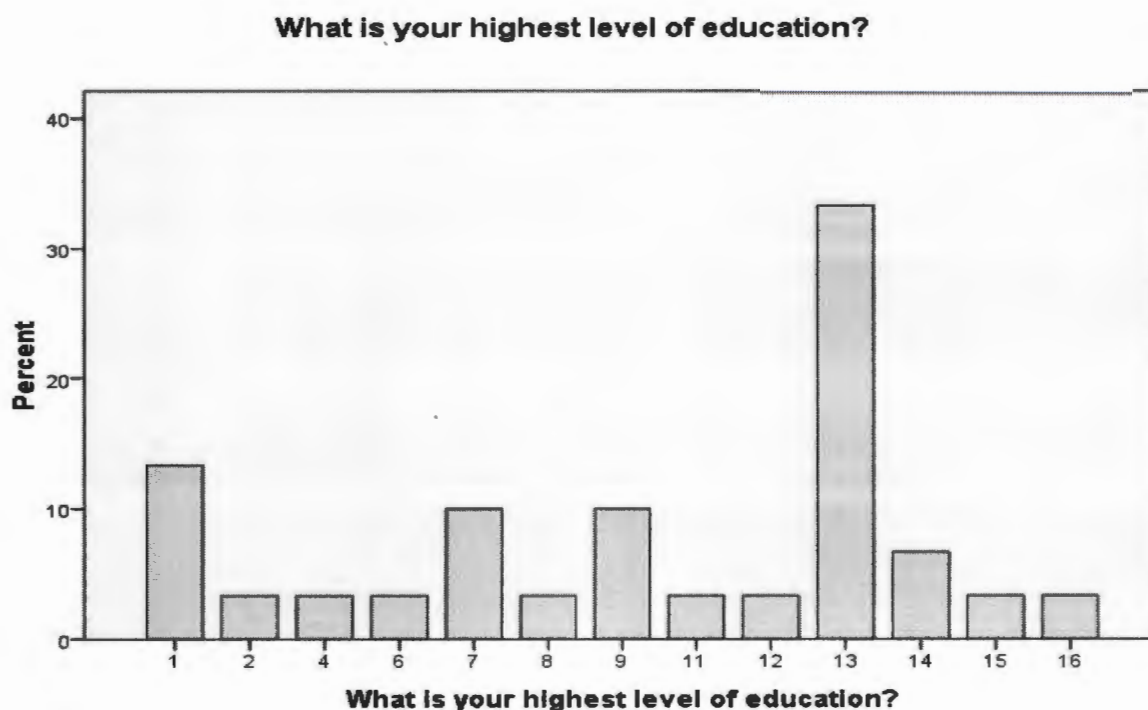


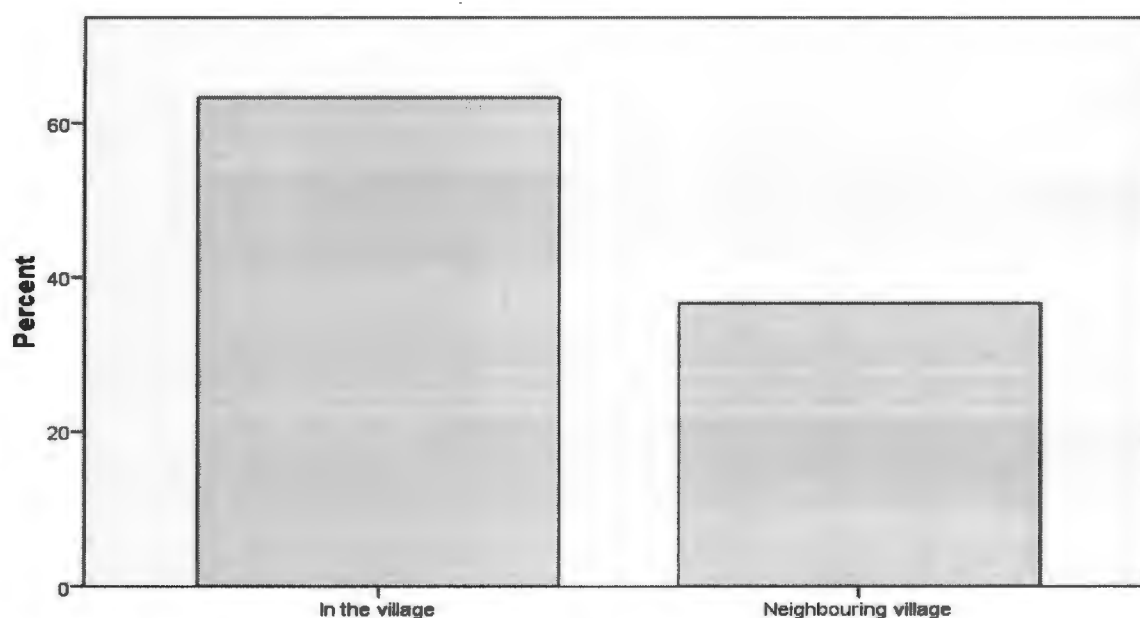
Figure M: Bar chart: Highest level of education

The results on education depicts that roughly 13 percent of the population do not attend school and most of these are pensioners. The results obtained from those who managed to enter a school premises, that is, grade one to grade eleven, show a staggering 29, 97%. The grouping of all these grades is done because it is generally considered that if one does not make it to grade 12 then the chances of landing a decent paying job fades away. It is from this analysis that we have just find that most of the respondents who formal employment managed to pass their grade twelve. The result further indicates that 33, 33% of the respondents made it to grade twelve or did manage to pass their grade 12. Those who managed to make it to the Further Education and Training Institutions (FET)s constitute 6, 67% of the survey results, 3, 33% have diplomas of some sorts and while only 3, 33% have an access to a University.

Table 6.6.1

Our primary health care facilities are clinics. How far is the nearest clinic?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 In the village	19	63.3	63.3	63.3
	2 Neighbouring village	11	36.7	36.7	100.0
	Total	30	100.0	100.0	

Our primary health care facilities are clinics. How far is the nearest clinic?



Our primary health care facilities are clinics. How far is the nearest clinic?

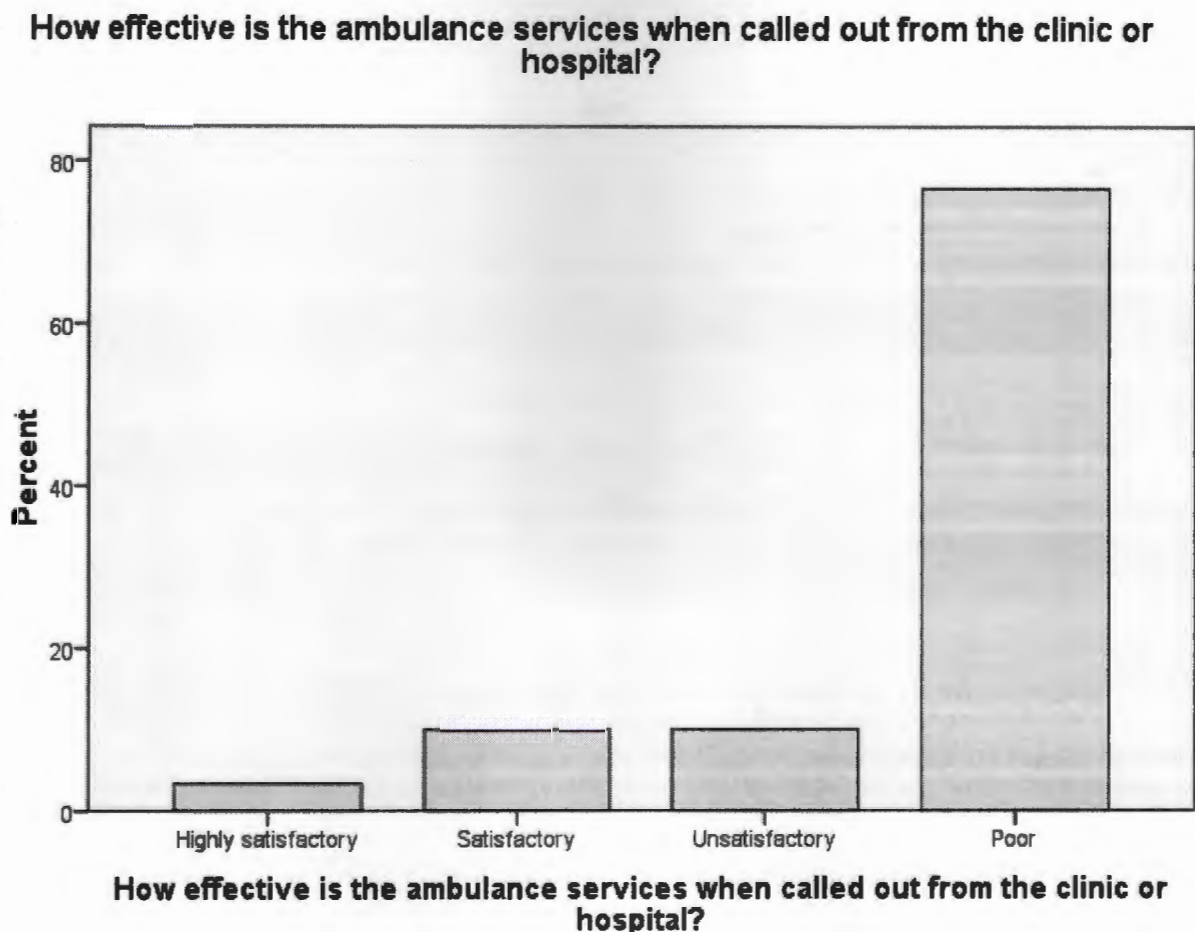
Figure N: Bar chart: How far is the nearest clinic?

Due to time constraints and cost of collecting the data, data collection was done on two adjacent villages which are Makgokgwane and Botshabelo. The rest which form part of Ramatlabama villages were not included in data collection. The clinic is situated at Botshabelo and as such the Makgokgwane residents are not happy as they have to travel on foot in order to have access to basic health care facilities. The clinic covers a radius of five kilometres, but for the poor, sick and elderly people, getting there is a tiresome exercise. As such the results show that 63, 33% of the respondents feel that the clinic is within their reach whilst 36, 67% feel that the clinic is far from them.

Table 6.6.2

How effective is the ambulance services when called out from the clinic or hospital?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Highly satisfactory	1	3.3	3.3	3.3
	2 Satisfactory	3	10.0	10.0	13.3
	3 Unsatisfactory	3	10.0	10.0	23.3
	4 Poor	23	76.7	76.7	100.0
	Total	30	100.0	100.0	

Figure O: Bar chart: Ambulance services when called



Just only 3, 33% of the population under study say that the ambulance service is highly satisfactory, 10% indicate that the service was satisfactory while another 10% have shown that according to their experience the services is unsatisfactory while a staggering 76, 67% of respondents believe that the ambulance services is poor. They attribute this to the fact that irrespective of how sick one is, they have to travel to the clinic and then the ambulance will then be called whilst the sick person is waiting for it. In the face to face interaction with the respondents, say that it takes 30 to 45 minutes for an ambulance to arrive when called. This sometimes leads to unnecessary deaths due to delay in the services. The ambulance is stationed at the Mafikeng Provincial Hospital which is 20 kilometres from the village.

Table 6.6.3. Type of Chronic Illnesses Suffered by Villagers

Family Members Suffering from Asthma					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	18	60.0	81.8	81.8
	1 Asthma	4	13.3	18.2	100.0
	Total	22	73.3	100.0	
Missing	System	8	26.7		
	Total	30	100.0		
Diabetes					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	14	46.7	63.6	63.6
	1 Diabetes	8	26.7	36.4	100.0
	Total	22	73.3	100.0	
Missing	System	8	26.7		
	Total	30	100.0		
Hypertension					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	0	16	53.3	72.7	72.7
	1 Hyperte nsion	6	20.0	27.3	100.0
	Total	22	73.3	100.0	
Missing	System	8	26.7		
	Total	30	100.0		

Arthritis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	19	63.3	86.4	86.4
	1 Arthritis	3	10.0	13.6	100.0
	Total	22	73.3	100.0	
Missing	System	8	26.7		
	Total	30	100.0		

Allergies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	18	60.0	81.8	81.8

	1	4	13.3	18.2	100.0
	Allergies				
	Total	22	73.3	100.0	
Missing	System	8	26.7		
	Total	30	100.0		
Other/Epilepsy					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	21	70.0	95.5	95.5
	1	1	3.3	4.5	100.0
	Epilepsy				
	Total	22	73.3	100.0	
Missing	System	8	26.7		
	Total	30	100.0		

The type of illnesses were collected to find out if residents suffered from any chronic sicknesses that needed constant monitoring and attention and whether the residents are getting medication for the treatment of these chronic illnesses. The results indicate that 18, 68% of the population suffer from Asthma, 36, 36% of the respondent suffer from diabetes, 27, 27% of the population under study live on medication for the treatment of hypertension, 13, 64 have arthritis, 18, 18% of the respondents suffer from some form of allergies while only 4, 55% suffer from other

illnesses like epilepsy. From the sample study, it is also revealed that only 3% of the population under study do not suffer from any chronic illnesses.

6.7.1. Nutrition

The questionnaire was distributed to find out if there is any incidence of severe poverty within the villages. *Breakfast*, *Lunch*, and *Dinner* is ranked and the purpose is to investigate if the respondents are able to have access to all meals that are considered to be basic for any human being who is believed to be well off. The table below indicates that 83, 33% of the residents are able to have breakfast daily. According to them it did not matter whether they eat bread and butter or soft porridge, as long as they can eat something for the morning. The remaining 16, 7% have mixed feelings such as that they cannot afford or they only have breakfast if they want it. This means that in their view breakfast is not compulsory but an individual's choice.

On the *lunch* issue, the analysis is that 90% had an opportunity to have lunch whilst only 10% cannot afford to have lunch due to various reasons. It ranges from affordability to choice of an individual. Some cite saying food during the day in order to have dinner at night. Cultural norms are that one may rather stay hungry through the day than sleep on an empty stomach.

Almost 93, 33% indicated that they do have *supper* on a daily basis. The results are not clear about the remaining 7%. The possible reason is assumed to be affordability of the households concerned.

The results also find that there are no incidences of absolutely eating no food in a specific day.

Table 6.7.1

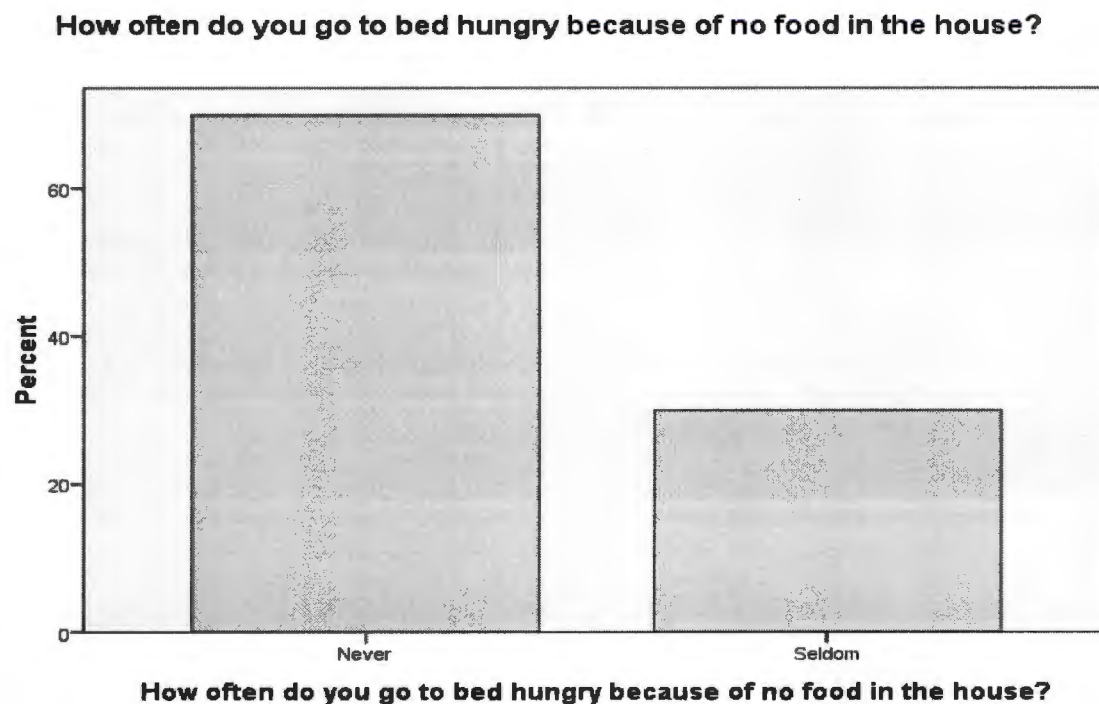
Availability of Breakfast					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	5	16.7	16.7	16.7
	1	25	83.3	83.3	100.0

Availability of Breakfast					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	5	16.7	16.7	16.7
	1	25	83.3	83.3	100.0
	Total	30	100.0	100.0	
Availability of Dinner					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	2	6.7	6.7	6.7
	1	28	93.3	93.3	100.0
	Total	30	100.0	100.0	

Table 6.7.2

How often do you go to bed hungry because of no food in the house?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Never	21	70.0	70.0	70.0
	2 Seldom	9	30.0	30.0	100.0
	Total	30	100.0	100.0	

Figure P: Bar chart: Going to bed without food



The frequency table and the graph above depict the findings made from the analysis made from the sample study. Individuals were asked about the frequency in which they find themselves going to bed without food. 70% indicate that they never go to bed without food, whilst 30% say they seldom go to bed hungry. There are zero incidences of people who said they always go to bed hungry.

Table 6.7.3

Do you think food parcels from the government can benefit the community?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Agree	11	36.7	36.7	36.7
	2 Strongly Agree	18	60.0	60.0	96.7
	4 Strongly Disagree	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Do you think food parcels from the government can benefit the community?

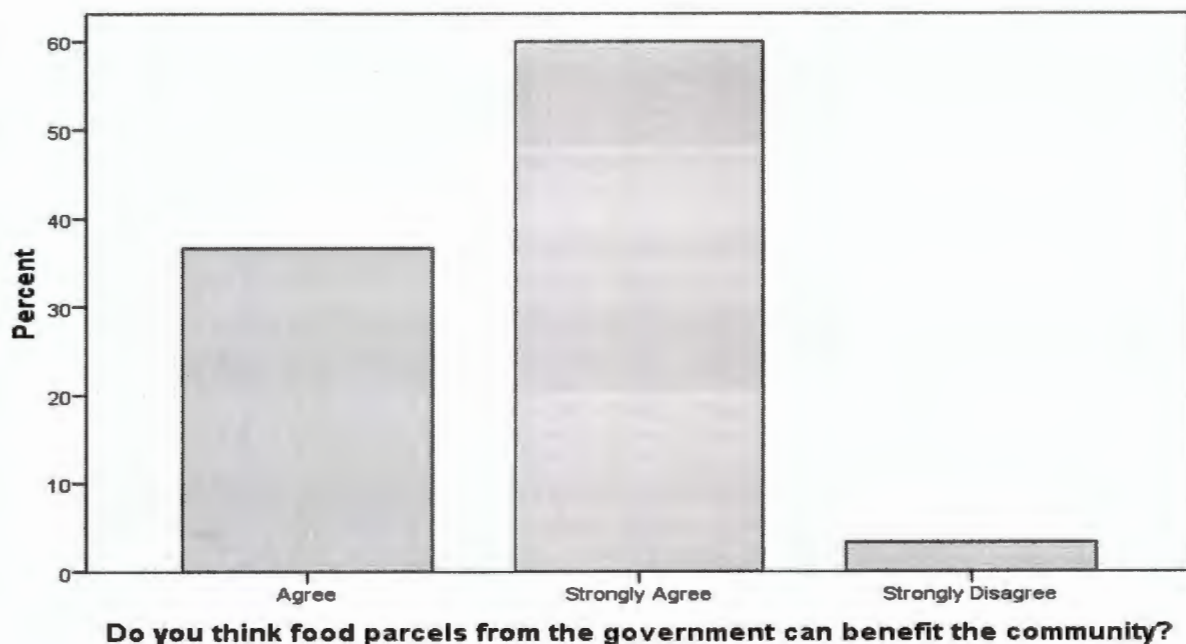


Figure Q: Bar chart: Food parcels from the government

The question was asked whether individuals think that if the government could provide food parcels to those needy individuals who are exposed to incidence of extreme hunger could benefit the community. The results are overwhelming as some said they do not know of what criteria was used to select the poorest of the poor. They acknowledge the availability of the scheme but do not know how to access these food parcels as they feel they are left out of the process as some feel they do qualify to receive food parcels. The graph and frequency table above show the results from analysis of the data.

Table 6.7.4

Do you think the food you take daily is nutritious for your health?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Agree	18	60.0	60.0	60.0
	2 Strongly Agree	6	20.0	20.0	80.0
	3 Disagree	6	20.0	20.0	100.0
	Total	30	100.0	100.0	

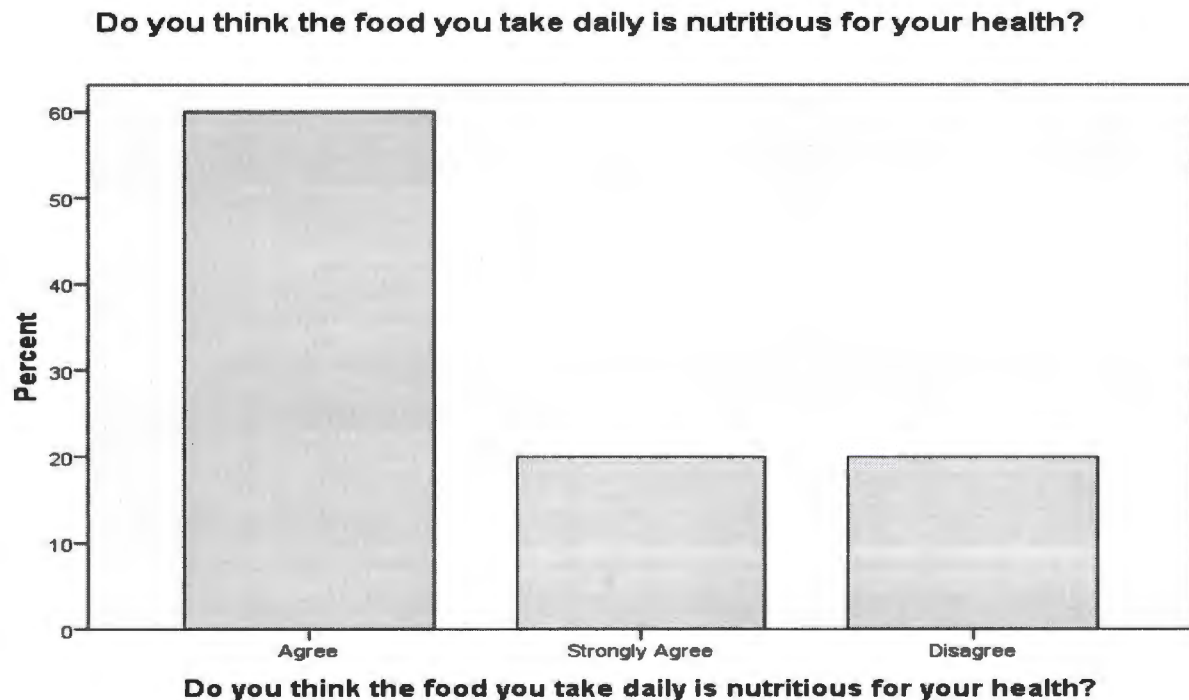


Figure R: Bar chart: Food taken daily is nutritious for health

The question was also asked to find out if the residents think that the food they are consuming is nutritious. The purpose is to find out if the community know about the reason of eating healthy and nutritious food as healthy eating and healthy food keep sicknesses at bay. That is, the nation that practises healthy living styles by eating healthy food is a strong nation as it will be able to be productive in all spheres of life. The graph above provides the necessary information needed for analysis. According to the results on the graph and the frequency table above, 60% of respondents agree that the food they consume daily is nutritious, while 20% of the respondents strongly agree that the food they consume is nutritious. On average 80% of the respondents think that the food they consume is nutritious whilst only 20% believe theirs is not nutritious.

Table 6.8.1.

How accessible is the sporting facilities in your area?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Nearby	4	13.3	13.8	13.8
	2 No sporting facilities	23	76.7	79.3	93.1
	3 Very far	1	3.3	3.4	96.6
	4 Not interested	1	3.3	3.4	100.0
	Total	29	96.7	100.0	
Missing	System	1	3.3		
	Total	30	100.0		

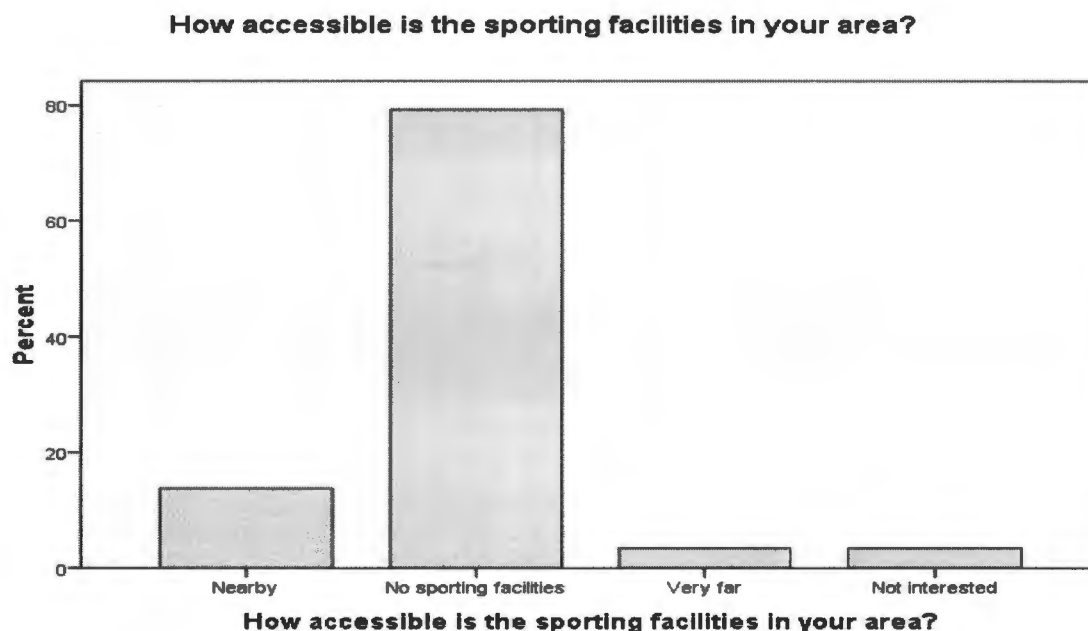


Figure S: Bar chart: Accessibility of sporting facilities

On the accessibility of the sporting facilities, the above frequency table and graph indicate how the community perceive the importance and availability of sporting facilities in their area. Depending on an individual's taste, that is soccer, netball, cricket, rugby etc, the following results are analysed. 13, 79% think that the sporting facilities are within their reach, 79, 31% say that there are no sporting facilities in their area, 3, 45% believe the they are very far from them whilst another 3, 45% say they are not interested whether the sporting facilities are there or not.

Table 6.8.2

According to the statistics, Crime is almost everywhere in the country, what do you think aggravates the rate of crime in your area? Choose any.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	13	43.3	44.8	44.8
	1 Lack of sporting facilities	16	53.3	55.2	100.0
	Total	29	96.7	100.0	
Missing	System	1	3.3		
	Total	30	100.0		

Lack of Job Opportunities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	6	20.0	20.7	20.7
	1	23	76.7	79.3	100.0
	Total	29	96.7	100.0	
Missing	System	1	3.3		

Lack of Police Patrols					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	17	56.7	58.6	58.6
	1	12	40.0	41.4	100.0
	Total	29	96.7	100.0	
Missing	System	1	3.3		
	Total	30	100.0		
High Illiteracy Levels					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	15	50.0	51.7	51.7
	1	14	46.7	48.3	100.0
	Total	29	96.7	100.0	
Missing	System	1	3.3		
	Total	30	100.0		

Lack of Parental Discipline					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	13	43.3	44.8	44.8
	1	16	53.3	55.2	100.0
	Total	29	96.7	100.0	
Missing	System	1	3.3		
	Total	30	100.0		
High Poverty Levels					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	13	40.0	41.4	41.4
	1	17	56.7	58.6	100.0
	Total	29	96.7	100.0	
Missing	System	1	3.3		

It is important to state that the assumption is that crime cannot be attributed to a single item but a multitude of social factors. That is, each variable has its own ranking in percentages but not as a collective. **53%** of individuals who answered the questionnaire think that crime is aggravated by the ***lack of sporting activities*** in their area. **79%** out of the whole population interviewed believe ***that lack of job opportunities*** is the cause of crime. **40%** of the sample studies think that ***lack of police patrols*** in the villages is the cause of crime; they think that regular patrols of police will

scare the criminals away. The study also reveals that some **46, 7%** of the respondents think that **high illiteracy levels** might be the cause of crime. The assumption is that those individuals with no formal education do not have the necessary skills and are mostly unemployable, they end up loitering in the streets and the results is crime. **Lack of parental discipline** is also thought to be the root of crime. In terms of the analysis of results, **55, 3%** of the interviewees believe that mostly the spoilt brats who receive everything from their parents are often left to take responsibility of their own lives. In African culture children are supposed to be under the guidance of their parents until they get married. In short, parental care takes precedence in shaping the future behaviour of the children. Lastly, **58, 6%** of the respondents think that **high poverty levels** might be a source of crime.

Table 6.8.3

Type of Crime that exists in the area: insults/ perjury					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	24	80.0	92.3	92.3
	1 Petty (insults or perjury)	2	6.7	7.7	100.0
	Total	26	86.7	100.0	
Missing	System	4	13.3		
	Total	30	100.0		
Assault/Perjury					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	3	10.0	11.1	11.1

	1	24	80.0	88.9	100.0
	Total	27	90.0	100.0	
Missing	System	3	10.0		
Murder					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	26	86.7	96.3	96.3
	1	1	3.3	3.7	100.0
	Total	27	90.0	100.0	
Missing	System	3	10.0		
Stock Theft					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	9	30.0	33.3	33.3
	1	18	60.0	66.7	100.0
	Total	27	90.0	100.0	
Missing	System	3	10.0		
	Total	30	100.0		

The frequency tables above show that according to the survey conducted with respect to the types of crime in the villages, insults and perjury constituted 7, 69% of the total crimes committed in the area. 88, 89% of the respondent believes that there is assault and burglary related type of crimes. Only 3, 70% think that there are murder crimes in the area. Lastly, 66, 67% of the respondent say that the there is stock theft crime in their area. When the types of crimes are ranked in the villages from the least significant to the most significant they rank from murder with 3,70%, then perjury and insults at 7, 69%, followed by stock theft at 66, 67% and then lastly assault and burglary at 88, 89%.

Table 6.8.4

There are perceptions that high unemployment rate and high incidence of poverty lead to crime? That is, lack of jobs and severe poverty induce people to participate in criminal activities.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	17	56.7	58.6	58.6
	2 Agree	9	30.0	31.0	89.7
	3 Disagree	3	10.0	10.3	100.0
	Total	29	96.7	100.0	
Missing	System	1	3.3		
	Total	30	100.0		

There are perceptions that high unemployment rate and high incidence of poverty lead to crime? That is , lack of jobs and severe poverty induce people to participate in criminal a

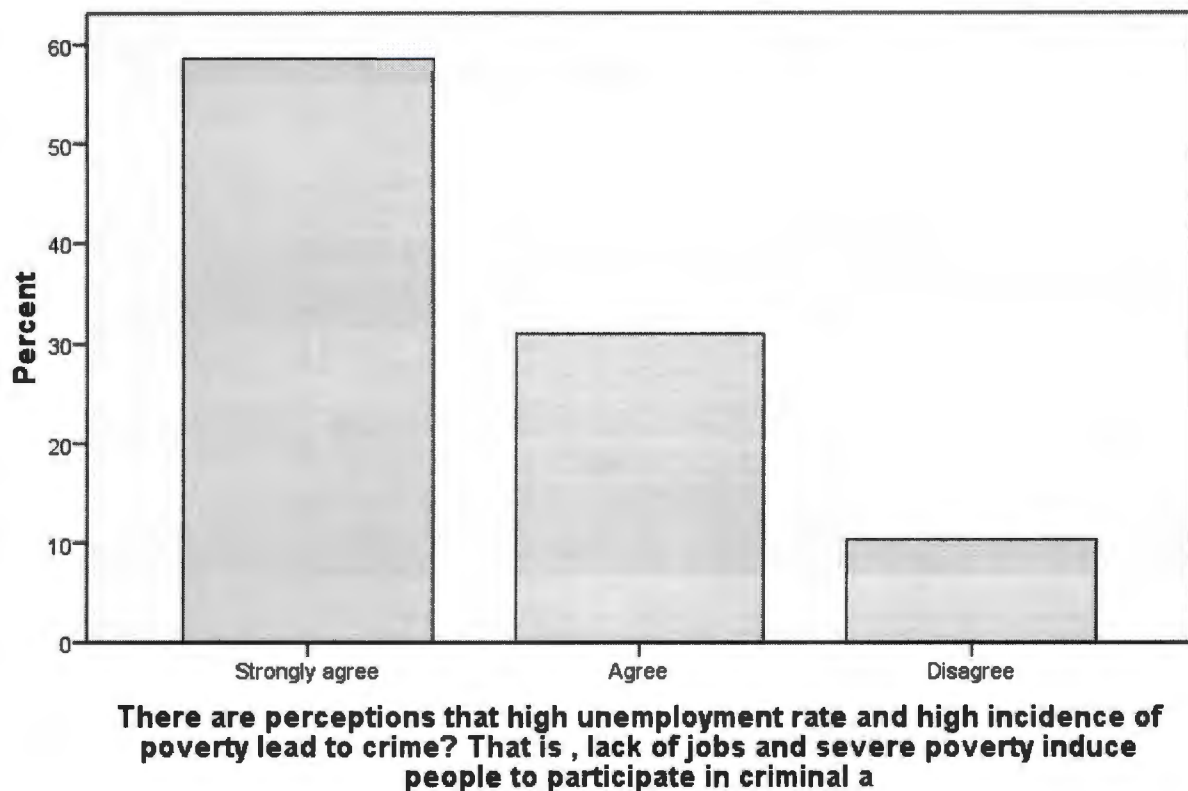


Figure T: Bar chart: Relationship between unemployment, poverty and crime

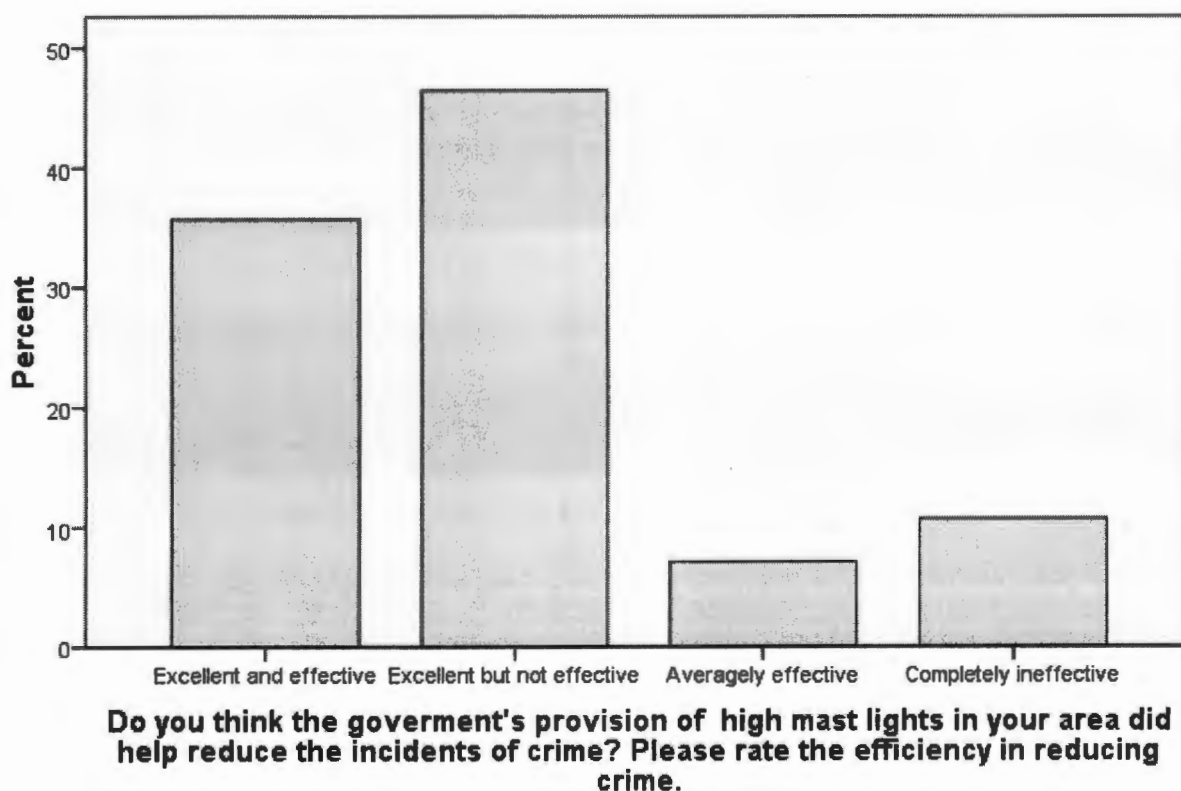
A question was asked to investigate the perception of the respondents with regard to the interrelatedness of unemployment, poverty and crime. They are asked if they think that high unemployment, high incidence of poverty rate leads to crime? Their response to this question is as follows; the ranking was from the most severe to the least severe. **58, 62% strongly agree, 31, 03 agree** that high rates of unemployment, high incidence of poverty lead to crime. There are some respondents who have a different perception about this question. **10, 34% disagree** that *unemployment, poverty and rate of crime* are interrelated.

Table 6.8.5

Do you think the government's provision of high mast lights in your area did help reduce the incidents of crime? Please rate the efficiency in reducing crime.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Excellent and effective	10	33.3	35.7	35.7
	2 Excellent but not effective	13	43.3	46.4	82.1
	3 Averagely effective	2	6.7	7.1	89.3
	4 Completely ineffective	3	10.0	10.7	100.0
	Total	28	93.3	100.0	
Missing	System	2	6.7		
	Total	30	100.0		

Figure U: Bar chart: Provision of High Mast Lights as Tool for Crime Prevention

Do you think the government's provision of high mast lights in your area did help reduce the incidents of crime? Please rate the efficiency in reducing crime.



When the government started erecting high mast light in the villages, their main purpose was to help curb crime. A question was posed and the following results are captured from the respondents and are analysed as follows. Out of the whole population under study, 35, 71% say that the erection of high mast lights is effective and excellent, 46, 43% think that the idea is excellent but is not effective as there is no monitoring of the infrastructure because in some areas this lights has been out of order for a year or so, hence ineffective. Some 7, 14% think that the service is averagely effective whilst 10, 71% indicate that the operation of this service is completely ineffective.

6.9. Socio-economic Impact of Poverty

Table 6.9.1

How will you rate the efficiency of any poverty alleviation project you are aware of in your area?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Excellent	9	30.0	30.0	30.0
	2 Good	7	23.3	23.3	53.3
	3 Bad	9	30.0	30.0	83.3
	4 Worse	5	16.7	16.7	100.0
	Total	30	100.0	100.0	

The question was asked for respondents to rate the degree at which they value and perceive poverty alleviation projects in their area. The table above shows that respondents rated the poverty alleviation projects differently as expected and the results are as follows 30% of the interviewees think that the system is excellent, 23% think that the efficiency of the projects is good 30% think that the system is bad because most of the projects are not sustainable. Only 16, 7% think that the efficiency of the projects is worse and does not help them either.

Table 6.9.2

Do IDP targets aimed at Alleviating Poverty in the Rural areas help?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	10	33.3	33.3	33.3
	2 Agree	16	53.3	53.3	86.7
	3 Disagree	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

Municipals have Integrated Development Projects (IDP) targets aimed at alleviating poverty and unemployment in the villages. The question was asked to investigate whether the residents think that if such projects are implemented in their areas would help enhance their lives. 33, 3% strongly agree that the projects will enhance their lives, 53, 3% agree that the projects will help sustain them and relieve them from poverty. Only 13, 3% of the respondents totally disagree that the projects would help them.

Table 6.9.3

Rural developments need participation of all stakeholders .Do you think the government is doing to facilitate the involvement of all stakeholders?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly agree	7	23.3	23.3	23.3
	2 Agree	8	26.7	26.7	50.0
	3 Disagree	11	36.7	36.7	86.7
	4 Strongly disagree	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

Rural developments need participation of all stakeholders. The government need to facilitate the involvement of all stakeholders when it rolls out projects. The purpose is to ensure that all relevant stakeholders take their own part in the smooth running of the projects. The example cited here are the government representatives such as ward councillors, tribal leaders such as the chief or king, and the community itself. If one of the stakeholders is left out during project implementation, there is a likely probability that the project will fail. The question was asked if the community thinks that the government is doing enough to ensure effective stakeholder participation. The question was asked to find out if the government is doing enough to facilitate full participation of the stakeholders. **23, 3 % strongly agree** with the assumption that the government is doing enough to ensure stakeholder participation. **26, 7%** of the respondents **agree** that the government is doing enough while **36, 7% disagree** with the statement. **13, 3% totally disagree** that the government is doing all it can to make sure that all stakeholders participate in project implementation and processes.

Table 6.9.4

There has been Poverty Alleviation Programmes, poultry and vegetable farming in your area. What do you think could have led to their collapses?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	6	20.0	20.0	20.0
	1 Lack of management skills	24	80.0	80.0	100.0
	Total	30	100.0	100.0	
Lack of Finance					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	19	63.3	63.3	63.3
	1	11	36.7	36.7	100.0
	Total	30	100.0	100.0	
Lack of Project Management Skills					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	5	16.7	16.7	16.7
	1	25	83.3	83.3	100.0

There has been Poverty Alleviation Programmes, poultry and vegetable farming in your area. What do you think could have led to their collapses?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	6	20.0	20.0	20.0
	1 Lack of management skills	24	80.0	80.0	100.0
	Total	30	100.0	100.0	

Infighting Within the Community

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	11	36.7	36.7	36.7
	1	19	63.3	63.3	100.0
	Total	30	100.0	100.0	

Laziness within the Community

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	11	36.7	36.7	36.7
	1	19	63.3	63.3	100.0

There has been Poverty Alleviation Programmes, poultry and vegetable farming in your area. What do you think could have led to their collapses?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	6	20.0	20.0	20.0
	1 Lack of management skills	24	80.0	80.0	100.0
	Total	30	100.0	100.0	

No Government Intervention

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	15	50.0	50.0	50.0
	1	15	50.0	50.0	100.0
	Total	30	100.0	100.0	

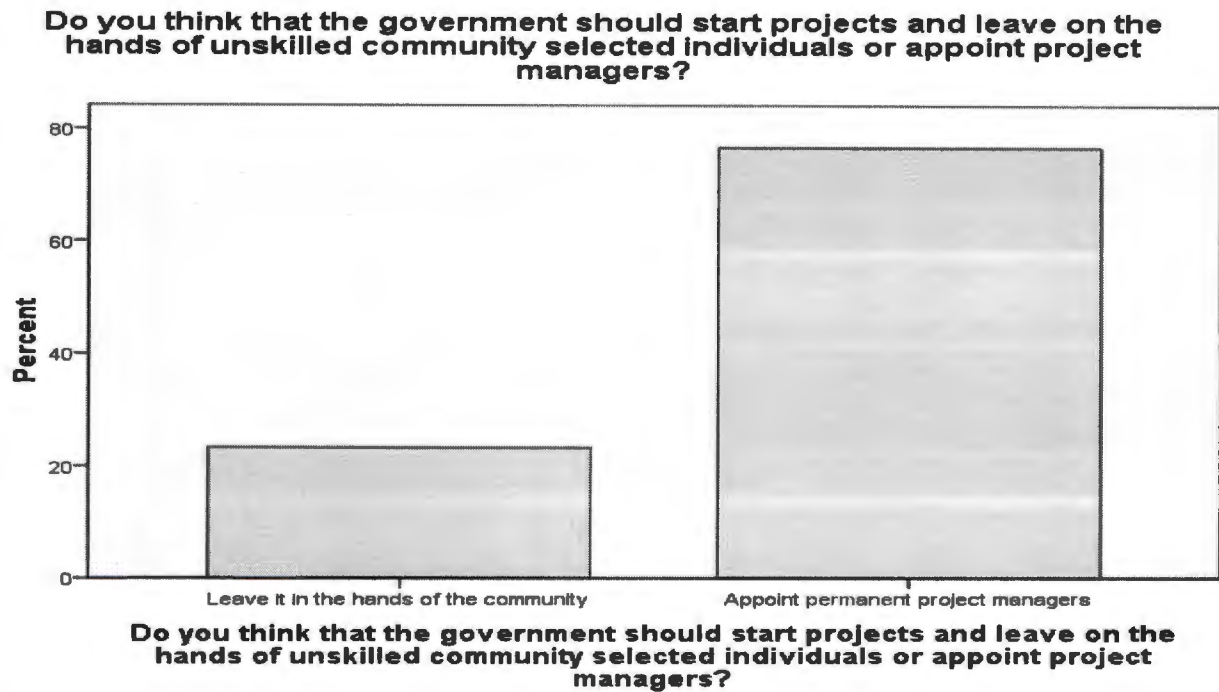
Government's PAP has been rolled out country wide and many of them did not last or were not sustainable. This clearly shows that there is huge lack of skills relating to the smooth running of such projects. The question was designed to find the views of the community of what do they think has led to the collapse of such projects. The frequency tables above indicate that **80%** of the respondents think that ***lack of management skills*** is the cause of the collapse of the projects. ***Lack of finance*** is not popular with **36, 7%** blaming the government for not financing the projects. ***Lack of project management skills*** received a whopping **83, 3%** of the respondent who

blame the collapse of the projects on lack of project management skills. **63, 3%** of sample study believes that *infighting within the community* also has an impact on the collapse of the projects. Again some 63, 3% of respondents indicate that they believe that there is incidence of laziness within the community while 50% think that government did not do enough monitoring and evaluation after the implementation of the projects.

Table 6.9.5

Do you think that the government should start projects and leave on the hands of unskilled community selected individuals or appoint project managers?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Leave it in the hands of the community	7	23.3	23.3	23.3
	2 Appoint permanent project managers	23	76.7	76.7	100.0
	Total	30	100.0	100.0	

Figure V: Proposal of projects ownership



A test was done to find if the residents want full ownership of the projects or want appointment of full permanent project managers who will use their expertise to manage, control and lead these projects. 23, % are of the view that it should be *left in the hands of unskilled individuals* whilst 76, 7 % of the respondents are of the view that the government should *appoint permanent project managers* on contractual basis.

Table 6.9.6

Huge sum of government money has been spent on Poverty Alleviation Projects. What do you think the government must do to overcome this problem?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	10	33.3	33.3	33.3
	1 Train enough entrepreneurs through colleges and universities	20	66.7	66.7	100.0
	Total	30	100.0	100.0	

Provide permanent jobs in Government departments

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	18	60.0	60.0	60.0
	1	12	40.0	40.0	100.0
	Total	30	100.0	100.0	

Invest in Local Labourers through Skills transfer

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	17	56.7	56.7	56.7
	1	13	43.3	43.3	100.0

Huge sum of government money has been spent on Poverty Alleviation Projects. What do you think the government must do to overcome this problem?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	10	33.3	33.3	33.3
	1 Train enough entrepreneurs through colleges and universities	20	66.7	66.7	100.0
	Total	30	100.0	100.0	

Provide Type of Education that Promotes Entrepreneurs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	15	50.0	50.0	50.0
	1	15	50.0	50.0	100.0
	Total	30	100.0	100.0	

The above frequency tables show the response from the individuals with respect to what they think could be a solution to the management of projects and poverty alleviation. The results from the questionnaire show that **66, 7%** believe that the government should do more to ***train enough entrepreneurs through Colleges and Universities***, **40%** still perceive the government as the creator of jobs and as such expect the government to ***provide permanent employment in its departments*** 43% are of the view that they will be better off if they are given the chance to acquire skills through ***skills transfer programmes***. Lastly, **50%** of the respondents think that the government should provide the ***type of education that promotes entrepreneurship***. This should

be done from primary level to tertiary education; this will help equip everyone with knowledge survival tactics needed by entrepreneurs.

6.10 Conclusion

The chapter reflects on the main findings of the study undertaken at Ramatlabama villages. Basic services like water, electricity and housing seem to be of less significance as almost all the villages have access to the facilities. Housing structures are of acceptable standards as most of them have four bedrooms house or more.

Unemployment seems to be a thorny issue as it is a source of poverty and are positively related. That is, when unemployment is high then the rate of poverty is high and as such criminal activities also seem to be high in the area where unemployment and poverty are high.

The residents' close proximity of health facilities such as clinics seems to be of a major concern for them as some feel that even if the clinics are within 5 kilometre radius, ambulance services is poor. The reason behind this argument is that one cannot expect a sick poor person to hire a transport at a cost of R50 and above to the clinic and still wait for the ambulance to be called meanwhile he or she is in pain.

Levels of education also need serious attention as those who manage to pass matric and above are almost half of the respondents interviewed.

The general feeling among the community is that the government should train more entrepreneurs; provide permanent jobs but not temporary ones as this does restore dignity to those who always do casual jobs. The government should also invest more in projects that enhance skill transfer in local labourers. The type of education that promotes entrepreneurial mindset should also be emphasised.

CHAPTER SEVEN: SUMMARY, CONCLUSION AND RECOMMENDATIONS

7.1 Summary

Chapter one presents the introduction to the concept of poverty. The background of the study focuses on the Ramatlabama villages in the Ngaka Modiri Molema district Municipality of the North West province and poverty experienced by its inhabitants. It is followed by the purpose of the study, aims and objective of the study, research hypothesis, and significance of the study, limitation of the research methodology, definition of concepts, study layout and summary of concepts. In brief, the chapter is about how the primary and secondary data is collected and analysed.

Chapter Two interrogates the literature available on poverty and the study made by previous writers and authors in relation to poverty and its multi-dimensional aspect. The structural nature of poverty and its impact to the society at large is also defined. The relationship between poverty, income inequality and unemployment is also investigated. The chapter also looks at the relativity of poverty, that is absolute poverty as well as relative poverty. Previous anti- poverty strategies are studied and search for alternative workable strategies are investigated.

Chapter Three presents the overall performance of the South African economy and growth patterns of the economy since the inception of the new macroeconomic policy (GEAR) and its predecessor (RDP). A glimpse is taken into the sister policy the Accelerated Shared Growth Initiative of South Africa (ASGISA) and its companion, the Joint Initiative on Priority Skills Acquisition. Gear is heavily criticised by the socialist or those in the left for not helping the government create permanent jobs as it emphasises the ideology of growth first then employment will follow. It is also argued that it follows the Neo-liberals economist ideology. The economic growth performance of the macroeconomic policy is critically evaluated and analysed.

Chapter Four presents the research methodology. The primary data is collected from the villages through the random sampling method of statistical technique. Simple random sampling is used to avoid bias and as such its use guarantees the outcome of true feelings of respondents. Secondary data from Statistics South Africa is used to augment the data with reference to Income Expenditure of households. SPSS statistical tool is used to compute and analyse the data.

Chapter Five relates to the case study of the area which studied. The relevance of the case study is that it reveals the true structure of the area and the infrastructure that exists in the area. It also provides with an in-depth knowledge of the socioeconomic structure of the area that is studied. The location of the area in the South African map, access to the area, its access to basic necessities like water, electricity, health facilities, education transport facilities are thoroughly scrutinised.

Chapter Six looks at the interpretation of the results from the sample study. The frequency tables, pie charts and graphs are presented using SPSS statistical tool to reveal the true results of the imputed data. These are shown through percentages and cumulative percentages of the results presented. Even though the study is focused on poverty, its attributes are also interrogated. The results indicated that poverty; unemployment and crime are interrelated and cannot be treated as separate. The respondents indicate that lack of employment opportunities results in poverty and as such poverty leads people to indulge in criminal activities. The results also show that lack of management skills, lack of project management skills, infighting within the community and laziness within the community also play a role in the collapse of newly established Poverty Alleviation Programmes.

It is also important to note that economic growth does not mean there is economic development. In order for us to move forward, we need to realise economic growth, followed by economic development and then employment opportunities will be realised. Political debate over this poverty issue is utmost important. In closing, there is an urgent need for all spheres of government to engage with each other in order to come up with a solution to poverty.

7.2 Recommendations

A list of recommendations is made below in respect of the new approach and the role and arrangements for a pro-active government with determination to end poverty as cited from the analysis, monitoring and evaluation of pro-poor macroeconomic policy Role of pro-active (Taylor, 2006).

From the research findings and discussion, there seems to be a general misdirection of resources into pro-poor programmes due to lack of intimate knowledge by pro-poor policy designers and

implementers of the diverse and complex characteristics of poverty in South Africa and consequently, the type of solutions desired to address them. Based on the analysis, the poverty dimension that is popular with governments and donors is the one that seems least to address pro-poor growth and sustainability in that resources have been donated more for welfare than as tools, skills and equipment.

Bearing in mind the longer term development objective of pro-poor policy, the study finds that Resource allocation has emphasized education as the main driver of change which is correct if the education is tilted toward the demand and delivers functional skills and facilities for income bearing and leverage. Thus, a new direction for **education and poverty** is needed to address the explicit poor. This solution should emphasize and deliver technical, vocational and craft skill directed toward formal employment and to some extent initially, for self-employment. Similarly, a new set of resources are needed to address **implicit poverty** i.e. (the casual or causal poor) who have some skill, training or experience but fall victim to redundancy, retrenchment, recession or a non-growing economy. This solution requires equity with pro-poor strategies to provide collateral, access to working and venture capital resources coupled with training in functional business skills.

Finally, the enhanced role of parliament for monitoring evaluation of pro-poor policy implementation has to be negotiated between the executive branch and the legislature and in consequence, the functions of parliamentary standing and special committees will need to be revisited in the light of the recommendations and negotiations. The negotiations will consider the normal procedures for public hearings, site visits, investigations, reports and submission by various portfolio ministries, offices and agencies as well as government departments and state owned enterprises.

Key questions for monitoring pro-poor growth strategies

- In which areas /sectors are pro-poor growth strategies not functioning effectively?
- Are sufficient and adequate mechanisms in place to facilitate the poor to access social services?
- What are the mechanisms through which the voice of the poor can be heard in pro-poor policy formation and execution and are they working effectively?

- Impact of public policy and the extent to which relevant information is available for programme/project analysis, monitoring and evaluation at national and local levels
- Pace and pattern of poverty indices reduction and sectors of community that are outliers
- The pro-poor programmes and strategies.

Arrangements for monitoring national poverty reduction strategy

Objective 1: Accelerating pro-poor growth with equity.

- Monitor the stable and impact of government's pro-poor macroeconomic policy;
- Monitor the competitiveness of the economy and by how much factor costs have reduced/increased, especially in rural areas;
- Monitor the pace and pattern of development in the rural sector inclusive of land, road, agricultural services and small and informal enterprise (SIE) development initiatives; and
- Monitor the quality and impact of the support infrastructure provided or facilitated by government to encourage the productive sectors especially in intra-sectoral linkages and with small enterprises.

Objective 2: Guaranteeing that the poor have access to basic social services.

- Monitor the cost and ease of access of the poor to basic, technical and vocational education;
- Monitor the cost, quality and ease of access of the poor to health services;
- Monitor the cost, reliability and ease of access of the poor to water, electricity and information technology; and
- Monitor the quality and standard of the environment in which the poor live including housing and social facilities.

Objective 3: Expanding access/opportunities for employment and income-generating activities for the poor.

- Monitor the degree of vulnerability of the poor to disease, farm produce and other agriculture-related activities;
- Monitor value added linkages being created between agricultural, mineral and manufacturing sectors in rural communities;

- Monitor the range and complexity of rural income generating activities; and
- Monitor the supply and quality and roads opened to rural areas for market access.

Objective 4: Promoting good governance systems in public enterprise for performance and quality Service

- Monitor the quality and performance of leadership and governance systems devoted to pro-poor growth programmes
- Monitor the role of parliamentarians and councilors and their capacity to exercise leadership, resolve conflicts and carry out their oversight functions;
- Monitor the capacity of regional & local government and their critical needs
- Monitor arrangements and facilities to build linkages pro-poor linkages with agriculture, tourism and lands;
- Monitor Government policies, practices and institutions responsible for regulating and combating corruption.

Recommendations

- Policy-makers and planners should develop clear perception of the causes of poverty, region by region and make a distinction between the “explicit and implicit” poor.
- Government should develop pro-poor policy and strategies in collaboration with the appropriate representatives of the poor, donors and the private sector.
- Parliament should establish a special Standing Committee to focus its oversight responsibility to monitor the impact of Pro-poor policies and their implementation, and it should require the executive branch to provide clearly articulated pro-poor policy, and programmes along with defined level of resource appropriation.
- Parliament should be provided with adequate analytic support and/or capacity to assess, analyse and interpret pro-poor data for Standing Committees of parliament.
- Political constituency offices and office bearers should work closely with regional representatives and private sector leadership to review pro-poor data at least once an every quarter and to make recommendations to government for action or support.

- In urban areas, the major determinants of poverty should be identified per region and constantly monitored in respect of: (1) purchasing power and capacity, (2) number of active and retired/pensioners, (3) average family size, (4) average farm size, (5) climate-related hazards, (6) available skills and talents, (7) missing essential public infrastructure such as schools, hospitals/clinics, markets, Post office, telecommunication, banks, shopping centers, OMA representatives, (8) number of physically/mentally challenged persons, (9) birth and death rates, (10) number of young person by age, sex and marital status, (11) number of able but unemployed persons and (12) homes without utility services, such as water, electricity, telephone, etc.
- In rural and suburban areas, some of these key factors may vary in content or description.

7.3 Conclusions

Economic growth, economic development and employment creation needs a concerted effort in order for South Africa to realise a decrease in poverty. South Africa has sound economic policies but the problem is with the implementation, monitoring and evaluation of such policies. The importance of informal sector is globally recognized but the problem is experienced in the implementation, monitoring and evaluation of those informal sector businesses.

There is also a problem with land restitution. This problem manifests itself in lack of land available for social upliftment of the communities. The government needs to fast track its policy of buyer winning seller. This policy is also dragging the process of solving inequality in terms of land ownership. It has also come to the attention of that most of the South African land is under the ownership of foreigners.

It is also important to note that economic growth does not mean there is economic development. In order for us to move forward, we need to realise economic growth, followed by economic development and then employment opportunities will be realised. Political debate over this poverty issue is utmost important. In closing, there is an urgent need for all spheres of government to engage with each other in order to come up with a solution to poverty.

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APPENDIX A

Dear respondent

The North West University is an academic institution which provides tertiary education at different levels of education. I am conducting a study on evaluation of the socio-economic impact of poverty in Ramatlabama villages of the Ngaka Modiri Molema in the North West Province. The study will help in finding remedial policies for eradication of poverty. Poverty alleviation programmes policies are in place to help eradicate poverty. There is little empirical evidence regarding the obstacles experienced by the Poverty Alleviation Programmes (PAP's).

The study will assist in trying to a gain better understanding of the problems associated with the running of the PAP's. Your participation in this regard is needed and will be greatly appreciated. By answering this questionnaire you will be contributing towards a better understanding of the vital interventions available to fight poverty. The information you provide will be treated in strictest confidentiality.

I thank you in advance for participating in this research process. Should you encounter any difficulties with the questionnaire feel free to contact Stanley at 071 072 6900 or 082 411 7254?

Regards,

Stanley Gaopallwe Tlhalerwa

APPENDIX B

QUESTIONNAIRE TO RESIDENTS OF RAMATLABAMA VILLAGES

This questionnaire has been developed and structured to collect data on poverty in the Ramatlabama villages. A specific village in which data is collected is Makgokgwane and Botshabelo. The information provided by all respondents will be treated as confidential and no names will be disclosed or be mentioned in the final report. Please tick on the appropriate box below relevant to your answer.

Personal Details of respondents

1.1 In which Gender do you fall in?

Male	Female
------	--------

1.2 In which age group do you fall in?

14-19	20-25	26-30	31-35
36-40	41-45	46-50	51-55
56-60	61-65	66-70	71->

1.3 What is your marital status?

Single	Married	Divorced
Living together	Separated	Widowed

1.4 How many children do you have?

One	Two	Three	Four	Five	More
-----	-----	-------	------	------	------

1.4.1 How old are your children?

0-5 years		6-10 years	
11-15 years		16-20 years	
21-25 years		26 and above	

1.4.2 Do you have any extended family living with you?

Yes	No
-----	----

1.4.3 If yes, how many extended family children are living with you?

One	Two	Three	Four	Five	More
-----	-----	-------	------	------	------

2. Economic status

2.1 can you please indicate your source of income?

Formal employment	Informal employment	Unemployed	Disability grant
Maintenance grant	Pensioner	Retrenched	Other, please specify

2.2 How many family members are dependent on your income?

One	Two	Three	Four	Five	Six	Seven	More
-----	-----	-------	------	------	-----	-------	------

2.3 Can you kindly give us the average monthly income of your household? Tick appropriate income bracket.

Less than R250	R250-R500	R501-R1000
R1001-R1500	R1501-R2000	>R2000

2.4 If you use transport to go to work, kindly give us average expenditure on transport.

R5,00	R5,01-R10,00	R10,01-R15,00
R15,01-R20,00	>R20,00	Own transport

2.5 If you work, what mode of transport do you use to work? Tick appropriate mode of transport you use.

None	Walk	Bus	taxi	Own car/other
------	------	-----	------	---------------

2.6 If own transport, how much do spend on petrol and maintenance?

R200-R250	R251-R500
R501-R750	R751 and Above

2.7 If you have any alternative source of income, can you kindly provide us with the income you receive?

R100-R250	R251-R500
R501-R750	R751-R1000
R1001-R1250	R1251-R1500
R1501-R1750	R1751 and above

3. Housing or type of dwelling.

3.1 Can you please indicate whether you own or rent a house?

Own house	Rent
-----------	------

3.2 The local tribal council requires residents to pay a nominal standard rate for water consumption. How will you rate the charges for water by the tribal council?

Good	Fair
Reasonable	Do not know
Not interested	Cannot afford

Reasons.....
.....
.....

3.3 How many rooms does your house have?

One	Two	Three	Four	Five and more
-----	-----	-------	------	---------------

4. Education

What is your highest level of education?

None	Grade one	Grade two	Grade three
Grade Four	Grade five	Grade six	Grade seven
Grade Eight	Grade nine	Grade ten	Grade eleven
Grade Twelve	Further Education and Training certificate or other certification	Diploma	Degree

5. Health

5.1 Our primary health care facilities are clinics. How far is the nearest clinic?

In the village	Neighbouring village
----------------	----------------------

5.1 How effective is ambulance services when called-out from the clinic or hospital?

Highly satisfactory	Satisfactory
Unsatisfactory	Poor

5.2 Can you please State chronic illnesses suffered by any of your family members?

Asthma	Diabetes	Hypertension
Arthritis	Allergies	Other/specify

6. Nutrition

6.1 How often do you have your meals? Choose those meals you have access to.

Breakfast	Lunch	Dinner/supper	No food for the day
-----------	-------	---------------	---------------------

6.2 How often do you go to bed hungry because there is no food in the house?

Never	Seldom	Always
-------	--------	--------

6.3 Do you think food parcels from the government can benefit the community?

Agree	Strongly Agree
Disagree	Strongly disagree

6.4 Do you think the food you take daily is nutritious for your health?

Agree	Strongly Agree
Disagree	Strongly Disagree

7. Quality of life

7.1 How accessible is the sporting facilities in your area?

Nearby	No sporting facilities	Very Far	Not interested
--------	------------------------	----------	----------------

7.2 According to statistics, Crime is almost everywhere in the country, what do you think aggravates the rate of crime in your area? Choose any.

Lack of sporting activities	Lack of job opportunities	Lack of police patrols
High illiteracy levels	Lack of Parent discipline	High Poverty levels

7.3 What type of crimes exists in your area?

Petty (insults, perjury)	Assault, burglary
Murder	Stock theft

7.4 There are perceptions that high unemployment rate and high incidence of poverty lead to crime? That is, lack of jobs and severe poverty induce people to participate in criminal activities. How do you rate that?

Strongly Agree	Agree	Disagree	Strongly disagree
----------------	-------	----------	-------------------

7.5 Do you think the government's provision of high mast lights in your area did help reduce the incidents of crime? Please rate their efficiency in reducing crime.

Excellent and Effective	Excellent but not effective
Averagely effective	Completely ineffective

8. Socio-Economic impact of Poverty

8.1 How will you rate the efficiency of any poverty alleviation project you are aware of in your area?

Excellent	Good
Bad	Worse

8.2 Municipalities have IDP (Integrated Development Projects) targets aimed at alleviating poverty in rural areas and thus helping to develop rural areas. Do you think such a planned project in your area will help alleviate poverty?

Agree	Strongly Agree
Disagree	Strongly disagree

8.3 Rural developments need participation of all stakeholders, which are; the community leaders, the community itself and political leaders. Do you think the government is doing enough to facilitate the involvement of all stakeholders?

Agree	Strongly Agree
Disagree	Strongly disagree

8.4 There has been past Poverty Alleviation Programmes, like poultry and vegetable farming in your area. What do you think could have led to their collapses?

Lack of management skills	Lack of finance
Lack of project management skills	Infighting within the community
Laziness within the community	No government intervention

8.5 Do you think that government should continue start projects and leave it on the hands of unskilled community selected individuals or appoint project managers on contractual basis for the long term sustainability of the projects? Choose one option.

Leave it on the hands of the community	Appoint permanent project managers
--	------------------------------------

8.6 Huge sum of government money has been spent on Poverty Alleviation Projects, and very few of them have not last for a reasonable period of time. What do you think the government must do to overcome this problem? (Academic researchers have found).

Train enough entrepreneurs through colleges and universities.	Provide permanent jobs in government departments.
Invest in local labourers through skills transfer.	Provide type of education that promotes entrepreneurs.

I really appreciated your cooperation in the filling of this questionnaire and thanks very much for your effort in helping me compile this data.