

# **A PROFILE OF SUSTAINABLE LIVELIHOOD PROJECTS FOR THE POOR IN THE NORTH WEST PROVINCE**

**by**

**Ms. Boitumelo Priscilla Mabejane**

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## DECLARATION

I, Boitumelo Mabejane, declare that the practical research project for the Master's Degree in Business Administration at graduate School of Business Administration and Governance leadership, Faculty of commerce and Administration, Mafikeng Campus of the North West University hereby submitted, has not previously been submitted by me at this or any university, that is my own work in design and execution. The material herein has been acknowledged.

Signature .....

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## **ABSTRACT**

The aim of the study was to investigate the impact of sustainable livelihood projects to the poor, in relation to the development and improvement of the rural communities. Fifteen projects that were funded by the Department of Social Development in the North West Province were targeted. The purpose was to investigate whether sustainable livelihoods projects are making any impact in the lives of the members participating in the project. Questionnaires were distributed to the project members and were returned in good condition. The data was analyzed through the Statistical Package for Social Sciences Software, in order to make a valid and reliable interpretation of the data.

The main findings confirmed that the projects have an impact on relieving the poor from poverty. The beneficiaries lives improved since the study indicated that, apart from their stipends, they also receive proceeds from the garden after they have made the sales. The members of the sustainable livelihoods projects were confident that their project would not collapse, since they have their local markets to support them. There was no correlation between the areas where the projects existed and whether the project would advance. The projects were seen to be recording the same progress despite of the fact that they were placed in rural or urban areas. The study also highlighted that government's support was crucial to sustenance of the projects. The study also confirmed that sustainable livelihood projects are still relevant government programme, in respect of creating job opportunities for the poor in rural communities.

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## **CHAPTER ONE**

### **ORIENTATION TO THE PROBLEM**

#### **1.1 Introduction**

This dissertation seeks to profile the sustainable livelihoods projects in rural communities of the North West Province. After the first National election (1994) the improvement of livelihood of previously disadvantaged people received high priority on the agenda. Sustainable livelihoods targets a range of services and resources aimed at meeting the constraints and challenges within the rural communities. According to Wankel (2008) Sustainable Livelihoods Approach (SLA) is a way to improve understanding of the livelihoods of poor people. The SLA draws the main factors that affect poor people's livelihoods and the typical relationships between these factors. This approach can be used in planning new development activities and in measuring the contribution that existing activities have made to sustainable livelihoods ([www.ifad.int](http://www.ifad.int)).

The sustainable livelihood approach does not work in a single method and does not try to offer an exact illustration of reality (Krantz, 2001). Rather, it pursues to provide a way of thinking about the livelihoods of poor people that will stimulate debate and reflection about many issues that affect livelihoods, the way they interact and their relative importance within a particular setting. This should help in identifying more effective ways to support livelihoods and reduce poverty.

Many approaches were largely environmental and did little to integrate social and economic dimensions and often the focus was on producing documents with little effective implementation (Dalal-Clayton & Bass, 2002).

The sustainable livelihood has been described by OECD DAC (2001) as:

- “a coordinated set of participatory and continuously improving processes of analysis, debate, capacity-strengthening, planning and investment, which seeks to integrate the short and long term economic, social and environmental objectives of society through mutually supportive approaches”.

A number of recent procedures to sustainable development, such as the Sustainable Livelihoods Method, are across disciplines and they are produced, circulated and applied in the borderland concerning policy and research. The development from concept to approach includes a collaboration of policy-oriented livelihood frameworks, the description and analysis of driving forces, pressures and impacts of all types of activities related to the local livelihood situation. One important reason for the success of sustainable livelihood approaches is an all-inclusive and integrative approach with the capability to analyse and understand the complexity of rural development (Chambers and Conway 1991; Solesbury 2003; UNDP 1999a).

Sustainable livelihoods priorities for development include principles that guide the implementation for the project. Kenoli (2000) also stated that “principles and techniques apply to all kinds of groups such as businesses, government agencies, social groups, families, non-profit or religious organisations and communities in which people come together for organised activity”.

Krantz (2001) described the guiding principles as follows:

- **People centred:** Sustainable livelihood approach analyses people's livelihoods and how they change over a period of time. The active participation of people themselves throughout the project cycle.
- **Holistic:** Sustainable livelihood approach acknowledges that many strategies are adopted by people to secure their livelihoods and that many stakeholders are involved; for example the international organisations, community-based organisations, private sector and ministries.
- **Dynamic:** Sustainable livelihood approach seeks to understand the active nature of livelihoods and what guides them.
- **Build on strengths:** Sustainable livelihood approach builds on opportunities and strengths of the people rather than focusing on their desires and problems. It supports existing livelihood strategies.
- **Promote micro-macro links:** Sustainable livelihood approach scrutinises the effect of policies and organisations on livelihood options and highlights the need for policies to be informed by insights from the local level and by the priorities of the poor.

- **Encourage broad partnerships:** Sustainable livelihood approach counts on broad partnerships drawing on both the public and private sectors.
- **Aim for sustainability:** Sustainability is important if poverty reduction is to be lasting.



These principles are in line with the “Batho Pele” principles and the Public Service Administration policies (DPSA, 1997:22). These principles are intended as a guide to poverty focused development. ([www.ifad.int](http://www.ifad.int)).

Sustainability is therefore meant to improve the quality of human life while living within the carrying capacity of the poor.

According to the Millennium Development Goals (2009) “the economic growth will not reduce poverty, improve equality and produce jobs unless it is inclusive”. This indicates that all the means and mechanisms possible should be employed in order to reduce poverty. The President of the Republic of South Africa, Jacob Zuma also re-emphasised the country’s commitment towards the delivery of the Millennium Development Goals (MDGs) in his State of the Nation address (2013) stating that “South Africa is determined to achieve our mission of building a better life for all”. This commitment indicates that the state takes full responsibility in ensuring that all poor people in South Africa would receive enough assistance and support in order to survive. The United Nations Development Programme (UNDP, 2012), also promotes inclusive and sustainable human development and works in order to reduce poverty in all its dimensions. UNDP focuses its efforts on making growth and trade benefit for everyone in the developing countries (UNDP, 2012). While the South African poverty rate measures the percentage of a region’s population living below the poverty line, but it does not give any indication of how far below the poverty line poor households are (Schwabe, 2004). The Human Science Research council (HSRC) study has shown that the poverty gap has grown from R56-billion in 1996 to R81-billion in 2001 indicating that poor households have sunk deeper into poverty over this period (Schwabe, 2004). The trend has changed in recent years.

According to Statistics South Africa (StatsSA, 2010): “Table 1.1 shows that by the \$1(ppp) poverty line, 5,0, percent of the population are living below the poverty line by head count in 2006 compared to 11,3 percent in 2000. The poverty lines of \$1,25

(ppp), \$2,00 (ppp) and \$2,50(ppp) also show significant declines in those below the poverty lines in 2006 compared to 2000. The reduction in the poverty gap for all the poverty lines also confirms these declines in poverty (StatsSA, 2010). See table below:

**Table 1.1: Percent living below poverty lines and poverty gap; 2000 and 2006 (StatsSA, 2010).**

| Poverty line      | Percent below poverty line |                | Poverty Gap  |             |
|-------------------|----------------------------|----------------|--------------|-------------|
|                   | 2000                       | 2006           | 2000         | 2006        |
| Food poverty line | R148<br>28,5               | R209<br>24,8   | R148<br>10,4 | R209<br>7,9 |
| \$1,00 (ppp)      | 11,3<br>(0,72)             | 5,0<br>(0,77)  | 3,2          | 1,1         |
| \$1,25 (ppp)      | 17,0<br>(0,85)             | 9,7<br>(0,95)  | 5,4          | 2,3         |
| \$2,00 (ppp)      | 33,5<br>(1,23)             | 25,3<br>(1,36) | 13,0         | 8,1         |
| \$2,50 (ppp)      | 42,2<br>(1,44)             | 34,8<br>(1,60) | 18,0         | 12,5        |

\*Parentheses show the average income of those below the specific poverty line in \$(ppp)  
Source: *Income and Expenditure survey 2000 and 2005/6*. Statistics South Africa.

A sustainable livelihood is a programme that can only be implemented within the community it serves. Guttmacher, Kelly, Ruiz-Janecko (2010) state that “a community is a group of people connected by visible and invisible links, who share interests, behaviour, risk, knowledge and skills”. A sustainable livelihoods project has been incorporated into the development process and should focus on bringing value to the people within a community. These projects were created to contribute and reduce the level of poverty in the society. They involve social and economic restructuring, together with government policies. This is an economic activity which involves production and sale of goods. Therefore, it is imperative to acknowledge that sustainable livelihoods projects are created to generate income, in order to reduce levels of poverty within members of the community.

Sustainable livelihood approach is centered on people and their livelihoods. It starts as an initiative from the community or individual, usually called societal change agents or social entrepreneurs. Dally-Harris & Keenan (2007) describe social entrepreneurs as “people who recognise a social problem and practice entrepreneurial ideologies to create; organise and manage a project to achieve social change”. The agents are usually participants from the community for the benefit of the larger community.

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For the purpose of this study, it is imperative to define poverty in order to measure the impact of sustainable livelihood project among the poor. According to Townsend (1967) there are two approaches to defining poverty i.e. “absolute and relative poverty”. This indicates that poverty has many aspects in which it could be defined, such as ‘lacking sufficient money to meet basic physical needs, insufficient income or poor living standards and conditions, low levels of literacy, education and skills’, lack of social needs and obligations and lack of opportunity to participate in society.

Todaro (2006:805) describes absolute poverty as “a situation when a population is capable of meeting the only basic essentials like food, clothing and shelter to keep the minimum living standards”. This statement denotes that a poor person should still have basic sources of life in order to survive.

Since there is no universal definition for poverty, as it is critical to political, policy and academic debates. According to Lister (2004:17) quality of life includes people’s capabilities as well as what they want to be and do and how they deploy the resources available to them. This indicates that citizens are able to contribute in the cultural, social and economic life of their communities, which improve their wellbeing and potential of an individual.

## **1.2 Background**

In South Africa there were approximately 57% of individuals who lived below the poverty income line in 2001 and remained unchanged since 1996. Limpopo and the Eastern Cape had the highest proportion of the poor with 77% and 72% respectively, in which their populations lived below the poverty income line. The Western Cape had the lowest proportion in poverty (32%), followed by Gauteng (42%) (Schwabe, 2004).

The North-West Province is the fifth largest Province in South Africa, with a total population of 3 509 953 according to the 2011 census. The province occupies 9, 5% (116 320 m<sup>2</sup>) of the total land area of South Africa. Fighting poverty has been at the centre of all Government's policies and programmes since 1994 (RDP, 2006). The North-West Provincial Government, in line with the Presidential priorities identified poverty and unemployment as critical challenges. The Provincial Growth and Development Strategy (PGDS) was formulated to provide a framework for

addressing poverty and promoting economic growth and development. The province subsequently adopted the North-West (NW) Poverty Eradication Strategy in 2007 to ensure the up-liftment of the poorest of the poor. The economic trends of the province reflect the vulnerability of the people's livelihoods.

In terms of the Reconstruction and Development Programme (RDP, 2006) poverty is the single greatest burden for South Africans. The Poverty Eradication Framework of the Cabinet Social Sector Cluster covers a variety of strategies to address the causes and symptoms of poverty (RDP, 2006).

The Department of Social Development is responsible for community development programmes which entail mobilising communities to participate in decisions and activities relating to poverty eradication, sustainable income-generating projects and creation of opportunities for social entrepreneurship. To this end, the programme facilitates establishment of civil society organisations and strengthens existing organisations through capacity building programmes and grant funding. The objective of sustainable livelihoods initiative is to fund rural development projects specifically aimed at assisting the world's poorest, namely, small scale farmers, the landless poor and rural women to increase their food production, raise incomes, improve health, nutrition and educational standards and to ensure their well-being on a sustainable basis (IFAD, 2013).

When the economy moves from that of a centrally-planned economy to an open market economy, there will be changes, as for example, the privatisation of land and the removal of support services (World Food Summit 1996). In the case of transition in the economy, there is a need to understand the problems which contributed to the change in the economic sector. The strategies themselves do not involve macroeconomic policies but interaction with the community, such as sustainable livelihood projects.

### **1.3 Problem Statement**

The current development of sustainable livelihood projects seems to be not reaching the poor. There poor are still remaining poorer and the rich are within the richest standards of life. How far are these projects assisting the poor, since the levels of poverty is still a concern among the poor. The North-West Poverty Eradication

Strategy (NWPES) (2007), incorporating “Anti-Poverty campaign” has identified sustainable livelihoods projects as a method to uplift and eradicate poverty. The strategy streamlines multi-level strategies that co-ordinate government efforts at poverty eradication, touching and transforming almost every aspect of human activity and the quality of life. The sustainable livelihood projects were introduced as a migration plan for the poor, in order to participate from second to first economy interventions.

- That is “In the context of skills development in South Africa, the terms ‘First Economy’ and ‘Second Economy’ are used to refer to the formal economy and the more informal economy respectively. The First Economy is modern, it produces the bulk of the country’s wealth and it is integrated into the global economy. The Second Economy has become an important element in the government’s development of policy and plans to combat poverty” (South African – German Development Co-operation National Skills Authority).

This study pursues to find whether the sustainable livelihoods project as intended are benefiting the poor and whether the growth and development projects have advanced to the level of participating in the main economic streams. What could be hindering the progress or participation in the main economy?

#### **1.4 Objectives of the Study**

In the broader context of the study, the research seeks to address the gap between sustainable livelihood projects and whether the projects are still relevant to address the level of poverty in the province. Therefore the study seeks to establish the following objectives:

- To determine the level of growth from the project inception and how far it has advanced.
- To make recommendations on the gap between government support services on projects and the impact it has among beneficiaries of sustainable livelihoods projects.
- To investigate whether projects funded by government are run successfully and are sustainable after initial funding.
- To establish what elements contribute to the collapse of these projects and

- What is the potential for economic growth and sustainable development?

## **1.5 Research Questions**

The research measures the impact on which sustainable projects made into the lives of the poor. Therefore, it will be necessary also to establish if these projects are well managed and beneficial to the poor. Is the strategy reaching the poor and whether it is necessary for the government to still embark on the strategy or whether there is a need for change?

- Whether sustainable livelihood projects have failed to sufficiently address the people's needs.
- What dictate the path towards sustainable growth in the North-West Province?
- What measures are in place to assist sustainable livelihood projects to participate in the main stream economy?

## **1.6 Assumptions of the Study**

The study is undertaken with the assumptions that

- the sustainable livelihood projects funded by the Department of Social Development have not reached a level for participating in the main stream economy;
- all sustainable livelihoods projects are registered according to the Not for Profit Organisation Act 71 of 1999;
- that all poverty related projects are government funded and the project members understand the terms of funding between project and government;
- each individual project member can read and write.

## **1.7 Justification of the Study**

Most of the studies conducted were made on sustainable livelihood topics and approaches. Particularly in the North-West province, there has not been a research to investigate if the sustainable livelihood projects are reaching the poor. The sustainable livelihood projects funded by the Department of Social development

have been deteriorating and members ended up losing interest in the project. The study seeks to check if the sustainable livelihood projects are making any impact to the lives of the poor. The study investigates the sustainable livelihood projects based on the following:

1. The sustainable livelihood projects are not expanding and merely exist without reaching the poor.
2. Communities cannot see the impact in their lives.
3. Projects are not making impact to the lives of the community members.
4. Projects are not well managed.
5. There is no growth in the SLA community projects.
6. The projects are not receiving enough support and monitoring from the government, hence they collapse.



The study highlights the broader understanding of the sustainable livelihoods projects and to identify the gaps that cause failure to the development of these projects. The management approaches and policy have reached their objectives. The stakeholders appear to collect and use the funds of the public for their own and not benefiting the poor in the communities.

### **1.8 Definition of Key Concepts**

- **NPO / NGO** – Not for Profit organization / Non Governmental Organisation.
- **HSRC** – Human Science Research Council
- **Co-operative** – an organisation that has been registered according to the Cooperatives Act.
- **People-centred Approach:** The people themselves should actively participate in the running and decision making of the project.
- **Holistic Approach:** inclusion of other sectors in the society. For example the private sector, ministries, community-based organisations and international organisations.

- **Build on strengths:** Focusing on what is possible for the people to implement (strengths and opportunities).
- **Micro-macro links:** links between Social and Economic policies at a local and provincial level.
- **Accountability:** Compliance with all legislation, policies and financial regulations.
- **Affordability:** A measure of a population's ability to afford to purchase a particular item, such as a house, indexed to the population's income ([www.investopedia.com](http://www.investopedia.com)).
- **Appropriateness:** Responsiveness to social, economic, cultural and indigenous and political conditions ([www.dsd.gov.za](http://www.dsd.gov.za)).
- **Partnership:** A collective responsibility of government, civil society and the business sector to deliver services ([www.dsd.gov.za](http://www.dsd.gov.za)).
- **Empowerment:** To enhance the capacity or developing a skill on project members.

## 1.9 Scope of the Study

South Africa, along with the rest of the world, experienced an economic recession which started in 2007. In South Africa the recession started in the last quarter of 2008 and ended in the third quarter 2009. This led to massive job losses from affected business sectors, which had a rippling effect on families and households.

The plans and strategies were incorporated as a safety nets in order to relief the families from getting deeper into poverty. They elements that affected businesses were also penetrating to the poor leaving them to sustain themselves. The interventions were drawn from existing and proposed programmes and interventions of Government. The sustainable livelihood was one of the mechanisms used to engage the unemployed and the poor into projects, with the intention to create income and earn a living. These projects were supported financially by the Department of Social Development in the North-West Province. The funding of the projects was regulated by the Public Finance Management Act 1 of 1999, which allows the departments to enter in partnership with the third parties. The department proposed a set of priority actions to help accelerate progress in supporting the attainment of social development goals.

The financial and human resources reside within the relevant units within the department. Within the sector, the delivery of services is largely informed by National and Provincial priorities in collaboration with implementation partners. The Not for Profit Organisations Act, 1997 also established an administrative and regulatory framework within which non-profit organisations could conduct their affairs. It is in this context that an investigation and analysis of the impact of sustainable livelihoods project for the poor in the North-West Province are discussed. The projects under investigation were selected from the data base of sustainable livelihoods funded by the Department of Social Development in the North- West Province.

## **CHAPTER 2**

### **LITERATURE REVIEW AND THEORETICAL PERSPECTIVE**

#### **2.1 Overview**

The purpose of this chapter is to explore the applicability of sustainable development within the community development framework and the success linked to global implementation of the programme.

This literature is reviewed with the perspective of analysing the different approaches used in implementing sustainable livelihood projects. This also includes the review on legislative mandates, policies and statutes, previous studies conducted and the impact it had on the communities as well as the principles and strategies which have contributed to the successes of these projects.

#### **2.2 What is Sustainable Livelihoods**

According to oxford dictionary the term “sustainability” means to keep in existence or maintain the supply of necessities or nourishment, in order to keep from falling below a standard or to buffer the conditions from fatal injury or an objection competently. Meriam Webster also described sustainability as a method of harvesting a resource so that the resource is not depleted or permanently damaged (m-w.com). Marni Evans, further described sustainability as improving the quality of human life while living within the carrying capacity of the Earth’s supporting eco-systems. (About.com Guide). In order to have an understanding of the subject under study, it is imperative to define livelihoods. Oxford dictionary defined livelihoods as a means of securing the necessities of life. Meriam Webster (m-w.com) further described livelihoods as a means of living or of supporting life or subsistence. Based on the definitions above sustainability could also mean to provide resources in order to preserve the quality of life as well as to maintain the level of functionality within reasonable standards; to keep your project operational.

Krantz (2001) states that sustainable livelihoods were introduced by Brandt Commission on Environment and Development “as a way of linking socio and ecological considerations in a cohesive, policy relevant structure.”The concept was further expanded by the 1992 United Nations Conference on Environment and Development (UNCED) to reach the broader role of poverty eradication through sustainable livelihoods. The foundation of sustainable development is clearly placed within a considerable portfolio of experience at the international level, where technical and financial supports to developing nations emerge to tackle the vicious cycle of environmental resources degradation, poverty and food insecurity (Benyam, 2011).

In 1992 Robert Chambers and Gordon Conway proposed the following composite definition of a sustainable rural livelihood, which is most commonly applied at the household level:

- A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living: a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets and provide sustainable livelihood opportunities for the next generation and which contributes net benefits to other livelihoods at the local and global levels and in the short and long term.

According to Carney (2006:132) “sustainable livelihood is a holistic development model that has revolutionised around income-generating opportunities for rural communities”. This indicates that sustainable livelihoods programme is particularly meant to increase the income for the poor, with the sole purpose of improving their lives. Therefore as stated by Robert Chambers in 1992, sustainable livelihood project would serve as a means for the poor in order to recover from the shock of poverty into acquiring and maintaining their capabilities and assets. The International Funding of Agricultural Development (IFAD, 2012) also described sustainable livelihoods approach as a way to improve the livelihoods of poor people, which draws on the main factors that affect poor people's livelihoods and the typical relationships between them.

Scoones (1998) further stated that livelihoods are shaped by a multitude of different forces and factors that are themselves constantly shifting on a day to day basis. The survival of the people within those circumstances becomes a vital issue of sustainability. These factors can be used in planning new development activities and in assessing the contribution that existing activities have made to sustaining livelihoods (DFID, 1999).

According to Hopwood (2005) sustainable development is an attempt to address socio-economic issues, which cover the different concepts and trends, their political and policy frameworks and their attitudes towards change and means of change. The World Bank (2004) has defined development as follows:

- “an equitable distribution of income among social groups, about the shares of resources used to provide free health and education services, and about the effects of production and consumption on people’s environment”.

In a broader view sustainable livelihood development combines all facets of human well-being, which comprises social status, economic and freedom to political expression. This denotes that development should be linked to the change and impact it has brought to the people’s lives. Most people benefit from local economic development policies developed by government. Therefore sustainability is more concerned about transforming the people’s lives from being poor and vulnerable to a state of attaining livelihood outcomes and livelihood assets.

**Figure 2.1 – The process of sustainable Livelihoods to the attainment of desired livelihoods (Scoones, 1998).**

| Poverty line      | Percent below poverty line |                | Poverty Gap  |             |
|-------------------|----------------------------|----------------|--------------|-------------|
|                   | 2000                       | 2006           | 2000         | 2006        |
| Food poverty line | R148<br>28,5               | R209<br>24,8   | R148<br>10,4 | R209<br>7,9 |
| \$1,00 (ppp)      | 11,3<br>(0,72)             | 5,0<br>(0,77)  | 3,2          | 1,1         |
| \$1,25 (ppp)      | 17,0<br>(0,85)             | 9,7<br>(0,95)  | 5,4          | 2,3         |
| \$2,00 (ppp)      | 33,5<br>(1,23)             | 25,3<br>(1,36) | 13,0         | 8,1         |
| \$2,50 (ppp)      | 42,2<br>(1,44)             | 34,8<br>(1,60) | 18,0         | 12,5        |

<sup>a</sup>Parentheses show the average income of those below the specific poverty line in \$(ppp)

Source: *Income and Expenditure survey 2000 and 2005/6*, Statistics South Africa.

### **2.2.1 Sustainability and the Aspect of humanity**

The livelihoods approach is concerned about the people first. Therefore, it strives to gain the real understanding of people's strengths, assets and capital possessions as well as how they intend to translate them into positive livelihood outcomes. According to the constitution of South Africa, chapter 10 emphasises the right to human dignity. The interpretation is based on the notion that everyone has an inherent right to dignity and the right to have their dignity respected and protected.

As indicated in the reconstruction and development programme, Rogers(2009) 'also aligns his argument around the principle of putting people first in the implementation of sustainable livelihoods projects which has made a huge impact in the lives of the people of Bangladesh through its handicraft and fashion section'. Kenoli (2000) alludes that the participants develop "ownership" in the process and become the advocates of the project through crucial stages. The members develop personal relationships. The advantage is that relations spread within the organisation and ultimately to community. The support for implementation become of high level and everyone learns the skills of teamwork in order to accomplish the desired goal.

Sustainable development has the ability to deal with the main challenges of humanity, now and in the future. Humanity depends on security and basic existence on the environment, economy and the wellbeing for the environment.

### **2.2.2 Stakeholder Management**

Government alone cannot ensure the development of sustainable livelihoods projects to its ultimate functionality. There is a need to involve other stake holders in order to encourage knowledge sharing and expertise. Bass, Dalal-Clayton and Pretty (2002) stated that "access to information and communication is a pre-condition for sustainable development and can help stakeholders to break out if their isolation, exchange ideas and learn from experience of the others".

- According to Kenoli (2000) "a stakeholder is a community member who has the power to support the process or to stop it as well as everyone whose lives will be influenced by it".

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Stakeholders include different groups of affiliated and none affiliated individuals from different demographic groups with specialised expertise. According to International Funding of Agricultural Development (IFAD: 2012) “the main activity of sustainable livelihood approach is to identify the constraints and opportunities faced by poor people, as expressed by them”. This means sustainable livelihoods builds and provides support to poor people as they address the constraints and take advantage of the available opportunities. This indicates the need for involvement of other stakeholders in the sustainable livelihoods project from the onset, in order to succeed. The stakeholders' involvement plays a major role, in that they would assist in the supply of goods and raw material in order to sustain their project.

### **2.2.3 Need for Provision of Social Capital**

Social capital in business language is referred to as corporate social responsibility. According to Chillibreeze (2011) “Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large”. Sustainable livelihoods project should be provided with some capital in order to start their operation and make meaningful contribution to society. Carney (2006, 253) stated that “social capital contributes to sustainable development by facilitating connections between people, by making it easier to access information and by encouraging trust and understanding among individuals”.

- In Bangladesh BRAC – Aamong developed a sustainable national brand that provided a livelihood in the creative industries for tens of thousands of people across Bangladesh. The established was a small-scale and rehabilitation project to assist refugees returning from India after Bangladesh's war of liberation, BRAC is now one of the world's largest development organisations. The initiative was dedicated to creating economic opportunity for disadvantaged artisans and rural women through the revival and promotion of their traditional handicrafts. Today, Aarong is the foundation for independent co-operative groups and family-based artisans to market their craft in Bangladesh.

Social Capital is necessary for sustainable livelihood project seeks to alleviate poverty and create job opportunities for the unemployed. "The trust among members in projects increases the level of assurance from decision makers to think more about investment, so that resources can be dedicated to where the profit is highest and which may be in developing natural, human, social or cultural capital" [www.environment-ecology.com](http://www.environment-ecology.com). According to Carney (2006, 132) "sustainable livelihood is an all-inclusive approach that has a revolutionised income-generating opportunities for rural communities". This indicates that the capital provided to the projects should attract income in order to sustain.

Financial institutes provide funding as intermediaries of financial markets. They are liable for transmitting funds from investors to businesses and corporations in need of those funds. Financial institutes are a vehicle for the movement of cash through the economy. "Some countries have one consolidated agency that regulates all financial institutions while others have separate agencies for different types of institutions such as banks, insurance companies and brokers" [www.worldbank.org](http://www.worldbank.org). In South Africa there are institutions such as co-operative banks, regulated by corporative banks Act, no. 40 of 2007. This also includes institutions such as Khula enterprise, Kagiso trust, Small Enterprise Development Agency (SEDA) and the main purpose is to provide financial power for entrepreneurs as well as to contribute to social responsibility.

#### **2.2.4 Adoption of business practices in SLA Projects**

Organisations are increasingly inclined to integrate society's expectations into their business strategies, not only to respond to rising pressure from consumers, employees and other stakeholders but also to explore opportunities for creating competitive advantage (Bielak, Bonini, & Oppenheim, 2007). Sustainable development and business ethics are becoming ever increasingly important issues for society, governments and business organisations (Raman (2013).

Sustainable business practices, on the other hand, integrate ecological concerns with social and economic ones (PR Newswire, 2007). Growth that depletes ecosystem services leads to a decline in quality of life, and minimising such growth can provide opportunities for local businesses [www.environment-ecology.com](http://www.environment-ecology.com). This is understood

as the benefit of reducing waste will result in less environmental fines, which will result in more income for the organisation. This may lead to increased market share due to an improved public image [www.environment-ecology.com](http://www.environment-ecology.com). The society at large will also benefit from the sustained environment.

A sustainable enterprise genuinely contributes to sustainability by delivering economic, social and environmental benefits simultaneously (Petrini, 2010). Sustainability development and business ethics are developed and potentially impact upon their corporate image, reputation and ultimately their financial performance (Raman, 2013).

### **2.3. Impact of Sustainable Livelihoods to Society**

Sustainable livelihood project is meant to empower people's lives as well as to contribute to many aspects of the society, such as the developmental aspect, reduction of poverty, unemployment, environment and social improvement, will be discussed below.

#### **2.3.1 Sustainable Livelihoods and Development**

According to Todaro & Smith (2006: 15) "development is the capacity of the economy, whose previous economic state has been more or less fixed for a long time, to a state of generating and sustaining increase in the gross income of 7% or more". Development in this instance is described in terms of the economic status. Baker (2006) states that "the sustainable development model is a challenge on the conventional form of development". The national development plan proposes to revitalize and enlarge the economic opportunity through innovation, infrastructure investment, private investment and entrepreneurialism. National Development Plan, Vision 2030, <http://www.npconline.co.za>

The better performing economy could absorb more labour force, particularly of new job seekers and the moderation of wage at all levels could add to rising employment. Sustainable livelihoods have the ability to broaden opportunities in an inclusive economic growth to high levels of investment. This indicates that development

cannot be counted on a singular basis but touches many aspects of our lives. Sustainable livelihood project's primary goal is to bring development and transformation into people's lives. The development will not only touch the beneficiaries of the project but ultimately bring changes within the community and society at large.

### **2.3.2 Sustainable Livelihoods and Poverty**

The concept of sustainable livelihoods has a significant relation with poverty, since it was introduced as a mechanism to reduce poverty. Edigheji (2008) eludes that:

- "Participation of poor people is a pre-requisite for growth, which without addressing inequality and poverty, there can be no long-term sustainable path to development".

Inequality brings about discrimination and prevents people from accessing their rights. Lack of provision of services of information may serve as a disadvantage for the people to access ways and means which may relieve them out of poverty. According to the constitution of South Africa (1996), chapter 9, subsection (1) "Everyone is equal before the law and has the right to equal protection and benefit of the law". The equality clause includes the full and equal enjoyment of all rights and freedoms. The Act allows all South Africans to have equal opportunities, irrespective of your social status. These opportunities also include participation in the sustainable livelihood projects of your choice. Sustainable development has been frequently defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs (World Commission on Environment and Development [WCED], 1987). In order to explore the relationship between poverty and sustainable livelihood programme, there is a need to define poverty.

The definition of what constitutes poverty differs from one country to another; the general consensus is that poverty is a relative term and consequently its meaning and parameters or standard of measurement vary from one place to another (Okosun et al 2012). The Development Assistance Committee (DAC, 2001) stated that "poverty involves different deprivation that relate to human capabilities, consumption, health, education, security, dignity and decent work. The unequal

distribution of service or the lack thereof may only push people deeper in the system of poverty. The government of South Africa has committed to provide basic services like health care and education to the most deprived for free.

Poverty was defined by Greenwald and Associates (1996) as a condition in which income is insufficient to meet subsistence needs. As stated above, poverty was originally measured exclusively in monetary terms and particularly in terms of income. The conceptualisation and measurement of poverty has been extended to encompass the ability of individuals and households to effectively meet their basic needs and, further, to engage on an equal footing in their societies, [www.info.gov.za/view](http://www.info.gov.za/view). This implies that without income people are not in a position to provide their family households with basic necessities like food. The food security has been defined as a situation that exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life (Food and Agriculture Organization of the United Nations, FAO, 1996). Food items appear to be the key issue in ensuring that the poor are provided with the basic services. Although some of the definitions of poverty emphasise on income, it is eventually used to provide house hold with food necessities.

- There is a general concern over the plight of the poor all over the world. This can be seen how the richest countries deploy their resources in order to reduce the levels of poverty. (Worldbank.org Jan 2013).



The eradication of poverty, therefore, is one of the top priorities for the government, as well as various other sectors of the society. However, for policy to effectively target and improve the lives of poor individuals and households, an appropriate poverty measure or poverty line is required.

The existence of the relationship between poverty and sustainable livelihoods programmes implies that projects can be used as tools for poverty reduction as well by designing interventions in such a way that the efforts to protect the environment are synergistically combined to promote sustainable livelihoods of the poor, Upadhya (2013). The estimation of poverty lines plays the most significant role in the sustainable livelihoods concept. The issue of empowerment and acquiring of assets

depends on which level of poverty the people belong. Over time societies have evolved from strength to strength, so has the understanding and conceptualisation of poverty. People in poverty tend to rely mainly on the natural resources in order to provide for their families and their wellbeing. In this context, many nations are also seeking the solutions in order to sustain their communities. People's capital assets affect poverty status and quality of life by affecting human experience as well as income. Keeping this experiential dimension of poverty and livelihood is thus critical if interventions are to be relevant. Babington, (1999). Acquiring capital assets is an important aspect of releasing the people from poverty. Assets are a major contribution to improvement in to the people's livelihoods.

In this scenario, poverty is understood as the lack of social capabilities to access the opportunities and possibilities of a society moving forward. Building a space for social cohesion, includes vulnerable groups and establishing that policies meant for the poor are not simply acts of charity. They are meant to ensure stability and capabilities for sustainable growth and development. In this scenario, the co-ordination and driving of such policies are central to all other policies and programmes and the key to their success. The state and society need to work together on the challenges the people face. The fundamental of life of the poor is a struggle to survive and the uncertainty of their livelihoods.

### **2.3.3 Sustainable livelihoods and unemployment**

The sustainable livelihoods target those who are mostly unemployed and vulnerable. It arises as an opportunity to allow the unemployed to participate in the economy and also gain income.

- According to Kingdon (2007) "it is crucial to pursue a set of policies that promote South Africa's rate of economic growth to promote job-creation and also that labour market regulations require reconsideration, giving greater weight to the concerns of employers and investors and to the interests of the unemployed and informally employed poor who are beyond the reach of the labour institutions but can be hurt by them nevertheless".

This highlights that lack of valid data hampers the analysis of significant aspects such as entry into and exit from the duration of unemployment. According to Jeremy (2010) "Unemployment durations have become longer, suggesting that economic opportunities are worsening for the unemployed." The situation of the increasing unemployment rates has a negative impact in the economy of the country. This is an opportunity where government has to strengthen the sustainable livelihood project to ensure participation into open labour market in order to boost the economy. Klasen (2009) stated that "in South Africa open unemployment rates moves around 30%, with rural unemployment rates being even higher than that". This brings about the question of whether the sustainable livelihoods projects would grow and reach the stage of actively participating in the main stream economy.

Jeremy (2010) states that "the legal changes associated with the end of apartheid shifted the regime allocating jobs and anecdotal evidence suggests that networks are now governing job allocation". The statement indicates that government needs to bring more creative ways of dealing with unemployment in order to sustain the country's economy. The risky illustration is when the employed relatives participate in those network connections for their children and then the issue of unemployment would not decrease. Some individuals find themselves qualified but socially secluded to those who have the power to provide jobs. The qualified unemployed individuals find themselves searching for ways in which they could access the means of establishing a sustainable livelihood project. Some of these projects run at a risk of being abandoned once opportunity for employment avails itself to the originators of the project.

Kingdon (2007) stated that "unemployment in South Africa is the post-apartheid period, focused mainly on the role of labour legislation and the system of labour market as well as the impact of the government's active labour market policies". The concept of creating projects which are sustainable was totally overlooked, hence it is only recently that government started to give attention due to high unemployment rate reported. The reason why the entrepreneurial informal sector remains so small despite high unemployment is unclear and may be due to legal barriers, such as job search and job requirements (Jeremy, 2010). Whether by choice or by restriction, unemployment seems to be the default consequence of most people who do not get

jobs in the formal sector. Sustainable businesses, nongovernmental organisations and projects could serve as a remedy to relief unemployment on a minimal scale unless growth in these sectors would be able to absorb available labour force.

#### **2.3.4 Sustainable Livelihoods and Environment**

According to Quazi (2001) sustainable development is an approach that uses the earth resources in such a way that future generations' needs are not compromised. Quazi (2001) further emphasises that sustainable development is a way to balance economic growth and environmental protection. When organisational processes do not protect the environment severe pollution and other related problems may occur that may kill thousands of people and damage the physical environment, [www3.ntu.edu.sg](http://www3.ntu.edu.sg).

The International Standardisation Organisation (ISO) 14000 series, aims to provide guidance for developing a comprehensive approach to environmental management and for standardising some key environmental tools of analysis such as labelling and life cycle assessment. According to Quazi (2001) ISO are meant to assist national regulatory regimes and are not intended to replace or duplicate a country's regulatory system. Environmental standards were prepared in order to guide businesses in their efforts to set up environmental management systems and also to provide an objective measure to determine the appropriateness of the different environmental management systems set up by business enterprises (Quazi, 2001).

Government is putting efforts in environmental management and businesses are also starting to focus on environmental issues (Quazi, 2001). South Africa developed the Environment Conservation Act 1989, which is meant to protect the environment. The provisions of subsection (2) of the Act states that "the Minister may by notice in the Gazette determine the general policy relating to the environment, to be applied with a view of protecting natural systems as well as the preservation of biotic diversity in the natural environment", [www.acts.co.za](http://www.acts.co.za). This statement contains the view to promote sustainable utilisation natural resources, the environmental protection and the establishment as well as maintenance of acceptable human living environments in accordance with the environmental values and environmental needs of communities, [www.acts.co.za](http://www.acts.co.za). This approach is meant to create sustainable

living, which seeks to create self-reliant communities based on principles of simple living and maximise self-sufficiency, [tunetrack.net](http://tunetrack.net). This has a direct relation particularly in food production, since food relies mainly on the land in which plants are developed. If the environment in which plants depend on is degraded, the country will suffer significantly in the supply of food, which will in turn result into poverty.

### **2.3.5 Sustainable livelihoods and social improvement**

Social improvement has become the most imperative issue on the development agenda. The main development challenge is to attain adequate sustainable growth to protect the inclusion of the poor participants in the development process. Interventions may form new risks and vulnerability over involuntary effects such as less affordable goods and services, lack of jobs, lack of property and lack of public support systems and social capital. Sustainability matters are mostly expressed in environmental terms. To implement change in a social sector includes local and individual lifestyles.

Social disruptions like war, crime and corruption divert resources from areas of greatest human need, damage the capacity of societies to plan for the future and generally threaten human well-being and the environment. <http://environment-ecology.com>. The government's has a responsibility to provide support through welfare and social assistance programs including income generating projects to address poverty and issues around the vulnerable people.

- "The relationship between human rights and human development, global poverty and citizen action, suggest that responsible global citizenship is an inescapable element of what may seem to be a matter of personal consumer and moral choice" (Anon. United Nations Environmental Program 2011).

The issue of choice is a not always a privileged to the poor and vulnerable. This takes a society in which communities take action, in order to bring improvements in the area. The long-term solution to vulnerability is determined by good decisions on economic and social development that address the causes of poverty.

Edigheji (2008) states that “there is an interrelation of the problems within the education sector such as serious problems of quality and poor outcomes as well as the social impacts barely feature”. Vulnerable groups need the help of society and to show that we care for one another. An increased level of social movements can influence the building and construction decisions within the areas. A sustainable livelihood project has the capability and expertise to accomplish specific task in modifying and adding value to their localities Bitar (2003). The municipalities may adopt the systems approach in order to sustain them and provide services which are not available in those areas. In order to encourage sustainability municipalities which are more participatory should involve community members to input in the integrated development plan for the municipalities, so as to respond to their needs.

## **2.4 Global consideration of SLA**

Global considerations address policies and legislations as well as the economy pertaining to sustainable livelihoods in the entire globe.

### **2.4.1 Policies and Legislation supporting Sustainable Livelihoods**

There are a number of policy interventions both nationally and internationally that have either been developed to address the structural imbalances that have resulted in high levels of poverty, unemployment and inequality. The Millennium Development Goals (MDG, 2009) has reached an international community agreement on working together to achieve eight critical economic and social development priorities by 2015. They direct both the developed and the developing countries through a partnership that is conducive to development in order to eliminate poverty. The involvement of stakeholders is critical, especially on how to achieve domestication of MDGs in the country (MDG, 2009).

In order to strengthen the sustainable livelihoods efforts, policies play a vital role, to ensure government's commitment to deliver services based on the people's needs. In South Africa, the government introduced the Reconstruction and Development Programme (RDP, 2004) as the policy instrument. It was meant to direct the process of the transformation. The RDP was expected to integrate all spheres of government with the goal of renewing and creating opportunities for the previously disadvantaged South Africans (Otten & Kerrigan 1995).

- The programme was meant to liberate the poor and empower them with the concept of equity over equality. This means that those who were previously disadvantaged would be given preference in allocation of resources as compared to equality where everyone is entitled to have an equal share on resources allocated. The RDP managed to provide the basic essential like housing, water and electricity but left the element of empowerment for the beneficiaries to be able to fend for themselves. The RDP process indicated a commitment of government to provide a better life for all South Africans (Otten & Kerrigan 1995).

The South African National President Jacob Zuma (2010) introduced the 12 outcomes with the purpose of enhancing the development programmes in the country, with specific focus on the poor. These outcomes define the interventions which are set to shape the response of government in order to address challenges in development. The Presidential outcomes that are more significant to this study are as follows:

- Outcome 4: Decent employment through inclusive economic growth. This outcome emphasis the fundamental outputs that promote employment creation and increase the number of decent jobs, stimulate inclusive growth and further diversify the economy towards more employment generating and higher value added activities. (<http://www.thepresidency.dpme.gov.za>, 2010).

Creation of employment is government's primary responsibility. Therefore it is expected of government to ensure that they regulate policies which stimulate the economy in order to provide decent jobs to the citizens. This is done with the understanding that people need money in order to provide the basic necessities for their families. If members within the family have jobs and earn income, which will in turn be disposed through buying goods, which eventually be injected back to the economy. A sustainable livelihood project is one of the mechanism which will build the jobs and as a result relief the poor out of poverty.

- Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all. Rural development is a cross-cutting programme that calls for

partnerships with multiple stakeholders both within and outside government.  
(<http://www.thepresidency.dpme.gov.za>, 2010)

The government has prioritized food for all programmes in order to push back the frontiers and poverty. The government has expanded its effort to expand the programme to provide those in rural communities with sustainable livelihood projects. These projects include agricultural activities which are also funded by government and should be sustained for the benefit of advancement of the communities. Agricultural activities have always been the main occupation for people in rural communities. Partnerships with relevant stakeholders play a major role in order to develop the agricultural activities into those which will participate in the main stream economy of the country. Different department and municipalities needs to pledge to assist and deploy their science, resource and expertise in order to bring sustenance to the program. Sustainable livelihoods programme can be sustained by all forces together in order to transform the projects and expand in order to provide their community with their agricultural products.

- Outcome 8 states that there should be sustainable human settlement and improved quality of life. There is a commitment of partners involved in the direct delivery process to working together to undertake activities effectively and on time to produce the mutually agreed-upon outputs which in turn will contribute to achievement of this outcome.  
(<http://www.thepresidency.dpme.gov.za>, 2010).

Government has undertaken the responsibility of providing sustainable livelihoods for the poor. Over the years there has been informal settlement mushrooming in cities due to people moving around seeking for jobs. Sustainable livelihoods projects have been established in order to work as subcontractors under the construction companies. People organize themselves according to the relevant and appropriate skill needed. The outcome of the sustainable livelihoods projects is to provide with assets and using their capabilities. In this instance the people will have valuable houses and also be in a position to provide food and employment. Inequality appears to play a role in keeping people being poor. Lack and provision of services or

information may serve as a disadvantage for the people to access ways and means which may relieve them out of poverty.

#### **2.4.2 Sustainability and Economy**

The economy of the country is the core to sustain communities. The word economy refers to activities which are related to production and distribution of goods and services in a region. Therefore, economy can also be referred to as, the effective use of available resources. According to Schwabe (2004) "Effective economy may call for reduced taxes and increased government spending when the economy becomes stagnant or increased taxes and reduced spending when the economy becomes overly active". The Premier of the North- West, Ms Thandi Modise also mentioned in the review Indaba for Provincial Growth and Development Strategy for North- West held in March 2011 that "the province should aim to contribute at least 12 percent to the country's Gross Domestic Product (GDP) by using the new plan to enhance the competitive and comparative advantages". These policy statements indicated a commitment of government to provide a better life for all South Africans. The more the people in the society actively participate in the production and distribution of resources, the more chances of the economy to grow. The sustainable livelihood then, becomes the vehicle to encourage people within the communities to participate in those projects.

Economic policy also has its interests in increasing and creating employment through government's sustainable livelihoods projects. The institutional support for such projects is structured to ensure their independent functioning from government. The government determines appropriate policies which are both focused and also differentiated with relevance to the sector. Support can either be provided by government or by the private sector in collaboration with the NGO's. Most people benefit from Local Economic Development policies developed by government. These policies are influenced by government's vision on creation of jobs and to increase income within households and eventually reduce dependence of the people from social service in order to accelerate growth.

According to Banoo (2007) "the centrally planned economy has always been concerned about the poor and provides an enabling environment and on the other

hand, creates opportunities for them in the market economies". The government still has a role in ensuring that the sustainable livelihoods projects receive sufficient support in opening the opportunities for participation in the main stream of the economy. Suthar (2011) stated that "the end-product is not only valuable in terms of eco-sustainability but also appeared as economic venture for rural farmer communities". Even if the government has a role in empowering the sustainable livelihood projects, the decision making should be in the hands of the members themselves.

Maharaj (1998) stated that "throughout the Western world and Third World countries, the global economic restructuring and local dependence have shifted the responsibility for economic development from the central state to the local state". Most countries prefer the entrepreneurial approach to Local Economic Development, which require forming growth associations with public-private partnerships to attract capital. Maharaj's (1998) studies on local economic strategies in Durban proved that "the local state has an important role in facilitating the process of local economic development and had actively pursued a growth strategy". This indicates that partnership and linkage of business and community with sustainable livelihood projects could bring a major growth in the country's total economy. Sustainable livelihoods can be used as a mechanism to create jobs, in order to generate income, which will be deployed back in the markets and ultimately to regulate the economy.

#### **2.4.3 Impact of Population Growth in the Economy**



There is a correlation between population growth and sustainable livelihoods programme. Fyson (2010) stated that "continuing rural population growth sees the affluent moving out of urban areas while the less well-off move in the opposite direction for housing and jobs". People have been migrating from one area to another, in search of better job opportunities. This condition has led to the higher concentration of population in cities and lower numbers reported in rural areas. The interpretation of the statement above signifies that the higher the population, the more the demand for goods and services within the society. Settlement areas also demand that unless a given level of services and facilities available, their areas are not sustainable (Fyson, 2010). This implies that areas in which the people settle also need to be provided with basic services in order to sustain their communities.

Sustainability goes beyond individual gain but spreads over to families and eventually the communities. Within such settlement areas, it is where the need for the establishment of sustainable livelihood projects emerges due to the lack of services in the area.

According to Angus (1997) "the recognition that household size and age structure affect consumption and income patterns can also compromise the implications of population growth for inequality". There are two effects that parallel those in the discussion of the effects on saving. If inequality could be defined as the individual level of income, then presumably children will be assigned very low levels of incomes and lower consumption, since they have no income. Using capital-based frameworks e.g. income, for measuring sustainable development and community well-being is attracting international attention, which helps focus policy on long-term determinants of development, rather than concentrating on maximising short-term well-being in response to political pressures (Dalziel, 2010).

The subject of economy and population growth has a relationship with minimum wage. Fumitaka (2005) states that population growth enlarges labour force and therefore push the wage down. The high number of people seeking jobs will affect the wage paid on the labour force. Competition among labour would cause the people to accept low paying jobs due to scarcity of employment. This indicates that the economic standard of demand for labour will result in the increase on economic welfare, which will cater for high levels of unemployment. Moreover, wages that are low would benefit industries that have high labour intensity.

Angus (1997) states that although the connection between economic growth and saving is unclear, many would see such declines in saving rates as a threat to economic growth and future prosperity. At the same time, population aging is likely to increase inequality. The age structure of family's affects saving behaviour, which breaks the equivalence between per capita income growths on the one hand and population growth on the other (StatsSA, 2010). When the rate of population growth declines, population is could be redistributed since families headed by workers and potential savers will contain fewer children, in order to sustain them. (Angus, 1997).The imbalance between economic and population growth also shows up in the

data, where the effects of economic growth on national saving rates are detected much more easily and robustly than are those of population growth.

Generally, population growth is mainly linked with food problems, ie malnutrition and hunger. However, the food problem is further a problem of poverty and insufficient income than a matter of insufficient global food supplies (Fumitaka, (2005). The population and food problem is explained when income is sufficient to buy adequate food as prices provide sufficient incentives to produce. These are some of the challenges that arise due to population growth and as a result projects for food gardens are developed.

Chunmo (2006) states that “industrial structure has transformed dramatically in recent years as the retail industry and service industry has substituted the manufacturing industry as the main source of growth”. As the new industries are established, people migrate to those areas looking for job opportunities, thus causing the population to increase. People are nomadic in nature and as a result identify needs and ways in which they can survive. The identification the needs bring about the establishment of sustainable livelihood projects.

One of the most celebrated predictions of the life cycle theory of saving is that “the ratio of national saving to national income depends positively on the rates of both population growth and per capita real income growth” (Angus, 1997). People save for retirement, so saving is positive for the young and negative for the old. Economic growth redistributes resources in favour of the young and population growth increases their relative numbers; increases in either favour saving over non-saving.

Fumitaka (2005) concludes that “population growth is much more than a food problem”. A high rate of population growth not only has an adverse effect on improvement in food supplies but also intensifies the constraints on development of savings, foreign exchange and human resources. Rapid population growth tends to depress savings per capita and retards growth of physical capital per worker. The need for social infrastructure is also broadened and public expenditures must be absorbed in providing the need for a larger population rather than in providing directly productive assets.

According to Angus (1997), the life cycle theory of saving in the presence of uncertainty implies that inequality will increase over time among a fixed group of individuals. Thus inequality among a birth cohort should increase over time as the cohort ages. Population aging redistributes people toward older and more unequal cohorts and therefore contributes to greater national inequality.

## **2.5 Implementing Agents**

The implementing Agents are a group of people organised to perform a certain duty. The group is usually registered with a board, which regulates the approved standard of operation.

### **2.5.1 Co-operatives and Not for Profit Organisations (NPO) Venture**

In South Africa the NGO sector and co-operatives have been used as a vehicle to implement the sustainable livelihood projects. A co-operative has been described as “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise” (International Co-operative Alliance's, 1995). The South Africa Co-operative Act No 14 of 2005 also alludes that “It is a business organisation owned and operated by a group of individuals for their mutual benefit.

Non-profit organisations and non-government organisations (NGOs) should also have a better understanding of their role and impact in achieving the desired goals of sustainability and ethical targets (Raman, 2013). The economic benefits are distributed proportionally according to each member's level of participation in the co-operative, for instance by a dividend on sales or purchases, rather than divided according to capital invested. The Programme supports non-traditional enterprise organisational forms with a special focus on rural areas and use of local resources.

The NPO's pursues activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services or undertake community development” (Duke University, 2007). Non-governmental organisations (NGOs) are legally constituted corporations created by natural or legal people that operate independently from any form of government. These organisations are for charities or

other types of public service; which provides some socially desirable need on an ongoing basis. The resources provided are directed towards providing goods or services to a client other than the actual resource provider. The shift to an emphasis in external financial reports on donor restriction has made the use of fund accounting systems even more critical.

If a goal of an organisation is to build working capital, it might want to project a budget imbalance of revenues over expenses. However, building too much of a surplus too aggressively might indicate to users of financial statements that the organisation is not effectively carrying out its stated purpose. Program priorities should be balanced in an effective budget. The sustainable livelihood project management must allocate its capabilities and resources to impact the maximum number of the intended audience or beneficiaries.

## **2.6 Chapter Summary**

In conclusion, the sustainable livelihood touches on all aspect of humanity and the impact it bears on the lives of the people. The literature review was based on many aspects that contribute and support the existence of sustainable livelihood projects. The notion of interrelation between sustainable livelihoods, economy and poverty has been established, since literature indicated that none of these aspect functions independently. The approach in itself is not prescriptive as to which projects should the community focus on. The approach depends entirely on the people in order to cover their specific needs within their communities.

Sustainable livelihoods come as an initiative from the community with intent to upgrade their livelihoods. The importance of government and business sector's contribution towards sustainable livelihoods makes a great difference to enhance the running and generation of capital for the projects, as it was indicated in the case of Bangladesh Brac Aarong's project.

## **CHAPTER 3**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Introduction**

This chapter incorporates the research design and methodology applied on the study. The description of the study methodology is expressed through the research design, population of the study, sampling procedure, instrumentation and data collection as well as ethical considerations.

#### **3.2 Research Design**

According to Blanche and Durrheim (1999), research design is a strategic framework for action that serves as a bridge between research questions and the execution or implementation of the research. Mouton (2001:55) further stated that “the research design is a plan or blue print of how one intends to conduct research”. It is a technical aspect of the research design and a thorough description of how tools were used to bring out results of the research study. That included the conceptualisation of the problem right through to the dissemination of findings (Grinnell, 1993:547). A research design therefore would be defined as the procedure or strategy that the researcher adopts to approach the research.

The quantitative research was adopted as a method in the study to gain relevant information. According to Cohen (1980), “quantitative research is defined as a social research that employs empirical methods and empirical statements”. Cohen (1980) further states that empirical statement is expressed in numbers in order to make a conclusive statement about the subject under study. According to Creswell (2009) a survey provides a numeric description of trends, attitudes or opinions of a population by studying a sample of that population and it can be in a form of a questionnaire or structured interviews. Quantitative research according to Leedy and Ormrod (2001), is used to answer questions about relationships among measured variables with the purpose of explaining, predicting and controlling the phenomena. Another factor in quantitative research is that empirical evaluations are applied. Empirical evaluations

are therefore defined as a form that seek to determine the degree to which a specific program or policy empirically fulfils or does not fulfil a particular standard or norm, Cohen (1980).

### **3.3 Difficulties encountered**

The letter of permission was not signed by the acting Head of Department due to change of management within the Department of Social Development.

### **3.4 Population of the Study**



According to Mouton (1998:134) a population is a group of objects, events or individuals having some common characteristics that the researcher is interested in studying. Sustainable livelihood projects funded by the Department of Social Development, Women, Children and people with Disabilities in the North- West Province, were treated as the population under study. Sustainable livelihoods projects are one of the mechanisms to deal with the plight of the poor and upgrade their standard of living.

The researcher developed a questionnaire addressing the research objectives as follows:

- To determine the level of growth from the project inception and how far it has advanced;
- To make recommendations on the gap between government support services on projects and the advantages it has among beneficiaries of sustainable livelihoods projects;
- To investigate whether projects funded by government are run successfully and are sustainable after initial funding;
- To establish what elements contribute to the collapse of these projects and
- What is the potential for economic growth and sustainable development?

The list of sustainable livelihood projects in the North- West Province was accessed through the community development section in the Department of Social Development, Women, Children and People with Disabilities – community

development section. A Simple Random Sampling was preferred by the researcher for selecting the sample for research. The selected projects included different expert fields such as farming, vegetables gardens, baking and confectionary, poultry and art works. Fifteen (15) projects were randomly selected to participate in the study. There selected projects were from all the four (4) District of the province, viz, Ngaka Modiri Molema, Bojanala, Dr Kenneth Kaunda and Dr Ruth Segomotsi Mompati.

### **3.5 Sampling Procedure**

The sampling procedure incorporates the sampling method used and how well will the sample represents the population under study. Sampling procedure is one of the two sources of random error which research design must minimise, in order to ensure the external validity of the study.

The researcher was accompanied by the district community development practitioners as the project supporters, in order to introduce the researcher to the projects. The questionnaires were distributed to the sustainable livelihood project managers in order to sensitise them with the objectives of the study and as a mechanism to express more insight about their projects. The researcher also provided guidance and orientated the managers on the administration of the tool, in order to minimise errors and ensure that participants provide responses to specific questions as presented in the questionnaire.

### **3.6 The Sample**

Arkavaand Lane (1983) as cited in De Vos et al (2005:194) describes the sample as “a fraction of specie comprising elements of the population considered for actual inclusion in the study or as a subset of measurements drawn from a population”. The researcher selected a sample of 15 projects from the population of 52, which translates to 28.8%.

### **3.7 Validity and Reliability**

According to Struwig and Stead (2001), validity refers to the extent to which a research design is scientifically sound and appropriately conducted. The author indicated that the scientific tools applied had to produce trustworthy results. Validity in other words is an assumption that what is being studied can be appropriately captured and measured in order to draw accurate conclusions.

Cooper et al (2011) stated that reliability has to do with the accuracy and precision of measurement procedure followed by the researcher. It is concerned with the estimate of the degree to which a measurement is free from unstable errors.

### **3.8 Instrumentation**

The researcher selected a questionnaire as an instrument of data collection. The objective of the study was to investigate whether projects funded by Department of Social Development, Women Children and people with Disabilities have impact on beneficiaries and whether they are successful and sustainable after the initial funding. The questions in the questionnaire were developed in line with the objectives of the study. The questions entailed in the questionnaire are close ended questions, in order to restrict the respondent from dwelling on issues which are not part of the study.

Questionnaires usually form an integral part of descriptive and opinion related surveys (Eiselen, Uys & Potgieter 2005). They can either be in the form of a self administered questionnaire. The respondents were requested to complete the questionnaire within two weeks duration, in order to receive the first opinion about the questions.

The first page of the questionnaire was the letter to respondents. The second page incorporated section A which had questions on the demographic profile of the projects. Section B contained questions on the impact of sustainable livelihood projects as well as on growth, success and sustainability after the initial funding. The

instrument included variables and the scales of variable measurement. In addition, the study will be aided by statistical package for social sciences (SPSS) which reveals trends in the sample behaviour. These statistics were useful for describing the results of measuring single variables and for constructing and evaluating multi-item scales. All of these statistics are termed descriptive statistics, because they describe the distribution of and relationship among variables.

The demographic section consisted of 5 questions and the impact analysis study with 15 questions. The researcher used a research made questionnaire that consists of 4 scale choice responses. The questions on the level of support provided by the Department of Social Development, Women, Children and people with Disabilities were also measured.

### **3.9 Data Collection**

The data collected was independent from the influence of the researcher and were only based on the honest opinion of respondents. The questionnaire was further distributed to the beneficiaries of the project, in order to receive a fair opinion on both management and beneficiaries. The data collected were checked carefully to eliminate errors, since guidance on the administration of the tool was provided.

The researcher made use of the statisticians to load the data into the SPSS software. Data was therefore interpreted and illustrated in the form of tables and figures. The analysis and conclusion were drawn based from the result prepared.

### **3.10 Ethical Considerations**

Ethical considerations were viewed as necessary in order to safeguard the participants and to obtain their trust. The goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences from research activities, (Cooper et al 2011:32). Participants were assured of confidentiality and that the information gathered was for the purpose of the study.

### **3.11 Data Preparation**

The questions for the study were prepared according to the objectives. The questions were grouped according to questions that are relevant to each objective. A likert scale was used as a method of analysis. According to Cherry (2012), Likert Scale is a method of ascribing quantitative value into qualitative data and make it amenable to statistical analysis. A numerical value is assigned to each potential choice and a mean figure for all the responses is computed at the end of the evaluation. The responses to the questionnaire were rated into 4 categories with a rating of 1 - 4. The responses in section B were scaled according to very much, moderate little and not at all, in order to determine the level of perception on the project. Some of the questions also contained information such as strongly agree, moderate, little and strongly disagree. The data collected were entered into SPSS software. The questionnaire consisted of questions which were negatively worded and some are positively worded in order to create polarity when transformed.

### **3.12 Chapter Summary**

This chapter provided an overview of the research method and procedures the researcher used to conduct the study. A description on the manner in which the study was conducted, methodology and the research design were discussed. The chapter was concluded by a discussion on ethical considerations and the processes followed in preparation for the data to be interpreted. The following chapter describes and discusses the results of the data collected. The analysis will be informed predominantly by the emerging trends and responses of the respondents. The graphical portrayal of tables, graphs, figures and charts are presented.

## **CHAPTER 4**

### **FINDINGS AND DATA ANALYSIS**

#### **4.1 Introduction**

The theme of the mini-dissertation was to investigate and analyse the impact of sustainable livelihood projects for the poor in the North- West Province.

The chapter contains the results of the analysis of the data collected. The data was collected using a questionnaire that was developed in accordance with the description of (chapter 3, Eiselen, et al 2005). The sample representation was from the 15 sustainable livelihood projects that are currently functional and funded by the Department of Social Development, Women, Children and people with Disabilities in the North-West Province. The collected data was analysed using the statistical package SPSS in order to determine the correlation between independent (Sustainable livelihood projects) and the dependent variables (the beneficiaries). These statistics include tables and bar charts in order to measure responses from the participants from the projects. A bar chart is a graphic presentation for qualitative variables in which the distribution of responses is displayed with solid bars separated by spaces.

The data was packaged according to the demographic information of the projects, impact on the beneficiaries, funding for the projects, elements which contributed to the collapse of projects and the potential for economic growth on the projects investigated. This data was specifically investigated in order to ensure alignment with the objectives of the study as well as to ensure that issues raised on the problem statement are included and discussed in the analyses.

#### **4.2 Demographic information**

The information collected in the demography of sustainable livelihoods projects includes a set of questions on locality of the project, level of education of projects members, participating projects and the type of projects selected for investigation.

### 4.2.1 Educational level of members of the projects

A set of questions related to the education of members was investigated in order to establish the educational background and their contribution towards the projects. This variable was investigated with the intention to establish whether the education level of members have some significant bearing to the growth and further development of the projects.

**Figure 4.1: Level of education of members of the projects**

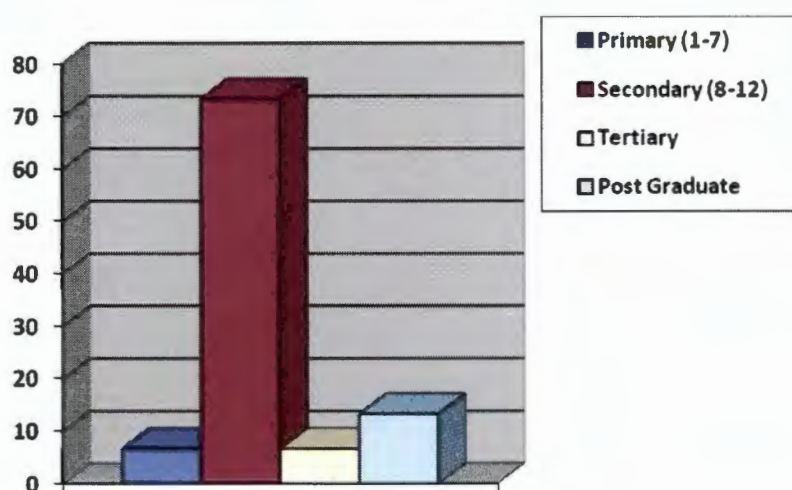


Figure 1 shows that the majority of the members of the projects rated at 73.3% received secondary education level, 13.3% received postgraduate education 6.7% had studied up to tertiary level, 6.7% studied up to primary level, while only the 13.3% of post graduate education, 6.7% percent of tertiary education and 73.3% at secondary education contributes towards 93.3% of the total education level of members. This high percentage of education level signifies that members in a project are capable and able to run the projects successfully. Further training and advancement of members with skills and expertise would be an added advantage to the project growth.

### 4.2.2 The location of the project

The research measured the geographic areas where the majority of the projects are located. This variable was investigated in order to ascertain whether the project success is based on the accessibility of services in terms of whether the project is based in which type of an area. This has a significant bearing as to the success of

the projects; this is as to whether issues such as transportation and visibility of the projects contribute to its growth.

**Figure 4.2: Distribution by geographic location of the project**

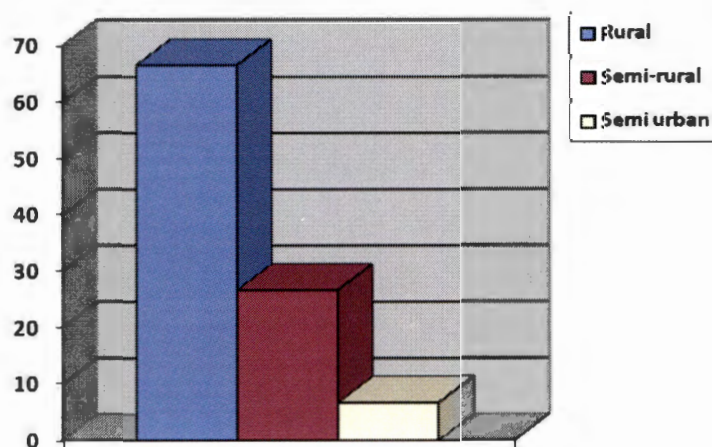


Figure 4.2 shown above indicates that, 66.7% of the projects are located in rural areas whereas 26.7% of the projects are operating in the semi-rural area and only 6.7% of the projects are operating within the semi urban area. A 0% was recorded on the projects operating in urban areas. This signifies that the all the project investigated were in rural, semi-rural and semi urban areas. This confirms the demographics of the province, since statsSA indicated that majority of the areas in the North- West Province are rural in nature. The 66.7% in rural areas and 26.7% in semi-rural areas represents a total of 93.4% of the projects in the rural area. This supports the fact that the government projects can only make an impact in the rural area were the poverty gap is very low.

#### **4.2.3 Summary of Respondents**

The summary includes all respondents who participated were co-operative and participated in the research in the view that the research may contribute to the development of the sustainable livelihood projects.

**Table 4.1: Summary of respondents**

| Project name                         | Frequency | Percent | Valid<br>Percent<br>t | Cumulative<br>Percent |
|--------------------------------------|-----------|---------|-----------------------|-----------------------|
| A re - tsosaneng Farming Project     | 1         | 6.7     | 6.7                   | 6.7                   |
| Bakang vegetable co- operative       | 1         | 6.7     | 6.7                   | 13.3                  |
| Kagiso stone crusher                 | 1         | 6.7     | 6.7                   | 20.0                  |
| Dirisanang bakery & confectionery    | 1         | 6.7     | 6.7                   | 26.7                  |
| Tigane brick making                  | 1         | 6.7     | 6.7                   | 33.3                  |
| Rekopantswe Women Co-operative       | 1         | 6.7     | 6.7                   | 40.0                  |
| Kgomo le motho poultry               | 1         | 6.7     | 6.7                   | 46.7                  |
| Ipopeng Clothing Pottery and Art     | 1         | 6.7     | 6.7                   | 53.3                  |
| Foundation of God programme          | 1         | 6.7     | 6.7                   | 60.0                  |
| Mmetlakgotla Piggery                 | 1         | 6.7     | 6.7                   | 66.7                  |
| Lotlhakane Agricultural co-operative | 1         | 6.7     | 6.7                   | 73.3                  |
| Letsema le thata ka beng strawberry  | 1         | 6.7     | 6.7                   | 80.0                  |
| Tswaraganang Food Plot               | 1         | 6.7     | 6.7                   | 86.7                  |
| Marele Agricultural Co-operative     | 1         | 6.7     | 6.7                   | 93.3                  |
| Farap Poultry farm                   | 1         | 6.7     | 6.7                   | 100.0                 |
| Total                                | 15        | 100.0   | 100.0                 |                       |

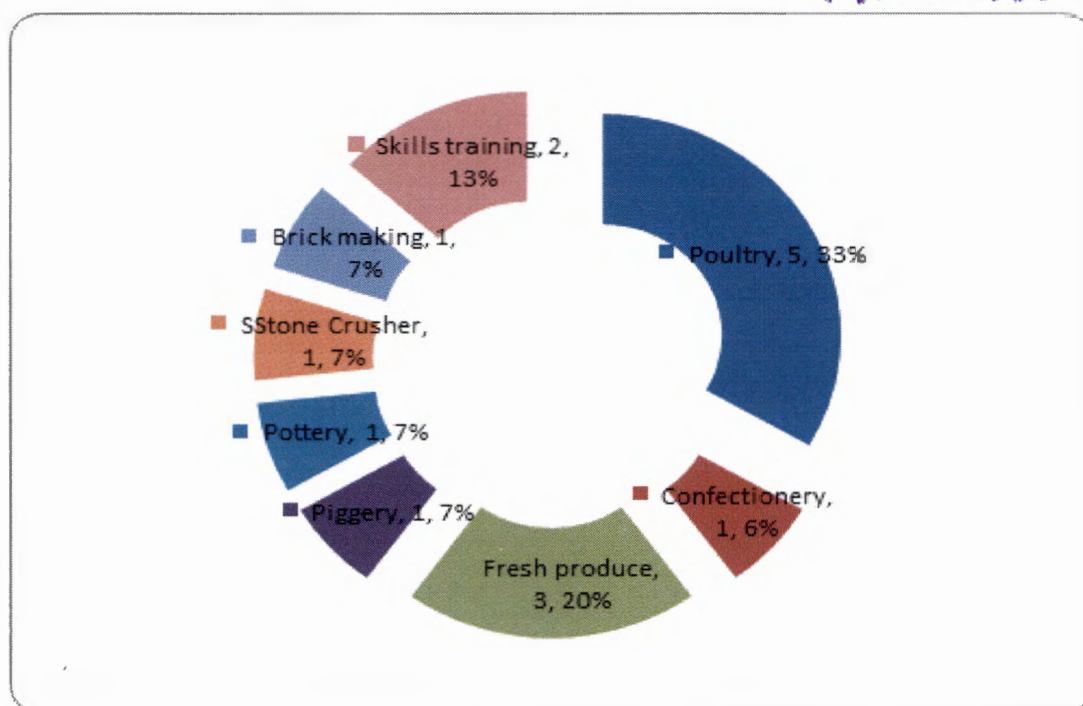
The above mentioned projects contributed significantly to the study and percentages were validated in a cumulative manner to ensure that they represent 100% of the 15 projects selected for the study.

#### 4.2.4 The type of project

The data below presents the types of project funded by government in the communities. The type of projects signifies the extent to which sustainable livelihood projects can be developed. The projects reflect the different segments in which members pursue their project's objective in order to generate income. This is qualifies Guttmacher et al (2010) statement which indicates that sustainable livelihood projects should focus on bringing the value to the people within a community. The value of the project may depend on what was the valuable need at the time of the project start.

The chart below reflects the type of project which participated in the project as indicated above.

**Figure 4.3: Type of community project**



According to figure 4.3, out of the 15 projects, 33% are in poultry farming, 20% are in fresh produce, 13% are in skills development training, 7% are in brick making, 7% are in stone crushing, 7% are in pottery, 7% are in piggery and the 6% are in confectionery business. The existence, advancement and survival of these projects could, amongst others, shed more light on the skills needed for the running of the project in a specialised field. The type of projects has no significant bearing in field of

service but their contribution towards the sustainable livelihood within the communities in which they have serviced.

#### 4.2.5 Duration of the projects

The research measured the period the project has been in existence. The data analysis captured the duration in which the projects has been in existence. The duration of the project was investigated in order to measure the period in which the project has sustained itself.

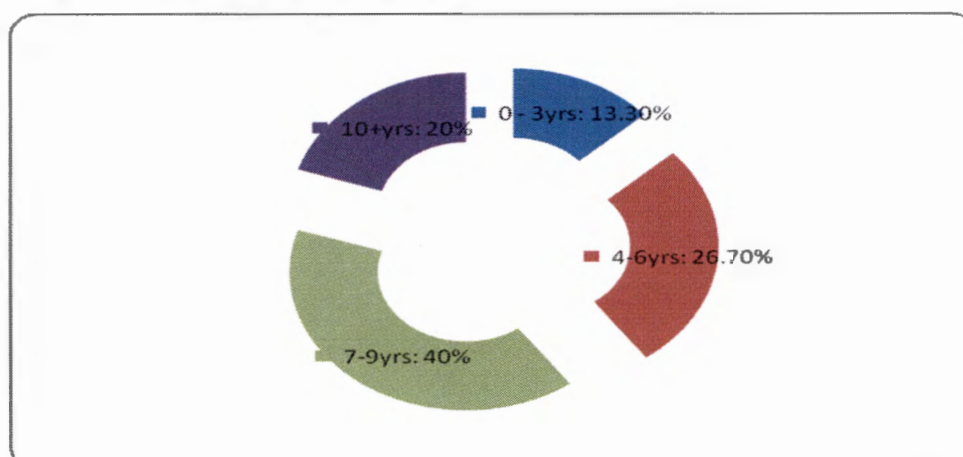
This table 4.2 provides the raw data as collected and the number of project responses for the period stipulated on the table below.

**Table 4.2: The duration the projects have been running**

|           | Frequency | Percent | Valid<br>Percent | Cumulative<br>Percent |
|-----------|-----------|---------|------------------|-----------------------|
| 0 - 3     | 2         | 13.3    | 13.3             | 13.3                  |
| 4 - 6     | 4         | 26.7    | 26.7             | 40.0                  |
| Valid 7-9 | 6         | 40.0    | 40.0             | 80.0                  |
| 10+       | 3         | 20.0    | 20.0             | 100.0                 |
| Total     | 15        | 100.0   | 100.0            |                       |

The chart provides a schematic view of the information provided in the data table above.

**Figure 4.4: The duration of projects**



As shown on table 4.2 and figure 4.4, the majority (40%) of respondents indicated that the fifteen projects listed above have been in operation for a period of 7 to 9 years. The 20% of the projects have been sustained for more than ten years, 26.7% between 4 – 6 years and only 13.3% which have been running for not more than 3 years. The information above signifies that the projects have sustained themselves since they received the initial funding from the Department of Social Development.

#### 4.3 To determine the level of project growth from Inception to finish

The variables measured under this objective were investigating the ideology of initiating the project, whether there is growth observed by members and how far did the project advance.

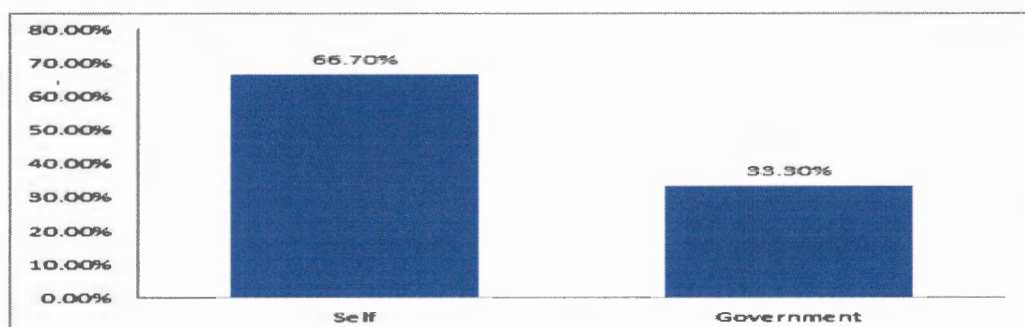
##### 4.3.1 Initiator of the project

There is a perception that government initiated projects are not successful because that members felt that they were imposed on them. The variable was measured to determine whether projects become successful if they are initiated by members themselves or success is only linked to those that were initiated by government.

**Table 4.3: The project initiative**

|                  | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------------|-----------|---------|---------------|--------------------|
| Self             | 10        | 66.7    | 66.7          | 66.7               |
| Valid Government | 5         | 33.3    | 33.3          | 100.0              |
| Total            | 15        | 100.0   | 100.0         |                    |

**Figure 4.5: Project initiative**



As indicated on the figure 4.11 and table 4.11 above, 66.7% of the respondents indicated that the projects began as a result of their own initiative and 33.3% indicated that the government proposed the initiation of the project. The above results confirm that successful projects are the initiative of the communities and projects owners than government funded and initiated projects.

#### **4.3.2 Level of Project growth**

The research measured the growth of the project since its inception to the current state. The significance of the investigation on this variable was to establish whether the projects are mainly maintaining the status quo (breakeven) or there is a level of growth which members could attest to since the inception of the projects.

**Table 4.4 The projects growth since inception**

| <b>Statement</b>                                                 | <b>Low</b> | <b>Medium</b> | <b>High</b> | <b>Very high</b> |
|------------------------------------------------------------------|------------|---------------|-------------|------------------|
| What is the level of growth for the project since its inception? | 6.7        | 53.3          | 33.3        | 6.7              |

The results in table 4.3 reveal that most of the respondents indicated that there is a medium level of growth at 53.3% since its inception, with 33.3% indicating that there is high growth and only 6.7% admitted that the growth within their projects is very high. This implies that there is progress in these projects.

There is an inference that could be drawn based on the level of growth and the level of education of project members. Exactly 6.7% of members have tertiary education and the same 6.7% of growth experienced. There could be a relationship between the education background and the level at which the project could grow.

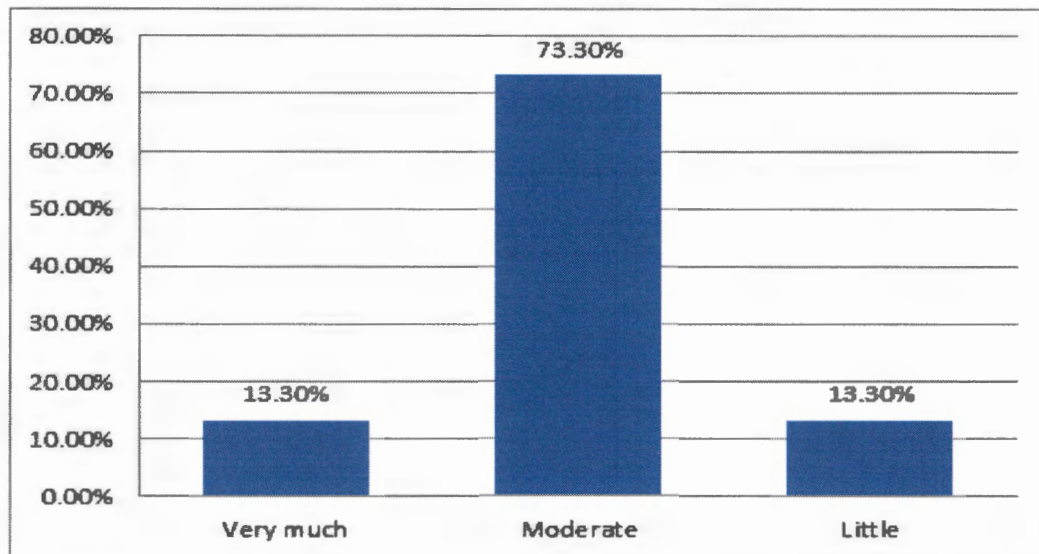
#### **4.3.3 Advancement of the project**

The research measured the improvement and advancement of projects to another level of operation. The significance of the variable was to ascertain as to how far the project have advanced. The investigation was to ascertain whether the project had invested on the necessary asset to advance the level of operation within the project.

**Table 4.5: The level of project advancement**

|              | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------|-----------|---------|---------------|--------------------|
| Very much    | 2         | 13.3    | 13.3          | 13.3               |
| Moderate     | 11        | 73.3    | 73.3          | 86.7               |
| Valid Little | 2         | 13.3    | 13.3          | 100.0              |
| Not at all   |           | 0       | 0             | 100.0              |
| Total        | 15        | 100.0   | 100.0         |                    |

**Figure 4.6: Projects advancement**



As indicated on the table 4.4 and figure 4.5 above, 73.3% of the respondents indicated that their projects have advanced to the higher level of project growth and 13.3% of the respondents strongly feel that their projects have advanced extremely well and only 13.3% indicated that there is only little advancement in the projects.

These observations strongly support the idea that once the projects are given enough capital and some training, projects has the potential to further develop and grow to advance level without any more intervention from government.

#### **4.4 To make recommendations on service delivery and the advantages among beneficiaries of sustainable livelihoods projects**

The variables measured on this objective were based on the impact did the project provide to members, contribution the project has made to the community as well as the support government has provided to assist the project.

##### **4.4.1 The advantage for Project Beneficiaries**

The research measured the perception on the level of improvement on the lives of the project beneficiaries. This was measured to analyse whether the project beneficiaries are benefiting from the projects and whether they think the project is beneficial to their lives. The other variable that was measured in relation to the beneficiaries was to establish whether the members have hope in the existence and the operation of the project. The question was whether the project will be operational in the next 5years.

**Table 4.6: The advantage of project on beneficiaries and future of the project**

| <b>Statement</b>                                                 | <b>Very much</b> | <b>Moderate</b> | <b>Little</b> | <b>Not at all</b> |
|------------------------------------------------------------------|------------------|-----------------|---------------|-------------------|
| The project has improved the lives of the project beneficiaries. | 13.3             | 73.3            | 13.3          | 0                 |
| The project will be operational in the next 5years.              | 53.3             | 13.3            | 6.7           | 26.7              |

The results in table 4.5 reveal that 73.3 % of the respondents agree that there is a moderate improvement of the lives of project beneficiaries, while 13.3% indicated that the project has improved their lives very much and another 13.3% indicated that only little improvement has been made by the project into their lives. None of the projects under study indicated that the project had no significance improvement into their lives. This adds up to say that it did not matter at what level did the project impact their lives but the members acknowledge the benefits of participating in those projects.

The question on whether the project would be operational in the next 5 years was responded by members that 53.3% are confident that their projects will be operation, while 26.7% indicated that their project would not be in operation in the next 5 years. Only 13.3% indicated a moderation confidence for the existence of the project and 6.7% said they had little confidence.

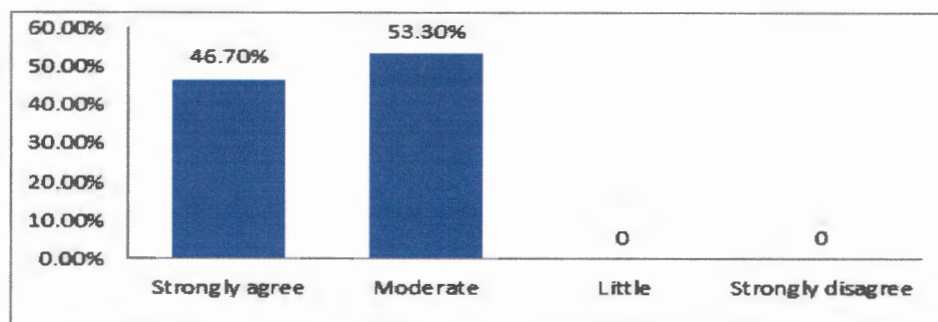
#### 4.4.2 Contribution to the Community

The research measured responses on the contribution made by the projects towards the development of the local communities. The significance of the question was to measure the value of the project within the community, ie whether the project is bringing any changes or assisting the community in meeting their needs. The contribution of the project towards the community was supported by the UNDP (2012) stating that the sustainable livelihoods projects are meant to reduce poverty and provide a benefit to everyone in the community. This implies that if the sustainable livelihood project is making a significant contribution to the community, then it would benefit the members of the society at large. The results of the measurement are presented on table 4.7 and figure 4.6 below.

**Table 4.7: Project contribution towards sustainable development in the local community**

|                | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Strongly agree | 7         | 46.7    | 46.7          | 46.7               |
| Valid Moderate | 8         | 53.3    | 53.3          | 100.0              |
| Total          | 15        | 100.0   | 100.0         |                    |

**Figure 4.6: Contribution of project to the community**



As indicated on table 4.6 and figure 4.6 above, 53.3% of the respondents believe that their projects will sustain development in their area and 46.7% of the respondents strongly agree that their projects support development in their area. The data confirms that the sustainable livelihood projects are adding value and make contribution towards the development in their community.

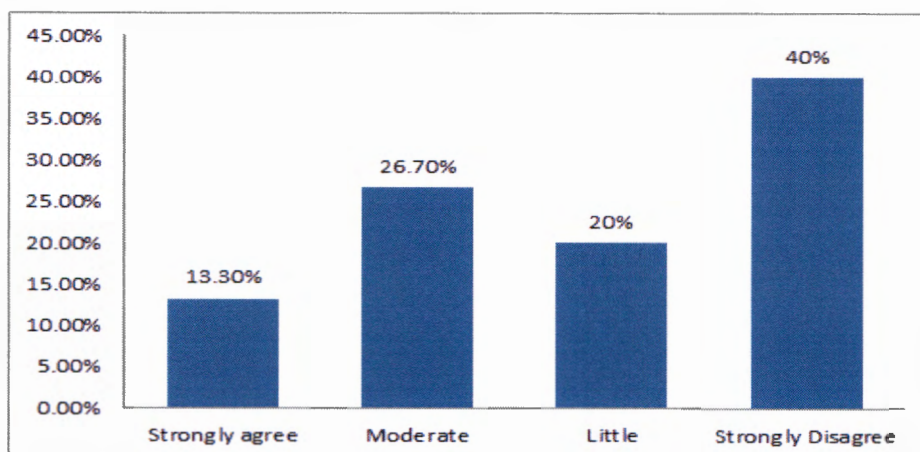
#### **4.4.3 Support from government to the project**

There is a perception that the government does not provide enough support to the projects. The research measured the adequacy of government support towards the project. The significance of this variable was to investigate whether there is a relationship between government support and the impact of project on beneficiaries.

**Table 4.8: Adequate government support to project**

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly agree    | 2         | 13.3    | 13.3          | 13.3               |
| Moderate          | 4         | 26.7    | 26.7          | 40.0               |
| Valid Little      | 3         | 20.0    | 20.0          | 60.0               |
| Strongly Disagree | 6         | 40.0    | 40.0          | 100.0              |
| Total             | 15        | 100.0   | 100.0         |                    |

**Figure 4.8: Adequacy of government support to the projects**



As indicated in figure 4.9 and table 4.10 above, 40% of the respondents believe that government support to the project was not sufficient, 20% of the respondents felt that project were moderately supported and 26.7% indicated that support was enough. Only 13.3% of the respondents felt that support from government was enough. The above information implies that government provided inadequate support, but the projects were still in a position to sustain them.

#### **4.4.4 Type of government support provided**

The following data presents the survey performed to ascertain the type of support provided by the government towards the project. Deriving from the previous discussion, it was imperative to establish what type of support government provides towards the projects. Different areas were suggested to the members and also had to make any other inputs which were not provided in the responses.

**Table 4.9: Type of government support to the project**

| Area                                    | % Yes |
|-----------------------------------------|-------|
| Monitoring                              | 73.3  |
| Skills training                         | 53.3  |
| Evaluation of on performance of Project | 20.0  |
| Additional funding                      | 20.0  |
| Linking project to open markets         | 26.7  |
| Financial management                    | 40.0  |

**Figure: 4. 9: Support from the government**

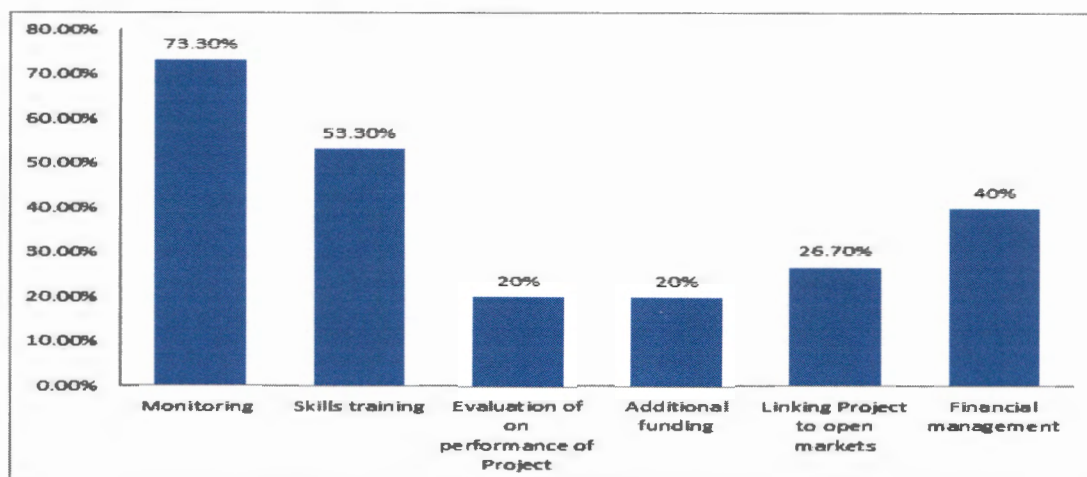


Figure 4.12 and table 4.13, majority of the projects (73.3%) concur that they received monitoring support from the government structures, while 53.3%, 40%, 26.7%, 20.0%, and 20.0% indicate that they received skills training, financial management, linked to open markets, evaluation of project performance and additional funding, respectively.

#### **4.5 To investigate whether projects funded by government are run successfully and are sustainable after initial funding**

The variables measured focused on how successful are government funded projects after receiving their initial funding from the government.

##### **4.5.1 Success of government funded projects**

The research measured the success and sustainability of projects funded by government. The significance of the study is many projects are funded by different funders and mostly run successful co-operatives. This was to ascertain whether those that are funded by government are also successful. Funding has been a central issue for the initiation and existence of these projects.

###### **4.5.1.1 Funding of the project**

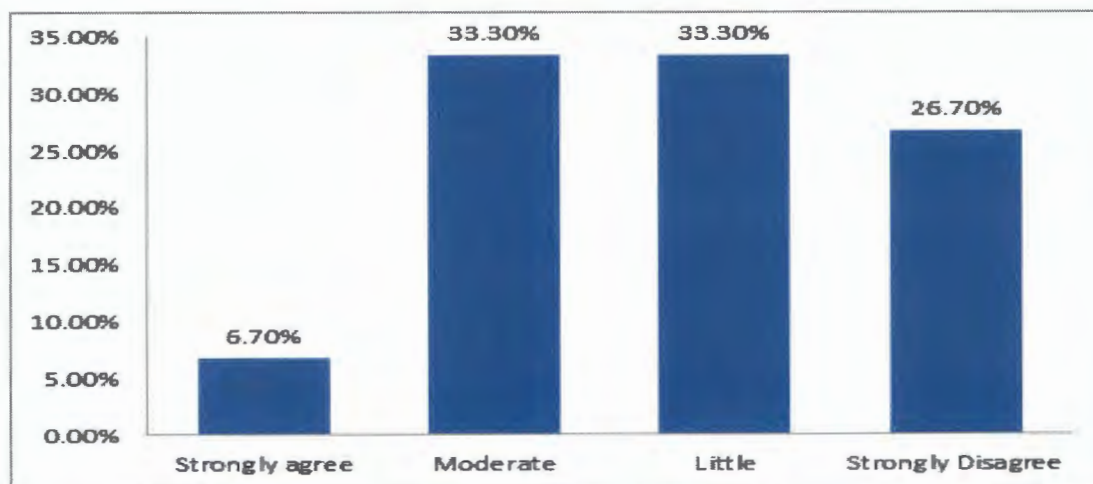
The data related to the initial funding of the project collected. The significance of this variable was to measure the success of project since the initial funding provided by government. Projects are provided with initial capital funding in order to establish the

projects. Projects are expected to engage in the income generating activities in order to sustain themselves.

**Table 4.10: The start-up funding was not enough to start the project.**

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Strongly agree    | 1         | 6.7     | 6.7           | 6.7                |
| Moderate          | 5         | 33.3    | 33.3          | 40.0               |
| Valid Little      | 5         | 33.3    | 33.3          | 73.3               |
| Strongly Disagree | 4         | 26.7    | 26.7          | 100.0              |
| Total             | 15        | 100.0   | 100.0         |                    |

**Figure 4.10: Funding for the project**



As indicated on the figure 4.7 and table 4.8 above, 33.3% of the respondents indicated that the funds provided by government to start the project was not sufficient and was rated from little to moderate. The 26.7% of the respondents agree that the start-up funding was sufficient for the project. Only 6.7% agree that the start-up funding was not enough to setup the project. Despite the indication that government funding was not enough, project still recorded a high rate of success of these projects since the start-up funding required was very minimal.

#### 4.6 To establish what elements contribute to the collapse of these projects

The variables measured included the factors contributing to project failure such as lack of markets for product and mismanagement of funds.

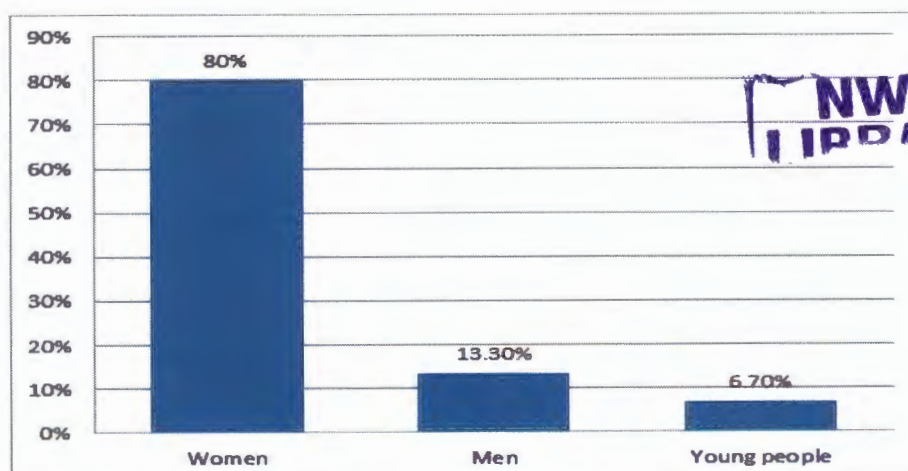
##### 4.6.1 Data related to failure of projects

The data related to the category of people that runs the project. The significance of this variable was to determine if there is a relationship between the participants of the projects and their contribution towards the collapse or success of the projects. The elements measured were related to the category or group of people and gender as well as lack of market for the products and mismanagement of funds.

**Table 4.11: Category or group of people participating in the project**

|              | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------|-----------|---------|---------------|--------------------|
| Women        | 12        | 80.0    | 80.0          | 80.0               |
| Men          | 2         | 13.3    | 13.3          | 93.3               |
| Young people | 1         | 6.7     | 6.7           | 100.0              |
| Total        | 15        | 100.0   | 100.0         |                    |

**Figure 4.11: Graph on category of people participation in the projects**



As indicated on the figure 4.8 and table 4.9 above, 80.0% of the project members were women, followed by 13.3% being men and only 6.7% of the members were

youth. Data indicates that women are a group of people who have made a significant contribution towards the success and existence of these projects. The inference could be drawn to say that the majority of the people who are not employed are women within rural communities. This could also be supported that the fewer number of young people participating in these projects is based on the issue of migration of young people to the cities seeking employment. The interpretation could also be that projects run by young people would collapse once they find suitable employment. They may abandon the projects for better employment opportunities. Women are a group of people who are always available in the communities and also available to monitor these projects as their fulltime employment.

**Table 4.12: lack of market for the product or due to Mismanagement of funds**

| <b>Statement</b>                                              | <b>Very much</b> | <b>Moderate</b> | <b>Little</b> | <b>Not at all</b> |
|---------------------------------------------------------------|------------------|-----------------|---------------|-------------------|
| The project will fail because there is no market for products | 0                | 33.3            | 6.7           | 60.0              |
| The project will fail because of mismanagement of funds.      | 13.3             | 40.0            | 6.7           | 40.0              |

The results in table 4.7 above, reveal that most of the respondents, 60.0% do not agree that the project will fail because there is no market for the products. Projects currently have bigger market share than production capacity. In terms of mismanagement of funds 40.0% of the respondents indicated that the project collapse while the other 40.0% are confident that the project will not collapse.

Mismanagement of funds is one of the issues which damage the reputation of the project for further assistance by other potential funders. Although 13.3% is a smaller amount but it raises concern. Government needs to strengthen the financial management skill and techniques of pure financial management.

## 4.7 What is the potential for economic growth and sustainable development?

The variable measured under this objective was the standard of living of members since they became the participants in the project.

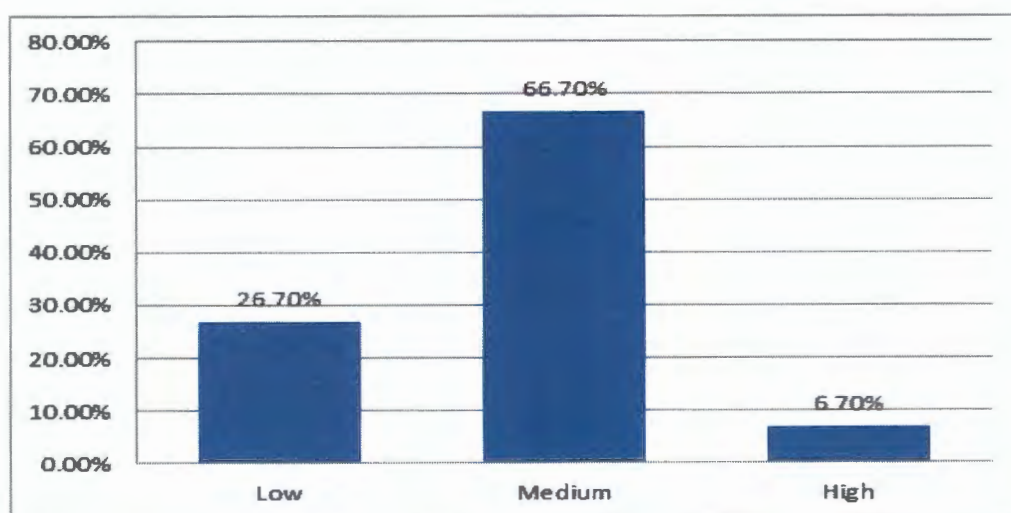
### 4.7.1 The standard of living before the sustainable development

The research measured the members' perception on the standard of living before their participation in the project.

**Table 4.13: Raw scores on standard of living**

|        | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------|-----------|---------|---------------|--------------------|
| Low    | 4         | 26.7    | 26.7          | 26.7               |
| Medium | 10        | 66.7    | 66.7          | 93.3               |
| High   | 1         | 6.7     | 6.7           | 100.0              |
| Total  | 15        | 100.0   | 100.0         |                    |

**Figure 4.12: The standard of living**



As indicated on the figure 4.11 and table 4.12 above, 66.7% of the respondents concur that their projects have moderately advanced the standard of living in the community, 26.7% do not agree that the project improved and 6.7% of the

respondents strongly feel that their projects have advanced the community extremely well.

This success also supports the idea that these community projects have made impact to the lives of people in the community besides the little support from sponsors and government. It also supports the idea of the successes that the communities can reap by working together.

#### **4.8. Chapter Summary**

The chapter presented an analysis of data provided and an interpretation and translation of data as provided by the respondents. The models were prepared according to data with the goal of highlighting useful data for the study. The data analysis has yielded sufficient information to answer the research questions. It has emerged that the sustainable livelihood projects indeed has an impact on the lives of the poor. Significant growth in terms of the operations of the projects was also noticed in the analysis.

The study also denotes the contribution made by government towards the growth and funding within the projects. It can be suggested that government has the strength to assist the poor in the communities to manage the project initiated by the members. The data analysis also provided a synopsis that the projects are sustainable.

The following chapter is a concluding chapter and a summary of precedents, recommendations and conclusions in the following are discussed.

## **CHAPTER 5**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The preceding chapter presented a description of research findings from the data collected from the participants of the sustainable livelihood projects the North- West Province.

A brief summary of this research dissertation is presented in this chapter. The recommendations are based on the findings of the research questions and objectives discussed in chapter one. The significance of the growth and advancement of the sustainable livelihood project has a major role in respect of the impact it has on its members and the community at large. The government created policies and legislation in order to reduce the levels of poverty in the country. The role played by the economic status of the country and the performance of the projects could not be isolated when addressing the impact of the study.

This chapter draws together the various theme that run through this dissertation and also presents recommendations after concluding section.

#### **5.2 Theoretical Findings**

The theoretical perspective of the World Bank on equitable distribution of income among the members of the project was proven as a factor for sustainable livelihood projects. Members indicated that they received money in the form of a stipend and also had vegetables from the gardens in order to share with their families. The stipend received has added value to the members. Edigheji's theory on participation of poor people as a pre-requisite for growth was proven to be true in terms of policies like "Batho Pele" and also emphasized the involvement of the people as the centre for running the project. The sustainable livelihood project had members as beneficiaries of the project. The members were responsible for the running of the project.

The policy statement uttered by the President J Zuma on the "war against poverty" suggests evidence that government is committed in providing the means of uplifting the standard of the poor for the better. This was also supported by the statement

made by the Treasury document published in June 2007 which stated that the measure of the money income required to attain a basic minimal standard of living is enough to purchase a nutritionally adequate food supply and to provide for other essential requirements. The argument made by Banoo (2007) regarding the impact of the economy on the poor, provides an enabling environment that creates opportunities for them in the market economies. The analysis indicated that there were markets available to sustain their projects.

This study proved that the level of education did not have any significant impact on the sustenance of the projects. Edigheji's suggestion on the interrelation between the education sector and poor outcome in the social sector was not supported in this study. It is by assumption that the people with the low level of education could not sustain the project due to their state of poverty. The study revealed that the majority of the people who participated in this study's level of education were mainly up to secondary school and they could sustain their projects.

The funding of the projects from government was necessary in order to develop the projects. Carney (2006, 253) stated that "social capital contributes to sustainable development by facilitating connections between people, by making it easier to access information and by encouraging trust and understanding among individuals". This study confirmed Carney's suggestion that the government was providing sufficient monitoring services to the projects as well as ensuring that the financial management support was available for the projects.

In my view sustainable livelihood development model has attained its purpose in awarding the opportunity to generate income for the project, in order to sustain the poor within communities. The communities described according to the study are those among rural areas. The survival of the projects in rural communities was seen to be efficient since there are no competing interests which may bring the project to collapse.

### **5.3 Empirical findings per objective**

The following information represents the facts and results collected from figures in chapter 4 in order to satisfy the objectives of the study. There are inferences drawn from the data analysis which are related to the data collected on projects.

### **5.3.1 Determining the level of growth from project inception and how it has advanced**

This study established the level of growth of sustainable livelihood projects was at a medium pace, although there was a small percentage that indicated an advanced growth. Therefore it can be concluded that sustainability of the projects generally do not grow faster as it may be anticipated to grow. The majority of these projects signified that there was a great opportunity of advancing to the higher level. This matter had a significant relation to lack of additional funds to advance the projects. Some projects indicated that additional funds would increase the level of production and increase opportunity to penetrate big markets and accumulate more income for the project. Benefit

### **5.3.2 The Gap between government support services and the advantage among beneficiaries of sustainable livelihood project**

The main finding confirmed that the projects had impact on relieving the poor from poverty. This study indicated that the beneficiaries' lives improved moderately since they became part of the projects. As to the support that was provided by government to the projects, it was clear that government contributed by providing capacity building to the projects, in order to create a level of sustainability to the projects.

This study indicated that there was an impact since members received job opportunities for the beneficiaries of sustainable livelihoods projects. The majority of respondents agreed that the project has brought some advancement in the area.

### **5.3.3 The impact of initial funding provided by government on the project**

The responses gathered from the study indicate that the projects will not fail since their products were mainly sold in the local markets. The study shows that even if the beneficiaries are also having the benefits of participating in the project, the community at large are also benefiting by buying the products from the projects like chickens, eggs, bricks and confectionery products. The project indicated that the demand could not meet reach the supply.

The majority of respondents also indicated that the projects funds are well managed and they were confident that there would be no mismanagement of funds. The participants were confident that even if the start up funding was not enough their project will be able to sustain itself.

#### **5.3.4 The Elements which contribute towards the success of the projects**

The different category of people from young to old and between men and women was measured. The majority of women were the participants in the project. There is a correlation between the location of the projects and the majority of members of the projects. The relationship is established since 66.7% of the projects are located in the rural areas whilst the 26.7% of them are in the semi rural areas. Only 6.7% are in the semi – urban areas. Those who have migrated to the urban areas to look for jobs have left the majority of women to look after their families and children; hence most of the women are seen to be the main participants in the projects. The smaller number of young people signifies that they have migrated to the cities in order to look for jobs. This supports the argument of Fyson (2010) which state that “continuing rural population growth sees the affluent moving out of urban areas while the less well-off move in the opposite direction for housing and jobs”. The sustainable livelihood projects in this case are the most affluent job occupation for the women who are left in rural areas to care for their families. Their availability and commitment contributes to the sustenance of the project.

The findings of this study indicated that 66.7% of the projects that were sustainable, were started by the members themselves. This element brings the ownership of the project by members. Roger (2009) indicated that putting people first in the implementation of projects creates ownership spirit, which made a huge impact in the sustenance of the project.



#### **5.3.5 The potential for economic growth and sustainable development**

This study found that sustainable livelihood projects have moderately advanced, which implies that there has been a moderate level of growth since the project

inception. The results of this study indicated that there was sufficient support from the government. About 73.3 % of the respondents indicated that government officials would visit the project by way of monitoring the progress of the projects and 53.3% were receiving the skills training in the line of the type of project that they chose. 40% of the project also received the support of financial management from the government sector.

#### **5.4 Summary of Findings**

In respect of the future of the project, the findings of the research indicated that there is little if not much regarding the impact of poverty strains on the beneficiaries of sustainable livelihoods projects. There is a correlation between variables captured by the study. Out of 15 projects under study there were only 2 which indicated that their projects are extremely successful and 11 were moderately advancing towards development and sustenance. It was also interesting to realise that the other 2 projects recorded little development in their projects. The slow pace of advancement in the projects could be linked to the linkage of projects to the open labour markets.

#### **5.5 Limitations of the Study**

The researcher could not effectively come with the clear measurement of the impact assessment and measurement of advancement of the project.

#### **5.6 Conclusions**

This study concludes that the sustainable livelihoods project is still a relevant government programme in respect of creating job opportunities for the poor in rural communities. Projects are not advancing speedily due to the fact that they depend solely on the local markets but there is an opportunity for the highest level of growth if an introduction to open labour market could be prioritised. It was established in the study that to sustain the project, the level of education did not play a major role but the commitment of members and the support provided thereof made a major impact. Ownership of the project by members and association became the main motivator for the members to participate in the project. The existence of the sustainable livelihoods project in the community benefits more than its own members.

## **5.7 Recommendations**

Based on the findings of the study the researcher recommends the following:

- To create a linkage with the open labour markets in order to increase the level of advancement of the projects. The finding indicated that there is a slow pace of development on projects, which has a direct impact on the improvement for beneficiaries of the project.
- Expansion of the project in order to focus on other options of attracting income generation in their project. The study indicated that the projects were supplying the local markets only with their product.
- The government ought to consider the secondary funding mechanism for further advancement and sustenance of the project. There is evidence from the projects that there is full potential of growth but due to lack of additional funding for buying equipment which could advance the production of the project.

### **5.7.1 Suggestion for further study**

A question arises to say why some of the projects are recording little progress on the development process. How can the projects be assisted in order to increase their level of development and advancement and participation in the main Economy?

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# **FANIE POSTMA**

BA UED

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17 October 2013

BOITUMELO MABEJANE

I HEREBY CONFIRM THAT I HAVE DONE AN EDIT OF B MABEJANE'S DISSERTATION.

I CONFIRM THAT I AM REGISTERED WITH SATI (SOUTH AFRICAN TRANSLATION  
INSTITUTE): NR 1001334.

A handwritten signature in black ink, appearing to read 'Postma', with a stylized flourish underneath.

FANIE POSTMA.

## **Appendix B**

### **RESEARCH QUESTIONNAIRE**

Graduate School Of Business and Government Leadership,

North-West University, Mafikeng Campus

**“An investigation and analysis on the impact of sustainable livelihoods project**

**For the poor in the North- West Province”**

Researcher: B P Mabejane

Supervisor: Dr C Guduza

#### **Note to respondent**

- Confidentiality with respect to your responses is guaranteed.

#### **How to complete the questionnaire**

- Please read the questions carefully.
- Answer all questions.
- Please put a cross on an appropriate block.
- The questionnaire will be used for research purpose only

#### **Permission to use my responses for academic research**

I hereby give permission that my responses may be used for research purposes provided that my identity is not revealed in the published records of the research.

Initials and Surname:

Contact numbers: Cell:

Work:

Signature:.....

## Section A: Demographic Information

(i) Name of project.....

(ii) Where is your project situated?

|       |            |       |            |
|-------|------------|-------|------------|
| Rural | Semi rural | Urban | Semi urban |
|-------|------------|-------|------------|

(iii) What is the level of your highest qualified member?

|               |                  |          |               |
|---------------|------------------|----------|---------------|
| Primary (1-7) | Secondary (8-12) | Tertiary | Post Graduate |
|---------------|------------------|----------|---------------|

(iv) What is the level of lowest qualified member?

|               |                  |          |               |
|---------------|------------------|----------|---------------|
| Primary (1-7) | Secondary (8-12) | Tertiary | Post Graduate |
|---------------|------------------|----------|---------------|

(v) How long has your project been running?

|       |       |       |                 |
|-------|-------|-------|-----------------|
| 0 - 3 | 4 - 6 | 7 - 9 | 10+ (and above) |
|-------|-------|-------|-----------------|

## Section B: Impact measurement

1. What is the level of growth for the project since its inception?

|     |        |      |           |
|-----|--------|------|-----------|
| Low | Medium | High | Very High |
|-----|--------|------|-----------|

2. How far has project advanced?

|           |          |        |            |
|-----------|----------|--------|------------|
| Very much | Moderate | Little | Not at all |
|-----------|----------|--------|------------|

3. The project has improved the lives of the project beneficiaries.

|           |          |        |            |
|-----------|----------|--------|------------|
| Very much | Moderate | Little | Not at all |
|-----------|----------|--------|------------|

4. The project will be operational in the next 5 years.

|           |          |        |            |
|-----------|----------|--------|------------|
| Very much | Moderate | Little | Not at all |
|-----------|----------|--------|------------|

5. The project will fail because there is no market for products.

|           |          |        |            |
|-----------|----------|--------|------------|
| Very much | Moderate | Little | Not at all |
|-----------|----------|--------|------------|

**6. The project will fail because of mismanagement of funds.**

|           |          |        |            |
|-----------|----------|--------|------------|
| Very much | Moderate | Little | Not at all |
|-----------|----------|--------|------------|

**7. With this current project, there is potential for growth.**

|                |          |        |                   |
|----------------|----------|--------|-------------------|
| Strongly agree | Moderate | Little | Strongly Disagree |
|----------------|----------|--------|-------------------|

**8. This project will ensure sustainable development in your area.**

|                |          |        |                   |
|----------------|----------|--------|-------------------|
| Strongly agree | Moderate | Little | Strongly Disagree |
|----------------|----------|--------|-------------------|

**9. There is a high rate of advancement within the project.**

|     |  |      |           |
|-----|--|------|-----------|
| Low |  | High | Very High |
|-----|--|------|-----------|

**10. Which group of people can best run this project?**

|       |            |     |              |
|-------|------------|-----|--------------|
| Women | Old People | Men | Young people |
|-------|------------|-----|--------------|

**11. The start-up funding was not enough to start the project.**

|                |          |        |                   |
|----------------|----------|--------|-------------------|
| Strongly agree | Moderate | Little | Strongly Disagree |
|----------------|----------|--------|-------------------|

**12. Government support for this project is not enough.**

|                |          |        |                   |
|----------------|----------|--------|-------------------|
| Strongly agree | Moderate | Little | Strongly Disagree |
|----------------|----------|--------|-------------------|

**13. How did you develop this project? (Who started this project).**

|      |            |      |       |
|------|------------|------|-------|
| Self | Government | Bank | Other |
|------|------------|------|-------|

**14. How was the standard of living before the developments?**

|     |        |      |           |
|-----|--------|------|-----------|
| Low | Medium | High | Very High |
|-----|--------|------|-----------|

**15.** Government provides support on the following (Tick as many as it is possible for your project).

|                                         |  |
|-----------------------------------------|--|
| Monitoring                              |  |
| Skills training                         |  |
| Evaluation of on performance of project |  |
| Additional funding                      |  |
| Linking project to open markets         |  |
| Financial management                    |  |
| Other.....                              |  |
| .....                                   |  |
| .....                                   |  |
| .....                                   |  |