

**An Investigation Into Prospects and Challenges  
Facing Southern African Countries in Their  
Quest to Achieve the Millennium Development  
Goals Poverty Reduction Strategy:  
The Case of South Africa**

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**Master of Arts in Peace Studies  
And International Relations**

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**AN INVESTIGATION INTO PROSPECTS AND CHALLENGES  
FACING SOUTHERN AFRICAN COUNTRIES IN THEIR QUEST  
TO ACHIEVE THE MILLENNIUM DEVELOPMENT GOALS.  
POVERTY REDUCTION STRATEGY: THE CASE OF SOUTH  
AFRICA.**



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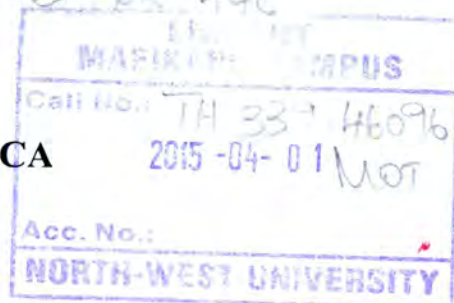
**A MINI DISSERTATION SUBMITTED IN PARTIAL FULFILMENT  
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## **Declaration**

I ..... hereby declare that the research project of Masters of Arts in Peace Studies and International Relations at the North West University ( Mafikeng Campus) has not been previously submitted by me for a degree at this institution or any other university. It is my own work and all material used herein has been duly acknowledged.

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## Abstract

The research paper opens with the evolution of the Millennium Development Goals as a development framework. Having considered the evolution of the Millennium Development Goals, the paper then focuses on the socio-economic and political huddles that will make the realization of the Millennium Development Goals in Southern Africa sub region elusive and insurmountable. The study deliberately uses South Africa as a case study primarily because of her geo-political and economic position in the region. The Republic South Africa is the dominant power south of the Sahara. This paper challenges the existing conviction and rhetoric that depict South Africa as the only notable country south of the Sahara that will indubitably meet the Millennium Development Goals and targets by 2015.

The paper draws attention to apparent neglect of the worsening social inequalities, the country's dual economy system, socio-economic and institutional costs of HIV and AIDS as well as neo liberal economic policies that have worsened social disparities in the country. This paper, posits that despite South Africa's economic and political achievements since 1994, the country face intractable socio-economic challenges that will turn the ambition of accomplishing the Millennium Development bleak and elusive. Economic growth alone will not propel the country into sustainable development. The government needs to consider other indicators of development such as employment, health, education, lack of technical skills as well as the growing income inequalities.

The paper also looks at the socio-economic and political frameworks that have been devised to propel the country into sustainable development. More emphasis is also alluded to South Africa's system of governance with more emphasis on the role of municipalities in economic development as well as the realization of the

Millennium Development Goals. Regional governments are at the heart of sustainable social, economic and political development in South Africa. Provincial governments and municipal administration administer social service delivery in their areas of jurisdiction. By in large most of these basic services administered by regional governments such as water, health, housing and social grants are key indicators of the Millennium Development Goals. The paper finally looks at the prospects of achieving the Millennium Development Goals in the region as well as global commitment to the realization of the Millennium Development Goals. In conclusion the research study outlines the findings and recommendations.

## Acronyms

|        |   |
|--------|---|
| AIDS   | Acquired Immune Deficiency Syndrome                       |
| ANC    | African National Congress                                 |
| ASGISA | Accelerated and Shared Growth Initiative for South Africa |
| AU     | African Union   |
| BEEP   | Black Economic Empowerment Programme                      |
| BIG    | Basic income Grant  |
| COSATU | Congress of South African Trade Unions                    |
| CPI    | Consumer Price Index                                      |
| EPWP   | Expanded Public Works Programme                           |
| GDP    | Gross Domestic Product                                    |
| FDI    | Foreign Direct Investment                                 |
| GEAR   | Growth, Employment and Redistribution Strategy            |
| HIPCI  | Highly Indebted poorest Country Initiative                |
| HIV    | Human Immune Virus  |
| HID    | Human Development Index                                   |
| HSRC   | Human Science Research Council                            |
| IES    | Income and Expenditure Survey                             |
| IMF    | International Monetary Fund                               |
| JIPSA  | Joint Initiative on Priority Skills Acquisition           |
| MDG    | Millennium Development Goals                              |
| MTEF   | Medium Term Expenditure Framework                         |
| NEPAD  | New Partnership for African Development                   |
| NGO    | Non Governmental Organizations                            |
| ODA    | Official Development Assistance                           |
| RDP    | Rural Development Programme                               |
| RSA    | Republic of South Africa                                  |
| SABC   | South African Broadcasting Corporation                    |
| SACP   | South African Communist Party                             |

|      |                                       |
|------|---------------------------------------|
| SADC | Southern Africa Development Community |
| WB   | World Bank                            |
| UN   | United Nations                        |
| UNDP | United Nations Development Programme  |

## CHAPTER ONE

### 1. Background

It was In September 2000 for the first time in history leaders across the globe agreed on a common platform of priorities to address socio-economic and political challenges that face humanity. For the first time in history hundred and eighty nine (189) world leaders converged at the United Nations (UN) Millennium Summit and adopted the UN Millennium Declaration in which they committed their nations to free all men, women and children from the abject and dehumanizing conditions of extreme poverty by the year 2015. The Summit drew eight quantifiable development goals that focused on a variety of development issues such as the promotion of education, maternal health care, gender equality, poverty reduction policies, child mortality, AIDS and other fatal diseases such as malaria. These goals became known as the Millennium Development Goals (MDG) and for many countries they became a roadmap and a blueprint to sustainable socio-economic development in the 21<sup>st</sup> century (Sahn, 2003).

The Millennium Development Goals are measurable targets attached to a time frame intended to change the lives of billions of people across the globe by the year 2015. These quantifiable goals and targets comprehensively address poverty, education, gender equality, diseases, child mortality, maternal health, the environment and the global partnership for development. The above targets represent a long-term global vision that aims to eradicate all socio-economic challenges that face humanity in the 21<sup>st</sup> century. The goals also aim to drive all countries of the world into sustainable socio-economic and political development by the year 2015. All countries of the world have pledged to work towards these goals and to ensure that by the year 2015 they would have achieved almost all of them. (Burton 2002:38).

Developing countries have pledged to align themselves to democratic principles such as good governance, implementing the right mix of policies and adherence to rule of law. They also pledged to invest in their human resources through education, health care and social security programmes. Rich nations on their part pledged to support poor countries through various development initiatives such as debt relief, aid and fair trade. Therefore the Millennium Development Goals represent a global partnership and commitment by all nations of the world to eradicate poverty and achieve sustainable socio-economic development by the year 2015 (Stewart, 2002).

Currently there is a growing research interest in the area of sustainable development and poverty reduction through accelerated pro poor growth initiatives aimed at accomplishing the Millennium Development Goals and targets by the year 2015. This research paper is a contribution to this literature and it looks at the socio-economic and political hurdles that may render the goal of achieving the Millennium Development Goals in Southern Africa sub region elusive and possibly insurmountable. Greenhill (2002:26) accentuate that in the Southern African Development Community (SADC) the Millennium Development Goals have spawn so much rhetoric today because they reflect the perceived callousness and ineffectiveness of the International Monetary Fund backed Structural Adjustment Programmes. Some countries see them as set of developmental targets that will channel their countries into sustainable socio-economic development.

The current study uses South Africa, as a case study primarily because the country is a dominant power in Africa south of the Sahara and it is widely seen in good stead to meet the Millennium Development Goals. The country has well-developed industrial infrastructures, a stable macro-economic fiscal system, low international indebtedness, a vigorous and capable entrepreneurial stratum and

well trained managers and considerable natural resources (Ken, 2003). The country is undoubtedly the richest and possibly the most stable plural democracy in Africa south of the Sahara. It is for these reasons that it is widely seen as standing the best chance of achieving the Millennium Development Goals.

However, despite these positive economic strides and the popular conviction that the Republic of South Africa will successfully accomplish the Millennium Development Goals, this research study identifies some loopholes and shortcomings in current research that glorifies South Africa's chances of accomplishing the MDG by the year 2015. The study posits that although South Africa has made great strides in economic development since 1994, its chances of successfully accomplishing the MDGs are bleak and elusive. The Republic of South Africa faces intractable socio-economic and political huddles that are deeply entrenched in the legacy of apartheid. The country has the most unequal society in the world due to skewed income distribution. The majority of the black population are poor living below the poverty datum line of US\$1 a day and poverty has become structural and resistant to policy interventions (Pandayachee, 2006:143).

Kraay (2004:56) point out that the Republic of South Africa continues to pursue neo-liberal micro-economic and social policies that worsen socio-economic condition prevailing in the country. Neo-liberal policies such as the Growth, Employment and Redistribution Strategy (GEAR) market orientation force the government from pursuing strategies which can alleviate poverty and redress the legacies of apartheid. In the health sector the challenges of HIV and AIDS loom large over South Africa's effort to accomplish the Millennium Development Goals in 2015. The pandemic is slowly depleting human capital, the very foundation of social development. According to Thom (2006) about 5.5 million South Africans are HIV positive and this represent over 18% of the population and gives South

Africa the unfortunate distinction of having the highest number of people living with HIV and AIDS in the world.

Growing unemployment has also become a major concern in South Africa. Effects of unemployment such as crime, prostitution and the growing belligerence of the trade unions are likely to scare off potential foreign direct investors. Van der Berg (2005) states that recent trends in South Africa's economic development shows that the economy is growing at a healthy rate of over 4% yet it has been termed a jobless economy because it does not create enough jobs for the majority of poor South Africans. This clearly indicates that economic growth alone is not enough to channel a country into sustainable socio-economic development and the ultimate goal of accomplishing the Millennium Development Goals. The Millennium Development Goals will not be sincerely accomplished in an environment where people live in abject poverty where unemployment rate is high, where social services are only available to serve a minority white and where the HIV and AIDS pandemic continues to deplete human capital.

In a nutshell the Republic of South Africa faces intractable socio-economic and political challenges that threaten to reverse its development gains and dent its hope of meeting the Millennium Development Goals (Tunde, 2002). This research study contend that despite existing weighted evidence and literature that indicate that South Africa will successfully meet the Millennium Development Goals by the year 2015, there is also concrete and credible evidence that illustrate that the Millennium Development Goals will be difficult to attain.

The study limits itself to the first Millennium Development Goal and targets that relate to the eradication of poverty by 2015. The goal has two major targets that relate to the reduction of poverty by the year 2015. The first target is to halve between 1990 and 2015 the proportion of people whose income is less than one

dollar a day. Signatories to the Millennium Declaration also agreed to halve between 1990 and 2015 the proportion of people who suffer from hunger. Sahn (2002:32) point out that meeting the goal on poverty is integral for the realisation of all the Millennium Development Goals because all the goals are closely inter-related and achieving one delivers gains towards achieving the other. If the goal on poverty can be accomplished, this will chart the path for meeting most of the goals and targets such as those relating to health, gender, education and epidemics such as HIV/AIDS will be realised.

Hugon (2004:78) highlight that in Southern Africa poverty remains a major obstacle to the realization of the Millennium Development Goals. He states that current trends most Southern African countries will fail to meet the majority of the MDGs by 2015 primarily because poverty has become stagnant, deepened and severely chronic and therefore resisting policy intervention. On average 38% of the Southern African population lives below the poverty threshold of US\$1 a day (Pandayachee, 2006:144). It has been estimated that Southern African countries needs US\$17.6 billion in external financing to halve the population of people living in extreme poverty and hunger in the region (Burges, 2003:24).

Insufficient and lean development capital is compounded by high capital flow from indebted SADC countries to their creditors in the form of debt repayments. Southern African countries continue to experience a debilitating debt burden that has deleterious implications on their ability to finance social and economic development. The SADC sub region has a total annual debt stock of US\$78.1 billion. Indeed some SADC countries spend more of their lean financial resources on debt servicing than on key social sectors necessary for the achievement of the Millennium Development Goals (Oladele & Kasse, 2005).

In some poor SADC countries like Mozambique, the annual debt service is almost four times than the annual expenditure on key MDG social indicators such as health and education. This is indeed a serious drain of the regions already depleted development finances. It is lamentable that initiatives such as the highly indebted Poorest Country Initiative (HIPCI) have so far failed to position most of the countries in the region to service their debts without experiencing any shocks. Mozambique for example, has religiously followed the World Bank and International Monetary Fund prescriptions under the Structural Adjustment Programmes for over twenty five years yet the country continues to spend more of its scarce export revenues on repaying its unsustainable debt. Throughout Southern Africa, from Lesotho to Malawi the HIPC has failed to lift most countries from the debt bondage and the introduction of the MDGs provide a window of hope for the majority of poor indebted countries in the SADC sub region (Kambhampati, 2004).

Southern Africa like the rest of Sub Saharan Africa adopted the Millennium Development Goals with much fanfare as a blue print to sustainable socio-economic development in the 21<sup>st</sup> century. However, today more than a decade later many of them are far from meeting the goals and targets by the fall of 2015. Like the rest of Sub Saharan Africa, in Southern Africa the development challenges go deeper than chronic poverty, low income, falling trade shares and slow growth. The regions face intractable socio-economic huddles that turn the realisation of the Millennium Development Goals bleak and possibly insurmountable. Available data shows rather poignantly that SADC is one of the regions that are lagging behind in the implementation of the Millennium Development Goals and faces the unpalatable possibility of failure to meet the targets by 2015 (Kingsbury and Mckay ,2002: 192).

For the purpose of this study Southern Africa is taken to consist of the Southern African Development Community (SADC) grouping of states that include a number of economic success stories and apparently stable democracies such as South Africa, Botswana, Namibia, Mozambique and possibly Tanzania. It also includes countries like the Democratic Republic of Congo and Angola which face extreme challenges of political instability after decades of civil wars. Between these categories are a large number of SADC member states that could be considered as risks such as Swaziland, Zimbabwe, Malawi and Lesotho. Currently Zimbabwe is in a state of collapse substantially due to poor policy reforms, non-adherence to democratic principle such as good governance and rule of law. Swaziland outlawed multiparty democracy and there is presumably a potential time bomb for social and political unrest as reformists and royalist occasionally clash over issues pertaining to the return of multiparty democracy (Tunde, 2002: 23)

The majority of the countries in the region such as Lesotho have their national budget dependent on foreign aid and some like Mozambique are among the poorest in the world and are trapped in chronic poverty and debt bondage. McLeod (2004:67) state that the SADC sub region has a total debt stock of US\$78.1 billion with total annual debt service amounting to US \$6.8 billion. Indeed these countries will experience severe hurdles in their efforts to realize the Millennium Development Goals. William (2001:56) warns that countries which have manageable debt burden such as South Africa and Botswana are not immune from factors that inhibit sustainable development and the ultimate quest to accomplish the MDGs and targets. Despite being a beacon of democracy with the largest economic growth rate in the SADC sub region, Botswana has a sizeable section of her population living in extreme poverty.

Similarly in South Africa about 57% of the population live below the poverty datum line, the national unemployment rate is perked at 25.5% and the HIV/AIDS prevalence rate according to the National HIV Survey of 2005 is at 16.2%. the Republic of South Africa now stand to see all its developmental efforts dissipate in the fight against HIV and AIDS as the proportion of the adult population infected with the disease has doubled (National HIV Survey of 2005). According to Statistics South Africa's report of 2002 the average income of the richest 20% of South African largely white is forty five (45) times more than the average income of the poorest 20% of households' largely black. Sustainable socio-economic development cannot be achieved in a society characterized by gross income inequalities and depleted by the HIV and AIDS pandemic.

South Africa was selected as the focus of the study for various significant reasons. Firstly the Republic of South Africa is the dominant economic power house the whole of Africa. In the broader context of a rapidly globalizing world, South Africa continues to fight for greatest need especially the need to roll back poverty and underdevelopment and bring peace and prosperity to the African continent. The country has been involved in conflict resolution and peace building initiatives throughout the continent from Darfur in the Sudan to the Ivory Coast in West Africa. As the think tank behind the New Partnership for Africa Development (NEPAD) and the African Renaissance South Africa's social, economic and political influence in the African continent stretches from Cape Town to Cairo.

Through NEPAD the South African government in conjunction with its private sector has fast tracked peace building initiatives throughout Africa in countries such as the Democratic Republic of Congo and Burundi. South Africa's firms and multilateral corporations such as those in the telecommunication, transport, mining and retail industry have become a major source of foreign direct investment throughout the continent.

Bruggemans (2003:43) point out that the Republic of South Africa accounts for 30% of exports of the nine most important minerals in the world and accounts for more than half of sub Saharan GDP. The country is undoubtedly the richest and possible one of the most stable plural democracy in Africa south of the Sahara and it is widely seen as standing the best chance of meeting the Millennium Development Goals. Current literature such as the South Africa's Millennium Development Goals Country report of 2005 indicate that the country is well on course to meet the Millennium Declaration targets and it has in fact already met some of the key targets. However, as suggested earlier in this study some social, economic and political hurdles have been identified as potentially crippling to South Africa's ambitions of accomplishing all the MDG by 2015.

Attaran (2005) states that available data shows rather poignantly that South Africa faces intractable challenges of HIV and AIDS pandemic, pervasive poverty, gross social inequalities, violence, rapes, murders, increasing suicides, gangsterism and the growing influence of drug lords. Immense challenges also remain in meeting water, sanitation and human settlement goals. There are also institutional and human capacity constraints which are exacerbated by social delivery institutions that were created to serve the minority. For example, apartheid left the country with rural areas which are underdeveloped and un-serviced with poor under resourced municipalities. However, compared to other African countries South Africa perhaps has better chances of achieving the Millennium Development Goals by 2015.

According to a study by the Human Science Research Council (HSRC) of 2004, poverty among South African poor is getting deeper while the gap between the rich and the poor is wider now than before. In most part of the country a large segment of initially poor household have either held steady or fallen behind. Poverty has become structural rather than cyclical in nature. Cyclical poverty

refers to poverty that may be widespread throughout a population, but the occurrence itself is of limited duration while structural poverty is rooted in the basic set-up of society in the distribution of assets, continuing unequal social relations and in processes of exclusion and marginalization (Carter and May 2000). Chronic structural manifestation of poverty is more difficult to address in terms of policy intervention and therefore remains a major challenge to socio-economic development and the subsequent achievement of the Millennium Development Goals (Human Science Research Council, 2004:45).

According to the UNDP report of 2003, poverty remains worst in the former independent homelands (the Transkei, Bophuthatswana, Venda and Ciskei). About twenty two (22) million South Africans almost half of the population live in poverty. In 2002 it was estimated that 23.8% of people were living on less than \$2 a day and 10.5% were on less than \$1 a day (UNDP, 2003). Poverty in South Africa has deepened and continues to resist policy intervention. Like many African countries South Africa has good sport record and poor socio-economic records. Recently South Africa won the rugby world cup and poor South Africans may wonder if there is any point in beating the best in the world at rugby or cricket, only to be beaten and trounced by man's oldest enemy, poverty. For South Africa to be a true champion there is great need to comprehensively defeat poverty.

To many people South Africa is a two state in one. There is the world of the most affluent people enjoying the benefits of economic growth and the world of those that are poor and jobless or poorly paid. Perhaps the most important development has been the so called two economies debate and president Mbeki's assertion that many people in South Africa are trapped in the world economy existing side by side with the modern first economy but structurally disconnected from it (Mbeki, 2003). The disparity in the lifestyle of blacks and whites remains so vivid that to

this day socio-economic developments in the black and white neighborhoods make South Africa look like two countries in one. In the greater Johannesburg the magnificent mansions of Nasrec are overshadowed by the sprawling shacks of Alexandra Township. On the outskirts of Cape Town, which is surrounded by the most gorgeous beaches and mountains, the squatter camps of Crossroads and Khayaletsha have some of the worst third world conditions imaginable (Ginsberg, 1998:29).

The other reason why South Africa was chosen was because of its critical HIV and AIDS situation. The pandemic severely depletes human capital, the very foundation of social development. According to the UNAIDS estimates 5.5 million South African's are HIV positive and this represent over 18% of the population. According to a study report (2004) by South Africa HIV/AIDS Caring Project, out of the estimated forty (40) million people living with HIV and AIDS globally between 4.7 million and 6.6 million or 10% are living in South Africa. This is extremely a huge figure in a country that is aiming to accomplish the Millennium Development Goals in a decade to come. In 2005 alone 320 000 people died of AIDS living 1.2 million children orphaned as a result of the pandemic. The future economic and social impact of the AIDS pandemic is unthinkable given the majority of AIDS related deaths are adults aged between 18-49 (Barnet, 2000).

According to Macgregor (2001:12) the HIV and AIDS pandemic has a major impact on poverty because it takes out of the system, community and families individuals, wage earners and in the process depresses household incomes. The pandemic continues to create social and economic impacts at family, community and national levels where breadwinners are lost. The pandemic has killed teachers, health workers and civil servants. More families in South Africa have reported that they spend much of their time attending funerals than weddings.

The pandemic has not only become a health issue but it has turned to be an institutional burden. It has exerted a huge financial strain on institutions responsible for social service delivery. The pandemic is making a huge dent on public finances through increased demand on medical and social service delivery. Burja (2000:78) point out that in the 2005\2006 financial year the government allocated R3 billion to provinces to fight HIV and AIDS alone and this became the largest budget allocation after education.

The government response to the pandemic has for a long time been hampered by the political debate surrounding the preventive nature of the disease (Thom, 2006). President Thabo Mbeki attracted worldwide scorn for questioning the causal link between HIV and AIDS and delaying the use of antiretroviral drugs in the public health sector on cost and safety grounds. However, in early 2004 the government began to make the antiretroviral drugs available in the public sector but hundreds of thousands of infected citizens mostly those in rural areas still have no access to such drugs. The HIV and AIDS pandemic undermine the very social and human development goals the government intends to achieve by the fall of 2015 (SA AIDS Caring Project, 2004).

The third reason why South Africa was chosen as the focus of study is the gross income disparities that characterize the South African society today. Despite its status as a middle income country South Africa's income disparities are among the highest in the world and remain an obstinate problem. The widening gap between the rich and the poor remains worrisome and a possible time bomb for social unrest. The Human Science Research Council report of 2004 illustrate that poverty among South African poor is getting deeper while the gap between the rich and the poor is getting wider now than before. A large segment of initially poor household have either held steady or fallen behind.

Government neo-liberal policies and initiatives such as the Growth, Employment and Redistribution Strategy (GEAR) and the Black Economic Empowerment Programme (BEEP) have yielded mixed socio-economic results. GEAR has failed to reduce the stark problem of unemployment while the Black Economic Empowerment Programme does not only benefit the few politically connected elites but it exacerbates unequal income distribution in the society. Beneficiaries of the Black Economic Empowerment policy earn millions of Rands annually in a country where a large section of the population live below the poverty datum line of less than US\$1 a day. This elevates South Africa to the position of having some of the highest income disparities in the world. Gross income disparities remain incompatible to sustainable socio-economic developments and to the aspiration of accomplishing the Millennium Development Goals (McLeod, 2004).

The fourth reason why South Africa was chosen is because of the very high unemployment rates. Although South Africa's economy is doing well, growing at a healthy rate of over 4% per year it has been termed a jobless growth because it fails to meet employment and living conditions for the majority of its people. The chronic nature of unemployment is illustrated by the fact that many unemployed people have never worked before. Like in other Southern African countries those who are looking for employment have been doing so for more than three years (Ginsberg, 1998:69). The government response to this crisis has been inadequate. The unemployed are currently the fastest growing constituency in South Africa.

Like the majority of Southern African countries intervention strategies formulated by the government like the social security policy is Eurocentric based on European model where unemployment is considered to be a short-term problem. But in South Africa it is not a short-term problem but rather a long-term problem because a person can spend four years looking for a job. Meeting the Millennium

Development Goals in a jobless society will be a daunting task for the South African government (Labbrends, 2005).

## **1.2. Rationale of the Study**

The underlying principle for undertaking this research study was to investigate and explore the social, economic and political challenges that impede the accomplishment of the Millennium Development Goals in Southern Africa by the year 2015. Research in the area of the Millennium Development Goals is currently receiving a lot of attention. This study therefore intends to make a contribution to the debate. The study was motivated by current research literature that underscores South Africa's economic achievements as one of the major justifications why South Africa is tipped as the only country in Southern Africa that will effectively meet the Millennium Development Goals in 2015.

The other reason for embarking on this research study was that the Millennium Development Goals are time bound and have a deadline of 2015 yet more than a decade later after signing the Millennium Declaration South Africa and her SADC neighbours still lag behind in terms of implementation. It is therefore important to explore the huddles that impede sustainable socio-economic development and threaten the accomplishment of the Millennium Development Goals in the SADC region. The study specifically explored the first goal that deals with the eradication of poverty.

Destitution and hunger are incompatible to socio-economic development and that the ambition of successfully meeting the Millennium Development Goals by the year 2015 in the SADC region will remain a distant ambition. The relevance study is with respect to the findings and recommendations will benefit not only SADC

governments but also Non Governmental Organizations and other key stakeholders that are involved in the field of development.

### **1.3. Statement of the Problem**

The Problem is expressed in the following questions

- What are the social, economic and political challenges that are likely to make the achievement of the Millennium Development Goals in South Africa bleak and elusive?
- How does the Millennium Development Goals fit into the Socio-economic and political conditions prevailing in SADC and specifically in South Africa?
- How do national governments respond to these hurdles in terms of policy intervention and developmental frameworks?

### **1.4. Aim of the Study**

The aim of the study is to investigate the challenges facing Southern African countries in their efforts to achieve the Millennium Development Goals by 2015. Specifically the study shall investigate the social, economic and political hurdles that impede the realization of the Millennium Development Goals in South Africa. The Republic of South Africa is the dominant power in Africa south of the Sahara, therefore it is imperative to investigate and explore South Africa's chances of accomplishing the Millennium Development Goals because social, economic and political trends taking place in South Africa are likely to have direct impact to the rest of the African continent.

### **1.5. Objectives of the Study**

- To investigate the prospects and challenges facing Southern African countries in their quest to meet the Millennium Development Goals by the year 2015.

- To analyze how national governments in the SADC sub region respond to the socio-economic and political huddles in terms of policy intervention and developmental frameworks?
- To analyze the Millennium Development Goals by focusing on recent trends on the goal on poverty.

## **1.6. Hypotheses**

The study is premised on the following hypothesis

- The SADC region face intractable socio-economic and political challenges that make the ambition of achieving the Millennium Development Goals and targets bleak and elusive
- Policy intervention by most SADC countries appears to exacerbate the existing socio-economic conditions
- Taken as a whole the Millennium Development Goals are influential as a veritable tool for development and could give governments a common framework for structuring polices and practices

## **1.7. Significance of the Study**

This research study is important because it investigate socio-economic challenges that have the potential to make the ambition of meeting the Millennium Development Goals in the SADC region an illusion. It is important to point that the Millennium Development Goals are time bound and have a deadline of 2015. Today the Millennium Development Goals spawn so much rhetoric in the SADC region and many countries are highly optimistic about meeting the targets in 2015. However, such optimism and fanfare must be approached cautiously because of certain difficult challenges that Southern African countries are faced with. For example, poverty, the national debt, political instability, HIV and AIDS.

This research study will have a significant impact on national policy development makers because it details the huddles that impede sustainable development in South Africa and her SADC neighbours. It will serve as a blue print to sustainable development and the ultimate ambition of accomplishing the Millennium Development Goals.

### **1.8. Scope of the Study**

The study focuses on South Africa and its SADC neighbors and gives an in-depth analysis of the socio-economic and political hurdles that were likely to inhibit sustainable development and the accomplishment of the Millennium Development Goals in these countries.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0. Introduction

The review of literature focused on research and policy documents. These illuminated intractable and pertinent socio-economic and political huddles that impede sustainable development and the ultimate goal of accomplishing the Millennium Development Goals in South Africa. This chapter presents the review in the context of South Africa, the SADC sub region and the international community.

Toye (1991:42) state that when the United Nations created the Universal Declaration of Human Rights in 1948 signatories proclaimed that all people have the right to a standard of living which is adequate for their health and well-being as well as for his/her family. It was agreed that all people have the right to clothing, housing, food and medical care, necessary social services and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood caused by circumstances beyond his control. However, decades later millions around the world are still too poor crippled by poverty. In the late 1990s the United Nations and its affiliated development experts decided that a comprehensive end to extreme poverty can be achieved by effectively adopting a multi-prolonged approach. Issues of poverty are many and complex and it was decided that initiatives should address interwoven but distinct issues such as the environment, health issues, gender development, epidemics such as HIV/AIDS and the global partnership towards sustainable development (Stewart, 2002:56).

Thus in September 2000 the United Nations Millennium Summit endorsed the Millennium Development Goals in what was called the Millennium Declaration.

The main objective of the Millennium Summit was to set quantifiable and time bound global development goals to end human suffering from hunger, destitution and diseases found mainly in developing countries. Since their establishment the Millennium Development Goals have increasingly influenced the policy debate throughout the developing world (Attaran, 2005).

Sahn (2003) accentuate that the Millennium Development Goals are a milestone in global development. For the first time in history all countries collectively accepted that poverty and injustice anyway is a collective problem and demands a collective response. The Millennium Development Goals are the end products of numerous United Nations development conferences of the 1960s and 1990s. The first, second and third United Nation Development Decades (1960s, 1970s, 1980s) focused largely on world economic growth. In the 1990s debates about development focused on the need to establish macro-economic stability, strong institutions and governance, enforcement of the rule of law, control of corruption and provide social justice.

The International Development Goals, drafted in 1996 by the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD) also strongly influenced the Millennium Development Goals. Oladele and Kasse (2005:12) points out that just like the OECD Goals the first seven MDGs are time bound and measurable. The eighth MDG is not time bound but instead more of an aspiration goal. The UN also simulated the manner in which these goals relied on bilateral donors to further their development goals. However, unlike the OECD goals the Millennium Development Goals were formally adopted by developed and developing nations alike.

According to Vandemoortele, (2002) the primary objective of the Millennium Development Goals is to cut poverty in half across the globe by the year 2015.

There are eight goals and they are listed as follows: eradicate extreme poverty and hunger: achieve Universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health: combat HIV and AIDS, malaria and other diseases, ensure environmental sustainability and lastly develop a global partnership for development. Goals one through seven are aimed at reducing poverty. The eighth goal which relates to global partnership for development provides the means to achieve the first seven goals (Burton, 2002).

The MDG are premised on six core values which are freedom, equality, solidarity, tolerance, respect for nature and shared responsibility. Each one can be traced to economic, social or cultural rights originally set forth in the Universal Declaration of human Rights and later enumerated in separate treaties which deal with international covenant on economic, social and cultural rights. The Millennium Development Goals therefore are a step in the right direction to meet the the universal aspiration of human rights (Greenhill, 2002).

The Millennium Development Goals spew a lot of rhetoric today throughout the globe because they represent a committed global partnership towards the eradication of socio-economic injustices that face billions of people who are mostly in developing countries. For the first time in history rich nations categorically and unequivocally pledged to support poor countries through various development issues such as accelerated aid, debt relief and fair trade. Developing nations on their part pledged to govern better by committing their nations to democratic principles such as good governance and adherence to the rule of law. They also pledged to invest in their people through education, health care and social security programmes (Thomas, 2003:56).

Taken as a whole, the Millennium Development Goals have been influential in a variety ways on the international scene. In some countries the goals have raised

democratic debates about government performance, fostering political freedom and open debates. In Latin America for example the Brazilian President Luis Inacio da Silva used the Millennium Development Goals as his political platform for his presidential elections (Sahn, 2003:54). In some countries governments have taken policy reforms and reoriented their economies in order to lead their countries to sustainable socio-economic development and ultimately meet the Millennium Development Goals by 2015. In the Southern Africa sub region the majority of countries have devised long term socio-economic and political frameworks aimed at facilitating and accelerating sustainable development. South Africa has devised its Vision 2014 strategy and Botswana has Vision 2016 all geared at charting the path for sustainable development.

Furthermore developing countries are encouraged to undertake Millennium Development Goals Needs Assessment in order to orders to support the alignment of national development policies and programme with the MDGs. The Millennium Development Goals needs Assessment requires first that each country should conduct a needs assessment that compares its current situation with MDG targets and identifies the combination of public investments that would enable the country to achieve the MDGs by 2015. The MDG Status Report 2004 states that the needs assessment should identify specific barriers that prevent faster economic development and greater progress towards poverty reduction and establish a set of specific interventions that address and remove the obstacles (Attaran, 2005).

Throughout Africa there is consensus among governments and planners that achieving the MDG in the continent is of paramount significance for the realization of the continent vision, mission and, the achievement of the New Partnership for African Development objective. The numerous regional and international agreements such as the Universal Declaration of Human Rights, World Summit on Sustainable Development, Abuja Declaration on HIV and

AIDS, Beijing Platform of Action as well as the Millennium Development Declaration and many others address the issues of freedom and social and economic development of the human race (Oladele and Kasse, 2005:17).

The Millennium Development Goals provide the opportunity for African countries to realize the continent's vision, mission as well as directing their countries into sustainable socio-economic development. The national reports presented at the 2005 United Nations Summit show that many African countries are optimistic about meeting the MDG by 2015. The reports indicate that in Africa particularly the Sub Saharan region the problem of poverty is deeper and more widespread. It is noted that half of Africans live in extreme poverty and one third in hunger. In countries like Angola and Zimbabwe current levels of poverty, hunger and child mortality are probably worse than two decades ago (UNDP 2003).

In his study Kambhampate (2004:25) stated that the root causes of poverty are the interplay of the burden of diseases, inadequate access to quality education and health services. He also noted that factors contributing to poverty in Africa include the debt burden, unfavorable terms of trade and internal strife. He observed further that there are institutional and human capacity constraints which he said are exacerbated by years of emigration of thousands of highly qualified professionals in all fields of specialization from Africa to Europe and North America.

William (2001) posited that African countries are home to pervasive inequalities and stagnant poverty. He maintained that closing the poverty gap was a major challenge without which most of the Millennium Development Goals will be impossible to achieve. Sadly enough, most African countries are beset by a heavy burden of diseases such as HIV/AIDS, Malaria and Tuberculosis. The HIV/AIDS pandemic has not only become a public health problem but it has become an institutional problem which greatly exerts strain on social service delivery

institutions. African countries therefore need not be more ambitious in their efforts towards meeting the MDG. Mere expression of optimism is not enough, national governments requires a right mix of policies. They also need adequate technical and managerial capacity as well as increased investment in the social sector. Good governance and effective leadership should also be given utmost priority if the optimism widely expressed in the MDG must go beyond rhetoric.

The Southern Africa sub region is one of the poorest regions in the African continent. According to the SADC Today, Volume. 7 No.2 (2004) available data shows rather poignantly that SADC is one of the regions that are lagging behind in the implementation of the Millennium Development Goals and faces the bleak process of failure to meet the targets by 2015. SADC is home to some of the most pervasive socio-economic conditions such as chronic poverty, debt trap, pandemics such as HIV/AIDS and Tuberculosis, bad governance, social exclusion and uneven access to resources. (Tunde, 2002)

Southern Africa countries face many development challenges that present sever obstacles to the achievement of many of the Millennium Development Goals by 2015 (Stewart J, 2002). The development challenges go deeper than stagnant poverty, social inequalities and diseases. They also include falling trade shares, low saving, slow economic growth, bad governance and the debt trap. Further entrenching the grim situation is the problem of food insecurity which is exacerbated by persistent drought and floods as well as poor policy reforms. For example, Zimbabwe is currently on its knees partly due to the combination of bad governance and poor policy reforms. The prospects of achieving the Millennium Development Goals in the region will therefore largely depend on how effectively countries address these challenges.

It is documented that on average 38% of the SADC population lives below World Bank poverty threshold of US\$1 a day. Worse still the SADC region is faced with the mammoth challenge of debt servicing. The region has a total debt stock of US\$ 78.1 billion with total annual debt service amounting US\$6.86 billion. McCarthy (1999:57) stated that some SADC countries already spend more on debt servicing than on key social sectors necessary for the achievement of Millennium Development Goals. This indeed represents a serious drain on Africa's already depleted developmental finances which are very important to help accomplish the Millennium Development Goals (Greenhill, 2002).

According to McCarthy (1999:60), it has been estimated that SADC needs US\$17.6 billion in external funding to halve the population of people living in extreme poverty and hunger. With huge capital flows from the debtor nations to the creditors, SADC lacks sufficient funds to invest on social and economic development. However, besides the challenges of lean developmental finances, SADC faces the problem of HIV and AIDS that looms large over the regions efforts to meet the Millennium Development Goals by 2015 (Macgregor, 2001). According to UNAIDS (2004) report one third of the global community living with HIV are in the SADC region. In most SADC countries if one is not infected by the virus, they are affected somehow. Over one million of people are estimated to have died from AIDS in the SADC region alone in 2001(UNAIDS 2004).

All SADC countries face similar socio-economic and political hurdles in their aspiration of meeting the Millennium Development Goals. Even countries that are better governed and have good macro-economic system in places such as South Africa, Botswana and Namibia are likely to see the Millennium Development Goals eluding them. Stable democracies such as Botswana stand to experience their socio-economic gains disintegrating as result of the AIDS pandemic. Similarly South Africa, which is, used as a case study in this research project face

pervasive socio-economic challenges emanating from the legacy of apartheid. The country has the highest income disparities in the world and it continues to fight HIV/AIDS pandemic that has infected 5.5 million people and therefore further giving the country an unfortunate distinction of being the country with the highest number of people living with HIV/AIDS in the world (UNAIDS 2004).

South Africa is one of the few Sub Saharan countries that are earmarked to successfully achieve the Millennium Development Goals. Burton (2002:140) observes that South Africa was recently assessed by the African Peer Review Mechanism and the recommendations were that the country has already met some of the Millennium Development Goals. In regard to poverty, South Africa has made some positive strides. The goal initially has two targets namely to half between 1990 and 2015 the proportion of people whose income is less than one dollar a day and to half between 1990 and 2015 the proportion of people who suffer from hunger. According to the government poverty reports South Africa is taking a long term and more in-depth perspective on addressing poverty than merely looking at the monetary aspects of this phenomenon.

As earlier discussed the government is attending to the basic need of the poor by providing better infrastructure such as access to clean water and electricity (Bargeman's, 2003). It is also giving attention to achieving sustainable development goals by creating opportunities for all. In order to achieve sustainable development goals the government give clinic based free primary health care for all and provides compulsory education for everybody between 7 and 15 years. The government also provides financial assistance for children in terms of child grants and school feeding schemes. It also provides comprehensive social security for the vulnerable e.g. people with disabilities and the elderly by means of security grants. These grants presently reach over eight (8) million beneficiaries and act as a safety net against extreme poverty (Fitzgerald, 1999).

As a signatory to the Millennium Declaration and cognizant of the development challenges faced by the country, the government of the Republic of South Africa formulated Vision 2014 for the country and the people which builds upon the Reconstruction and Development Programme, (RDP) of South Africa. Pandayache (2006) posits that Vision 2014 articulates an all-encompassing framework that guides the South African outlook and state and societal interventions directed at addressing key developmental challenges into the second decade of democracy.

In 1994 after the democratic elections the government of South Africa established a federal form of government where administrative powers were decentralized to regional authorities. Nine regional polities were established and these are North West, Gauteng, Limpopo, Kwazulu Natal, Western Cape, Free State, Northern Cape, Eastern Cape and Mpumalanga. These regional governments are responsible for those aspects of administration that affect the everyday life of the population such as health, pension payments, education and housing. Almost all key indicators of the Millennium Development Goals are administered by regional governments. In South Africa when people give judgment about government success in making a better life for them they are mainly evaluating the performance of regional administration (Lodge 2002: 32).

The federal system of government ensures that structural socio-economic issues that are key to the accomplishment of the Millennium Development goals are well addressed by provisional and local governments. Local municipalities play a crucial role in rural development and community upliftment in South Africa. Municipalities throughout South Africa administer, deliver and allocate resources such as clinics, sewerage, schools, street leaning and housing (Craythone, 2003)

South Africa's socio-economic condition remains heavily embedded in the legacy of apartheid. As it is generally acknowledged that apartheid was South Africa's

Berlin Wall. It was the greatest divider. The apartheid architectures instituted draconian policies that subjected the majority of black people into a life of misery, poverty and destitution. The country was subjected to extreme social engineering along the lines of Nazi Germany against the Jews and designed to benefit the minority white population. The regime effected draconian legislations such as the Native Land Act that effected geographical separation between white and blacks. The best land was allocated to whites and what remained was given to the blacks. The majority of blacks were forced into crowded and impoverished homelands and this led to the breakdown of traditional, cultural structure and livelihood (Campbell, 1997).

At the peak of the apartheid system in 1985 more than one million South Africans were classified as migrants. They were not regarded as residents in the areas where they worked. They came from independent homelands of Transkei, Bophuthatswana, Ciskei, Qwaqwa, Venda, Kangwane, Kwazulu, Kwandebele and Gazankulu. Political ideology ensured that these poor so called independent homelands were impoverished while the beneficiaries of the economic development the minority white people (Bruggermans, 2003:12).

Apartheid South Africa instituted and legalized inequality and social exclusion. The system was purely based on racial discrimination. In 1993 the richest 10% of the population received 47.3% of income whereas the poorest 40% of the people had only a 9.1% share. Land inequality meant that 71% of the rural population mainly black lived on 14% of the land while the balance of farmland was owned by only 67 000 farmers (Seccombe, 2001).

After more than a decade of democracy South Africa continues to experience the socio-economic legacies of apartheid. Such developmental challenges remain some of the hurdles in the country's aspiration of meeting the Millennium

Development Goal in 2015. There is the challenge of gross income disparities, stagnant poverty and social delivery institutions that were set to serve the minority section of the population. Of the challenges the scourge of HIV/AIDS looms large and it continues to deplete human capital, the very foundation of social development (Tunde 2002:08).

Bujra (2000) points out that HIV/AIDS epidemic is unprecedented in its scale and impact on the most productive age categories especially on those in which society has invested most. The health care system becomes overwhelmed turning the disease into an institutional concern rather than just a mere health problem. The pandemic has made a huge dent on public finances through increased demand in medical and social service delivery. In South Africa 5.5 million people are infected, this represents over 18% of the population. In 2005 alone 320 000 people died of AIDS leaving 1.2 million children orphaned. The future economic and social impact of the pandemic is unthinkable as it continues to deplete the younger generation (UNAIDS, 2006).

However, despite the above mentioned challenges the Republic of South Africa has formulated comprehensive macro and micro economic policies that will channel the country into sustainable development. The country continues to take a leading role in advocating for economic, political and social justice in the African continent. In the broader context of a rapidly globalizing world South Africa continues to fight for greater international attention towards Africa's needs, especially the need to roll back poverty and underdevelopment and bring peace and prosperity to the continent. In line with its foreign policy and the visionary ideology which was introduced by former President Thabo Mbeki; for example the African renaissance South Africa continues to strive for a socio-economic and political environment that is conducive to addressing poverty, social exclusion and the rebirth of the African continent (UNDP, Pretoria2006).

## **2.1. Theoretical Framework**

The theoretical framework of the study couched a number of theories of development and international relations. The decision was done in order to enable the writer to explain the several variables which were chosen for analysis in the study. The theories used in the study are those from the Marxist tradition, liberal tradition, and the Mercantilist paradigm. These include neo-liberalism, modernization, dependency theory, World System theory and the neo-realist paradigm. Through the theories the whole aspects of Africa's socio-economic paralysis, future development prospects and the widening North-South divide is critically outlined. The choice of the theories made it possible to critically and clearly outline paralysis as well as future development prospects in Africa. The combination also allowed the researcher to see the increasing economic divide between the north and the south.

### ***2.1.1. Modernization theory***

Rist (2002) point out that modernization has been a dominant theory in the west since the 1950s. The theory focused on deficiencies in the poorer countries and speculated about ways to overcome these deficiencies. Since gaining their independence many developing countries began a frenetic process to try and catch up with the industrialized West. The developing nations were encouraged to imitate what their counterparts in the northern hemisphere had done. In short, to follow the footsteps made by the west, while simultaneously avoiding some of the mistakes the West had made (Kambhampati, 2004).

Proponents of this Euro centric paradigm view traditional societies as a negative stagnant and unchanging, not innovative, not profit making, not progressing and not growing. The developing nations are encouraged to adopt pro-development policies that will propel their nations to sustainable socio-economic development.

In a nutshell the proponents of this theory posit that poverty would be vanquished only if backward economies were modernized along the western tradition. The Millennium Development Goals therefore are seen as providing developing nations with the opportunity to transform from tradition to modernity; an opportunity to catch up with the West. Through modernization economic growth will increase and as a result challenges of poverty, arrested development, diseases, illiteracy and gross social disparities will be addressed. The need to modernize and transform backward economies is seen as fundamental in order to vanquish socio-economic ills such as poverty (Kingsbury 2000:24).

### ***2.1.2. Liberal tradition***

Since the 1980s development thought and policy has been dominated by what has become known as neo liberal thought or what Toye (1991) has called the New Political Economy. Neo- liberalism is a label for economic liberalism that describes government policies aiming to promote free competition among business firms within the market, notably liberalization and monetarism. Proponents of this paradigm posit that in order for the government to attain sustainable socio-economic development it should pursue liberal policies. It should promote a stable currency, a balanced budget, free market and free trade. Good governance is viewed as a basic requirement for sustainable socio-economic and political development.

According to this theory, therefore, good governance and effective leadership must be the utmost priority if the optimism widely expressed in the Millennium Development Goals would go beyond paper rhetoric. I found the theory relevant since I am also of the view that in order to successfully achieve the Millennium Development Goals Southern African countries should adhere to liberal democratic principles such as good governance, rule of law, accountability as well

as broad and deep participation by all sectors of society. Governments should therefore adhere to pro-developmental economic policies such as trade liberalization, privatization, balanced budgets and stable currencies.

The theory views decision makers as crucial partners in development. the theory asserts that governments that fail to pursue good economic policies do so because decision makers are either corrupt or too ignorant of the correct economic choices they might make. I concur that The achievement and prospects of the Millennium Development Goals in Southern Africa will therefore to a large extent be determined by the regions adherence to liberal democratic principles and economic policies. Countries that will ignore liberal democratic principles such as good governance will fail to meet the Millennium Development Goals by the year 2015.

### ***2.1.3. The Mercantilist tradition***

#### ***2.1.3.1. Theory of Realism***

The Mercantilist tradition and the realist paradigm share the same presumption in international relations. They don't focus on individual policy makers and their policy choices. Rather they assume that the world economy is an arena of competition among states which seek to maximize relative strength and power. Simply put the international system is like a jungle in which the state has to do what it can to survive. For this reason the aim of every state must be to maximize its wealth and independence. States will seek to do this by ensuring their self-sufficiency in key strategic industries and commodities and by using trade protectionism (tariffs and other limits on exports and imports) subsidies ( Rist, 2002).

Achieving the Millennium Development Goals in an anarchic though not chaotic international environment will be an obdurate challenge for the Southern African

sub region. Eradicating poverty in the region will require a healthy global partnership free of unfair trade practices such as subsidies and tariffs duties. Protagonists of the realist paradigm point that within the international system some states have more power and capability than others. The most powerful states define the rules and limits of the system through hegemony, alliance and balance of power. The developing nations find themselves trapped in this north-south divide and they have become subservient to the dictates of these powerful nations and their dominant global institutions such as the World Bank and the International Monetary Fund. This theory indubitably supports the assertion that the Millennium Development Goals enables the dominant nations from the northern hemisphere to retain considerable power and influence that they maintained during the colonial era. Through debt relief and other technical assistance putative nations exert their influence over the weak nations.

#### ***2.1.4. The Marxian tradition***

The Marxian tradition remains one of the dominant theories of socio-economic and political development. This paradigm also views the world economy as an arena of competition but not among states. Capitalism is the driving force in the world economy. In the words of Karl Marx the world economic relations are best conceived as a struggle between the oppressor and the oppressed (Phil Williams, Donald M. Goldstein, Jay M. Shafritz, 1994). The oppressors are those who own the means of production (trade and industry). In international relations this description of class relations within a capitalist system has been applied to describe relations between the core (industrialized countries) and periphery (developing Countries) and the unequal exchange that occurs between the two (Rist, 2002:115).

Because of the position above, an argument can be made that the origin of the current socio-economic problems such as poverty development in the third world cannot be understood without reference to the entire international economic system. Most of the stipulated goals in the Millennium Declaration have direct bearing on the uneven global economic field. Third world countries are marginalized from the global economy by various policies of the west such as protectionism that have come in different forms such as farm subsidies and the quota system. Achieving the Millennium Development Goals in a grossly unequal global partnership will be insurmountable. The Marxian tradition has led to the offshoot of neo-Marxian theorists such as the dependency and dominance paradigm and the World System theory, which were a response to try and address the inequalities believed to have been created by the mercantile tradition. These are elaborated below.

#### ***2.1.5. Dependency theory***

The theory argues that the origins of persistent global poverty cannot be understood without reference to the entire international economic system. Underdevelopment is not a condition; it is the active process of impoverishment linked to development. The theory maintains that some parts of the world are underdeveloped because others are developed. It views underdevelopment and development not as separate processes, but two aspects of the same process. In other words economic growth in advanced countries created third world poverty in its wake; not simply that the third world is poor in comparison with the industrialized world rather it is poor because it suffered from colonialism, imperialism, apartheid, extractive terms of trade and globalization (Kingsbury, 2002).

Poverty to the third world is therefore not traditional or accidental. It is a necessary companion to the richness of the developed world. The expansion of the

industrial world deformed the rest of the world. The whole concept of the Millennium Development Goals is therefore well explained and analyzed by the dependency theory.

#### ***2.1.6. World System theory***

This theory is an offshoot of the dependency paradigm. According to the center-periphery paradigm, the world economy is comprised of two sectors- the center and the periphery and these centers have different production structures. The periphery or backward sector is characterized by low productivity and backward production techniques. It coexists with the modern sector which boasts high productivity levels and uses modern technology. The center literary refers to the developed nations of the northern hemisphere and the periphery refers to the poor developing nations from the South. The relationship between the center and the periphery is characterized by dominance and dependency.

The North imposes their political and economic influence on the South and such relationship is viewed as imperialist and neo colonialist in nature. This theory helps to analyze the rhetoric behind the global partnership for the eradication of poverty, diseases and gross socio-economic inequalities in the south. More importantly the theory enables the study to investigate the challenges threatening the attainment of the Millennium Development Goals and how national governments in collaboration with global partnership will be able to meet the goals by the fall of 2015.

## CHAPTER THREE

### METHODOLOGY

#### 3.0. Introduction

This section presents a description of how the challenges and obstacles impeding the realization of the Millennium Development Goals in South Africa were identified.

#### 3.1. Research Design

Based on the scope of the study which was described in 1.8, this study is descriptive and incorporates both qualitative and quantitative research approaches. Specific methods used for data collection are questionnaires, focus group discussion and in –depth informal interviews with key informants. Case studies were also analyzed in order to obtain more information. The advantages of using the case study technique in such a broad and complex research topic according to Sarantakos (1997:93) include the following:

- It helps to gain more information about the structure, process and complexity of the research objects when relevant information is not well available or sufficient.
- It is good particularly when the research context is too complex and when the research is interested in the structure, process and outcomes of a single unit.
- It employs several methods primarily to avoid or prevent errors or distortion

- It perceives the responded as an expert not just as a source of typical case information.
- It facilitate conceptualization
- It studies typical cases in actual contexts.

- *Qualitative Technique*

The study adopted the qualitative method, as its major research methodology. The technique best suited the researcher's intention to investigate the socio-economic and political challenges that inhibited sustainable development and impeded the accomplishment of the Millennium Development Goals in the Southern Africa Sub region especially in South Africa. The qualitative method was important because social sciences are not natural sciences and therefore important subjects of data collection are not just objects but partners and experts whose views are sought (Sarandakos 1997:45). Qualitative research techniques such as interviews, questionnaires and focus group discussions form the core of data collection methods.

The qualitative method helped to draw out the vital clues by developing discussion, getting people to talk through in their own words on how they see a particular idea or subject. Research subjects were able to express their views on issues pertaining to poverty, social inequalities and poor policy reforms

The researcher noted that the use of a single method was not sufficient for the study because the Millennium Development Goals include numerical targets for most of the goals and employs high levels of measurements. The quantitative method with its analytical practice of representation in science was therefore found vital for collecting and analyzing numerical data. Quantitative data included statistical data about distribution, household poverty levels and unemployment levels in South Africa.

○ *Qualitative Method*

Qualitative methods were used to extract people's social perception, general attitude as well as the prospects of the Millennium Development Goals in South Africa and the Southern African sub region at large. The data was collected using focus groups and in-depth informal interviews with key informants such as heads of departments/sections both from government and private sector as well as sample of poor families in Motlhabeng village which is in the periphery of Mafeking in the North West province. Focus group discussions were crucial and the study was able to solicit vital ideas from the participants

○ *Focus group sampling*

Regarding focus groups the following criteria were used to purposefully select focus group.

- The group had to be made up of people from the same background or experiences especially men and women living in an area officially designated as poverty stricken (Motlhabeng). This was considered to ensure gender parity.
- The size of the group was not to be less than three and not more than ten people.

A group of three women and two men attended the focus group meeting. The group was attentive, respectful of one another, and stayed on focus without prompts. The group unanimously agreed that poverty was rife in Motlhabeng village and the local Municipality was failing to provide them with basic amenities. Although the group discussion went well there were some few challenges. Firstly five participants out of the six that were targeted participated in the focus group discussion. The other challenge is that the participants were not comfortable with the nationality of the researcher. They felt uncomfortable with a citizen of Botswana exploring the extent of poverty in their community. However,

these challenges were minor and did not affect the findings of this study. For questions that guided the focus group discussion (see **appendix 2**).

○ *Quantitative Method*

The quantitative method was used to collect quantifiable general information about all Millennium Development Goals socio-economic and political indicators. Such data was gathered from various sources such as government, regional organizations (SADC), United Nations development agencies such as UNDP, Non governmental organizations, research institutes, and the private sector. A questionnaire was developed (see **appendix 1**). The questionnaire was distributed to a selected sample.

According to Sprague and Zimmerman (1989:82) the quantitative method supplement the deficiencies of the qualitative methods by covering the whole aspect of quantitative elements such as numbers, statistics, and numerical data in general. The quantitative method was considered for the following reasons.

- It employs high level of measurements
- It is particularistic, it studies elements and variables
- It is a closed approach, it is strictly planned
- It places priority on studying deficiencies

This study therefore adopted the quantitative method as a complement and supplement to the qualitative method. The advantages of using both approaches as highlighted by Blackie (1988) and Burgess 1984 are as follows:

- It expresses the commitment to thoroughness, the desire to be open ended as well as to increase the likelihood of obtaining scientific creditability.
- To overcome the deficiencies of single method studies
- Two methods are generally thought to produce more valid and reliable results than the use of a single method.
- To use the strength of each method to overcome the deficiencies of the other.

As noted above, using methods various data collection techniques such as interviews, focus group discussion, questionnaires and observation enabled the a thorough investigation of the situation and problem. Such a combination of methods is called triangulation. Triangulation is employed for a number of reasons. Using two or more methods for instance is thought to allow the researcher to obtain a variety of information on the same issue Blackie (1988), and Burges (1984).

### **3.3. Research Sites**

The study was conducted in the following four sites:

- Mafikeng
- Pretoria
- Gaborone
- Motlhabeng village

In selecting the research subject's efforts were made to ensure that they are involved in the field of development either as policy makers or implementers. The researcher also ensured that the poor who are the victims of soaring unemployment, the legacy of apartheid and as well as poor policy reforms,

participate in the study. This was because their testimony and experiences of poverty was vital for the findings and recommendations of this research study.

In total the number of participants who participated in this research study included twenty (20) for the questionnaire responses, four (4) for focus group discussions and ten (10) for semi-structured (informal interviews). Table one shows the organizations that were represented by the participants of this research study.

**Table 1: Organizations that Participated in the research study**

| <i>Government ministries/ departments</i>  | <i>Name of NGO</i>                                  | <i>Private Sector &amp; Civil Society</i> | <i>Community Based Organization</i>   |
|--|---|---|---|
| <ul style="list-style-type: none"> <li>Ministry of Foreign Affairs (RSA)</li> </ul>              | Institute for Democracy in South Africa (IDASA)     | Development Bank of Southern Africa.      | Matshelo Development Community  |
| <ul style="list-style-type: none"> <li>Ministry of Social Development (RSA)</li> </ul>           | South Africa AIDS Caring Project                    | Treatment Action Campaign (TAC) – RSA     | Five participants who took part in the focus group discussion. (Names withheld) |
| <ul style="list-style-type: none"> <li>Statistics South Africa</li> </ul>                        | Human science Research Council                      | Botswana Vision 2016 Council              |   |
| <ul style="list-style-type: none"> <li>Ministry of Finance and Development (Botswana)</li> </ul> | United Nations Development Programme (UNDP)- RSA    |   |   |
| <ul style="list-style-type: none"> <li>North West Provincial government.</li> </ul>              | The New Partnership for African Development (NEPAD) |   |   |
| The Reserve Bank of South Africa   | SADC  |   |   |
|  | ACCORD  |   |   |
| Ministry of Health (RSA)   |   |   |   |

### **3.4. Sampling Procedure**

This section describes how people/individuals who participated in this study were identified for both the qualitative and quantitative data that was collected.

- *Qualitative data sampling procedure*

A sample of key informants and implementers of policies both at government and private sector were selected for the qualitative section of the study. Merriam (1998:48) argues that sampling is based on the assumption that one wants to discover, understand or gain insights. The sample was therefore selected on the basis that a lot could be learnt from the sample. In this study participants were selected based on their professional qualifications and knowledge of phenomena. Policy makers were best suited to give information pertaining to national strategies and frameworks while a group of poor and unemployed adults from Motlhabeng village were selected primarily for their socio-economic experiences. According to Sears (1991) the power of qualitative data lies not in the number of people interviewed but in the extent of knowledge of the informants. It was imperative in this study to choose a sample from which the researcher would learn the most about the prospects and challenges facing South Africa in her quest to accomplish the Millennium Development Goals.

- *General Sampling Criterion*

A combination of criteria and purposeful sampling was used to compose a qualitative sample. Criteria sampling requires one to establish in advance a list of attributes that the participants had to possess (LeCompe & Preissle, 1993). The following criterion was used to select the sample for the qualitative data.

- Participants have to be well acquainted with issues of development more especially the global political economy. Some of the participants were policy makers within Ministries and Departments while others were economic planners especially those from the Ministry of finance and Development planning in Botswana.
- Participants have to be well versed with the prevailing socio-economic conditions in their environment. In the case of the current research some of the participants were people living in the threshold of poverty and they were drawn from Motlhabeng village which is one of the poorest villages in South Africa. These people provided the researcher with first hand information and experiences that reflected the extent of poverty in South Africa.
- Some of the participants were sociologists and social workers and most of them were from the Non Governmental Organizations such as the South Africa AIDS Caring Project.

### **3.5. Quantitative data sampling procedure**

In addition to the general purposeful sampling described above there was need to ensure a representative sample, hence both the cluster and simple random sampling technique were used to select the individuals who actually answered the questionnaires. The following steps were undertaken to select individuals;

- **Grouping stage:** the cluster or grouping technique was used to group the target population into categories. This exercise resulted in the following clusters governments departments responsible for social delivery services, departments responsible for policy implementations, provisional governments and their municipalities, different

organizations (government, private, non governmental as well as individuals who are involved in research and developmental issues.

- **Cluster stage:** while the cluster technique ensured that each category was represented, the simple random sampling technique had to be used to first select the organizations that would represent the cluster. For example under the group of provincial governments there was need to select a balanced number of provinces bearing in mind that some were poorer while others were not. The simple random sampling technique ensured that everyone in the sampling frame had an equal chance of being selected.
- **Individual Selection:** finally once at the research sites, the purposeful sampling technique was used by asking the head of departments or sections to recommend someone or a group of people who would complete the questionnaires on behalf of the organizations.

### **3.6. How data was collected**

- **Data from Primary Sources:** Data collection instruments used included questionnaires, interviews and open ended questions for the focus groups, (see appendixes **1and 2**). The questionnaires were left with the informant to complete. To ensure a high return rate, questionnaires were hand-delivered and collected at a later stage.
- **Data from Secondary Sources:** The data was extracted from various sources such as books, print media and television. Various literature related to global development and the Millennium Development targets was also studied. Some of the documents

reviewed included Millennium Project Report to the United Nations Secretary General, periodic Millennium Development Goals country reports, Millennium Development Goals Needs Assessments Cost Exercise Plans and National development strategies from SADC countries such as Botswana and Mozambique.

### **3.7. Data analysis**

This section describes how the different data are analyzed.

- ***Data from Documents:*** These included sources such as books, research papers and other print media. The process of extracting the data from documents was done manually. The documents were scanned and all words, sentences, paragraphs and sections were coded. Through this process of coding, the huddles facing Southern African countries in achieving the Millennium Development Goals were specifically identified. Quantitative and qualitative data sets were analyzed using appropriate quantitative and qualitative methods of data analysis explained in the following section.
  
- ***Survey Data:*** Data obtained through the questionnaires contained both quantifiable information (i.e. values that were measured numerically as well as descriptive). This descriptive data was counted and ranked. As part of the quantitative data analysis the following was done:
  - Data was coded using numerical codes to facilitate analysis.

- A simple data matrix was used to enter data and check for errors
- Data was managed using SPSS statistical analysis package.
- Once the data was cleaned the, SPSS software was used to do analysis of data.

**Qualitative data:** In order to make meaning of the response to interview questions and the notes from the discussions the content analysis method was used. Content analysis is a method for summarizing any form of content by counting various aspects of the content. Holsti Ole (1969:14) defines it as the study of recorded human communications such as books, websites and paintings. It involves key questions such as who says what, to whom, why to what extent and with what extent and with what effect. The content that is analyzed can be in any form but it is often converted into written words before it is analyzed. The original source can be printed publication, broadcast programs other recording, the Internet or life situations. The content is something people have created.

### **3.8. Types of Content of Analysis**

There are two general categories of content analysis. These are conceptual analysis and relational analysis. Conceptual analysis can be thought of as establishing the existence and frequency of concepts in a text. Relational analysis builds on conceptual; analysis by examining the relationships among concepts in a text. The study used both methods in order to holistically analyze all forms of data such as secondary (books, journal, and magazines) and primary interviews and speeches

- *Advantages of using Content Analysis method*
- It allows both qualitative and quantitative operations

- It looks directly at communication via texts or transcripts and hence gets at the central aspect of social interaction
- It can provide valuable historical cultural insights over time through analysis of texts
- It allows closeness to text that can alternate between specific category and relationships and it also statistically analyses the coded form of the text.
- It is an un-obstructive means of analyzing interactions
- Provides insight into complex models of human thought and language use.
- When done well it is considered as a relatively “exact” research method (based on hard facts, as opposed to discourse analysis).

### **3.9. Limitation of the Study**

- The major limitation of the study was the difficulty in having access to some of the information that was critical to the study. Key respondents preferred to offer secondary data than primary data.
- Some key participants declined to participate in the study in the last minutes and in most cases no reasons were given.
- Since most of the data constitutes opinions and documented information, the information might be unreliable or inaccurate.
- The limited time frame allocated for this research also posed a challenge since the researcher had to do course work at the same time as research. Therefore, there was insufficient time to adequately follow all the components of the research process.

### **3.10. Ethical Consideration**

The Research made some efforts to ensure that ethical considerations were observed and respected. Research subjects were fully informed as to why they were included to participate in the study and the methods that were used to select them also explained. The goals and objectives of the study were explained. Their participation in the project was therefore consensual. The names of research subjects were kept anonymous and confidential in situations where participants did not want to declare their identity. Protected and classified information was not used without prior consent from relevant authorities. However, none of the participants requested to sign any confidentiality form.

## **CHAPTER FOUR**

### **DELINEATION OF VARIABLES**

#### **4.0. The Concept of Poverty**

When the United Nations created the United Nations Universal Declaration on Human Rights (UNDHR) in 1948, signatories proclaimed that all people have the right to education, health and shelter. However, more than half a century later millions around the world are crippled by poverty and therefore cannot fulfill these basic human rights (Sachs, 2005:52). In South Africa alone 57% of the population lives in poverty.

The term poverty like many concepts and approaches in the social science discourse is multi-dimensional and it has to be looked through a variety of perspectives. It has many faces changing from place to place and across time, thus it has been described in many ways. One school of thought for example, the Basic Needs Approach narrowly describes poverty in terms of basic needs such as food, shelter and education. However, others offer a holistic definition that incorporates a variety of indicators such as level of income and consumption, social indicators of vulnerability and social and political access (Burkey 1993:4)

#### **4.1. Definition of Poverty**

Poverty is a multidimensional phenomenon that has different meaning and definitions. May & Hunter (2004) state that poverty is the lack of basic human needs, such as clean and fresh water, nutrition, health care, education, clothing and shelter, because of the inability to afford them. Poverty is powerlessness, lack of representation and freedom. Therefore, the concept of poverty is seen as multidimensional and has many dimensions and faces hence it is described in many ways.

### ***4.1.1. Welfare approach***

The Welfare Approach is about the nexus between poverty and basic human needs. According to the approach the fulfillment of basic human needs is a priority to human existence. Poverty is described as pronounced deprivation of human needs such as food, shelter, health and education. This deprivation leads to hunger, illiteracy, destitution, life of social misery and ultimately. The approach views a good well being in terms of people having command over commodities in general (Cole, 1992). It posits that people are better off if they have a greater command over resources. The focus is on whether individuals in households have enough resources to meet their individual needs.

### ***4.1.2. Capability to function approach***

This is one of the oldest approaches and it views well-being as capability to function in society. Poverty arises when people lack key capabilities or experience inadequacies in the following;

- Income
- Education.
- Health and security

The view of poverty broadens to include vulnerability and exposure to risks, voicelessness and powerlessness. People are denied capabilities that they have such as substantive freedom to enjoy and leave the kind of life they like (Meth, 2004).

## **4.2. Types of poverty**

There are two main types of poverty namely

1. Absolute poverty

## 2. Relative poverty

### ***4.2.1. Absolute poverty***

Absolute poverty measures the number of people living below a certain income threshold or the number of households unable to afford certain basic needs and services. Sachs (2005:20) states that absolute poverty implies that households are unable meet basic needs for survival. He maintains that the people are chronically hungry, unable to access health care, lack the amenities of safe drinking water and sanitation, cant afford education for some or all children or perhaps lack rudimentary shelter and basic article of clothing like shoes. An example of absolute poverty is an instance where someone is eating less food than is required to sustain the human body approximately 200-2500 calories per day for an adult male (Burges, 2003).

### ***4.2.2. Relative poverty***

Relative poverty is generally perceived to be a household income level below a given proportion of average national income. Relative poverty is based on people's perception on their well being in relation to other people. It views poverty as socially defined. In this case the number of people counted as poor could increase while their incomes rise. A relative measurement would be to compare the total wealth of the poor  $\frac{1}{3}$  of the population with the total wealth of the richest 1% of the population (Liebbrands, 2005).

## **4.3. Causes of Poverty**

There are almost as many theories explaining the causes of poverty in the third world, as there are development theorists. Poverty has many causes, some of them very basic. Primary factors that may lead to poverty include overpopulation, the unequal distribution of resources in the world economy, inability to meet high

standards of living and costs of living, inadequate education and employment opportunities, environmental degradation, certain economic and demographic trends, and welfare incentives (Sach, 2005). However, poverty on a world scale has many historical causes: colonialism, slavery, apartheid, war and conquest. In South Africa the system of apartheid contributed immensely to the high levels of poverty that is prevalent in the South African society.

The apartheid policies of the South African government had a deleterious effect on the health of the majority of South Africans. When the government created the homelands and forcibly relocated people to these and other rural places, it did so with little concern for the capacity of these areas to sustain a population or to develop an economic base. The government frequently did not provide adequate housing, water, sanitation, schools, hospitals, and other public services. As a result, poverty has become structural and resistant to policy intervention (Meth, 2004). It has manifested itself into a vicious cycle in which one problem causes another, which in turn causes a third and the third find new linkages until it is where it started and the vicious circle starts all over again (Van der Berg & S Burger, 2005).

#### **4.4. Measuring Poverty**

Poverty levels can be measured both at national and global level using similar and interrelated approaches such as the World Bank poverty datum line of less than US\$ 1 per day.

##### ***4.4.1. Measuring poverty at the global level***

Poverty remains a major obstacle to sustainable socio-economic development throughout the developing world. When measuring poverty at the global scale, different development agencies use various references and approaches. However

the World Bank's reference poverty line set at US\$ 1 and US\$ 2 per day is widely used. Other approaches such as the Physical Quality of Life Index and the Basic Needs Approach have also been used to measure the scale of poverty worldwide.

#### ***4.4.2. Measuring Poverty at National level***

Poverty lines vary in time and place and each country uses lines, which are appropriate to its levels of development, societal norms and value. A common method used to measure poverty at the national level is based on income or consumption level. A person is considered poor if his consumption or income level falls below some minimum level necessary to meet basic needs. This minimum level is usually called the poverty line. Information on consumption and income is obtained through surveys in which households are asked to answer detailed questions on their spending habits and source of income. Such survey is conducted more or less regularly in most countries. Sample survey data collection methods are increasingly being complemented by participatory methods where people are asked what their basic needs are and what poverty means for them.

#### ***4.4.3. Why measure poverty***

The following are the reasons why government continue to measure poverty;

- To keep the poor in agenda
- To target intervention domestically and worldwide
- To monitor and evaluate projects and policy intervention geared towards the poor

#### ***4.4.4. Poverty indicators***

Some of the indicators of poverty include the following

- Life expectancy

- Health and longevity
- Income
- Under five mortality rate
- Homelessness
- Unemployment

#### **4.5. The state of Poverty in South Africa**

Bruggemans (2003) points out that poverty in South Africa is apparent to the human eye and is profiled by shacks, homelessness, unemployment, casualised labour, poor infrastructure and lack of access to basic services. The socio-economic and political conditions prevailing in South Africa is a direct legacy of apartheid. The system of apartheid did not only usher racial discrimination, but it subjected the majority non-white population into poverty and life of social misery. However since the installation of a democratic government in 1994 the Republic of South Africa has worked towards bringing economic equality to the historically disadvantaged non-white groups. Some of the pillars of apartheid policy, which sought the exclusion of the majority from full participation in all aspects of South Africa society begun to crumble by the late 1980s. Since 1994 the democratic government deliberately and systematically dismantled apartheid social relations and created a democratic society based on the principles of equity, non-racialism and non-sexism.

Despite its relative wealth South Africa has a large segment of its population living in absolute poverty. About 57% of South African's live below the poverty datum line (May and hunter, 2004). The distribution of income and wealth is among the most unequal globally. Many households have unsatisfactory access to education, sanitation and clean water. The majority of the poor reside in rural areas and 72% of the population is classified as poor. The poverty rate (which is

the proportion of people in a particular group or area falling below the poverty line) for rural areas is 71% (National Report on Poverty and Inequality 1999).

According to the report, (Poverty and Inequality in South Africa 2004-2014) the single most important challenge facing South Africa ten years after the transition to democracy is breaking the grip of poverty on a substantial portion of its citizen. There is a consensus that more than half of the population is living in poverty, with the poorest 15% in a desperate struggle to survive. This literally means that the majority of South Africans have not experienced the benefits of the newly found freedom (Mayekiso, 2003). Official unemployment rate though sketchy is estimated at 25.5% but critics argue that it might be as high as 42%. This translates to eight million employable non-white South African's being unemployed. This is higher today than at any time during the apartheid era.

#### **4.6. How Poverty is measured in the Republic of South Africa**

According to Adelzadeh (2006), in order to measure the level of poverty Statistics South Africa which is the official statistics agency of the country, undertakes an Income and Expenditure Survey (IES) every five years, and this forms the basis of assigning weights to purchases of goods and services for the Consumer Price Index (CPI). The last survey was conducted in 2005. This survey has also been used to calculate the extent of poverty in the country in monetary terms. Other Statistics South Africa household surveys, such as the annual General Household Survey, measure other indicators of poverty, including access to facilities and services.

#### **4.7. Poverty indicators by province**

The table below illustrates poverty indicators by province. The table shows that poverty is largely high in the former homelands. Provinces that benefited from the

apartheid system such as the Western Cape have the lowest number of people living in poverty.

**Table 1.**

| <b>PROVINCE</b> | <b>NO. OF POOR PERSONS/MILLION</b> | <b>% OF POPULATION IN POVERTY</b> | <b>SHARE OF POVERTY GAP</b> |
|-----------------|------------------------------------|-----------------------------------|-----------------------------|
| Eastern Cape    | 4.6                                | 72                                | 18.2                        |
| Free State      | 1.8                                | 68                                | 7.2                         |
| Gauteng         | 3.7                                | 42                                | 14.9                        |
| Kwazulu Natal   | 5.7                                | 61                                | 22.5                        |
| Limpopo         | 4.1                                | 77                                | 14.1                        |
| Mpulamanga      | 1.8                                | 57                                | 8.7                         |
| North West      | 1.9                                | 52                                | 7.5                         |
| Northern Cape   | 0.5                                | 61                                | 1.8                         |
| Western Cape    | 1.4                                | 32                                | 5.0                         |

**By HSRC 2004**

With its large poor population Kwazulu Natal has the largest poverty gap (R22.5 billion). The Eastern Cape and Limpopo province follows. The Human Science Research Council has estimated that the poorest municipalities are found in poor provinces like the Eastern Cape. The majority of municipalities with the lowest poverty rates are found in the Western Cape. These include Stellenbosch 23% and Saldanhe Bay 25%. The poorest municipality is Ntabankulu in the Eastern Cape where 85% of its residents live below poverty line.

#### 4.8. How to measure inequality in income distribution

The fact that poorer households have not shared in the proceeds of economic growth is reflected in the rise in inequality between the rich and poor. To measure inequality the Human Science Research Council has used the Gini Coefficient, which can vary from zero (0) in the case of perfect equality to one (1) in the case of perfect inequality.

**Table 2. Gini Coefficient**

| <b>Group</b> | <b>1991</b> | <b>1996</b> | <b>2001</b> |
|--------------|-------------|-------------|-------------|
| African      | 0.62        | 0.66        | 0.72        |
| White        | 0.46        | 0.50        | 0.60        |
| Color        | 0.52        | 0.56        | 0.64        |
| Asian        | 0.49        | 0.52        | 0.60        |
| <b>TOTAL</b> | <b>0.68</b> | <b>0.62</b> | <b>0.77</b> |

**By HSRC 2004**

Ginsberg, (1998) point out that South Africa's inequality in income distribution as measured by the Gini Coefficient is among the highest in the world, ahead of thirty-six developing nations with a score of 0.77. The above table illustrates that the Gini coefficient for African population rose from 0.62 in 1991 to 0.72 in 2001. The white population has a Gini Coefficient of 0.60. This is extremely high for a group whose education and occupational profile matches that of societies in highly industrialized countries (Ginsberg, 1998).

#### 4.9. Poverty and hunger

South Africa is a relatively wealthy nation but the distribution of that wealth is skewed because of the inherent structural problems associated with the legacy of apartheid. According to Statistics South Africa Report of 2002, the average

income of the richest 20% of South Africans and largely white is forty five times more than the average income of the poorest 20% of households who are largely black. This means that majority of black South Africans live in abject poverty.

#### 4.9.1. What does it mean to be poor?

Table 3. Below gives the various dimensions of poverty. It also describes the characteristics which are typical in each of dimension. The next column on the table gives the constraints faced to address each dimension.

| <b>Dimensions</b> | <b>characteristics</b>   | <b>constraints</b>   |
|-------------------|--|--|
| Nutrition         | Food deficit and insecurity<br>hunger  | <ul style="list-style-type: none"> <li>• Lack of steady income source to buy food (and low food quality)</li> <li>• Lack of agricultural land (to grow vegetables)</li> <li>• Lack of storage facilities</li> </ul>              |
| Health            | <ul style="list-style-type: none"> <li>• Ill health</li> <li>• Child malnutrition</li> <li>• Low levels of immunization</li> <li>• High levels of child mortality</li> <li>• Alcoholism</li> </ul> | <ul style="list-style-type: none"> <li>• Lack of access to basic health care</li> <li>• Lack of access to health insurance scheme</li> <li>• Low health education</li> <li>• Lack of transportation to health clinics</li> </ul> |
| Education         | <ul style="list-style-type: none"> <li>• Low education</li> <li>• High levels of adult illiteracy</li> </ul>   | <ul style="list-style-type: none"> <li>• Lack of steady income source to pay for school fees, uniforms, etc</li> <li>• Lack of access to adult literacy programs</li> <li>• Children needed for labour</li> </ul>                |
| Employment        | <ul style="list-style-type: none"> <li>• Unsteady jobs,</li> <li>• low salary</li> <li>• Self employment</li> <li>• No social protection</li> <li>• No pension</li> </ul>                          | <ul style="list-style-type: none"> <li>• Lack of skills, business and management training</li> <li>• Lack of resources to invest in business opportunities</li> </ul>  |
| Financial         | <ul style="list-style-type: none"> <li>• Use of informal services = risky, expensive, not available everywhere</li> </ul>  | <ul style="list-style-type: none"> <li>• Lack of access to flexible, convenient and safe banking services (credit and deposit services) and insurance schemes.</li> </ul>  |

|                 |  |  |
|-----------------|--|--|
| Legal           | <ul style="list-style-type: none"> <li>• Harassment, ownership issue</li> <li>• Domestic violence</li> </ul> | <ul style="list-style-type: none"> <li>• Lack of legal and human rights education and assistance</li> </ul>                              |
| Social/cultural | <ul style="list-style-type: none"> <li>• Lack of voice and influence on community</li> </ul>                 | <ul style="list-style-type: none"> <li>• Low consideration, exclusion</li> <li>• Lack of bargaining power</li> </ul>                     |
| technological   | <ul style="list-style-type: none"> <li>• Communication gap</li> </ul>  | <ul style="list-style-type: none"> <li>• Low skills in new technology</li> <li>• Lack of access to modern communication means</li> </ul> |

**Source; HSRC 2004**

The above table illustrates the multidimensional nature of poverty. It reveals that poverty can be studied by focusing on various things. May & Hunter (2004) state that poverty is hunger, it is lack of shelter, it is being sick and not having access to see a doctor. He states further that poverty is not having access to school and not knowing how to read and write. Poverty is not having a job, poverty is losing a child to illness brought about by unclean water. The above table indicates that poverty may also mean lack of bargaining power, lack of legal and human rights education and assistance.

In line with the precepts of the new constitution the government has formulated new policies and programmes to comprehensively improve the quality of life of all the people of South Africa. Key to this programme of action has been the extension of universal franchise and the creation of a democratic state. This has created the requisite environment to address poverty and inequality and to restore the dignity and safety and security of citizens. In 1996 the new government launched the Rural Development Programme to address socio-economic bottlenecks such as housing, sanitation, electricity, health and land redistribution.

The government has since implemented new programmes and neo liberal economic policies to help eradicate poverty and other socio-economic challenges. The Growth, Employment and Redistribution Strategy and Black Economic

Empowerment programme have been implemented to channel the country into sustainable development. All these policies and programmes put a solid foundation and a supportive environment to deal with obstacles that might affect South Africa's ability to accomplish all Millennium Development Goals.

#### **4.10. Millennium Development Goals for development in South Africa**

South Africa is one of the few Sub Saharan countries that are earmarked to successfully accomplish the Millennium Development Goals by 2015. Bond (2002) states that the Republic of South Africa is by far the largest economy in Africa accounting for approximately 40% of the continents industrial output, 25% of GDP, over half of the generated electricity and 45% of mineral production. Burton (2002:140) observes that the recent assessment of South Africa's performance by the Peer Review Mechanism of the African Union suggest that the country has already met some of the Millennium Development Goals.

With regards to poverty, South Africa has made some positive strides. The goal initially has two targets namely to half between 1990 and 2015 the proportion of people whose income is less than \$1 a day and to half between 1990 and 2015 the proportion of people who suffer from hunger. According to the government poverty reports South Africa is taking a long term and more in depth perspective to address poverty than merely looking at the monetary aspects of this phenomenon. The government is attending to the basic need of the poor by providing better infrastructure such as access to clean water and electricity. It is also giving attention to achieving sustainable development goals by creating opportunities for all. For example, the government provides clinic based free primary health care for all as well as compulsory education for all those aged 7 and 15 years. The government also provides financial assistance for children in terms of child grants and school feeding schemes. It also introduced

comprehensive social security schemes for vulnerable groups such as people with disabilities and the elderly. These grants presently reach over eight (8) million beneficiaries and they act as a safety net against extreme poverty (Gelb, 2003).

#### **4.11. Millennium Development Goals Challenges**

The Republic of South Africa is a dominant power in the Southern Africa region and it is undoubtedly a putative leader with economic and political leverage in the continent. South Africa is by far the largest economy in Africa accounting for approximately 40% of the continents industrial output, 25% of GDP, over half of generated electricity and 45% of mineral production. It has one of the highest per capita GDP in the world and its economy is growing at a healthy rate of 3% every year. However, despite this sound economic credential South Africa has one of the most skewed income distributions in the world. It is a jobless society, suffers from acute HIV and AIDS pandemic and it is one of the most unequal society in the world (Macgregor, 2001).

Fourteen years after democracy poverty is still pervasive and widespread in South Africa. Beresford (2001; 68) highlight that more than half of the South African population live in poverty and South Africa has more people living with HIV and AIDS than anywhere else in the world with an estimated five million people living with the disease. Income inequalities are among the highest in the world and are defined by the race, gender and geographical considerations. Accomplishing the MDGs in such an unequal and depleted society will be a distant dream for the South Africa government.

### **4.11.1. Social Challenges**

South Africa faces intractable social challenge that may render the ambition of accomplishing the Millennium Development Goals elusive. Many who are also poor are unemployed and sick from the scourge of HIV and AIDS. Others have been rendered jobless because they are too sick to continue working. This situation does not augur well for the accomplishment of the Millennium Development Goals.

### **4.11.2. Poverty**

The state of poverty in South Africa can be traced to the legacy that apartheid left in the country. The apartheid regime did not only usher racial discrimination but it subjected the majority of the people into poverty and life of social misery.

The majority poor population constitutes 61% blacks, colored 38%, Indian's 5% and whites 1% (Bond, 2002:31). Provinces with the highest proportion of poor people are those of the former homelands such as Limpopo, Eastern Cape and Free State. Apartheid was notorious not only for its brutality but also for its inhumane subjection of black people into poverty. The single most important issue facing South Africa fourteen years after the transition o democracy is breaking the grip of poverty on a substantial portion of its citizens. Attainment of the Millennium Development Goals in South Africa will therefore be determined by poverty eradication strategies and policies.

### **4.11.3. Unemployment**

The population of the unemployed are the fastest growing constituency in South Africa. May & Hunter (2004) point out that more than a decade after apartheid was brought to an end South Africa still basks in the glow of that political era. The unemployment rate has risen from 16% in 1995 to 31% in 2000. Some critics of

government policies point out that the unemployment figures might even be above 40%. Between 1996-2005, the number of people in employment including the informal sector rose by 2.3 million. On the other hand the demand for jobs in the economically active population increased by 5.3 million. The net result was a rise of three million in the number of unemployed people (Human Science Research Council Report, 2003).

The high rate of unemployment in South Africa demonstrates that the problem of poverty cannot be addressed in any meaningful way unless the unemployment issue is tackled. Therefore the economy's failure to create sufficient jobs is a huge setback to South Africa's efforts to meet the Millennium Development Goals. The attainment of the Millennium Development Goals will be determined by extent to which the country tackles its unemployment problem.

#### ***4.11.4. HIV/AIDS pandemic***

In the history of mankind no other disease has brought untold sorrow and depleted the human race as HIV and AIDS pandemic. The HIV and AIDS pandemic has impacted every sphere of human life and it is no longer considered solely a health concern but rather a developmental constraint. Attarran (2005) accentuates that the epidemic has made a huge dent on public finances through increased demand on medical and social services delivery. In South Africa the pandemic remains a major setback to the ambition of improving human development and ultimately accomplishing the Millennium Development Goals. The country has one of the highest HIV and AIDS infection rate in the world. According to figures released by South Africa AIDS Caring Project in 2004 out of the estimated 40 million people living with HIV and AIDS globally between five and 6.6 million or 10% are in South African. This is indeed a potential humanitarian crisis that will reverse the developmental gains the country has already achieved.

It is thought that almost half of all deaths in South Africa among people aged between 15 and 49 are caused by HIV and AIDS. In some parts of the country cemeteries are running out of space for the dead. More South Africans now spend more time attending funerals than weddings (Macgregor, 2001). The pandemic has a substantial impact in the country's overall social and economic progress. According to Pandayache (2006) the average life expectancy in South Africa today is fifty four (54) years although it used to be sixty four (64), before the advent of HIV and AIDS. Over half of 15 years olds are not expected to reach the age of 60. Between 1990 and 2003 which was the period during which HIV prevalence in South Africa increased dramatically, the country fell by thirty five (35) places on the Human Development Index (Pandayachee, 2006). Further, estimated that HIV –positive patients would soon account for 60-70% of medical expenditure in South African hospitals.

HIV continues to deplete the human capital which is the foundation of development and the accomplishment of the Millennium Development Goals. The South African government policy on HIV has been a topical issue as the government was initially hesitant to provide antiretroviral treatment to HIV positive people. The government only started to supply the drugs in 2004 following pressure from the civil society. Sadly though few people have access to this treatment and many infected people continue to die as a result of this deadly pandemic.

#### ***4.11.5. Crime***

Violent crime remains a major setback to South Africa's socio-economic achievements. Ginsberg (1998) points out that in the Republic of South Africa a serious crime is committed every half an hour, housebreaking every two minutes and an assault every three minutes. Crime is said to generate high levels of fear and insecurity among the population and the entire business community. Needless

to say foreign investors and tourists are put off by continued reports of crime in Johannesburg which record the highest murder and rape rates in the world.

#### **4.12. Economic Challenges**

Economic growth is key to the achievement of the Millennium Development Goals. The basic macro –economic policies that any government implement have direct bearing on human development indicators such as health and education. Compared to her counterparts in the SADC region South Africa has well-developed industrial infrastructures, stable macro-economic fiscal system, low international indebtedness and a capable entrepreneurial stratum. These economic credentials indicate South Africa's capability to accomplish the Millennium Development Goals by 2015.

However, achieving the Millennium Development Goals will be difficult and possibly elusive for South Africa. Economic growth alone is not enough. The macro economic framework pursued by the government manifested in liberal economic policies such as the Growth Employment and Redistribution Strategy and the Black Economic Empowerment Programme exacerbate the socio-economic disparities in the country. These initiatives have substantially failed to address their proposed objectives. GEAR has failed to reduce the stark problem of unemployment while the BEE is not only obsessed with race but it has benefited the few privileged and exacerbated income distribution in a historically divided society. Beneficiaries of the BEE policy accumulate millions of Rands annually in a country where 10.5% of the people live below the poverty datum line of less than US\$1 a day. Accomplishing the Millennium Developments in an unequal society will be elusive for the South African government.

#### ***4.12.1. Dual economy***

Dual economy is the existence of two separate economic systems within one country (Meth, 2004). Dual economies are common in less developed countries, where one system is geared to local needs and another to the global market. To many people South Africa is two states in one. There is the world of the most affluent people connected to the global market and enjoying the benefits of economic growth and the world of those that are poor, jobless and living below the poverty datum line. Perhaps the most important development has been the so called two economies debate and president Mbeki's assertion that many people in South Africa are trapped in the world economy existing side by side with the modern first economy but structurally disconnected from it (Mbeki, 2003)

According to statistics South Africa (2005) the average income of the richest 20% South Africans largely whites is forty five times more than the average income of the poorest 20% of households largely blacks. The dual economy perpetuates social disparities and poverty. Accomplishing the MDGs in a grossly unequal society will be an intractable challenge for the South Africa government.

#### ***4.12.2. Neo-liberal economic policies***

Neo-liberalism, has not only undermined employment creation, poverty alleviation and pro socio-economic programmes such as the Rural Development Programme (RDP), but has also become a significant force to divide and alter both political and economic alliance in South Africa. Key elements of GEAR such as privatization have on many occasion met fierce outrage, notably from the African National Congress key political allies such as the South African Communist Party (SACP) and the Congress of South African Trade Unions (COSATU).

#### **4.12.3. The Growth, Employment and Redistribution Strategy (GEAR)**

The Growth, Employment and Redistribution Strategy failed to deliver the promised economic and job growth or significant redistribution of income and socio-economic impact amongst the poor black South Africans. According to (Mayekiso, 2003) GEAR brought about deep cuts in government spending between 1996 and 1999. As a result efforts to improve services to the poor suffered Privatization of state owned enterprises such as Eskom led to regular disconnection of electricity and water as poor people could not afford to pay for these privatized commodities.

Bond (1999:13) accentuates that since its inception the impact of GEAR has shown the negative socio-economic effects generally associated with neo-liberalism. The government capacity to deliver social services has been undermined by the programs over reliance on market forces even in social service delivery .The results is that the poor are being denied access to basic social services such as water and sanitation, while services such as health are becoming more expensive because of the government's insistence on full cost recovery.

#### **4.12.4. Black Economic Empowerment Programme**

The Black Economic Empowerment is a comprehensive national programme intended to redress the glaring socio-economic imbalances created by apartheid. It is geared towards affirmative action to bring on board of the economic ship, black men and women into business. However even though there is need to promote the empowerment of blacks through human resources development the Black Economic Empowerment Programme has been an ingredient of income inequalities in South Africa .In a country where the society is one of the most unequal in the world beneficiaries of the Black Economic Empowerment makes

million of Rands annually while a large section of the population live below \$1 a day. Only a few politically connected individuals benefit from the BEE programme at the expense of the rest of the population. The BEEP needs to reach a much wider constituency if it is to contribute towards the attainment of the MDGs (Oladele, and Kasse 2005).

#### **4.13. Political Challenges**

For South Africa to achieve the Millennium Development Goals by 2015, it is extremely important, from a political viewpoint to address urgently and adequately the socio-economic needs of the disadvantaged population, with resources commensurate with the seriousness of the situation (Oladele and Kasse 2005). The following issue should be seriously addressed.

##### ***4.13.1 Lack of political will***

Lack of political will remains a serious challenge to socio-economic development throughout the African continent. In most cases political leaders lack the will to implement appropriate policies that can create employment and contribute to the growth of the economy. Some incompetent political leaders embark on poor policy reforms that are informed by their personal greed and political ambitions. If South Africa is to accomplish the Millennium Development Goals, political leaders and policy makers need to review the neo-liberal policies such as GEAR whose market orientation is forcing the government away from pursuing strategies that have the potential of correcting the legacies of apartheid.

##### ***4.13.2. Poor service delivery and civil resistance***

Regional government's are at the heart of sustainable socio-economic development in South Africa. They administer social service delivery yet most of them are poorly funded and encounter serious problems of service delivery. This

has led to the growing civil resistance in South Africa as a result of poor service delivery by the local municipalities. The violent clashes between local communities and the riot police has become a common spectacle in South Africa. There is a great need to empower regional governments with the muscle to implement economic policies to stimulate investment and job creation.

#### ***4.13.3. Governance***

Bureaucratic corruption is rife in both public and the private sector. Some prominent and high profile leaders have been implicated in serious scandals that involve millions of Rands. As a result government credibility is eroding and this is bad for foreign direct investment, which is critical for the accomplishment of the Millennium Development Goals.

In a nutshell all the socio-economic and political challenges that face South Africa in the 21<sup>st</sup> century will depend on political commitment by the government. Issues of crime, unemployment and land reform will depend on government's commitment to uplift the poor disadvantaged section of the society.

#### ***4.12.4. ANC – COSATU –SACP divisive Alliance***

The African National Congress (ANC) perpetual disagreement with its key allies over policy issues has dominated the South Africa political landscape since the political dispensation in 1994. COSATU, SACP and other leftist political groupings have in several occasions reacted with outmost outrage over the ANC government insistence on pursuing neo-liberal policies such as GEAR whose market orientation forces the government away from pursuing strategies that can redress the legacies of apartheid. On many occasion COSATU has mobilized general strikes to oppose neo-liberal elements such as restructuring and privatization. The ANC leadership has in many occasions reacted with rage

accusing alliance leaders of arrogance and mischievous propaganda in which they are seeking political glory through reckless statements. The growing animosity between the alliance leaders and the government is likely to undermine socio-economic development because a highly politicized and militant trade union will scare away foreign investors who are the key to the accomplishment of the MDGs.

#### **4.14. Policy Intervention**

Bond (2004) posits that the attainment of the MDGs and related development outcome in South Africa will depend on progress across a broad range of policies. The policy agenda of the South African government towards achieving the MDGs is interwoven into the national development policies and programmes such the Accelerated and Shared Growth Initiative for South Africa (ASGISA), the Joint Initiative on Priority Skills Acquisition (JIPSA), the Expanded Public Works Programme (EPWP), Medium Term Expenditure Framework (MTEF), Black Economic Empowerment Programme (BEEP), South Africa Vision 2014 and Social Grants. Earlier programmes and policy initiatives that accelerated sustainable socio-economic and political development include the Reconstruction and Development Programme (RDP) and the Growth, Employment and Redistribution (GEAR).

##### ***4.14.1. Reconstruction and Development Programme (RDP)***

The South African government's poverty eradication strategy was first articulated in the white paper called the Reconstruction Development Programme (RDP) Venter (1997:86). It proposed several dimensions that had to be addressed to achieve the transformation of the South African society. The African National Congress government endorsed the Reconstruction Development Programme (RDP) as its road map for achieving successful transformation of the country's economy. The Programme provided a common strategy for the post apartheid era

and articulated the vision and development path for South Africa's transformation. The RDP was centered on six principles, representing the government's political and economic philosophy.

Some of these principles are as follows;

1. A people-driven process
2. Peace and security for all
3. Nation building
4. Democratization of South Africa

Bernstein states (1999:78) state that the programme since 1998 spelt out the main pillars of the country's anti-poverty strategy and centered on meeting peoples basic needs. The focus was to be on accelerating the basis for sustained economic growth, job creation, developing human resources, ensuring the safety and security of citizens and the state as well as transforming the organs of government.

The Reconstruction and Development Programme envisioned sweeping government programmes to raise living standards to build houses and roads, to provide services, to upgrade education and create jobs and narrow the gap between the rich and the poor. By late 1994 the government had begun to implement its highest RDP priorities; a \$135 million school lunch programme, a \$14 million programme of free medical care for children and pregnant women, providing water and electricity to rural communities and phasing in free and compulsory primary education for children of all races (Pandayachee, 2006).

To help finance the Reconstruction and Development Programme, the government also undertook negotiations to sell some national asserts to private citizens (Heymans, 2005). In order to ensure political commitment senior government

official including the president accepted salary cuts of between 10% and 20% to contribute to social reconstruction. The business community was also asked to contribute on issues such as the job training, employer subsidies on housing, transportation and education to meet the urgent needs defined in the Reconstruction and Development Programme. The government also launched worldwide appeals for new trade and investment packages for South Africa.

#### ***4.14.2. Growth, Employment and Redistribution Programme (GEAR)***

Kraay (2004:83), states that the Reconstruction and Development Programme (RDP) attracted criticism because it was more redistributive and people centered than directed to economic growth. The programme did not last largely because it failed to deliver economic growth and job creation. It was then replaced by the Growth, Employment Redistribution Programme. GEAR became a macro-economic blueprint which emphasized privatization, growth and employment. Bargeman (2003) points out that the strategy envisaged an economic growth of 6% per annum and job creation of 833,000 as well as fostering a socio-economic environment conducive to foreign investment by the year 2000.

The Programme became a self imposed structural adjustment programme because it had similar conditions to those of the World Bank and the International Monetary Fund. However, as a programme, GEAR failed to deliver in terms of growth and employment. It led to job loses as a result of privatization and downsizing. The Growth, Employment Redistribution Programme (GEAR) has also failed to deliver in terms of poverty reduction and greater equity .The poorest South Africans are now poor than they were before the end of whites-monitory rule fourteen years ago. With the introduction of GEAR the government has introduced full cost recovery in various sectors that have been privatized. These

sectors include vital basic necessities such as water, electricity and sanitation (Patel & Wilson, 2003).

#### ***4.14.3. Accelerated and Shared Growth Initiative for South Africa (ASGISA)***

This is one of South Africa's comprehensive initiatives that broadly address both socio-economic and political indicators that are crucial for the accomplishment of the Millennium Development Goals. Pandayache (2006) states that the South African government in 2004 came up with a policy decision to halve poverty and unemployment by 2014. Strategic leadership from government and effective partnerships between government and stakeholders such as labour and business were identified as vital tools for sustainable development. The Accelerated and Shared Growth Initiative for South Africa (ASGISA) was devised to effectively address some of the following constraints:

- Barriers to entry, limits to competition and limited new investment opportunities.
- Shortage of suitably skilled labour amplified by the impact of apartheid spatial patterns on the cost of labour.
- Deficiencies in state organization, capacity and economic leadership.

In order to counter the above constraints the government came up with a series of decisive. According to Pandayache (2006) these fall into six categories:

- ***Infrastructure and investment***

Public sector investment is planned to rise to around 8% of GDP. Government and public enterprise investment expenditure between April 2005 and March 2008 is planned to be about R370 billion. Of this, about 40% will be spent on public enterprises, mainly power generation, power distribution, rail transport, harbors, water infrastructure, housing, clinics and other multi-purpose government service

centers such as police stations. The availability and reliability of infrastructure services is vital for the realization of the Millennium Development Goals because foreign investors would like to do business in a country that has good roads and telecommunication services.

- *Sector strategies*

Two sectors have been identified for immediate priority attention. These sectors are the business process outsourcing and tourism. The industries in these two sectors are labour-intensive, and are some of the most rapidly growing sectors worldwide and are suited to South African circumstances. Additionally, they are also seen as open to opportunities for broad based black economic empowerment and small business development (Heymans, 2005).

- *Education and skills development*

The single greatest impediment to sustainable development is the shortage of skills, including professional, managerial and technical skills. Responses to this constraint range from medium-term educational interventions to raise the level of skills in areas needed by the economy to immediate measures to acquire skills needed for the implementation of the Accelerated and Shared Growth Initiative for South Africa (ASGISA). Illiteracy and lack of technical skills contribute immensely to poverty in South Africa. Most of the unemployed people are illiterate and lack formal education or technical skills. In a nutshell, education and skills development are vital ingredients for the realization of the Millennium Development Goals.

- *Eliminating the second economy*

The second economy remains a major challenge to the South African government. William (2001) states that South Africa has a highly unequal economy in which people with access to wealth experience South Africa as a developed modern economy, while the poorest still struggle to access even the most basic services. The differences in conditions between the two are so stark they appear to be worlds apart – giving the notion of ‘two economies’ resonance. The majority of poor South Africans are trapped in this system where the conditions of work are bad and the remuneration is too low. However, under the Accelerated and Shared Growth Initiative for South Africa (ASGISA) the Government has already initiated intervention to address deep-seated inequalities and target the marginalized poor. The ASGISA includes some specific responses to the challenges of exclusion and the second economy. Accordingly, the increased levels of public expenditure would be used to promote small business and broad based empowerment (Kambhampati, 2004).

- *Macro economic issues*

The issue would focus on areas where macroeconomic policies or their implementation can be improved to reduce the volatility and over valuation of the currency. This would ensure that the fiscal and monetary policy produces sustained and shared growth and improve budgeting and expenditure management in government.

- *Governance and institutional interventions*

Governance and institutional interventions are key ingredients to sustainable development. ASGISA provide political leadership like the Cabinet Committee. Under this strategy politicians are given a forum where they can lobby and

advocate for job creation, education and skills training as well as harmonizing the economy in order to attract foreign investors. The Cabinet Committee for Investment and Employment will now have the Accelerated and Shared Growth Initiative for South Africa (ASGISA) as a standing item for regular reporting and problem solving at its monthly meetings (Pandayache,2006).

#### ***4.14.4. Joint Initiative on Priority Skills Acquisition (JIPSA)***

The Joint Initiative on Priority Skills Acquisition (JIPSA) was launched on 2006 to identify solutions to the major skills shortage. South Africa lacks sufficient skilled professionals, managers and artisans, and the challenge is amplified by the uneven quality of education and the impact of the apartheid system. The acquisition of priority skills was identified as one of the most significant challenges facing growth because skills development is a long term process.

#### ***4.14.5. The Expanded Public Works Programme (EPWP)***

The Expanded Public Works Programme (EPWP) was introduced in 2004 as a national priority public works programme with the purpose of creating jobs for the unemployed utilizing labour intensive methods rather than capital based technologies. The aim of the programme is to create opportunities for the unemployed to engage in productive work and obtain skills which would be sustainable. The Expanded Public Works Programme (EPWP) was created with the purpose of job creation, infrastructure development and service delivery, training and skills development. According to the 2007 budget speech by the Minister of Finance honorable Trevor Manuel, most of the jobs that have been created are in the construction industry. Since its inception three hundred thousand (300 000) jobs have been created, the majority of which are in rural areas and mostly for women (Budget Speech 2007).

#### ***4.14.6. Social Security Systems***

According to Patel and Wilson (2003:221) the Republic of South Africa's fiscal policies have since 1994 been devoted to making a difference to the lives of the poor. Most of the policies directed at the poor have been effected in housing, healthcare, social security and education. Parity was achieved in 1993 in social security when whites and black pensioners received the same amount for social pensions. The democratic government further deracialised and restructured social security by introducing the child support Grant, phasing out the state maintenance grants and amalgamated all fourteen administrative social security systems which included the former satellites states with the rest of the country.

#### ***4.14.7. Social Grants***

Social Grants have continued to be a major source of poverty reduction for millions of South African's. In 2007 it was estimated that about twelve million South Africans were receiving social grants in the form of old age pension, employment insurance and child support grants. The social grants have made a significant difference to poverty stricken households. These grants are mainly used for food, clothes and education. According to Van der Berg, Burger Louw & Yu, (2005:22) since 1994 there has been unprecedented expansion of grants with an increase in real terms of twenty two (R22) billion Rands. South Africa is undoubtedly the largest welfare state in Africa South of the Sahara.

#### ***4.14.8 The Unemployment Insurance System***

The purpose of the employment insurance system is to safeguard the individual from financial catastrophe during periods of involuntary short term unemployment. Currently the unemployment insurance benefits are available at

38% of one's salary (Trieggaardt & Patel, 2005-237). The unemployment insurance is vital for poverty eradication and the attainment of the Millennium Development Goals will be determined by how the Republic of South Africa tackles its unemployment problem.

#### **4.14.9 *South Africa Vision 2014***

Kraay (2004:23) states that South Africa devised its long-term national strategy to comprehensively address socio-economic and political challenges that may impede sustainable development and the ultimate goal of accomplishing the Millennium Development Goals in 2015. The pillars of Vision 2014 are outlined below.

- Poverty is halved by 2014, through (amongst others) economic development, comprehensive social security, land reform and improved household and community assets.
- Unemployment is halved by 2015, through employment creation, skills development, assistance to small businesses, opportunities for self employment and sustainable community livelihood
- Skills required by the economy are provided by building capacity and providing resources across society to encourage self employment and an education system that is geared towards productive work, good citizenship and a caring society.
- Society is integrated by ensuring that all South Africans, including especially the poor and those at risk for example; children, youth, women, the aged and people with disabilities are able to exercise their constitutional rights and enjoy the full dignity of the freedom.
- Government is compassionate- and ensures that services and public service representatives are accessible whilst citizens are awarded

avenues to know them and should be able to insist on fair treatment and efficient services.

- Tuberculosis, diabetes and malnutrition are greatly reduced and the tide is turned against HIV/AIDS as well as working with the rest of Southern Africa, to eliminate malaria and improve services to achieve a better national health profile and reduce preventable causes of death, including violent crime and road accidents
- Serious and priority crimes are significantly reduced in number, as well as cases awaiting trial, with a society that actively challenges crime and corruption, by addressing social roots of criminality.
- South Africa is strategically positioned as an effective force in the global world and has a vibrant and balanced trade with countries of the South and the north, and an Africa that is growing, prospering and benefiting all Africans, especially the poor.

#### **4.15. The role of regional governments (*provinces & municipalities*) in the accomplishment of the Millennium Development Goals in South Africa.**

In 1994 after the democratic elections the government of South Africa established a federal form of government where administrative powers were decentralized to regional authorities. Nine regional polities were established and these are North West, Kwazulu Natal, Gauteng, Western Cape, Limpopo, Free State, Northern Cape, Eastern Cape and Mpumalanga. These regional governments are responsible for those aspects of administration that affect the everyday life of the population such as health, pension payments, education and housing. In South Africa regional governments administer almost all key indicators vital for the realization of the Millennium Development Goals. In South Africa when people give judgment about government success in making a better life for them they are evaluating mainly the performance of regional administration (Lodge 2002: 32).

Regional governments and their local municipalities remain at the forefront of development in South Africa. The federal system of government was established with the idea that it could bring government closer to the citizenry and making it more accessible and accountable to the people. It was also thought that the devolution of power might enhance democracy and allow small communities more capacity to influence or determine the behavior of politicians and also participate in the process of community development. It is estimated that regional administration spend about two thirds of the national budget and employ about 750 000 of the countries 1.1 million public servants (Crathone, 2003).

#### ***4.15.1. Provincial Government***

The South African Interim Constitution of 1993 reshaped the four previous provinces into nine provinces. The provinces remain the same in the new constitution and they are named as follows:

- North West
- Kwazulu Natal
- Gauteng
- Western Cape
- Limpopo
- Free State
- Northern Cape
- Eastern Cape
- Mpumalanga.

All the nine provinces play a crucial role in development in South Africa. The provinces have considerable discretion as to how they spend the money allocated to them by the national government. According to the Business Report (2001:23) in 2001-2002 financial year R117 billion of the states total revenue of R273 billion

was assigned to the provinces in the form of grants which ranged from R23 billion for Kwazulu Natal to R27 billion for the Northern Cape. The size of the grants allocated to provinces is decided based on the recommendation by the finance and fiscal Commission. These recommendations take into account census statistics and poverty indicators. Provinces with higher proportions of rural people and school age children qualify for proportionally larger budgets. Most of the province's expenditure is on Millennium Development Goals indicators such as health, education and social delivery. Mpumalanga spends about 80% on social and economic key indicators such as health, social security and education (Heymans, 2005).

Provincial governments also face the challenge of a big public sector wage. In Eastern Cape salaries consume about 80% of the health budget. In Limpopo commitment to salaries and grants and various other fixed obligations account for 80% of expenditure (Wray, 1999). However, despite these financial bottlenecks, provincial governments are committed to social delivery and they are responsible for those aspects of administration that affect the everyday life of citizenry such as health, education, social security, sewerage and housing.

#### ***4.15.2. Municipalities***

Chapter seven of the South African constitution act 108 of 1996 outlines the role of local government in the Republic of South Africa. Crathone (2003) states that the local sphere of government consists of a municipality established to administer the local affairs of a defined territory in the Republic. A municipality has the right to govern on its own initiative, the local government affairs of its community, subject to national and province legislations as provided for in the constitution.

Municipalities remain at the heart of rural development and community development in South Africa. Municipalities administer, delivers and allocate

resources to many communities throughout South Africa. In rural polities municipalities fight poverty, destitution, illiteracy, homelessness and diseases by providing social security, clinics and housing. In towns and major places like Johannesburg metropolitan councils are responsible for providing basic amenities such as sewerage, street cleaning and electricity. In rural areas, municipalities remain at the heart of community upliftment and poverty eradication. The accomplishment of the Millennium development Goals in South Africa will highly be determined by the performance of municipalities. Comprehensive sustainable social delivery services by all municipalities will enhance South Africa's chances of accomplishing the Millennium Development Goals.

Padayachee (2006:259) states that recent study has shown that people in poor rural areas believe they now enjoy better access to government services such as health, education, and housing and infrastructure facilities. However, the majority of municipalities in rural areas experience capacity building, managerial and financial constraints that paralyse the social service delivery mechanisms. Municipalities' struggle to attract professionals with key scarce skills such as engineers and doctors. For example, Gauteng suffers from a shortage of properly qualified accountants. Departmental budgets of R1 billion in 1999 were being supervised by people who have only basic bookkeeping skills (Wray,1999). In 1999 the head of finance in Mpumalanga told the legislature that his department depended on daily help from consultants; many junior staff did not understand even the basic principles of accountancy (The Star 1999).

In some parts of the Republic the relationship between the municipalities and the community became violent when the local authorities failed to provide basic social service primarily because of poor capacity building constraints. Civil resistance by disgruntled communities has become a common spectacle in South Africa. Conflicts always erupt when municipalities fail to provide basic social services or

discontinue services due to bad debts arising from unpaid bills and taxes. Mayikiso (2003:56) highlight that in 1998 civil resistance started in Soweto when the council disconnected electricity supplies. This sparked off a consumer boycott and led to arson attack on offices and councilors houses.

#### **4.16. Prospects of achieving the MDGs in South Africa**

The Republic of South Africa is an economic giant in the African continent. In the greater context of a rapidly globalizing world South Africa continues to fight to reverse poverty and underdevelopment not only at home but throughout the African continent. South Africa is a key member of the African Union and is one of the architectures of the New Partnership for African Development (NEPAD) as well as the African Renaissance. There is great optimism throughout the African continent that South Africa will successfully meet the Millennium Development Goals in 2015 because of her industrial capacity, her rate of economic growth and her economic and political position in the continent. In fact the recent assessment on South Africa's socio-economic and political performance by the Peer Review Mechanism of the African Union suggests that the country has already met some of the Millennium Development Goals.

The South African Millennium Development Goals country report of 2005 explicitly indicates that the country is well on course to meet all the Millennium Development Goals and targets. In regard to poverty South Africa has already recorded some positive strides.

In line with the prescripts of its new constitution, policies and programmes in the process of transforming a deeply divided society, South Africa is creating a socio-economic and political environment that is conducive to addressing poverty, inequality and restoring the dignity of all citizens. Since 1994, the South African

government has both undertaken significant institutional transformation and set out to systematically and deliberately dismantle the apartheid social relations and create a democratic society based on the principles of equity, non-racialism and non-sexism. A solid foundation and supportive environment have been put in place to deal with obstacles that might affect South Africa's ability to accomplish all Millennium Development Goals (UNAIDS 2006).

As a signatory to the Millennium Declaration and cognizant of the development challenges faced by the country the government of South Africa formulated vision 2014 for the country and the people. Vision 2014 articulates an all encompassing framework that guides the South African outlook, state and societal interventions directed at addressing key developmental challenges into the second decade of democracy. According to the objectives of vision 2014 poverty will be eradicated by 2014 through (amongst others) economic development, comprehensive social security, land reform improved household and community asserts.

## CHAPTER FIVE

### 5.0. RESEARCH FINDINGS

This chapter presents the findings of the challenges and prospects facing South Africa in her quest to accomplish the Millennium Development Goals by 2015. The findings are based on data from questionnaires, informal interviews, focus group discussions and other various secondary sources that were used such as books.

One of the most important finding of this report is that South Africa is an economic and political giant in Africa South of the Sahara and it accounts for 30% of exports of the nine most important minerals in the world. South Africa also accounts for more than halve of the GDP for Sub Sahara Africa. The country has a manageable external debt and an economy growing at a healthy rate of 4% per annum.

Despite these positive progresses the legacy of apartheid in South Africa is still persistent as reflected by extreme levels of poverty and dramatic differences in wealth distribution between different people, gender and places. South Africa is home to pervasive inequalities with the gap between the rich and the poor becoming wider. Along with Brazil, South Africa is perhaps the world's most unequal economy in the world (May and Hunter, 2004). The poorest 20% of the population disposes of just 3% of income while the richest 20% disposes 42%. If the Republic of South Africa is to witness a social renaissance the challenges of income distribution need to be effectively addressed.

According to a policy maker from the Human and Social Science Council South Africa has a high per capita GDP of \$2 620 yet it is ranked lowly in its Human

development Index after countries such as Uzbekistan which has low per capita income of only \$450. Trinidad and Tobacco with a GDP per capita of \$1 226 which is about half of South Africa but with more equitable income distribution is ranked much higher in its Human Development Index at 54 while South Africa is at 111 (UNDP Human Development Report, 2003). This shows that with better income distribution South Africa could easily rank in the top 50 in the Human development Index. There is no doubt, that there is a close link between human development and high per capita income. Norway has the highest GDP per capita income and is also ranked number one in the Human Development index. This shows that income distribution contributes significantly to human development and ultimately to the Millennium Development Goals outcome.

Poverty and prosperity continue to be defined along racial terms in South Africa. There is growing trend of material conflict between South Africa's different communities as evident in the local allocation of resources. White South African's tend to measure government performance by the quality of services administered in their neighborhood such as street cleaning, well maintained public spaces, efficient electricity supplies, regular public transport, and smoothly tarred roads. In contrast black South African's expect clinics, schools, road and houses.

According to a social welfare technocrat at the Ministry of Social Development the HIV and AIDS pandemic remains a major setback to developmental gains South Africa has made since the political dispensation in 1994. At least six million people die of HIV and AIDS in South Africa every year. The effects of HIV and AIDS deepen and widen poverty as it has serious implications for household incomes and has negative income effects. HIV and AIDS pose a major threat to the development prospects and quality of life for many South African's. The epidemic has made a huge dent on public finances through increased demands on medical and social service delivery.

One of the participants at the focus group discussion retorted that Land Reform remains an obstinate and a possible time bomb in South Africa. The Republic of South Africa has the most unequal land distribution in Africa. Fourteen years after apartheid most blacks don't have land, 50% of land that was supposed to be transferred to the landless blacks after the political dispensation in 1994 has not been achieved. In fact less than 3% has been transferred ten years later. The farm occupations in neighboring Zimbabwe have made the issue of land ownership in South Africa even more sensitive (Seccombe, 2001).

Migration of people from rural areas to urban areas is contributing to the growing slums in South Africa. Urban areas are ill equipped to deal with the influx of the unemployed people who migrate to the cities in search of jobs. The growing number of squatter camps in almost every corner or periphery of major cities increases the demand for housing, sanitation and other basic human needs such as education.

One of the important finding of this report is that the Republic of South Africa is a two state in one. There is the world of the most affluent that enjoys benefits of economic growth and the world of those that are poor and jobless or poorly paid. African's are the most impoverished segment of the population. The poverty rate among the African population living under the national poverty line was eight times the poverty rate among the white population in 2002 (Hymans, 2005). The disparity in the lifestyle of blacks and whites remains stark that to this day one feels as if he or she is entering entirely different countries when passing from a black to a white neighborhood. As a result more black South African's are poorer than their white counterparts.

According to one respondent from IDASA the policy of affirmative action is operating counter productive to one of the targets of the MDGs especially one

dealing with employment. For example many educated white professional have emigrated abroad because they cannot find jobs in South Africa. This is because according to the policy a black professional should be given first priority in employment or when an opportunity is available. Of course the rationale of the policy is to address income distribution and avail opportunities for blacks and other races who had been disadvantaged by the apartheid laws. Although this situation could be considered redressive, the effect is that qualified professionals; doctors and engineers who could help drive the Millennium Development Goals<sup>47</sup> are lost to the world. This remains a big natural challenge which many behave is a hurdle towards the achievement of the Millennium Development Goals.

Crime has become a major impediment to sustainable development in South Africa. Gelb (2003:12) state that currently a serious crime is committed every 17 seconds in South Africa, a murder every half an hour, a housebreaking every two minutes and an assault every three minutes. Johannesburg, in particular record the highest murder and rape rates per capita in the world and these generates high levels of fear and insecurity among the population and the entire business community. Such high levels of crime have the potential to directly scare away foreign investors.

According to one of the respondents at the focus group discussions, the neo-liberal economic policies and initiatives that have been implemented to address socio-economic hurdles have generally yielded mixed results. Macro economic policies such as the Growth, Economic and Redistribution Strategy (GEAR) have substantially failed to address their proposed objectives. The Growth, Economic and Redistribution Strategy market orientation has forced the government away from pursuing strategies to correct the legacy of apartheid injustice. GEAR has failed to deliver on most fronts in particular employment generation and income distribution (Pandayachee, 2006:147).

One of the respondents from the open ended questionnaire stated that the Black Economic Empowerment Programme is being used to enrich a small, politically elite while leaving the majority of South African's unaffected. This has arisen because many beneficiaries of BEEP are close to the ruling party. No economy can grow by excluding any part of its people. Beneficiaries of BEEP continue to earn millions of Rands annually in a country where the majority of its people live below the poverty datum line.

South Africa's inability to attract long-term direct investment is a major constraint to economic growth and job creation in particular. The government's inability to attract long-term foreign investors is a direct outcome of strict labour laws that include high import duties and corporate tax rate. Long term foreign and domestic investment is key to the realization of the Millennium Development Goals because new investments will open opportunities for job creation and poverty reduction.

It was stated in chapter three that municipalities are responsible for local government and administration. According to the information from (Heymans, 2005 municipalities are plagued by a lot of problems. Some of these include capacity building constraints. As a results provision of basic services such as education, health, sewerage collection, etc are greatly affected. The majority of municipalities in rural areas have serious problems of insufficient institutional capacity building. Skill shortage is often experienced in those fields in which social reform policies have placed the heaviest demand on resources. Poor municipalities find it difficult to address basic needs due to skill shortage. The areas that need input include infrastructure, skills shortage, and monitoring and evaluation systems

Salaries consume a very large proportion of expenditure in most of the municipal and provincial governments. As noted in chapter three, in the Eastern Cape

salaries consume about 80% of the budget. About 93% of the education budget is spent on salaries. By the time the staff is paid little funds are left leaving little space for project implementation and service delivery policy. This leads to reduction in expenditure on such items as hospital equipments, medicines or road maintenance.

According to one of the respondents in the focus group discussion unemployment in South Africa is structural and chronic rather than acute or cyclical yet government implements policies and programmes that offer short term temporary employment. Policies such as Expanded Public Works Programme (EPWP) offer short term temporary employment and see unemployment as transient. Therefore short term temporary employment will not adequately address the pervasive problem of unemployment.

One of the concerns which have been expressed regarding the MDG is that these are commitments that were made by the president and his international colleagues. For example Pandayachee (2006) maintains that such commitment is not reflected among the local and provincial authorities. This is going to prove to be a serious challenge because in order for goals to be achieved there needs to be synergy in the operations and thinking in the two levels of authority which are the national and provincial governments.

Few Non Governmental Organizations who understand Millennium Development Goals do not have enough resources and social base that can compel leadership to act. These NGOs encounter capacity building constraints and they are too weak to act as watch dogs against government maladministration and poor policy reforms.

## CHAPTER SIX

### CONCLUSIONS AND RECOMMENDATIONS

#### 6.1. Conclusion

The overall objective of this research study was to investigate the socio-economic challenges facing Southern African countries in achieving the Millennium Development Goals. South Africa was used as a case study primarily because of her economic and political status in the African continent. The position advanced in this study is that when a regional power like the Republic of South Africa fails to accomplish the Millennium Development Goals by 2015 all Sub Saharan African countries are bound to find the goals and insurmountable and therefore illusive.

The findings have shown that achieving the Millennium Development Goals in the Southern African region will be very difficult. Even countries that are governed better and with better economies such as the Republic of South Africa face a daunting task in meeting the Millennium Development Goal's by 2015. The findings of this research study indicate that socio-economic and political hurdles will impede sustainable development and the realization of the Millennium Development Goals in the sub region. The crisis of HIV and AIDS pandemic looms large and it continues to deplete human capital. Poverty has become pervasive and the growing social inequalities have become a time bomb and a possible catalyst for social unrest in countries like South Africa. The macro-economic neo-liberal policies in South Africa have worsened the socio-economic conditions in the country. Meeting the Millennium Development Goals will require a right mix of socio-economic policies and unequivocal political will.

## **6.2. Recommendation**

Based on the above findings and conclusion, the following recommendations are made:

For South Africa to achieve the Millennium Development Goals by the year 2015 it is extremely important to address urgently and adequately the socio-economic and political hurdles that face the country. More precisely the following issues need attention:

- 6.2.1. Political will:** the real prospects for sustainable development and the attainment of the Millennium Development Goals in South Africa depends on the will of political leaders. Strategic political interventions is necessary to harmonize neo-liberal policies that continues to force the government away from redressing the legacies of apartheid and channel the country into sustainable development.
- 6.2.2. Leadership and coordination.** For South Africa to accomplish the Millennium Development Goals there is great need for credible leadership and mobilization of all major players. A large section of the population still views the Millennium Development Goals as a commitments made by political. There is need to scale up awareness of the MDGs. All ministries and state sponsored organizations should be required to chart clear MDG strategies for those areas that concern them. Furthermore the leadership should reach out to the private sector and civil society and include them as crucial partners in pursuing the goals.
- 6.2.3. Eliminating the second economy:** The government should get rid of the second economy by initiating and implementing comprehensive strategies

and policies that address the deep-seated social and economic inequalities. These should include specific responses to the challenges of exclusion and marginalization of the poor. Such strategies and policies should be tailored towards broad based empowerment and promoting small businesses.

**6.2.4. Comprehensive national programme of redress:** Generally there is a great need for a comprehensive national programme of redress with strong elements of affirmative action to tackle the glaring socio-economic imbalances created by apartheid. There is particularly a need to promote the empowerment of blacks through human resource development. However, the government will have to be cautious of the loopholes in the current black empowerment programmes such as the BEEP. This is because such programs currently benefit few connected elites at the expense of the majority poor black South Africans. The new schemes will have to reach a much wider constituency and broaden the participation of the majority of blacks. :

**6.2.5. Land redistribution:** The current land ownership status ought to be urgently addressed. The South African government should review its redistribution strategy. For example, the willing buyer, willing seller policy has failed the landless black population. White farmers should show that they are committed to reconciliation and change. In concrete terms farmers and other land owners should donate substantial pieces of land to landless people without expecting compensation. White farmers should show that they are committed to reconciliation and change.

**6.2.6. Resource mobilization:** It is imperative for the government to mobilize both human and capital resources for the realization of the Millennium Development Goals. It is important to calculate what kinds of resources and

actions should be put in place to reach the goals. A lot should be done to revamp and revitalize the activities of the municipal authorities and service delivery. Particular attention should be given to improve capacity building by removing the many bottlenecks and human resource consultants. The many vacancies in key positions, should be filled with trained professionals who will be committed to bringing change in the lives of many South Africans.

**6.2.7. Comprehensive HIV policies:** South Africa has one of the highest HIV and AIDS infections in the world. HIV and AIDS pose a major threat to the development prospects and quality of life for many South Africans. The government should come up with a comprehensive strategy that encompass a broad range of issues such as awareness and education, safe motherhood initiatives and improve existing sexual reproductive programmes. The government also needs to commit resources to welfare activities such as those that target orphans and vulnerable children.

**6.2.8. Publicity and buy in:** Just as the United Nation has won the buy in of the world governments, individual governments require to sell the MDG message and obtain create partners from within their borders. A case in point is South Africa Vision 2014 which has near absolute acceptance across all sections of South Africa. During data collection most respondents indicated that they had no clue as to what South Africa Vision 2014 was all about. Even a policeman could not explain to the researcher what Vision 2014 entailed. There is need to scale up awareness of the MDGs through extensive public awareness and education.

**6.2.9. Frequent/Regular review:** The MDGs as set out by the United Nations are very specific and in most cases quite measurable. It is therefore necessary

to have frequent reviews of progress made towards achieving the set targets.

**6.2.10. Mainstream poverty issues into development:** It is recommended that poverty should be incorporated into development by mainstreaming it into new programmes, strategies and policies. Capacity building should also be enhanced in poor institutions in order to improve their effectiveness in service delivery. There should also be periodic poverty assessment to inform public policy on recent knowledge. The government should also sharpen poverty focus of existing and emerging policies and programs as well as investing in training in specialized skills in poverty analysis.

**6.2.11. Develop infrastructure in rural areas and informal settlement:** The government should invest more on infrastructure development in the former homelands. The government should invest on health facilities, sanitation, water, telecommunication facilities and roads. It is also recommended that massive infrastructural development should be undertaken in the informal settlements and townships such as Alexandra and Khayaletsha that have become the breeding ground for violent crimes that scare away foreign investors. More importantly these townships and settlements lie in the neighborhood of major economic centers such as Gauteng and Cape Town respectively.

**6.2.12. Introduction of a comprehensive re-distribution policy:** The economic and social sectors of South Africa require profound restructuring and policy direction, in order that economic gains are to benefit the whole population. The government capacity to deliver social services has been undermined by the programmes over reliance on market forces even in social service delivery. The result is that the poor are being denied access to basic social

services such as water and sanitation, while services such as health are becoming more expensive because of the government insistence of full cost recovery.

**6.2.13. The Need for a new ministry of Foreign Direct Investment:** It is strongly recommended that the government should establish a fully fledged ministry of Foreign Direct Investment. History teaches us that the vast majority of successful countries have established specific ministries devoted to attracting Foreign Direct Investment. Given South Africa's strategic trade position and influence in the continent the country can attract long term direct foreign investment to boost its economy and that of the entire region

**6.2.14. Modify and revamp neo-liberal policies:** The government must modify aspects of neo-liberal policies such as GEAR that limit its capacity to deliver social services and to rectify past injustice. Given the current income disparities in the country and the existence of extreme poverty side by side with extreme wealth, programme such as GEAR should be revised to allow for interventions to upgrade the lives of the poor.

**6.2.15. The creation of a more equal society:** The government should prioritize the creation of a more equal society to in order that the country should attain the Millennium Development Goals. Failure to address this issue will not only result in the failure to achieve the MDGs, but is potentially the most explosive issue in the country. The government should introduce a comprehensive social protection approach that will include comprehensive measures to address income poverty, capability poverty (measured in terms of water and sanitation, transport housing, health and education and asset poverty (land access and ownership).

**6.2.16.Social security:** it is recommended that the government introduce a basic income Grant of R100 per month for every South African citizen, regardless of age and income level. Gelb (2003) posits that the Basic Income Grant will take out six million people out of poverty and it would certainly tide people over during periods of unemployment.

**6.2.17.Quality job creation:** The government should ensure that many of the poverty reduction strategies consider quality job creation. Such jobs should be of medium or long term merit in order to provide long term sustainable employment.

**6.2.18.Support NGOs who understand Millennium Development Goals:** Most of the NGOs that understand the MDGs do not have enough resources that can help them perform their mandate such as advocating for social justice and compelling leadership to act. Such NGO's should be assisted financially and through resource trainings.

**6.2.19.Global partnership:** Achieving the Millennium Development Goals demand a comprehensive partnership between developed and developing countries. Developed nations should fulfill their obligations and promises such as those on debt cancellation and harmonizing trade regime. In 2005 the most industrialized G8 countries of the North promised debt cancellation and to harmonize the trade regime. If Africa is to witness a renaissance the developed nations should fulfill their promised obligations on debt cancellation and scrap off protectionist policies such as those on subsidies.

Finally, the world should pause and take serious stock of what it has achieved. The world is interdependent, therefore the United Nations cannot realistically hope to

achieve the Millennium Development Goals by 2015 if one part of humanity is lagging so far behind. Something should be done to assist and support Africa (Adelzadeh, 2006).

**Appendix 1. Presents a questionnaire that was sent to respondents from  
Government, private sector and NGOs.**

1. What are the Millennium Development Goals?

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2. Do you think the Millennium Development Goals represent global commitment towards the eradication of poverty?

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3. If your answer is yes give your reasons.

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4. Do you think these goals and targets will be accomplished in Southern Africa?

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5. Give your reasons.

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6. The Republic of South Africa is an economic and political giant in Africa South of the Sahara. Do you think South Africa stand a good chance of accomplishing the Millennium Development Goals?

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7. What are the socio-economic and political challenges that will impede South Africa's chances of realizing the Millennium Development Goals?

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8. Which ones do you think are more pervasive and intractable?

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9. Do you think the legacy of apartheid has adverse socio-economic repercussions in South Africa?

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10. Do you think South Africa is doing enough to eradicate poverty?

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11. Outline some of the policy frameworks, initiatives or programmes that are in place to eradicate poverty in South Africa.

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12. Which initiative do you think is comprehensive and appropriate for poverty eradication?

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13. Which initiative do you think has exacerbated poverty and unemployment in South Africa?

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14. Do you think South Africa should continue formulating neo-liberal economic policies like the Growth, Employment and Redistribution Strategy?

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15. Give your reasons.

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16. Do you think NEPAD will help expedite the implementation of the Millennium Development Goals?

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17. South Africa is the most unequal society in the world. Do you agree?

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18. Give your reasons.

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19. Do you have any other comment you want to make?

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## Appendix 2

### FOCUS GROUP MODERATION QUESTIONS

**1). Introduction: lets us start this group discussion by first introducing ourselves fully so that other members know who we are.** Self introductions to include name (optional), area where members come from and anything else that we want other members to know about us, starting with the moderator (i.e. the researcher).

**2). Moderator (researcher) introduces the research topic to the group also outlines the purpose of the study and the focus group approach.**

**3). Moderator requests members to start the discussion by discussing the concept of poverty.** (probe questions will include the following).

- What are the Millennium Development Goals?
- How does the Millennium Development Goals fit into the Socio-economic and political conditions prevailing in South Africa?
- Do you think the Goals are a comprehensive strategy to the eradication of poverty?
- Is poverty a major socio-economic factor in Motlhabeng village?
- Do you think the national government is doing enough to eradicate poverty?
- What actions has the local municipality taken to eradicate poverty in Motlhabeng village?
- Why is the rate of unemployment so high in Motlhabeng village?
- Do you think the national government is doing enough to attract foreign investors?
- Do you think the HIV and AIDS pandemic is a major social problem in Motlhabeng?
- Do you have any other comments?

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