

**AN IN-DEPTH MICRO-ECONOMIC ANALYSIS OF THE POOR IN THE
BOPHELONG COMMUNITY WITH SPECIAL REFERENCE TO THE
ACTIVITIES THAT THEY USE TO SUSTAIN THEMSELVES**

By

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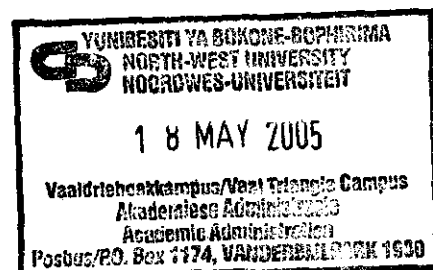
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***Cursed is the ground because of you; through painful toil you will eat of it all the days of your life. It will produce thorns and thistle for you
(Gen. 3:16-19).***

DECLARATION

I declare that:

AN IN-DEPTH MICRO-ECONOMIC ANALYSIS OF THE POOR IN THE BOPHELONG COMMUNITY WITH SPECIAL REFERENCE TO THE ACTIVITIES THAT THEY USE TO SUSTAIN THEMSELVES

is my own independent work, that all the resources quoted have been indicated and acknowledged by means of complete references, and that I have not previously submitted this dissertation for a degree at any university.

.....

Tshediso Joseph Sekhampu

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ABSTRACT

The aim of the study was to conduct in-depth micro-economic analysis of poverty in the Bophelong community with special reference to the activities that the poor use to sustain themselves. The research methodology was two fold. Firstly, a literature research, based on articles, books, previous research projects and the Internet, was done in order to develop a better understanding of poverty. Secondly, an empirical research survey using questionnaires was undertaken.

There is a magnitude of research on the subject of poverty and disagreements over what poverty is run deep and are closely associated with disagreements over both its causes and solutions to it. Research plays an important role in the understanding of poverty and, possibly, in influencing policies aimed at poverty eradication.

The measures used to identify the poor are those commonly employed by many researchers within the major centres of South Africa. Using the HSL as a poverty line, it was found that the population of Bophelong lives far below their poverty line, with 62% of the households receiving incomes less than their respective poverty lines. Of those below their poverty lines, 45.8% have an income of less than 50% of their HSL, which indicates a high degree of poverty. Furthermore, the lowest 6.5% of the poor population have an income less than 10% of their HSL.

Poverty within the area has a gender bias, 55.8% of the poor are females. The large number of households below the poverty line provided ample opportunity for further analysis in the form of in-depth interviews with the poor to find out about the activities that they use to sustain themselves.

Unemployment is determined as the major factor perpetuating poverty within the area. A comparison of the profiles of the poor households with the total population reveals some of the following aspects: the unemployment of the poor (68.3%) is higher than that of the entire population (55.0%) of Bophelong, skills levels are

lower in poor households than in the average household within the area, and the number of households without a father figure in poor households is higher than that of the total population. The poor have relatively lower qualifications than the rest of the Bophelong population. 16.9% of the poor post-school population has a qualification of grade 12 or higher, compared to 22.8% for the population as a whole.

There are limited opportunities for the poor to supplement their income. The poor want to better themselves, but due to the goal/means gap, the susceptibility to do crime is there. In 8% of all households, respondents spoke of crime as a possible solution to their problems; 40% of which have been in the wrong end of the law because they have committed crime. The vast majority of the poor do not support the perpetration of crime. Finding of crime statistics was difficult, and for that reason, the effect of poverty on crime within the area should be further investigated. No reasonable person would totally deny that poverty may well erode social restraints where they do exist, but it is unwise to make a generalisation that poverty causes crime. Offending is a matter of choice; criminals must accept personal responsibility for their decisions.

The study suggests the efficient use of public works programmes as possible solutions to the problem of unemployment. Barriers to formal market entry necessitate small-scale industries that allow easy entry. An inward industrialization process whereby the products consumed in Bophelong can be produced within the area is suggested. At an average income of R600 per month, 1 700 poor unemployed persons could be assisted in Bophelong, decreasing the headcount index from 0.62 to 0.53. If an additional 6 000 jobs for poor unemployed persons could be created as domestic workers, welders, gardeners, textile workers etc. at an average income of R600 per month, the impact on the Bophelong community will be that the headcount index will be reduced from 0.62 to 0.28 and the poverty gap index from 0.48 to 0.26.

A people centred approach to poverty alleviation is needed. The energy and assets of the poor are key human and social resources. Poverty affects all of us in one way or another, and for that reason all of society needs to be involved in the struggle for social development.

OPSOMMING

Die doel van hierdie studie was om 'n deeglike ondersoek te loods ten opsigte van die Bophelong gemeenskap, met spesifieke verwysing na hoe die armes hulself onderhou. Die navorsingsmetodologie was tweevoudig van aard. Eerstens, 'n literatuurstudie gebaseer op artikels, boeke, vorige navorsingsprojekte en die internet. Dit is uitsluitlik gedoen om 'n beter begrip oor wat armoede werklik is, te verkry. Tweedens was 'n empiriese navorsingsveldtog geloods waartydens vraelyste in Bophelong ingevul is.

Daar is 'n magdom literatuur oor armoede, waarvan daar is 'n verskil in opvatting oor wat armoede werklik is, is. Hierdie verskil in opvatting word geassosieer met verskille ten opsigte van die oorsake en oplossings van armoede. Navorsing speel 'n belangrike rol om 'n begrip vir armoede te bewerkstellig, en moontlik, watter beleide daargestel kan word ten opsigte van armoede-verligting.

Die maatstawe wat gebruik is om die armes te identifiseer is algemene metodes wat deur navorsers binne Suid-Afrika gebruik word. Die HSL is as armoede-lyn gebruik, en daar is bevind dat die Bophelong-gemeenskap ver onder die armoede-lyn leef, met 62% van die gemeenskap wat inkomstes onder die armoede-lyn verdien. 45% hiervan verdien inkomstes van minder as 50% van hul HSL. Dit 'n aanduiding van die armoede-krisis binne Bophelong. Die onderste 6,5% van die arm bevolking het 'n inkomse van minder as 10% van hulle HSL. Armoede het ook 'n geslagsvooroordeel binne Bophelong aangesien 55.8% van die gemeenskap vroue is. Die groot aantal huishoudings onder die armoede-lyn het oorfloedige geleentheid geskep vir verdere analise in die vorm van deeglike onderhoude wat met die armes gevoer is. Dit is gedoen om vas te stel watter aktiwiteite en metodes hulle gebruik om hulself te onderhou.

Werkloosheid is 'n bepalende faktor wat aanleiding gee tot armoede binne Bophelong. 'n Vergelyking van die profiele van die arm huishoudings met die van

die totale populasie het die volgende aspekte opnebaar: die werkloosheidskoers van die armes (68,3%) is hoër as dié van die totale populasie (55,0%) in Bophelong, en vaardigheidsvlakke in arm huishoudings is laer as dié van 'n gemiddelde huishouding binne die gebied. Die aantal huishoudings sonder 'n vaderfiguur is hoër in arm huishoudings as by die totale populasie. Armes het relatief laer kwalifikasies as die oorblywende populasie in Bophelong. 16,9% van die arm na-skoolse populasie het 'n kwalifikasie van graad 12 en hoër, vergeleke met die 22,8% van die populasie in geheel.

Daar is beperkte geleentheid vir die gemeenskap om hul inkomste aan te vul. Die armes wil hul omstandighede verbeter, maar as gevolg van die **doelwit- middelen-gaping**, is daar 'n geredelike versoeking om misdaad te pleeg. 8% van alle respondente het laat blyk dat hulle misdaad as 'n moontlike oplossing vir hul sosio-ekonomiese probleem sien. 40% van laasgenoemdes het in die verlede misdaad gepleeg en uiteindelik met die gereg gebots. Ten spyte daarvan is die oorgrote meerderheid total gekant teen misdaad as manier om hul probleem op te los. Dit is moeilik om statistieke oor misdaad te kry; die effek van armoede op misdaad behoort daarom verder ondersoek te word.

Geen redelike mens sal heeltmaal ontken dat armoede die sosiale beperkinge sal erodeer nie, netso is dit 'n ongegronde stelling om te veralgemeen en sê dat armoede misdaad aanhits. Wetsoortreding is 'n saak van keuse en misdadigers moet uiteindelik persoonlik verantwoording doen vir hul kriminele besluite. Dit suggereer die effektiewe gebruikmaking van openbare werksprogramme as moontlike oplossings vir werkloosheid.

Struikelblokke ten opsigte van toegang tot markte plaas die klem op die belangrikheid van kleinskaalse nywerhede wat maklik toegang tot markte het. Armoedevlakke kan verminder word deur die implementering van openbare werksprogramme. Inwaartse industrialisasie word voorgestel waar produkte, wat in bogenoemde gemeenskap verbruik word, daar self geproduseer kan word. Met

'n gemiddelde inkomste van R600 per maand, kan ongeveer 1 700 arm werkloses in Bophelong gehelp word, wat uiteindelik 'n vermindering van 0,62 na 0,53 ten opsigte van die "headcount index" teweegbring. Indien 'n verdere werkskeppingsinisiatief vir 6 000 arm werkloses geskep sou kon word teen 'n gemiddelde inkomste van R600 per maand, kan dit die effek hê dat die "headcount index" verminder vanaf 0,62 na 0,28. Dieselfde effek geld vir die armoede-gapingsindeks wat 'n daling vanaf 0,48 tot 0,26 tot gevolg sal hê.

'n Volksgesentreerde benadering tot armoede-verligting is nodig. Die energie en bates van armes is sleutelfaktore in terme van menslike en sosiale hulpbronne. Armoede beïnvloed almal op een of ander manier, en vir hierdie rede is dit nodig dat die globale gemeenskap betrokke moet raak in die stryd vir sosiale ontwikkeling.

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LIST OF ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
BBC	British Broadcasting Corporation
BIG	Basic Income Grant
CDI	City Development Index
CPS	Current Population Survey
DBSA	Development Bank of Southern Africa
EMA	Emfuleni Municipal Area
HEL	Household Effective Level
HSL	Household Subsistence Level
ILO	International Labour Organisation
MLL	Minimum Living Level
OHS	October Household Survey
PDL	Poverty Datum line
RDP	Reconstruction and Development Programme
PRSP	Poverty Reduction Strategy Papers
SA	South Africa
SLL	Supplemental Living Level
SMME	Small, Medium and Micro Enterprise
SSA	Statistics South Africa
UN	United Nations
UNDP	United Nations Development Programme
VRG	Vaal Research Group
WHO	World Health Organisation
WSF	Wisconsin Screenwriters Forum

CHAPTER 1

THE PROBLEM AND ITS SETTING

1.1 INTRODUCTION

One of the promises of the post-apartheid era was economic empowerment. For the majority of black people, empowerment meant the opening of a range of opportunities to improve their lives. For the youth and the employed who were previously marginalised, there was the promise of skills and career paths that were previously blocked due to racial discrimination. For the unemployed, there was the expectation that massive RDP-inspired public works projects would deliver jobs as well as eradicate apartheid service blocks (ANC, 1994:15).

After the first democratic elections in 1994, one of the major challenges for the new government was how to address poverty and inequality and advance economic development. The challenge was to re-orient the state towards overcoming the legacy of apartheid. However, one of the obstacles to setting up a national anti-poverty programme was the lack of information on the poor: who they are, where they live, why they are poor, and what would be the best way to overcome the problem of poverty and inequality (May, 2000:viii).

Households facing extreme poverty often share similar characteristics. For instance, there is a positive correlation between lack of education and poverty. The death of a pensioner, being abandoned by a husband, father or brother, or forced resettlement may often push a vulnerable household into abject poverty with little chance of escape (DBSA, 1998:37).

Kok (1998:34) notes that South Africa took its place in the world economy unfettered by the extraordinary handicaps of past years. Political reforms in South Africa have propelled the country into a new political, social and economic era. A future of great challenge and opportunity waits. The challenge of the new era is to build a just and stable society, which can meet the reasonable aspirations of its

people. The country's considerable strengths and resources must be harnessed and use must be made of the new opportunities to right the wrongs of the past.

During the last decade, significant political gains, incremental improvements in basic social services, and continuous macro-economic growth have been achieved in South Africa. At the same time, poverty and economic inequality have increased, making pro-poor socio-economic growth one of the greatest challenges facing South Africa. However, both the extent and the multi-dimensional dynamics of poverty in general, and urban poverty in particular, are not well understood (De Swardt, 2002:2).

1.2 THE RESEARCH PROBLEM

The devastating impact of poverty is not only felt by the affected individuals and their families, but also by their greater community. This is a particular concern for developing countries like South Africa, but applies to many economies around the world (May, 1998:2).

South Africa is classified as an upper middle-income country, yet a vast proportion of its population is living in absolute poverty, and displays a level of human development more often associated with low-income countries. In addition, the distribution of income and wealth in South Africa is among the most unequal in the world, and many households still have unsatisfactory access to education, health care, energy and clean water (May, 1998:2).

This situation is likely to affect not only the country's social and political stability, but also the development path it follows. Countries with less equal distributions of income and wealth tend not to grow as rapidly as those with more equitable distributions (May, 2000:3). The Reconstruction and Development Programme was formulated in response to this situation and aimed at alleviating poverty and reducing inequality among races and between rich and poor (ANC, 1994:1).

However, despite these efforts, poverty has still increased. The BBC News (2000) reports the widening gap between wealthy and poor blacks. This happened even though the share of blacks on total national income increased from 39.1% in 1995 to 43.4% in 2000.

Policies cannot be formulated without knowledge of who the poor are, how poor they are and where they are located. In an urban settlement, the poor have limited choices to supplement their income, and some of the poor revert to crime. Prior studies, amongst others studies conducted by Hsieh and Pugh (1993) have found linkages between crime and inequality.

Demombynes and Ozler (2002:2) indicate that the country's crime rates are among the highest in the world and that no South African is insulated from the effects of crime. They further argue that beyond the loss and pain suffered by the crime victims, the threat of crime diverts resources to protection efforts, exacts costs through increased stress, and creates an environment unconducive to productive activity.

The Bophelong community is known as poor. Earlier studies showed that a large percentage (62%) of the population was living below the poverty line in 2003. In general, 45.5% of the poor population receive incomes of less than 50% of their poverty lines (Slabbert, 2003). This study will analyse the poor of the Bophelong community with special reference to the activities that they use to sustain themselves.

The study investigates how the poor live and the circumstances of their poverty. It also analyses the role that an inward industrialization process can play in the economy. In the study, an investigation of crime, its impact on the residents of Bophelong and the perceptions of the households was undertaken in order to find linkages between crime and poverty in Bophelong. A further investigation of unemployment was undertaken. Both Slabbert (1997:8) and Mokoena (2001:47) regard unemployment as one of the major determinants of poverty within the geographical demarcation of the study.

The study will show that due to the limitations of inadequate income, other means of supplementing income need to be found (e.g. agricultural projects) to help the poor.

1.3 AIM OF THE STUDY

The aim of the study is to:

- reflect the true state of affairs of the inhabitants of Bophelong;
- do an in-depth analysis of poverty Bophelong community with special reference to the activities that the poor use to sustain themselves; and
- find possible solutions for the poor to sustain themselves.

1.4 IMPORTANCE OF THE STUDY

Poverty alleviation can only be addressed effectively when the dynamics of poverty are explained and analysed in detail. In this context, the importance of research in influencing policies cannot be ignored. The study investigates how the poor live and the circumstances of their poverty. It also makes it possible to analyse the role that an inward industrialization process can play in the economy. The study identifies some of the areas that necessitate further analysis of South Africa's poor within the context of urbanization.

The study provides a breakdown of the structures of poor households and the circumstances of poor households, and may therefore serve as a reference for further analysis, and as an information source when setting up anti-poverty programmes.

1.5 HYPOTHESIS

A large percentage of the residents of Bophelong do not only live below their respective poverty lines, but far below their poverty lines. The poor in Bophelong have no other means (e.g. land, agriculture etc) to supplement income and

therefore the probability of turning to crime is greatly increased. Poverty can be reduced by employment creation as a means of supplementing income.

1.6 RESEARCH METHODOLOGY

Two methods of research are used, namely, a literature study and empirical research.

1.6.1 Literature study

To acquire information about the subject, relevant literature on poverty was studied. Extensive information was collected from formal and informal publications such as books, journals, previous research projects, articles from newspapers, the Internet and previous studies on the subject.

1.6.2 Empirical research

A household survey to determine the true state of affairs of the inhabitants of Bophelong and the depth of poverty was undertaken. A questionnaire for obtaining the desired information was designed. In addition, detailed questionnaire interviews were undertaken with the poor only.

1.6.3 The measurement of poverty

Ravallion (1998:13) indicates three steps which need to be taken in measuring poverty, namely:

- Defining an indicator of welfare;
- Establishing a minimum acceptable standard of that indicator to separate the poor and non-poor (known as the poverty line); and
- Generating a summary of statistics to aggregate the information from the distribution of this welfare indicator and its position relative to minimum acceptable standards.

For the purpose of this study, a household survey was undertaken which was used as a basis for analysis. A poverty line is calculated for each household individually and then the household's own income is compared with its own individual poverty line. In accordance with a method developed by Slabbert (1997:7), a poverty line for each household is calculated by allocating a monetary amount for each member of the household. This method takes age and gender into account. With these calculations, not only the number of poor households, but also the distribution of households below and above the poverty line is determined. The same applies to other measures such as the dependency ratio. This is calculated on an individual basis instead of only using averages. Detailed discussions of these methods follow in Chapter 2.

Poverty can also be measured by certain non-income indicators (Parnell & Mosdell, 1999:4). Examples of these are the unemployment rate, education levels, shortages of housing, the provision of services, and the provision of education, health and recreational facilities. Some of these measures will be employed in the study in order to highlight the plight of the inhabitants of Bophelong.

Special emphasis is placed on unemployment in this study. This is due to the fact that, as indicated by Mokoena (2001:47-48), unemployment is regarded as an important indicator of poverty, and that previous studies have revealed unemployment as a major determinant of poverty within the geographical demarcation of the study. For this reason, an analysis of unemployment in Bophelong is conducted to determine the unemployment profile of the area.

Following the guidelines used by Slabbert (1997), an in-depth analysis of the poor with special reference to the activities they use to sustain themselves was undertaken. This information includes: What does the structure of a poor household look like? What is the average size of a poor household? What does the marital status in poor households look like? What does the age and sex structure of poor households look like? What is the profile of the school population stemming from poor households? What is the profile of the post-school population

stemming from poor households? What qualifications do the employed members of poor households have? In which sectors of the local economy are the employed members of poor households working? What percentage of members of poor households is unemployed? What is the age of the unemployed members of the poor households? What are the qualifications of the unemployed members of poor households? What does the income and expenditure pattern of poor households look like?

The data obtained on members of poor households is analysed, summarised and described, using actual figures or percentages to suit the ordinal level used in this study. Tables are used to arrange and represent information. A number of graphical presentations are also used to illustrate data. Although it is argued that unemployment is the major determinant of poverty within the area, Slabbert (1997:8) points to the fact that there are other factors also contributing to poverty. These include the low levels of education of the poor and the absence of fathers in poor households.

1.7 DEPLOYMENT OF THE STUDY

The dissertation is divided into seven chapters, as follows:

Chapter 1 The problem and its setting

This chapter is the introduction to the dissertation. It focuses on matters such as the problem to be examined in the study, aim of the study, hypothesis, demarcation of the field of study and the research methodology used in the study.

Chapter 2 Definition and measurement of poverty

The focus in this chapter is to explore the concept of poverty. The purpose here is to discuss poverty, how it is defined and the methods used to measure it.

Chapter 3 Apartheid and urban poverty

This chapter discusses the ways in which apartheid affected the lives of many in South Africa. The aim is to highlight some of the distortions and dynamics

introduced by apartheid.

Chapter 4 Empirical research methodology

This chapter describes the methodological procedures used in this study. The purpose is to provide information about the nature and scope of the empirical research methodology used.

Chapter 5 Profile of Bophelong

The purpose of this chapter is to provide a profile of the poor within the Bophelong area. The aim is to provide an insight into poor households and the circumstances of the poor households.

Chapter 6 The poor and their survival

The findings of the empirical research undertaken will be analysed and discussed in this chapter.

Chapter 7 Summary and Conclusions

In this chapter, the dissertation is summarised, conclusions are drawn and recommendations are made, where necessary.

1.8 DEMARCATION OF THE FIELD OF STUDY

The geographical area covered by the study entails the area called Bophelong, located near Vanderbijlpark in the southern part of Gauteng. Bophelong was established in 1955. Its residents are mainly employed as domestic or industrial workers in the nearby town of Vanderbijlpark. According to the new municipal demarcation, the area falls under the Emfuleni Municipal Area. (Annexure A).

CHAPTER 2

DEFINITION AND MEASUREMENT OF POVERTY

2.1 INTRODUCTION

Poverty is a human phenomenon that does not seem to go away. The inability of many people to satisfy their needs, while the minority enjoys extreme prosperity, stems from many sources (Aliber, 2001:6). The need for the identification of these sources stands as one of the main challenges facing mankind today.

There is a magnitude of research on the subject of poverty. This chapter discusses the theory on the concept of poverty. The purpose of the chapter is not to go into lengthy discussions, but rather to outline some of the major definitions of poverty and then proceed to study the associated measurements.

The definitions and measurements to be studied include some of the measurements and definitions to be used in the later part of the study.

2.2 DEFINITION OF POVERTY

Alcock (1997:1-2) remarks that there is little consensus on the many definitions of poverty. He further cites that underlying the discussions on poverty is the assumption that identifying the problem provides a basis for action upon which all will agree. In the absence of a universally accepted indicator of poverty or welfare, several measures are examined in an attempt to find common ground. It is the issue of the definition that lies at the heart of the task of understanding poverty. It should first be known what poverty is, before it can be identified where and when it occurs, or before one attempts to measure it, and before one can begin to do anything to alleviate it.

Disagreements over the definition of poverty run deep and are closely associated with disagreements over both its causes and solutions to it. The rationale for considering a variety of indicators originates from the multidimensional nature of

the poverty phenomenon. Poverty can be defined as a lack of resources to meet basic needs such as adequate food, clothing, shelter and necessities. It also represents the inability to meet higher order needs such as the need for personal fulfilment, recreation and freedom. The determinants of poverty are often seen as income-related factors. People with sufficient income usually develop strategies to cope with the problem. The inability to implement these strategies is an important indicator of the extent of their poverty (DBSA, 1998:37).

Gharajedghi (1986:44) defines poverty in terms of five elements: powerlessness, incompetence, meaningfulness, exploitation and conflicting values. These attributes could equally apply to a wealthy person and fall short of a clear definition. He further asserts that poverty is not just economic but has a strong psychological dimension. "If people do not have expectations, they feel they cannot take decisions, they feel they cannot do things, and they just have to drift along."

People who are taught to think, develop greater self-esteem; they believe they can think about things, make decisions and find alternatives. It is the basis of economic development, giving people a sense that they can take charge.

Recognising the multiple dimensions of poverty also directs attention to a range of factors that need to be taken into consideration in poverty studies. The most important of these factors, as indicated by Parnell and Mosdell (1999:4), are indicated in Table 2.1. In the table, five key perspectives to be considered in the study of poverty are mentioned; these are the income, basic needs, social exclusion, locality and environmental justice perspectives.

Parnell and Mosdell (1999:4) indicate that poverty is more than having insufficient income, but includes other factors that might be overlooked in poverty studies. The measures mostly used are from an income perspective. This is usually achieved by drawing an income measure to aggregate the poor from the non-poor.

TABLE 2.1: FACTORS TO BE CONSIDERED IN POVERTY STUDIES	
PERSPECTIVE	TYPE OF INDICATOR
<i>Income perspective:</i> People are categorised as poor if their income falls below a certain income measure	Welfare payments, wage levels, and poverty datum lines are income measures
<i>Basic needs:</i> This is one of the most influential international perspectives on poverty, especial in the context of the Third World where millions of people live without adequate food, shelter or sanitation	There are a number of indicators that come out of a basic needs perspective e.g. access to water, literacy, life expectancy and nutritional levels
<i>Social exclusion:</i> Social exclusion refers to the fact that despite the welfare and the general wealth, there remains a group of people who are excluded from the mainstream benefits of society and who are prevented in some way from gaining from the general prosperity	Indicators of social exclusion emphasise political, social and economic components of poverty and inequality, and are thus either multi-part or composite indicators. These indicators are often qualitative in measuring, e.g. racism or sexism
<i>Locality:</i> Space or geography is seen by some to be an independent variable in the poverty equation	Indicators of poverty used in locality include segregation indices and transport indicators
<i>Environmental justice:</i> Equitable access to a healthy, pollution free environment and to the environmental resources required to support a healthy life without compromising the opportunities of future generations	Indicators typically found under these section are environment reports, including air pollution, water quality and environmental health indicators

Source: Parnell & Mosdell, 1999:4

With social exclusion the main emphasis comes from the exclusion of a certain group of the population from the general wealth or the means to obtain income. It is argued that social exclusion may lead to poverty, and at the same time social exclusion might be the outcome of poverty (Parnell & Mosdell, 1999:5). However, Durant and Christian (1990:211) point to the fact that people do not have to be living in poverty to experience social exclusion, and conversely, people who are living in poverty might not feel socially excluded. This means that the condition of poverty is caused by a combination of social, economic, spatial, environmental and political factors. This wide approach to poverty studies embraces the diverse causes, experiences and manifestations of poverty that are outlined in the growing literature on poverty.

Conventional literature divides the definition of poverty into absolute and relative definitions. A discussion of these approaches, as well as the human scale development approach follows.

2.2.1 Absolute approach

The absolute approach to poverty looks at poverty from the viewpoint of deprivation or the lack of sufficient income to satisfy basic needs (Holman, 1978:2). If poverty is defined as an absolute condition, it is usually based on the notion of subsistence. Subsistence describes the minimum basic needs to sustain life, and being below the subsistence level, therefore, is to be experiencing absolute poverty because one does not have enough to live on (Alcock, 1997:68).

The focus is on needs and involves the identification of a threshold level under which a minimum consumption level of food or housing, for example, is not satisfied (Osami, 1981:2). The World Bank (1980:5) defines poverty as a level of income that only allows subsistence amounts of food and other necessities, or as the condition of life in such a degree characterised by malnutrition, illiteracy and disease as to be beneath any reasonable definition of human decency. These definitions imply that subsistence is measured in terms of necessities like food, education and health.

The absolute approach has not gone without criticism. Critics of the absolute approach say that the definition tends to neglect the effects of poverty beyond the physical sphere, thus taking no account of social needs. Very often, however, a closer examination of absolute poverty reveals that there is also a relative element involved. For instance, having no food is without doubt absolute poverty, but if not having access to enough healthy food reduces your life expectancy, shouldn't that also be considered as absolute poverty? (Duclois & Gregoire, 1991:1.)

In this sense, absolute poverty has to do with the deprivation of individuals from some absolute and predetermined norm(s) and standard(s) taken by society as a suitable measure of the minimum necessities of life or of a minimally accepted standard of living (Duclois & Gregoire, 1991:1).

2.2.2 Relative approach

The relative approach is contrasted with the absolute approach. According to Alcock (1997:69), this is a more subjective or social standard in that it explicitly recognises that some element of judgement is involved in determining poverty levels. Furthermore, it is based on a comparison between the standard of living of the poor and the standard of living of other members of society who are not poor. People are poor if their resources fall significantly below those of the rest of the community (Alcock, 1997:69).

In the words of Townsend (1979:31), a well-known proponent of the relativist view:

"Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary or approved in the societies which they belong to. Their resources are below those commanded by the average individual or family in that they are, in effect, excluded from ordinary living patterns, customs and activities."

The relative approach has also encountered criticism. Its critics say that it is just merely measuring inequality. Durant and Christian (1990:210) argue that relative poverty or deprivation reflects the equality of opportunity that has been a concern of governments and society.

According to Saunders (1997:39), it is not so much the effects of poverty in any absolute form but the effects of the contrast, daily perceived, between the lives of those around them. Relative deprivation is in this sense a universal and permanent feature of human society.

2.2.3 Human scale development approach

Apart from the absolute and relative approach to poverty, there is the human scale development approach. This approach defines poverty in far broader, holistic terms (Max-Neef, Elizalde & Hopenhayn, 1989:17-46).

It makes a clear distinction between needs and satisfiers of those needs. Human needs are viewed as interrelated and interactive. Needs are classified into two categories with the needs of being, having, doing and interacting on the one hand, and the needs of subsistence, protection, affection, understanding, participation, idleness, creation, identity and freedom on the other (Max-Neef *et al.*, 1989:17). Food and shelter are not seen as needs, but as satisfiers of the need for subsistence. Education, either formal or informal, study, investigation and meditation are viewed as satisfiers of the need for understanding. The curative systems, preventive systems and health schemes in general are satisfiers of the need for protection. A satisfier may contribute simultaneously to the satisfaction of different needs, or conversely, a need may require various satisfiers in order to be met. For example, a mother breast-feeding her baby is simultaneously satisfying the infant's need for subsistence and protection, affection and identity (Max-Neef *et al.*, 1989:17-46).

By drawing a distinction between the concepts of needs and satisfiers, Max-Neef *et al.* (1989:20) argue that fundamental human needs are finite, few and classifiable. Furthermore, fundamental needs are the same in all cultures and in

all historical periods. What changes is the way or the means to satisfy needs. Every social or political system adopts different methods to satisfy similar fundamental needs. In every system, fundamental human needs are satisfied (or not satisfied) through the generation (or non-generation) of different types of satisfiers.

Max-Neef *et al.* (1989:21) further argue that the traditional concept of poverty is limited and restricted; this is because it refers exclusively to the predicaments of people who may be classified below a certain income threshold. According to them, any fundamental human need that is not adequately satisfied reveals a human poverty. Van Zyl (1995:9) reiterates by saying that the poverty of subsistence could be due to insufficient income, food and shelter; the poverty of understanding to poor quality education; the poverty of participation to the marginalisation and discrimination of women, children and minorities; and the poverty of identity due to the imposition of alien values upon local and regional cultures, forced migration and political exile.

Defining poverty in this context, Max-Neef *et al.* (1989:21) suggest that one should speak of poverties instead of poverty. Poverties, however, are not just that, but much more in that each poverty generates pathologies. They argue that pathologies may no longer be thought as affecting individuals. The existence of collective pathologies of frustration, for which traditional treatments are simply inefficient, must be recognized. Extended unemployment, for example, generates pathologies that will totally upset a person's fundamental need system. Due to unemployment, and owing to subsistence problems, the person will feel increasingly unprotected; crisis in the family and guilt feelings may destroy affections; lack of participation will give way to feelings of isolation and marginalisation; and declining self-esteem may generate an identity crisis. In the same way, violence directly upsets the need for protection, thus inducing intense anxiety (Max-Neef *et al.*, 1989:21).

2.2.4 Concluding remarks on the definition of poverty

Distinctions between absolute and relative poverty may be largely irrelevant to those who live with the limitations that inadequate incomes impose, and debates about poverty should not obscure what it means to those who experience it.

Poverty is seen in all its manifestations as a denial of opportunities and choices most basic to human development to lead long, healthy and creative lives, and to enjoy a decent standard of living. However, there is no single, universally accepted definition of poverty. People living in and out of poverty may all hold conflicting views on the definition, cause, effect and solution to the problem of poverty (UNDP, 1990:11).

Alcock (1997:72) notes that absolute definitions of poverty necessarily involve relative judgements to apply them to any particular society, and relative definitions require some absolute core in order to distinguish them from broader inequalities. Both definitions seem to have disadvantages, and if these definitions are used as a basis for analysis, measurement and ultimately political action, their disadvantages should be avoided, or there should rather be capitalised on their advantages.

The debate on these concepts and on poverty is worth pursuing, because of the considerable costs of poverty to those who have to endure it and its impact on the rest of society.

2.3 MEASURING POVERTY

The discussion on the measurement of poverty has enjoyed great attention from a wide array of scholars and institutions. There is a magnitude of writings about how poverty is to be measured.

Measuring poverty can be approached in different ways. At one level, objective social indicators, such as income, consumption, life expectancy and housing standards, can be distinguished from subjective indicators, which are based upon the attitudes, needs and perceptions gathered directly from people, or indeed with

people, through the use of participatory research methodologies (De Swardt, 2002:18).

At another level, measures of poverty can reflect the constituencies of well-being, or alternatively, they can be measures of people's access to the determinants of well-being (De Swardt, 2002:18). Indices of health, welfare and human rights are examples of the first approach, whereas indices indicating the availability of shelter, health care, educational facilities are generally examples of the second.

The World Bank's (1990:6) definition of poverty as outlined in the next section has provided a benchmark on which the definition of poverty and its measurement in this study is to be based. The following sections outline the main poverty measures used in this study.

2.3.1 Poverty lines

The World Bank (1990:16) defines poverty as *the inability to attain a minimal standard of living measured in terms of basic consumption needs or income required to satisfy them*. Poverty is thus characterised by the inability of individuals, households or the entire community to command sufficient resources to satisfy their basic needs. The World Bank draws a poverty line, which separates the poor from the non-poor, based on the expenditure necessary to buy a minimum standard of nutrition and other necessities. This expenditure varies from country to country; therefore country-specific poverty lines have to be drawn.

Table 2.2 compares some of the poverty lines, which have been used in the measurement of poverty in South Africa.

TABLE 2.2: POVERTY LINES COMPARED	
POVERTY LINE	COVERAGE
PDL	Food, Clothing, Fuel/Lighting, Washing/Cleaning, Rent, Transport
MLL	PDL plus: Tax, Medical expenses, Education, Household equipment
SLL	MLL plus: More for each item plus Recreation, Personal care, Pension, Unemployment, Insurance fund, Medical aid. Approximately MLL+30 %
HSL	As for PDL
HEL	HSL + 50 %

Source: Adapted from Mokoena, 2001:22

Until 1973, the term Poverty Datum Line (PDL) was generally used to describe the theoretical minimum cost of living in South Africa (Slabbert, 1997:43). It is based on the lowest possible cost of maintaining a person/household in good health and decency by Western standards, but in the short run.

Since 1973, several other poverty lines have been introduced. The Minimum Living Level (MLL) is the minimum level at which a non-white family would be able to maintain the health of its members and conform to Western standards of decency. It includes the cost of items such as tax, medical expenses, education and household equipment, in addition to the items included by the PDL (Wilson & Ramphela, 1989:17). The Supplementing Living Level (SLL) provides for more items than the MLL; such as pension, unemployment, insurance, medical aid and recreation.

Potgieter (1980:4) developed the Household Subsistence Level (HSL) and the Household Effective Level (HEL). He defines the HSL as an estimate of the theoretical income needed by an individual household to maintain a defined minimum level of health and decency in the short term. It is based on the lowest retail basket of necessities of adequate quality. This basket includes: food,

clothing, fuel and lighting, and washing and cleaning material for each individual in a household and for the whole household, and the cost of rent and transport.

The HSL is calculated for all major centres in South Africa on a half-yearly basis. Potgieter (1980:7) argues that although the Household Subsistence Level indicates the theoretical budget of necessities, it does not suggest an adequate income. In practice, one third of the total income equivalent to an HSL budget will be diverted away from the specific items to other immediate essentials. In the case of the HSL, the income is not effective in enabling the household to maintain the standards of long-term decency. Potgieter, therefore, determines the Household Effective Level, which is 150 per cent of the HSL.

The HSL will be used in this study, firstly, as it covers all major centres of South Africa. Secondly, the HSL is the most frequently used measure in recent years. The third reason relates to the fact that the method of calculating the HSL as done by Potgieter (1994:63) makes it easy to calculate the HSL for individual households. A breakdown of the subsistence level for different age groups of different sexes is given, as well as certain costs for a household as a whole.

By calculating the HSL for an individual household, and comparing it with the combined income of the different members of the same household, the degree of poverty can be measured at micro or household level. The HEL is calculated as the HSL plus 50%, and thus gives a higher cut-off point (Mokoena, 2001:22).

2.3.2 The headcount index and the poverty gap

The headcount index is defined as *the fraction of the population below the poverty line* (Slabbert, 1997:47). It refers to the number of people or households whose income falls below a given poverty line. If the distribution of incomes is represented by y and the poverty line by z , a poverty measure may be represented by the function $P(y; z)$.

Suppose that of a population of N income units with incomes Y_i ($i=1, \dots, N$) ranked in ascending order by subscript, M units have incomes equal to or less than z .

The Headcount index H may be then defined as:

$$H(y; z) = M/N$$

The headcount index has been criticized by Sen (1981:32-24), as it takes no account of the degree of poverty. In order to capture the degree of poverty, the poverty gap measure is normally used.

The headcount index is concerned with the number of poor people or households whose incomes fall below a given poverty line as a ratio of the whole population. The poverty gap is concerned with the depth of poverty and therefore measures the extent of the shortfalls of incomes below the poverty line. The poverty gap ratio R can be defined as follows (adapted from Borooah & McGregor, 1991: 357):

$$R(y; z) = \sum_{i=1}^M (z-y_i)/z$$

2.3.3 Dependency ratio

Dependency ratios are usually calculated by dividing the total number of non-income earners by the total number of earners. One of the causes of poverty in South Africa is the high dependency in black families. Those who earn income have to support many non-earners (Slabbert, 1997:55). Tables 2.3 and 2.4 show two methods how the dependency ratio can be calculated.

The usual method (Method 1) creates an impression that there are 6 income earners supporting 10 non-earners, giving a dependency ratio of 1.67, but the fact is that the 4 income earners in household A are not supporting non-earners in household B and C. Method 2 gives an average of 3.08, implying that in the average household each income earner is supporting 3.08 dependents. Slabbert (1997:56) argues that this method depicts the present situation more realistically.

TABLE 2.3: DEPENDENCY RATIO CALCULATION: METHOD 1

Given:

Household A has 5 members- 4 income earners and 1 non-earner

Household B has 5 members- 1 income earner and 4 non-earners

Household C has 6 members- 1 income earner and 5 non-earners

Dependency ratio would be calculated as follows:

Total number of income earners= 6

Total non-earners= 10

Dependency ratio= $10/6 = 1.67$

Source: Slabbert, 1997:55

TABLE 2.4: DEPENDENCY RATIO CALCULATION: METHOD 2

Given:

Household A has 5 members- 4 income earners and 1 non-earner

Household B has 5 members- 1 income earner and 4 non-earners

Household C has 6 members- 1 income earner and 5 non-earners

Dependency ratio would be calculated as follows:

Household A= $\frac{1}{4} = 0.25$

Household B= $4/1 = 4$

Household C= $5/1 = 5$

Total 9.25

Average dependency ratio of individual households: $9.25/3 = 3.08$

Source: Slabbert, 1997:55

2.4 URBAN POVERTY MEASUREMENT

The political and strategic importance of poverty reduction, as a pillar of development, demands closer scrutiny of the tools used to review progress in poverty alleviation. Indicators are one of many tools that can aid planning and management. It is important that the use of indicators does not distort the development process and that clear objectives are set for its application (South African Cities Network, 2004). In this section, the aim is to highlight UN Habitat's

City Development Index as a benchmark for urban poverty measurement.

2.4.1 The City Development Index (CDI)

Urban poverty profiles have been developed following multi-criteria definitions of poverty. Parnell and Mosdell (1999:18) envisage that these profiles will provide useful diagnostic information in order to identify areas necessitating intervention.

The City Development Index (CDI) was developed in 1997 and measures the level of development in the cities. The Urban Indicators Programme of the United Nations Human Settlement Programme (UN Habitat) developed the indicator so that they could rank cities of the world according to their level of development and as a display of indicators depicting development (UN Habitat, 2001:80). The CDI is based on five sub indices, namely, infrastructure, waste, health, education and city product.

For cities seeking to develop baseline indicators to inform development planning and budgets, to compare themselves with other South African and international cities and to report to their citizens on progress in development, there are exciting opportunities for adapting and extending the CDI (Parnell & Mosdell, 1999:20). According to South African Cities Network (2004), the CDI provides a very useful internationally recognised benchmarking tool. The Network suggests that CDI be linked to other planning tools and information.

2.4.2 Linking the CDI to other planning tools

There are opportunities for linking the CDI and other indicators to financial management to trace the relationship between development outcomes (as measured in the CDI) and capital and operating budgets (South African Cities Network, 2004).

The following reasons are said to justify the idea of linking the CDI with other planning tools:

- Many of the investments and interventions in cities are initiated from outside the local government. Provinces, in particular, through health, welfare,

transport, education and economic development have a crucial role to play in directing resources and influencing city development paths. The CDI can be adapted to include provincial variables. The CDI indicator format can be used to align data systems at the city and sub city scale to facilitate intergovernmental co-operation.

- Given the powers and functions of local government in South Africa, one important gap in the CDI relates to the area of economic development.
- Similarly, the area of environmental sustainability and biophysical carrying capacity is a crucial issue for South African cities. For example, because water is scarce and several large cities are ecological hot spots, it may be important to recognise that in some instances there is a contradiction between service extension and the available carrying capacity (South African Cities Network, 2004).

2.5 MEASURING INEQUALITY

South Africa is classified as an upper-middle income country, yet most South Africans are poor. This apparent contradiction is due to the fact that ours is a country of extreme inequality, with a small group of very wealthy people and a much larger group of poor people (May, 1998:1).

Of the 44 million South Africans, about 8 million survive on less than a US dollar a day (the internationally recognised poverty line) and 18 million on less than 2 US dollars per day. Put differently, 37% of South African households survive on less than R1000 per month (SAA, 2001).

These are disturbing figures, but it is important to realise that they reflect not only the kind of country South Africa is, but also - to a great extent - what the world as a whole is like at the beginning of the 21st Century. Globally, as many as 1 in 5 persons are poor and in some regions, such as sub-Saharan Africa, every second person is poor (World Bank, 2000:4).

There are many ways of measuring inequality, all of which have some intuitive or mathematical appeal. Income inequality refers to the uneven distribution of income within the population. Poverty is not the same as inequality. Inequality shows relative living standards of the entire population, not only poor standards. Although poverty and inequality are related, the one does not assume the other (Sen, 1981:15). Even though poverty does not assume inequality, measures of inequality are useful in the evaluation of relative poverty (Slabbert, 1997:62).

The World Bank (1991:39) states the following main causes for greater income inequality in the least developed countries than in developed countries:

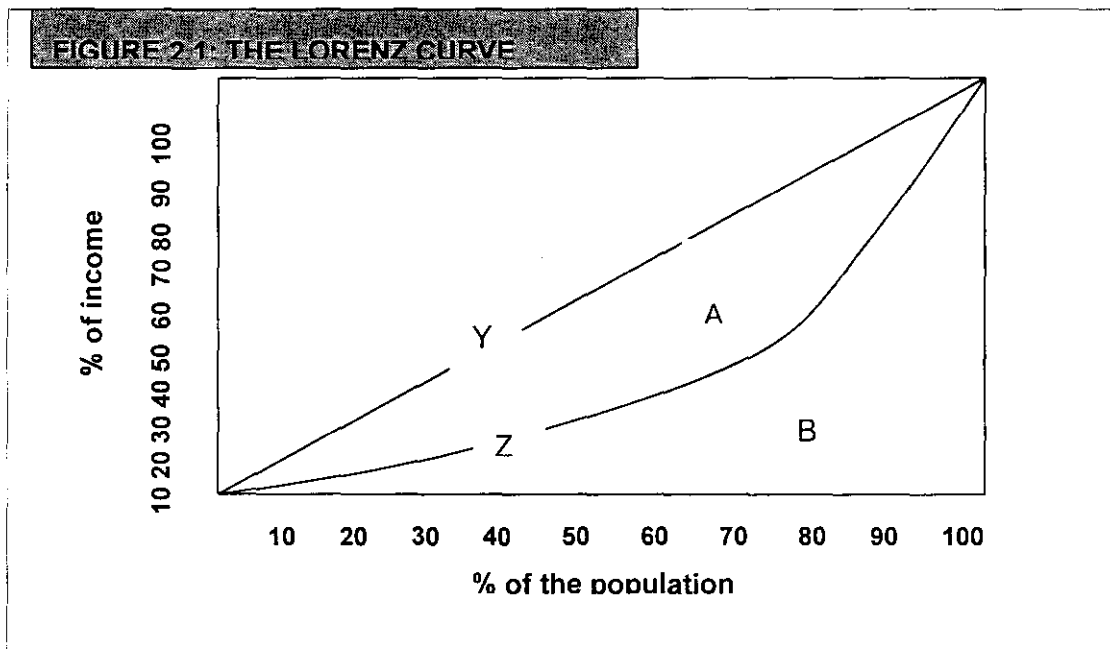
- Most important in some areas, land ownership and access to land are highly unequal for historical and social reasons.
- Significant scarcity of professional and technical skills means that remuneration of teachers, engineers, scientists, economists, physicians and the like may be driven up relative to the rest of the population, thereby ensuring unusual disparities in income.
- Widespread existence of imperfect factor mobility, imperfect information and monopoly power based on economic or political strength may make existing disparities difficult to close.
- Inequality can be perpetuated by a social structure that excludes people on the basis of caste, race, sex or religion from jobs, land holding, and other means to produce income.
- Even where governments wish to move towards more equity, taxes and transfer payments are less effective in changing the distribution of income than they are in the developed world because the mechanisms themselves are less developed.
- Government pricing policies, subsidies, taxes, credit, foreign exchange allocations, land policies, and the like may be used to reward supporters and penalize opponents and the powerless.

- Population growth means an increase in the percentage of young people in the population. Inequality rises even though the distribution of income stays the same within any given age group. Although this symptom is ultimately self-correcting, it is still real and appears in the statistics World Bank (1991:39).

The most commonly used measures of inequality, which will be considered for this study, are the Lorenz curve and the Gini coefficient.

2.5.1 The Lorenz curve

The Lorenz curve, as shown in Figure 2.1, shows the distribution of income earned over a given period in relation to its recipients. It is a graphical representation of data named after the American statistician Max Otto Lorenz, who developed it in 1905 (World Bank, 1991:42). The percentage of income recipients or households is plotted cumulatively along the horizontal axis and the percentage of income earned on the vertical axis. Along the line of equality (Y), the distribution of income is equal, i.e. the 'line of equality' is a 45-degree line sloping up from the origin of the figure. If the distribution is unequal, the curve (Z) is bowed away from the 45-degree line. The greater the bow, the larger the inequality (Todaro, 1985:146).



Source: Own construction

2.5.2 The Gini coefficient

The Gini coefficient is another method of comparison which measures the degree of inequality based on the areas on the Lorenz curve diagram. As mentioned in Section 2.5.1, the more unequal the distribution, the more bowed the Lorenz curve will be. The greater bow increases the area labelled A in Figure 2.1 and decreases the area labelled B in the figure.

The calculation $[A/(A+B)]$ is called the Gini coefficient, named after Corrado Gini, the Italian statistician who first formulated it in 1912 (Grosh & Nafziger, 1986:347). The more unequal the distribution, the larger is the area A and thus the higher is the Gini coefficient. The coefficient can vary from 0 to 1. A coefficient of 1 indicates perfect inequality of incomes, whereas a coefficient of 0 indicates perfect equality.

2.6 POVERTY ASSESSMENT

South Africa is classified as a lower-middle income country, yet a great proportion of South Africans is poor (May, 1998:1). The fact that a great proportion of South Africans are poor has an obvious and direct effect on their physical well-being.

The World Health Organisation (WHO, 2003) considers three ways in which the question of poverty is important to society. Firstly, being poor has an impact on a person's physical and mental well-being. Secondly, being rich or poor (or somewhere in between) leads to people experiencing the world in very different ways and forming different kinds of social structures to try and improve their lives. Thirdly, poverty is more than just an unfortunate condition that some people happen to suffer from - it is an important part of how the world is currently organised.

Poor people may have insufficient food, cannot afford to eat a varied diet (every 10th child in South Africa is malnourished), often work long hours, and usually do not have access to adequate heating, water and sanitation (WHO, 2003). As a consequence, they are more susceptible to contracting a variety of poverty-

related diseases, including tuberculosis and AIDS. The consequences of this can be seen in South Africa's high infant mortality rate of 45 per 1000 live births (compared to, for example, 6 in the United Kingdom), and low life expectancy of 48 years (compared to, for example, 78 in the United Kingdom) (WHO, 2003).

Rouse (1998:1) sets some challenges that poverty presents people with and the opportunities that it takes away from them. The following are, for example, some of the challenges that children who grow up in environments of poverty face:

- Poor children are more at risk of physical disease and injury and this may affect their intellectual performance. For example, poor children are more likely to have uncorrected hearing and visual problems and may be less able to concentrate due to an inadequate diet - all of which will affect their ability to learn in a formal school environment.
- Poor children are more likely to have to take on parental responsibilities at an early age, and may even have to act as the head of a household. While they develop caring and other skills in this process, they miss out on many other opportunities - especially socialising with their peers and schooling.
- Poor children typically grow up in relatively crowded environments. While, again, this provides them with some unique opportunities for emotional and interpersonal growth, it can also entail considerable stress and may place them at greater risk of physical and sexual abuse.
- Poor children are more likely to witness or to be victims of crime and violence (Rouse, 1998:1).

2.7 THE EXPERIENCE OF POVERTY

Aliber (2001:13) notes that over the course of the past two decades, increasing attention has been given to the fact that poor people's experience of poverty involves a great deal more than inadequate income or consumption. Poverty is not simply about being deprived of necessities such as food, medicine and clothing, but is often also about living in a situation of:

- hopelessness;
- uncertainty about the future; and
- alienation from mainstream society.

2.7.1 Hopelessness

Being poor is associated with hopelessness because people may feel caught in a so-called 'poverty trap' with little prospect of ever escaping. Middle class people like to think that people achieve things by their own efforts and that all that is therefore needed to get ahead in life is to be determined and to work hard (Williamson, 1975:20).

Aliber (2001:13) remarks that, in reality, people rely to a very large extent on two things that are simply 'given' to them without their having had to put in any special effort, namely their network of relatives and friends, and their ability to present themselves (through subtle cues such as dress, accent and opinions) as being the sort of reliable, sophisticated person who can be trusted with a responsible job (and a large salary). He further says that when this situation persists through several generations, with only the occasional exceptional individual finding a way out, people become resigned to the idea of always being poor and are said to be caught in a poverty trap. However, not all the poor are trapped in a spiral of hopelessness.

Osher, Kendziora, Van den Berg, and Dennis (1999:2-4) have argued that resilience should in fact be viewed not as an individual characteristic, but as something which many poor communities and families have or can develop. Poor communities, for example, often have extensive networks of mutual support, which help families and individuals deal with and overcome difficult circumstances. Again, community structures such as church groups and mutual burial societies provide some poor communities with the resilience to deal with an uncertain future.

2.7.2 Uncertainty about the future

Aliber (2001:13) argues that for many people, poverty is a state of uncertainty about the future. While everybody goes through life with a certain degree of anxiety about unforeseen events, poor people are particularly vulnerable in relation to economic 'shocks' such as losing a job, illness or becoming a victim of crime. Williamson (1975:20) argues that middle class people are buffered against such economic risks (either directly through insurance or by the fact that they can appeal to their bank manager, friends or family if they get into financial difficulties), but poor people do not have the same safety nets and consequently have to live with greater levels of apprehension and uncertainty.

2.7.3 Alienation from mainstream society

Williamson (1975:20) cites that middle class people usually believe in the justness of the system that allows them to achieve and maintain their position of relative wealth. Although they may complain endlessly about 'the government' and wish that it would be more like governments in wealthy Western countries, they are basically satisfied that people get what they deserve.

Aliber (2001:13) argues that poor people, on the other hand, often feel alienated from society, and can therefore be more fundamentally critical about the capitalist system as such, rather than simply about the performance of a particular government. While the vast majority of poor people are law-abiding citizens, for some the extent to which they have been alienated from the system (and the need for survival) takes the form of economic crimes such as theft and robbery. For other poor people, their sense of alienation places them in a better position to develop a critical theoretical understanding of how the system works.

Freire (1971:45) remarks that, through their first-hand experience, poor people are better able to develop critical consciousness and think theoretically about the relationship between individual lives and the ways in which wealth and power is distributed in a society.

2.8 SUMMARY AND CONCLUSION

The definition and measurements of poverty are related both to each other and to other pertinent issues such as the perceived causes of and the solutions to poverty. In this chapter, the theoretical underpinnings of poverty were discussed. The chapter outlined the major definitions of poverty and proceeded to study the associated measurements. Poverty is conventionally defined using the absolute and relative concepts. The absolute approach describes poverty based on the notion of subsistence. Subsistence describes the minimum basic needs to sustain life, and being below the subsistence level, therefore, is to be experiencing absolute poverty because one does not have enough to live on.

The relative approach is based on a comparison between the standard of living of the poor and the standard of living of other members of society who are not poor. People are poor if their resources fall significantly below those of the rest of the community. A further discussion of the human scale development approach, which defines poverty in a more holistic approach, was undertaken.

There are various ways to measure poverty. The main measures of poverty, which are used in this study, are the household subsistence level, the headcount index, poverty gap ratio and the dependency ration. A literature study of what poverty means to the poor was undertaken. Poverty was characterised as living in a situation where there is no hope, the future is uncertain, and one feels alienated from mainstream society.

Inequality is also studied. Poverty is not the same as inequality. Inequality shows relative living standards of the entire population, not only poor standards. Although poverty and inequality are related, the one does not assume the other. Even though poverty does not assume inequality, measures of inequality are useful in the evaluation of relative poverty. The measures of inequality (the Lorenz curve and the Gini coefficient) were further discussed. The Lorenz curve shows the distribution of income earned over a given period in relation to its recipients, whereas the Gini coefficient measures the degree of inequality based on the areas on the Lorenz curve.

People do not all perceive poverty in the same manner. This aspect makes policy development and private initiative in combating poverty very difficult. Distinctions between what poverty means to different researchers may be largely irrelevant to those who live with the limitations that inadequate incomes impose, and debates about poverty should not obscure what it means to those who experience it.

CHAPTER 3

APARTHEID AND URBAN POVERTY

3.1 INTRODUCTION

In common with many countries, the inability of a great deal of people to satisfy their needs, while a minority enjoys extreme prosperity, stems from various sources. The specificity of this situation in South Africa has been, among others, the results of institutionalised discrimination (Hunter, May & Padayachee, 2003:3).

Colonial and Union government policies directed at the extraction of cheap labour, were built upon by apartheid legislation. The result was a process of state-driven underdevelopment that encompassed dispossession and exclusion for the majority of South Africans. An outcome brought about by these policies was the loss of assets, such as land, livestock, and simultaneously the denial of opportunities to develop these assets through limiting access to markets, infrastructure and education (Aliber, 2001:6).

Aliber (2001:2) argues that, although South Africa has undergone a dramatic economic, social and political transition in the last decade, many of the distortions and dynamics introduced by apartheid continue to produce poverty and perpetuate inequality. The correct identification of these and the introduction of remedial policies have been identified as priorities by both government and civil society. The importance of reducing poverty and inequality has been a consistent theme of the new government. Statements made by government have recognized that planning needs to be focused on the objectives of narrowing inequality, breaking down the barriers that hamper participation in the economy and reducing poverty.

This chapter discusses the diverse ways in which urban apartheid made people poor. Five aspects of apartheid policy that caused black urban poverty are highlighted. These include racially enforced removals, the nature of housing provision for blacks, the character of urban jobs, the costing of urban services and

the municipal financial base, and the regulation of urbanisation.

3.2 RACIALLY ENFORCED REMOVALS

The Natives (Urban Areas) Act of 1923 and the Slums Act of 1934 forcefully removed African, Coloured and Indians families from the inner cities. Because these removals took place more than a generation ago we tend to underemphasize how important they were in creating patterns of contemporary urban inequality. The impact of these removals is still felt by the families evicted from conveniently located properties in the heart of the city (Parnell & Mosdell, 1999:14). White families who were removed from slums in the 1930s received state compensation for their housing, or they were rehoused in better quality accommodation provided by the state. Slum clearance for these select groups amounted to welfare payout. These reformist anti-slum measures (Natives Areas Act of 1923 and the Slums Act of 1934) were also some of the most important instruments through which the state imposed a pattern of racial residential segregation, thereby disrupting social networks. Whereas white families were compensated or accommodated in sanitary public housing schemes, black people were often financially ruined by the forced relocation from slums (Hendricks, 1990:45).

Davenport (1987:60) cites that, a second wave of racially enforced removals took place after World War II. Many of the same families coming from the inner city suburbs like Doornfontein in the 1930s, were once again forcibly relocated from their new homes in places like Sophiatown to the mass housing developments that make up today's Coloured, Indian and African townships.

The social and personal costs of securing housing in apartheid South Africa cannot be ignored. Although for many the township offered a reprieve from persistent state harassment over housing, not everyone who moved into the township was guaranteed a secure place of urban residence (Davenport, 1987:60).

3.3 POVERTY AND HOUSING SUPPLY

Apartheid controls regulated not only where people lived but also the condition of their private accommodation. Both segregation and apartheid were founded on the practice of migrant labour. The most extreme form of accommodation for migrant labourers is the hostel. The far-reaching and detrimental impacts of forcing men to live alone in compounds or hostels are difficult to assess (Wilson & Ramphela, 1989:204).

The obvious impoverishing aspects of migrancy are the low wages paid to the so-called single workers and the costs of commuting from home to work. Across cities of South Africa, the negative conditions of the dwellings that black people occupy can be ascribed to poor levels of affordability. Residential domestic service and migrancy undermined the quality of urban development in South Africa. Valodia (in Budlender, 1996:53-56) cites that aside from the incalculable social and political costs of destroying the African family unit, the fact that a major portion of the income of the poor has been devoted to unproductive investment in transport between town and countryside, rather than in consolidating their already tenuous positions in either places, makes little or no economic sense.

Additional evidence of the apartheid government's commitment to migrancy and segregation was the decision to place a moratorium on building houses in African locations in white urban areas in the 1970s. Urban population growth and urbanization continued apace, and drastic overcrowding ensued. As a result many African households defied the township regulations and began sub-letting in backyard shacks. Throughout the 1980s, when the occupants of the main houses were involved in rent boycotts, these sub-tenants continued to pay rent. Not surprisingly, renters were among the first to abandon the violence-torn township areas for squatter camps in the mid-1980s (Delius & Schirmer, 2000:45).

The inadequate physical environment of the township houses provides the backdrop to the domestic stresses of how to distribute inadequate income so that it covers schools, transport and basic food and health requirements. Poor primary, secondary and tertiary performance among black students has to be set against

overcrowding, lack of electricity and even the absence of running water (Yawitch, 1982:45). The 1970's student uprisings unleashed waves of student activism that severely disrupted education. A considerable number of students were unable to concentrate on their studies and many never completed their education. Since then they have assumed an insecure and inferior place in the labour market. School boycotts disrupted generations of pupils' learning and created a lost generation of illiterate, uneducated and unemployable people (WSF, 1997: 3).

3.4 POVERTY, INEQUALITY AND URBAN JOBS

Poverty is about not having enough money to buy basic food, clothing and other essential commodities like health and education (World Bank, 1993:13). In an urban context, the fact that everything needs to be purchased, means that the cash costs of survival are high. Checchi (1999:14) notes that in the large urban centres of South Africa, black people rarely had enough cash to survive. Poverty was endemic.

Checchi (1999:14) further argues that one reason for this widespread poverty among black workers was institutionalised job reservation. Job reservation not only meant that blacks were excluded from skilled and semi-skilled work, but that differential wage rates applied to black and white workers for the same job. According to Kingdon and Knight (1999:44), even in the declining years, once skills shortages necessitated greater inclusion of people of colour into better-paid jobs, poor educational levels among blacks prevented significant entry into the high-paying professions. The racial allocation of jobs, racially unequal wages and poor black occupational mobility lies at the heart of urban poverty in South Africa.

Lipton (1985:37) reiterates this by saying that, wages for black urban labour were generally too low to meet the needs of a family in town. Individual accounts of hunger, sharing and borrowing pervade the life histories of black South Africans. Urban poverty in black South Africa is directly related to restrictions on free trading rights for all, and racist employment codes.

3.5 QUALITY AND COST OF URBAN SERVICES

Poverty is a function of both income and essential expenditure. Beinart (1994:45) recognizes the following ways in which apartheid increased the cost of urban living for blacks relative to whites:

- The framework of segregation meant that residential development for blacks was located in isolated areas on the urban periphery, thus dramatically increasing the cost of commuting.
- Low levels of funding for township schools placed considerable burdens on parents to provide books and other essentials for educational achievement.
- The state's failure to establish a retailing infrastructure within townships meant that the poor were forced to purchase goods from small, often informal outlets that charged higher prices than those available to affluent suburbanites at local supermarkets.
- Many urban residents were able to spend only a small portion of their incomes on their urban homes, either because they supported rural families or because the prospect of inadequate pensions and high urban costs encouraged them to remit a portion of their wages to maintain their own rural base as an insurance policy.

The impact of segregation and apartheid on the disproportionate cost of urban services relates to the structuring of urban-fiscal base. Traditionally, money generated from rates from lucrative industrial and commercial zoned properties is redistributed to residential infrastructural investment. As Lipton (1985:49) states, the rates and taxes paid by residential households do not necessarily cover the full costs of services provided by the local authority. The principle of commercial and industrial cross-subsidization in South Africa never really extended to African areas. Thus, despite the fact that blacks were shopping in centrally located retail establishments, the rates never contributed to the development of their generally poor neighbourhoods. Instead, the rates from commercial property were invested in white suburbs.

The inferior quality of much of the black urban housing stands in stark contrast to the affluence of white suburbia. The unequal physical standard of housing created under segregation and apartheid links directly to the residential property assets of the different urban race groups. Leaving aside the issue of the private housing market and concentrating on the public stock, the racial hierarchy is clearly evident (Petty & Brown, 1998:69). Individual accumulation of wealth occurs through wages, but also inheritance and speculation. Poverty occurs when individuals are excluded from the sources of wealth.

Under apartheid, there were only limited opportunities open to Coloureds and Indians to speculate in prime residential, commercial and industrial land. For Africans, there were no opportunities for investing in property within white urban areas. As a result, the sizeable gains in capital made by many white South Africans through urban property investment over the decades have not been shared by all. Moreover, black South Africans have now entered a mature property market and they must compete with well-established investors to secure property in good locations (Petty & Brown, 1998:69).

3.6 POVERTY BY MANIPULATION OF URBANISATION

According to Abraha & Goldblatt (1997:14), the schism between urban Africans and those who were barred from the city by influx controls is well understood. Those Africans who live in cities in South Africa are better off than those in rural areas (but this may not mean that they are less poor). Parnell & Mosdell (1999:16) mention that, this urban group was itself internally split. Stable employment and relatively secure rental housing in urban areas for selected families provided a level of permanence unknown to hostel residents, sub-tenants and others in the townships or inner city slums. This is the constituency that is now able to make the most of the post-apartheid opportunities. Ensnared in the old council houses which they now own, established urbanites have a far greater chance of optimising the opportunities of the new South Africa than those who were left in the reserves working in industrial incentive zones for low wages.

The position of migrant workers contrasts starkly with that of the occupants of formal township houses. Restricted to hostels or domestic servants' quarters, these African workers were commonly employed in less skilled and less stable employment (Jenkins & Thomas, 2000:2).

Beyond the veneer of sophisticated urban shopping precincts, street lighting and waterborne sewerage of the apartheid Bantustans' administrative centres lay a very different reality. Across South Africa, tens of thousands of people are clustered in the settlement camps that were laid out without access to work, services or viable rural production. Displaced urbanization led to housing being created far from places of employment. Issues around migrancy and land tenure are difficult to address. Not only does defining an urbanisation policy demand extensive inter-departmental discussion, but also challenges the interests of political constituencies such as traditional leadership. Opportunities for wealth creation depended largely on what kind of urban centres individuals found themselves in. Addressing the urban poverty legacy of apartheid necessitates an examination of the entire system of urbanization and the long-term viability of dormitory towns (Parnell & Mosdell, 1999:17)

3.7 SUMMARY AND CONCLUSION

In the relief and satisfaction of the successful deposing of apartheid, it is easy to forget what the campaign to make the township ungovernable entailed for black urban residents. As the full power of the state's security forces were diverted into containing civil war, any form of effective township policing was derailed. In the dying days of apartheid, the line between criminal activity and resistance blurred, but the negative impact on ordinary people who bore the brunt of escalating rates of theft, rape and murder was unambiguous (UNDP, 1998:45).

In this chapter, a number of ways in which urban apartheid made people's lives difficult was highlighted. The fact that apartheid not only controlled where people lived, but also the conditions of their housing, is at the heart of what is known as the township. The poor quality of the housing occupied by many blacks negatively

affected their urban productivity and performance. There were missed opportunities for black investment in urban property. When it comes to removals the chapter revealed that removals robbed black people of their property or tenancies, and disrupted established community structures. Furthermore, victims of removal did not get proper compensation.

Under apartheid, black urban residents earned very low wages in unskilled jobs and therefore did not have enough money to meet basic needs. Even once job reservation was lifted, Africans struggled to compete because of poor educational levels associated with inferior, segregated education. Many students who stayed away from school now have no formal education. Land dispossessions, followed by race-based separate development policies together with influx controls, have left a legacy of misdistribution of wealth and marketable skills, spatially divided households, and inferior living conditions for the majority.

South Africa's present day configuration of poverty and inequality bears overriding racial and gender dimensions resulting from the country's history. Even though one might forget and live in harmony in the new South Africa, the distortions created by apartheid are still visible, and continue to perpetuate poverty. The government needs to visit the country's urban structure and find its relevance in the new South Africa. Skills development and training need to be prioritised in order to right the wrongs of the past.

CHAPTER 4

EMPIRICAL RESEARCH METHODOLOGY

4.1 INTRODUCTION

This chapter describes the methodological procedures used in the study. The purpose is to provide information about the nature of the empirical research followed.

Adams and Schvaneveldt (1985:103) note that the purpose of undertaking research is to discover facts that can be used to verify insights and aid in selecting a course of action. Completing successful research, therefore, depends on having a clearly defined purpose and access to useful data related to that purpose. A research design is a tool employed to realize successful research. Cooper and Emory (1995:12-14) allude to the fact that for research to be a success, the purpose of the research should be clearly defined. The research procedure and design should be carefully planned to yield results that are as objective as possible. The researcher should report with complete frankness and the report should flow in a procedural design.

Empirical research enhances the scientific value of the study. According to Churchill (1991:108), a research design is a framework or plan for a study used as a guide in data collection and analysis. It is a blueprint that the investigator follows in completing a study. Research designs can be classified as exploratory, descriptive or causal. The choice of a research design depends on how much is known about the problem.

Exploratory research is appropriate when little is known about the problem to be investigated. Zikmund (1994:33) states that exploratory studies are conducted to clarify ambiguous problems. The design includes secondary data sources, a literature review, interviewing knowledgeable people, or investigating trade literature that discusses similar cases. Exploratory designs are flexible in nature

and therefore allow considerable flexibility in answering or exploring the problem in question. In this study, a literature review was undertaken in the previous chapters.

Descriptive and causal research is appropriate when the problem is precisely and ambiguously formulated. According to Churchill (1991:48), in these research designs, data collection is not flexible but rigidly specified, both with respect to the data collection forms and the sample design. Zikmund (1994:33) asserts that the purpose of descriptive research is to describe the characteristics of the phenomenon. Unlike exploratory research, descriptive research is based on some previous understanding of the nature of the research problem. Churchill (1991:108) states that descriptive research is concerned with determining the frequency with which something occurs or the relationship between two variables.

Causal design is to determine cause-and-effect relationships. According to Zikmund (1994:35), this research design attempts to establish that when something is done, another thing will follow.

The research for this study was not causal in nature. The research method followed generally includes the following activities:

- the construction of the sampling survey;
- designing questionnaires containing primarily close-ended multiple choice questions;
- piloting these questionnaire; and
- data analysis and interpretation.

4.2 THE CONSTRUCTION OF THE SAMPLE SURVEY

According to Kinnear and Taylor (1991:396), there are five steps in selecting a sample. These are illustrated in Table 4.1, and explained below.

TABLE 4.1: STEPS IN SELECTING A SAMPLE		
Step 1	Define the population:	
	1	elements
	2	units sample units
	3	extent
	4	time
Step 2	Identify the sampling frame	
Step 3	Determine the sample size	
Step 4	Select a sample procedure	
Step 5	Select the sample	

Source: Adapted from Kinnear & Taylor, 1991:396

Step one: Defining the population

Defining the population includes determining the elements, sampling units, the extent and the time involved in the research (Kinnear & Taylor, 1991:395). The population for this study is the residents of the Bophelong community. A properly designated population must be defined in terms of elements, sampling units, extent and time (Kinnear & Taylor, 1991:393).

An element is that unit about which information is collected and that provides the basis of the analysis. Babbie (1995:193) defines the sample as the element or elements available for selection at some stage of the sampling process. For the purpose of this study, both the elements and the sampling units are the residents of Bophelong. The extent or the scope, which the population in this study covers, is the area of Bophelong together with its extensions. The time is the period from 2003 to 2004.

Step two: Identifying the sample frame

A sample frame is a list of the sampling units available for selection at a stage of the sampling process (Kinnear & Taylor, 1991:395). For the purpose of this study, the sampling frame consists of a list of households compiled from the data collected by Slabbert (2003).

Step three: Determining the sample size

The size of the sample is determined by deciding on the number of elements to include in the sample. Kinnear and Taylor (1991:396) state that it is a difficult problem to decide whether the sample is too big or too small. However, it stands to reason that the larger the sample, the higher the chances of the research being accurate (Zikmund, 1994:406). According to Moore (1995:184), sampling means that only a part of the population is actually examined in order to gather information. Poor sample design can produce misleading conclusions.

Step four: Selecting a sampling procedure

Different sampling procedures may be used to select samples. Kinnear and Taylor (1991:397) allude to the fact that a clear distinction between a probability sample and a non-probability sample must be established at the outset. In a probability sample, each element of the population has a known chance of being selected. Probability sampling procedures include the simple random sample, the stratified sample, and the cluster sample. In a simple random sample, each element of the population has an equal chance of being selected. It can also be referred to as equal chance probability sampling.

The non-probability sampling procedures include the convenience sample, the judgement sample, and the quota sample. In this study, simple random sampling was used. In the second phase of the empirical research, a sample of poor households was selected from the list of all visited households in order to conduct in-depth questionnaire interviews with the poor to analyse the activities they use to survive (Kinnear & Taylor, 1991:397).

Step five: Selecting the sample

The last step involves the physical selection of a sample based on the procedure described in step 4. In this study, the population of Bophelong was listed as the population. Tables 4.2 and 4.3 describe the actual sampling situations.

Table 4.2: SAMPLING SITUATION ONE: TOTAL SAMPLE POPULATION			
1 Define the population:			
1	elements		Households in Bophelong
2	units	sampling units	Households in Bophelong
3	extent		Bophelong and extensions
4	time		2003
2 Identify the sampling frame		List compiled by Slabbert in 2003	
3 Determine the sample size		300 households	
4 Select a sampling procedure		Probability procedure - simple random sample	
5 Select the sample		Follow the plan (4)	

Source: Adapted from Kinnear & Taylor (1991:396), and Slabbert (2003)

Table 4.3: SAMPLING SITUATION TWO: SELECTING POOR HOUSEHOLDS			
1 Define the population:			
1	elements		Households of Bophelong
2	units	sampling units	Poor households of Bophelong
3	extent		Bophelong and extensions
4	time		2004
2 Identify the sampling frame		186 households identified as poor from 300 households examined in situation one, in the year 2003	
3 Determine the sample size		60 households	
4 Select a sampling procedure		Poor households selected using methods described in chapter 2, i.e. those below their poverty lines	
5 Select the sample		Make use of information from (4)	

Source: Adapted from Kinnear & Taylor (1991:396) and Sekhampu (2004)

A simple random sampling procedure was used to select 300 households (2003), which constitute the sample. A further 60 households (2004) were randomly selected from the households that were identified as poor in the first sample.

4.3 QUESTIONNAIRE DESIGN

Survey questionnaires were developed after a literature review of similar research projects. Close-ended multiple-choice questions were primarily used in the questionnaires in order to simplify the data analysis and interpretation process. Open-ended questions were kept to the minimum. Questions applicable to this study were selected and arranged in a manner that yields meaningful results in a cost effective manner. The format and contents of the questionnaire were finalised only after the questionnaire was pretested.

Its contents were specifically evaluated in terms of non-ambiguity, relevance, general validity, and interpretation. Pretesting a questionnaire is essential if the researcher is to be satisfied that it will achieve the objectives of the interview. According to Brink (1997:259), pretesting refers to the testing of the questionnaire on a small sample of respondents to identify and eliminate potential problems. It also helps to reveal errors so that they can be corrected timeously. The questionnaires were pretested by conducting a few interviews. The researcher was able to observe the respondents' reactions and see the problems inherent in the interview. Thereafter, adjustments were made and the final questionnaire was coded and printed.

4.4 PILOTING THE QUESTIONNAIRES

Personal interviews were arranged. Four field workers visited 300 households in September 2003. The fieldworkers were well trained in conducting interviews. They were also made aware that the people to be interviewed were probably not conversant in English, so they had to be ready to translate the questions in the language understandable to the interviewee.

In the second phase of interviews (described by Table 4.3), the researcher visited 60 households. These households were randomly selected from a list of households whose income fell below their individual poverty lines. No personal details about respondents were recorded. This was done to ensure anonymity and to encourage honesty, and thereby assure the reliability of the information.

4.5 STATISTICAL ANALYSIS

For the purpose of this study, the relevant data gathered during the research process was analysed. The quantitative information gathered is summarised and described by using actual figures or percentages to suit the ordinal level of measurement used in the study. Tables are used to arrange and represent information. A number of different graphical presentations are also used to illustrate data.

4.6 SUMMARY

In this chapter, the empirical research methodology used to obtain the necessary data for the study is discussed. The steps in selecting samples (defining the population, identifying the sampling frame, determining the sample size, selecting a sampling procedure, and selecting the sample) are described. The chapter revealed that the purpose of undertaking research is to discover facts that can be used to verify insights and aid in selecting a course of action. Completing successful research, therefore, depends on having a clearly defined purpose and access to useful data related to that purpose.

The extent or the scope which the population in this study covers is the area of Bophelong and its extensions. Both the elements and the sampling units are the residents of Bophelong. The sampling frame (i.e. units available for selection during the sampling process) is a list of households compiled from the data of the Vaal Research Group. For the first sampling situation, 300 households were selected using a simple random sampling method, and for the second sampling situation a further 60 households, which are poor households, were selected from a list of 186 households that were identified as poor in the first sample.

In the next two chapters, the data obtained from questionnaires is summarised statistically using percentages and actual figures.

CHAPTER 5

PROFILE OF BOPHELONG

5.1 INTRODUCTION

Poverty is endemic to the whole world. Grinding poverty is to be found in many different parts of the world; gaping inequality between the rich and poor is visible virtually everywhere.

Wilson and Ramphela (1989:50) state the following reasons why the study of poverty is important:

- The first reason is because of the damage poverty inflicts upon the individuals who must endure it.
- The second reason is the sheer inefficiency of poverty in economic terms. Hungry children cannot study properly; malnourished adults cannot be fully productive as workers; and an economy where a large proportion of the population is very poor has a demand structure that does not encourage the production and marketing of the goods that are most needed.
- The third reason relates to the consequences for any society where poverty is also a manifestation of great inequality.
- Finally, there is the fact that poverty in many societies is in itself symptomatic of a deeper malaise, for it is a consequence of a process which simultaneously produces wealth for some whilst impoverishing others.

The following interlocking factors, taken together, justify the assertion that poverty in South Africa is unique. The first factor is the width of the gulf between rich and poor. The second factor is the extent to which the existing poverty is a consequence of deliberate policy (Badsha, 1986:37).

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In this chapter, a profile of households within the area is constructed from different angles. This includes the poor within the area. A poverty profile is a snapshot of the poor. Slabbert (1997:90) notes that to keep track of changes in these characteristics over time is important for the purpose of monitoring the impact of poverty reduction policies and efforts on the different aspects of poverty. The aim is to provide insights into households and their circumstances.

5.2 THE GEOGRAPHICAL AREA OF BOPHELONG

Bophelong was established in 1955. It is situated near the industrial town of Vanderbijlpark, south of Johannesburg. In the late nineties, the Bophelong area was extended by the building of new RDP houses. Most of the people who settled in the new houses were poor - those who could not afford a house before.

Bophelong is part of the Emfuleni Municipal Area (EMA). The EMA comprises the following suburbs: Boipatong, Boitumelo, Bophelong, Evaton, Loch Vaal, Sebokeng, Sharpeville, Tshepiso, Vaal Oewer, Vanderbijlpark and Vereeniging.

5.3 THE DEFINITION OF A POOR HOUSEHOLD

For the purpose of this study, a household is defined as one or more persons who pool their incomes to buy food, live (eat and sleep) together in one or more houses/huts/living units on the same plot/site and depend financially on one another (Slabbert & Levin, 1994:144).

Following the guidelines of the World Bank, a poor household is defined as a *household, of which the combined income of all its members is less than the Household Subsistence Level (HSL) as determined for that specific household.*

5.4 POVERTY LINE FOR THE EMA IN 2003

A poverty line shows the income level needed to provide a minimum subsistence level. As mentioned in Section 2.3.1, the most widely used poverty line in South Africa today is the Household Subsistence Level (HSL). Potgieter (1980:4) define the HSL an estimate of the theoretical income needed by an individual household

to maintain a defined minimum level of health and decency in the short-term. The HSL is calculated at the lowest retail cost of a basket of necessities of adequate quality. The components of the HSL are limited to the short-term satisfaction of basic needs and make no provision for essential requirements for decent living, such as medical expenses, education, reading materials, entertainment, recreation, insurance, purchases and replacements of household equipment, and incidental transport. The HEL, as developed by Potgieter (1980:4), is calculated as the HSL plus 50%, and thus gives a higher cut-off point.

For the purpose of this study, a poverty line is calculated for each household individually and then the household's own income is compared with its own individual poverty line. In accordance with a method developed by Slabbert (1997:7), the poverty line for each household is calculated by allocating a monetary amount for each member of the household. This method takes age and gender into account. With these calculations, not only the number of poor households, but also the distribution of households below and above the poverty line is determined. The same applies to other measures such as the dependency ratio. This is calculated on an individual basis instead of only using averages.

The HSL breaks down households into their different constituents and builds up a poverty line for each household depending on its constituent members. This method, as developed by Potgieter (1980:63), allocates appropriate amounts for men and women and boys and girls of different ages. Table 5.1 lists HSL calculations for residents in the EMA for the year 2003.

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TABLE 5.1: CALCULATION OF THE MONTHLY HSL FOR THE EMA (2003)				
	FOOD	CLOTHING	Fuel, Light, Washing & Cleaning material	Total
Children				
1-3 years	122.72	13.81	6.28	142.81
4-7 years	145.73	27.62	6.28	179.63
8-10 years	175.62	27.62	6.28	209.52
Boys & Men				
11-14 years	206.16	41.42	6.28	253.86
15-18 years	232.49	55.82	6.28	294.59
19+ years	232.49	55.82	6.28	294.59
Girls & Women				
11-14 years	199.43	41.42	6.28	247.13
15-18 years	199.43	55.23	6.28	260.94
19+ years	199.43	55.23	6.28	260.94
Housing			126.54	126.54
Household Fuel, Light, Washing & Cleaning materials			295.74	295.74
Transport			173.20	173.20

Source: Potgieter, 2003:69

Table 5.2 gives an example of an HSL calculation. A household is considered poor if its combined income falls short of the HSL of that household.

TABLE 5.2: EXAMPLE OF HSL CALCULATION (2003)		
HOUSEHOLD MEMBER	AGE	AMOUNT
Father	43	294.59
Mother	40	260.94
Son	17	294.59
Fuel, light, washing & cleaning materials		295.74
Housing		126.54
Transport		173.20
Total HSL for the Household		1445.6

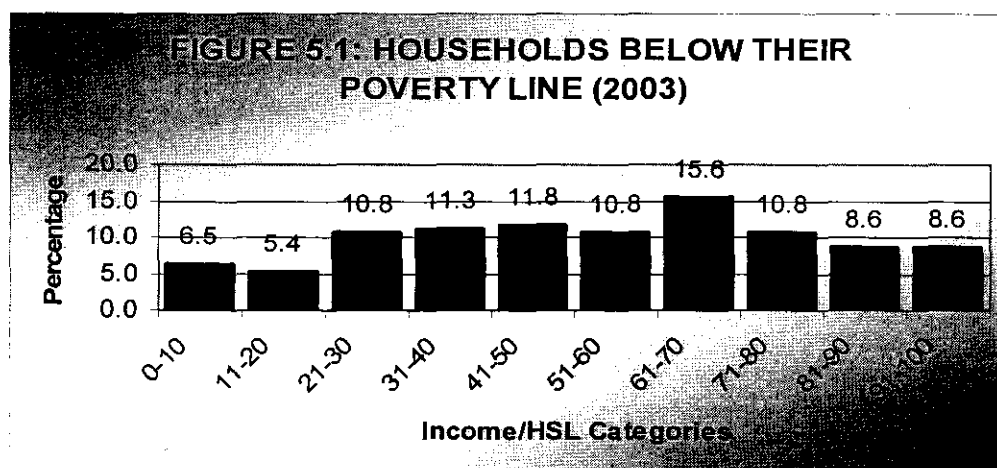
Source: Calculated from Table 5.1

5.5 THE MEASUREMENT OF POVERTY IN BOPHELONG

For this study, the HSL is used as the poverty line. For each household an individual poverty line is calculated. All the incomes of different members of a household are added together and are compared with that household's poverty line (see the example in Table 5.2 above). This method takes age and gender into consideration and therefore provides a more realistic measure of poverty at micro-level (Mokoena, 2001:22).

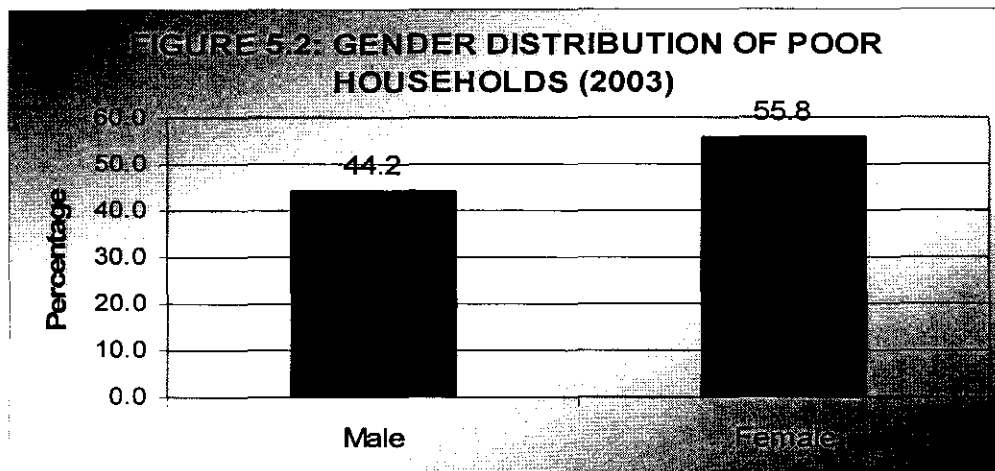
As Slabbert (2001:10) indicates, the severity of the poverty problem depends on how the poor are distributed below the poverty line. Clustering of the poor just below the poverty line is less serious than a distribution where large numbers have incomes far below the poverty threshold. For Bophelong, the percentage of households living below the poverty line is 62.0%.

Figure 5.1 shows the distribution of poor households. If most households earned 90-100% of their own HSL, this would indicate that the poverty is not very severe. However, Figure 5.1 shows that 45.8% of all poor households in Bophelong have an income of less than 50% of their HSL, which indicates a high degree of poverty. Furthermore, the lowest 6.5% of the poor population have an income less than 10% of their HSL, and 5.4% of the population earn an income between 10-20% of their household subsistence level. The major clustering of the poor is concentrated between 21 and 80 per cent of their specific poverty line.



Source: Slabbert, 2003

Figure 5.2 depicts the gender distribution of poor households. As shown in the figure, 55.8% of the poor population is female and 44.2% is male. It seems that the female population is slightly more affected by poverty than the male population. This seems to justify the assertion that females are generally more affected by poverty than their male counterparts.



Source: Slabbert, 2003

5.6 THE HEADCOUNT INDEX AND THE POVERTY GAP

The headcount index is defined as the fraction of the population below the poverty line. In this study, the headcount index is adapted to indicate the fraction of the households that fall below their individual poverty lines, and is described by means of the equation:

$$H(y; z) = M/N$$

Where:

- H = the fraction of households below the poverty line;
- y = household income;
- z = the poverty line of households;
- M = the number of households with incomes less than z;
- N = the total number of households.

For the Bophelong community, the headcount index is calculated at 0.620, meaning that 62.0% of all households are below their poverty lines. This reveals a high degree of poverty. This is in comparison to a headcount index of 0.516 for the year 2004 for Emfuleni Municipal Area as a whole (Slabbert, 2004:82).

The poverty gap is used in conjunction with the headcount index in order to get a more holistic picture within the area. The poverty gap usually measures the average shortfall of the incomes of the poor from the poverty line, while the poverty gap ratio measures the extent of the shortfalls of income below the poverty line. The poverty gap ratio is adapted to be a measure of a specific household, described by the equation:

$$R_i (y; z) = (z_i - y_i)/z_i$$

Where: R_i = the income shortfall of a household expressed as a proportion of the household's poverty line;

y_i = the income of a specific household; and

z_i = the poverty line of a specific household.

The poverty gap of an individual household (in monetary terms) can therefore be expressed by the equation:

$$G_i (y; z) = z_i - y_i$$

Where: G_i = the income shortfall of a household;

y_i = the income of a specific household; and

z_i = the poverty line of a specific household.

(Source: Slabbert, 1997:47).

From the three equations above, it is clear that the poverty gap can only be reduced by increasing household income. For Bophelong, the survey data yielded a poverty gap ratio of 0.48, indicating that on average poor households lack 48% of their income to attain a level equal to their poverty line.

The ratio shows the severity of poverty within the area. This is in comparison to the poverty gap ratio of 0.46 for the Emfuleni Municipal Area (Slabbert, 2004:86).

5.7 DEPENDENCY RATIO

Dependency ratios are usually calculated by dividing the total number of income earners by the total number of non-income earners. The higher the ratio, the higher the number of persons surviving on the income of a single individual.

One of the causes of poverty in South Africa is the high dependency in black families (Levin & Sofisa, 1993:10). Those who earn income have to support many non-earners with the result that their incomes are spread so thinly that the food, clothes and shelter they can afford are less than the minimum regarded as essential.

Using the dependency ratio calculation method in Table 2.4, the survey data yielded a dependency ratio of 3.6 for Bophelong for the year 2003. This means that, on average, one income earner in a household has to support 3.6 members. Van Vuren (2003:86) calculated the dependency ratio for EMA to be 3.41 for the year 2002.

5.8 AVERAGE HOUSEHOLD SIZE

Household sizes of the black population within the area vary from one to twelve or more persons (Slabbert, 1997:91). The average size of a household in Bophelong is 3.08 (Slabbert, 2003).

5.9 MEMBERS OF HOUSEHOLDS

Table 5.3 shows the composition of the households in respect of its members. From the table, it is clear that there are fewer households that have fathers in Bophelong, thereby implying that the incidence of single parenting is high. The spread of sons and daughters is almost the same for all households, with 24.23% and 22.75% of sons and daughters respectively.

TABLE 5.3: STATUS OF MEMBERS OF HOUSEHOLDS (2003)		
STATUS OF HOUSEHOLD MEMBER	SAMPLE FREQUENCY	PERCENTAGE
Father/Husband	190	16.62
Mother/Wife	258	22.58
Son	277	24.23
Daughter	260	22.75
Grandfather	0	0.00
Grandmother	11	0.96
Uncle	3	0.26
Aunt	3	0.26
Other	141	12.34
Total	1143	100.00

Source: Slabbert, 2003

Table 5.4 further analyses the household status of members by comparing the gender composition of all the members. The table shows the status of poor households in comparison to that of the total population.

TABLE 5.4: GENDER DISTRIBUTION OF HOUSEHOLD MEMBERS (2003)				
SEX	TOTAL POPULATION		POOR	
	FREQUENCY	PERCENTAGE	FREQUENCY	PERCENTAGE
Male	531	46.5	321	44.2
Female	612	53.5	405	55.8
Total	1143	100.0	726	100.0

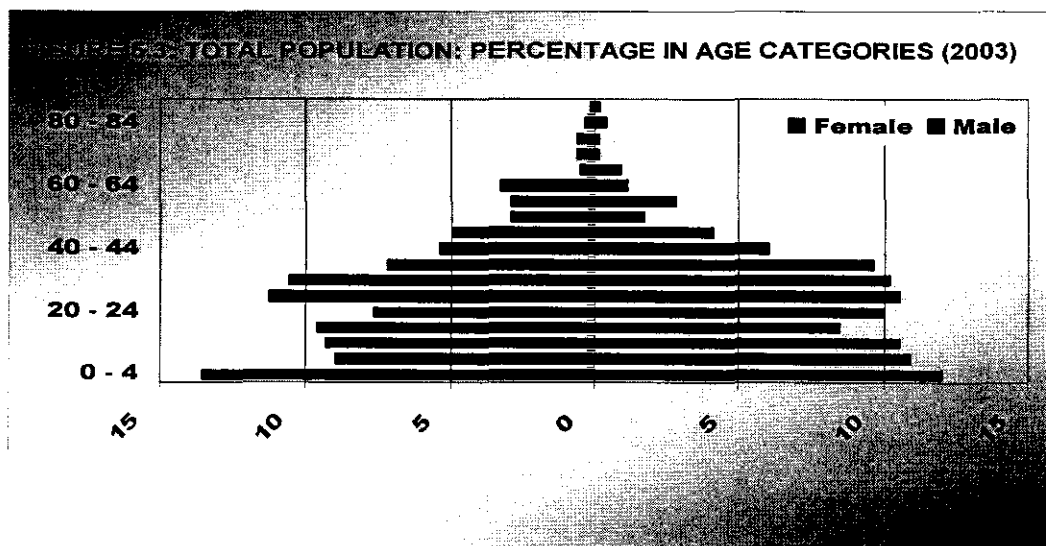
Source: Slabbert, 2003

The percentage of the male population in the poor population is slightly lower than that of the rest of the population. Males constitute 46.5% of the total population and 44.2% of the poor respectively. Females amount to 53.5% for the entire population of Bophelong and 55.8% for the poor population of the area, which shows that females are slightly more affected by poverty than males. For EMA the gender distribution is 49.18% for males and 50.82% for females (SAA, 2001).

5.10 AGE DISTRIBUTION OF THE POPULATION

Figure 5.3 shows the age distribution of the population of Bophelong in 2003. The percentages of people in each age category are indicated horizontally. This figure shows that 32.7% of the population is younger than the age of 15. A further 47.5% constitute those who are between the ages of 15 and 40, whilst 4.4% of the population is above the age of 60, and 15.6% make up the population between the ages of 40 and 60.

An analysis of the poor population shows that the population younger than the age of 15 is 32.61% and 37.38% for females and males respectively. The percentage of the population between the ages of 15 and 40 is 44.17% for females and 45.17% for males, and 4.95% of females and 3.12% of males are above the age of 60. For the age group forty to sixty, females amount to 18.95% and 14.33% males of the population.



Source: Slabbert, 2003

5.11 MARITAL STATUS

Table 5.5 shows the marital status of members of poor households in comparison to that of the whole population. The table shows that the greatest percentage members was never married, which is normal, as this category includes children

and young people. Only 14.19% of members of poor households answered yes to the question regarding their married status. This is much lower than the 20.56% for the entire population. The percentage of those living together and widowed is 9.64% and 5.92% respectively for the poor population, which corresponds well with the situation for the whole population. Those who are separated amount to 2.085 for the total population and 3.58% for the poor population.

TABLE 5.5: MARITAL STATUS OF HOUSEHOLD MEMBERS (2003)				
STATUS	TOTAL POPULATION		POOR POPULATION	
	FREQ	%	FREQ	%
Never Married	690	60.37	479	65.98
Married	235	20.56	103	14.19
Divorced	8	0.70	5	0.69
Separated	32	2.80	26	3.58
Living together	116	10.15	70	9.64
Widowed	62	5.42	43	5.92
Total		100.00	726	100.00

Source: Slabbert, 2003

5.12 LITERACY

In this section, the literacy level of the population of Bophelong is evaluated. Information about the poor is highlighted in order to find a comparison between the state of the entire population of Bophelong in relation to that of the poor.

5.12.1 Population in school

Table 5.6 shows the enrolments of the school-going population for the whole of Bophelong area in comparison to that of the poor. The table shows that the poor's school enrolments up to Grade 7 amounts to the highest in school enrolments with a percentage of 60.58%; compared to 59.9% for the population as a whole. The percentage of the poor population in grade 3 (30.0%) is almost the same as that of the rest of the population.

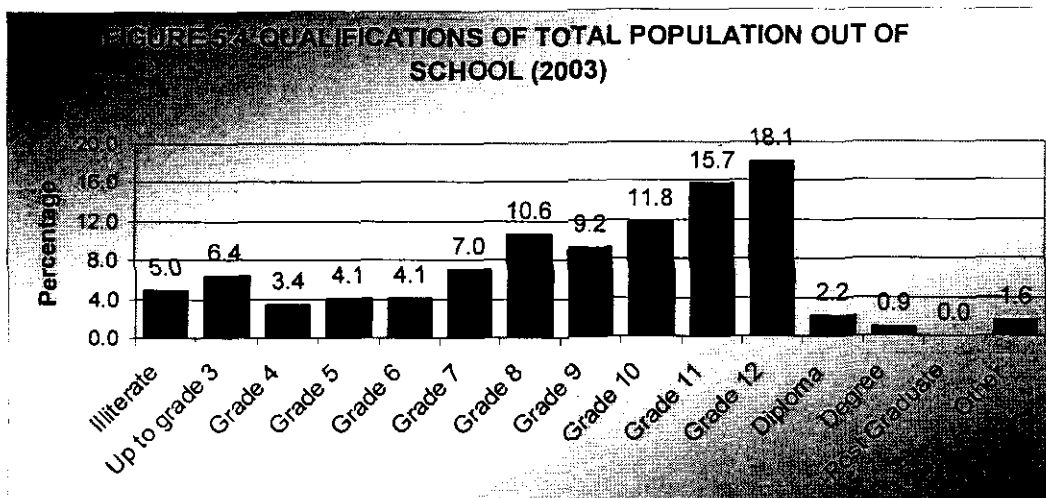
For secondary school enrolments (Grades 8-12), the total percentage for the poor is 37.56%, and 1.88% of the poor sample population is involved in tertiary studies. This means that the majority of the school-going population is still in the lower level of educational enrolments. For the whole population, secondary school enrolments amounts to 38.0%, and 2.2% is for tertiary enrolments. On the whole, the qualifications of the population in school seem to be almost the same for the poor as for the total population.

TABLE 5.6: QUALIFICATIONS OF POPULATION IN SCHOOL (2003)				
	TOTAL POPULATION		POOR POPULATION	
	FREQUENCY	%	FREQUENCY	%
Up to Grade 3	96	30.0	63	29.6
Grade 4	21	6.6	16	7.5
Grade 5	22	6.9	14	6.5
Grade 6	23	7.2	15	7.1
Grade 7	29	9.1	21	9.9
Grade 8	30	9.4	19	8.9
Grade 9	28	8.8	20	9.4
Grade 10	32	10.0	17	7.9
Grade 11	19	6.0	15	7.1
Grade 12	12	3.8	9	4.2
Tertiary studies	7	2.2	4	1.9
TOTAL	319	100.0	213	100.0

Source: Slabbert, 2003

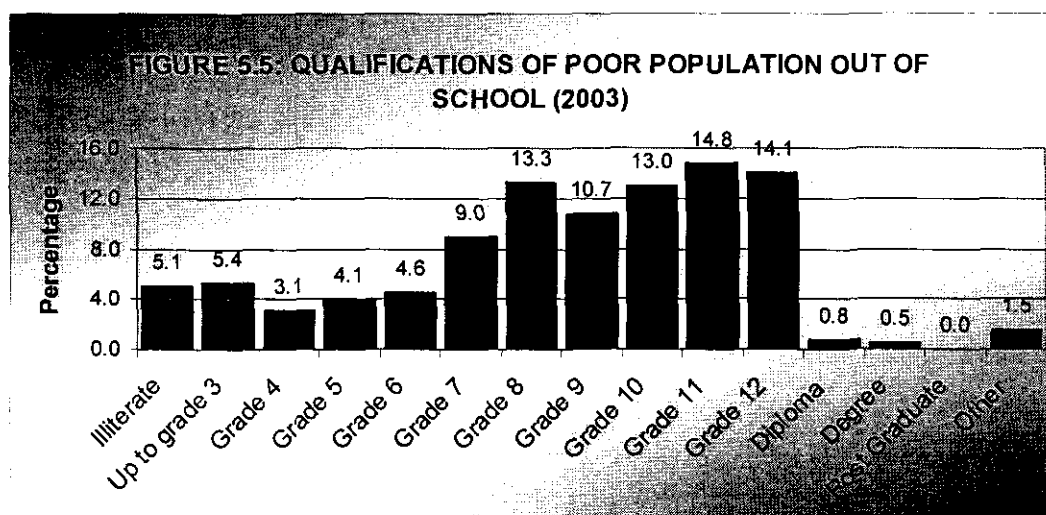
5.12.2 Population out of school

Figure 5.4 shows the educational levels of the out-of-school population for the whole of Bophelong. 22.8% of the post-school population has a Grade 12 or higher qualification, whilst 30.0% of the post-school population has only attained Grade 7 or lower educational levels, and 3.1% has tertiary education. About 5% of the total post-school population in Bophelong is illiterate, and 6.4% have just attained educational qualifications up to grade 3.



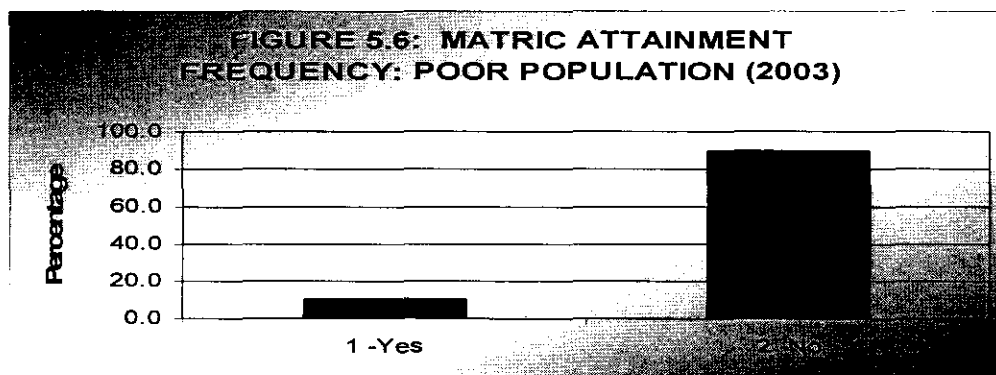
Source: Slabbert, 2003

For the poor, the literacy level is reflected in Figure 5.5. From Figure 5.5 it is clear that 16.9% of the poor post-school population has a qualification of Grade 12 or higher, compared to 22.8% for the population as a whole. The population with a degree or diploma living in poor households is only 1.3%, compared to 3.1% for the population as a whole. Furthermore, 31.3% of the poor population has only attained Grade 7 or lower educational levels, compared to 30.0% of the total population. It can be concluded that the poor population, on the whole, have lower levels of education than the population of Bophelong as a whole.



Sources: Slabbert, 2003

Figure 5.6 further analyses the educational level of the poor by indicating the frequency of attaining a matric exemption (with which one can attend either a university of technology or university) by the poor. The question posed was: do you have a matric exemption? According to the figure, 12% of all poor persons who have matric, have a matric exemption. Those who were interested in studying indicated that they are interested in technical college (29.4%), university of technology (63.0%) and university (7.6%).



Source: Slabbert, 2003

This analysis shows that the poor post-school population is relatively lower qualified than the general population. The level of qualification, therefore, seems to be correlated to the level of poverty of a household. The implications of the lower qualifications of the poor population are further analysed in the coming sections of the chapter.

5.13 ECONOMIC STATUS OF THE POPULATION

5.13.1 Profile of the unemployed

Various methods are used to measure unemployment. The following three are more or less standard methods (Slabbert & Levin, 1994):

The census method:

This method is used for measuring the economic status of the entire population. However, censuses take place only periodically and even then only a limited number of questions pertaining to employment can be included.

Registration method:

This method provides for the unemployed to register at placement offices - in South Africa these are offices of the Department of Labour. Registration is compulsory to qualify for unemployment benefits. In South Africa, some categories of civil servants, domestic workers, farm workers, casual and seasonal workers, those earning more than the ceiling income and those whose period of benefit (6 months) has run out, are excluded from the fund. Many persons, therefore, have no reason to register. Registered unemployment figures published by the Department of Labour in South Africa consequently do not show the level of unemployment accurately.

Sample surveys:

Surveys are undertaken on a sample basis to obtain the data required to calculate unemployment rates for specific groups of people. In earlier years, the Central Statistical Services conducted surveys on a monthly basis for Blacks, Coloureds and Asians. It was called the Current Population Survey (CPS). However, since the figures obtained for Blacks were found to be inaccurate, their results have not been published since April 1990 (Baker, 1992:83). In 1994, the CPS was terminated and the October Household Survey was introduced.

Statistics South Africa (SSA) has conducted October Household Surveys (OHS) since 1996. It is an annual survey, based on a probability sample of a large number of households. It covers a range of development and poverty indicators, including unemployment (official and expanded), according to the definitions of the International Labour Organisation (ILO). Because of the lack of reliable sources of information on a regional basis, surveys were conducted in the Vaal Triangle by Slabbert *et al.* (1987; 1988; 1991; 1994; 1999; 2000 and 2003) to determine the unemployment and poverty rate within the area.

Definition of unemployment

Statistics South Africa (SSA, 2000) uses the following definition of unemployment as its official definition. The unemployed are those people within the economically active population who:

- a) did not work during the seven days prior to the interview;
- b) want to work and are available to start within a week of the interview; and
- c) have taken active steps to look for work or to start some form of self-employment in the four weeks prior to the interview.

These general criteria are translated into statistically meaningful criteria, namely:

- the population of potential working age (i.e. 15 years and older);
- the economically non-active (i.e. those who prefer not to or who cannot work – for instance, housewives, persons 65 years and older, the disabled, etc); and
- the economically active population (all those who are fit to work, wish to work, have no employment and are ready for and actively looking for work, plus the employed and self-employed).

The unemployment rate (Ur) is calculated according to the standard equation:

$$\frac{\text{number of unemployed}}{\text{Economically active population (EAP)}} \times \frac{100}{1} = Ur$$

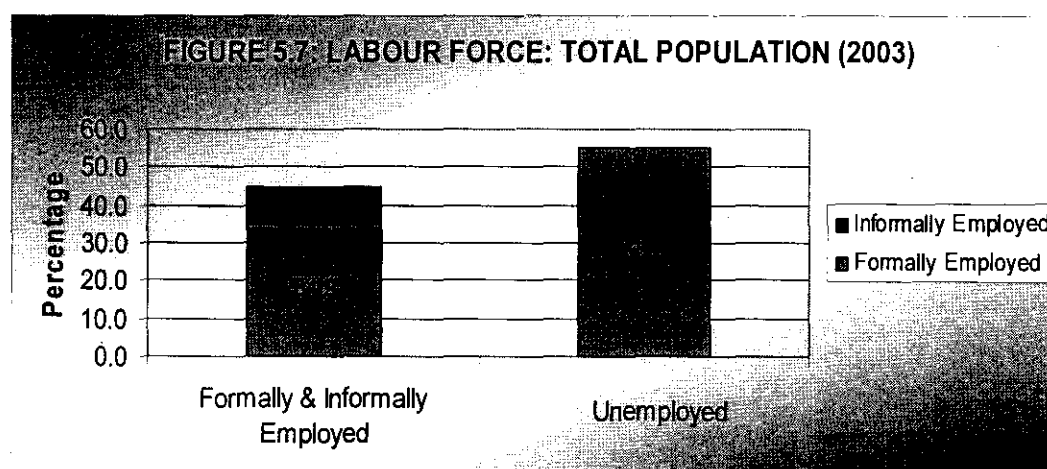
In developed countries, this definition is relatively simple to apply. The criteria for measuring unemployment are straight and definite, i.e. a person is out of work, and is actively looking for a job by means of a listing at a placement or other government office. However, in developing countries circumstances are very different, and it is not always clear whether or not a person is seeking employment. In South Africa, some unemployed persons become discouraged and therefore refrain from taking active steps to seek employment. In the survey for this study, only one criterion was taken as an indication of seeking work,

namely, if a person "has the desire to work and to take up employment or self-employment". The question asked was simply: "Do you want to work?" When the standard SSA definition is used, but with its strict criteria relaxed - as was done in this survey - it is referred to as an expanded definition of unemployment. The expanded definition includes (a) and (b) but not (c) (SSA, 2000:xv).

Statistics South Africa's (SSA, 2000) definition of employment which defines employed as those who performed work for pay, profit or family gain in the seven days prior to the household survey interview, or who were absent from work during these seven days, but had some form of paid work to which they can return, was also simplified. The question was simply asked: "Do you work for a business, for yourself or for family?" Working for a business was regarded as formal employment. Self-employment and family employment were taken as working in the informal sector (Slabbert, 2003).

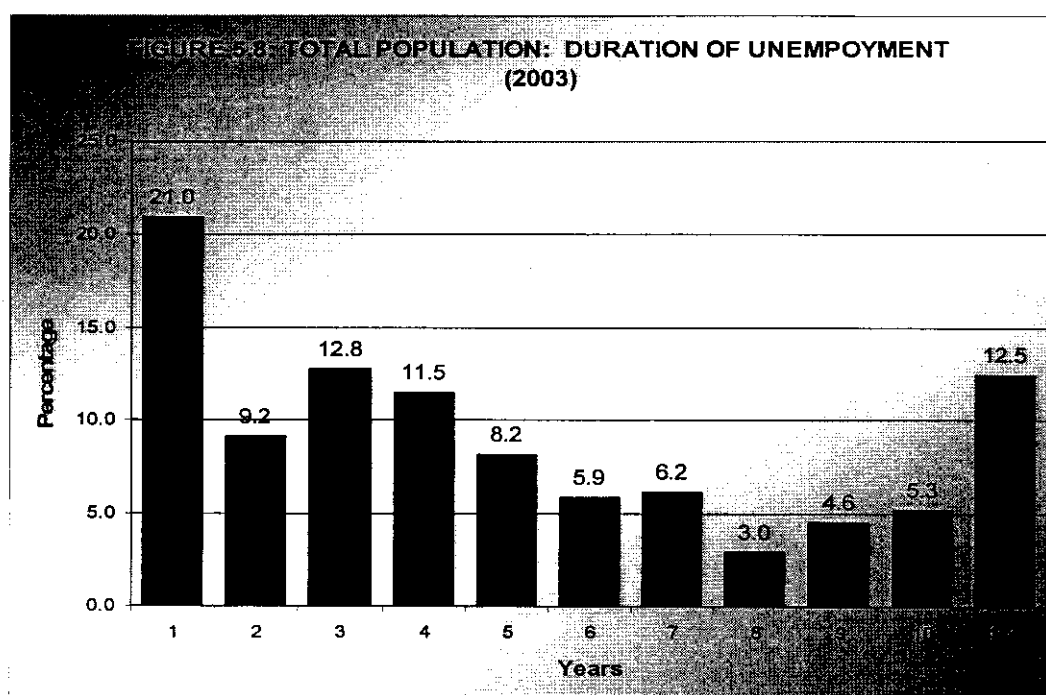
Unemployment

The unemployment rate in Bophelong is calculated at 55% in 2003 and there is, on average, one unemployed person per household. The percentage of the population that is employed and unemployed is portrayed in Figure 5.7. About 35% of the labour force in Bophelong are employed in the formal sector, 10% in the informal sector and 55% are unemployed.



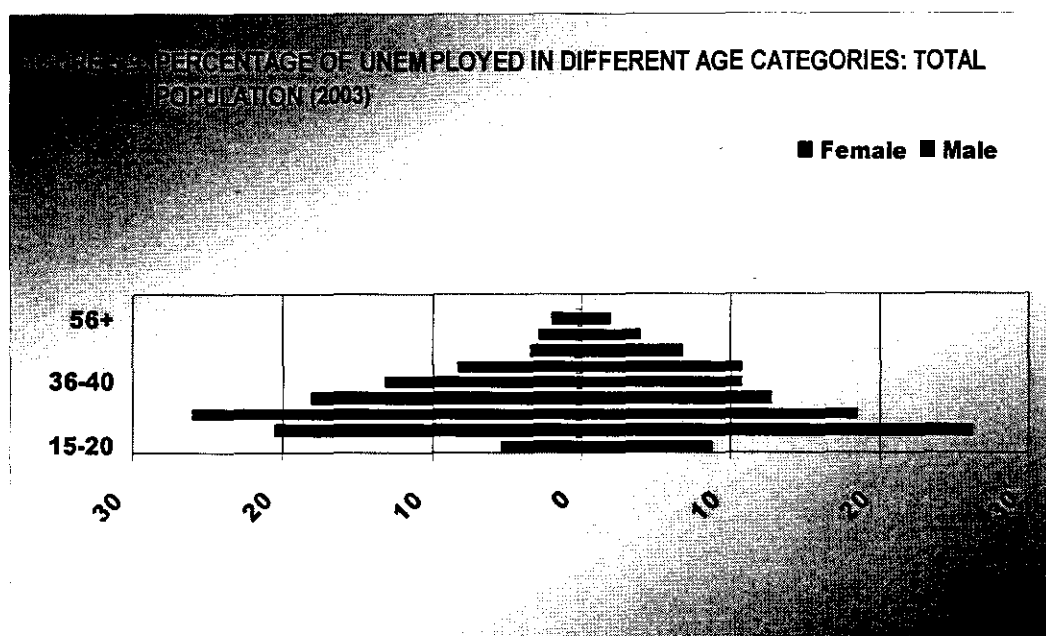
Source: Slabbert, 2003

Figure 5.8 further analyses the unemployed (poor and non-poor combined) from the duration of unemployment view. Twenty-one per cent of the population has been unemployed for one year. Most probably these are school leavers who have entered the labour market as job seekers. 12.8% and 11.5% have been unemployed for three and four years respectively. Almost half of the unemployed (45.7%) has been unemployed for five years and more. This shows that there is a lack of employment opportunities or that the unemployed lack the required skills and/or qualifications to be employed.



Source: Slabbert, 2003

Figure 5.9 shows the percentage of unemployed (poor and non-poor) in different age categories. The percentages in relation to each category are indicated on the horizontal side. The figure reveals the fact that the majority of the unemployed are in their youth: 57% of the males and 64.7% of the females are between 20 and 35 years of age. These youths are those who end up loitering in the street and are often the group which are involved in criminal activities.

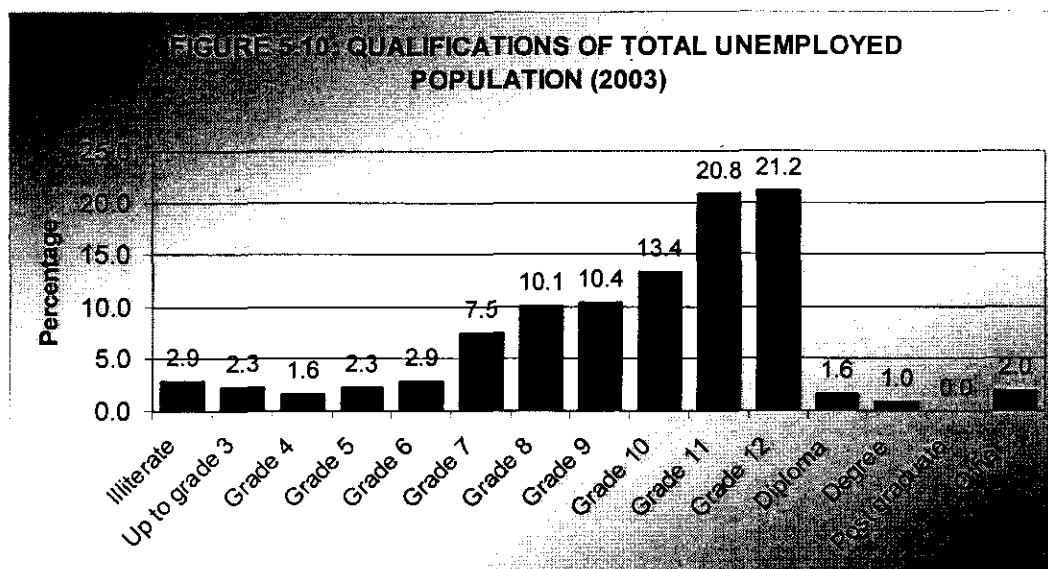


Source: Slabbert, 2003

Qualifications and skills of the unemployed

Figure 5.10 shows the qualifications of the total unemployed population of Bophelong. The figure shows that 25.8% of the unemployed have qualifications of Grade 12 and higher, compared to 22.8% of the total post-school population. The percentage of the unemployed with a diploma and degree is 2.6%, compared to 3.1% for the post-school population as a whole.

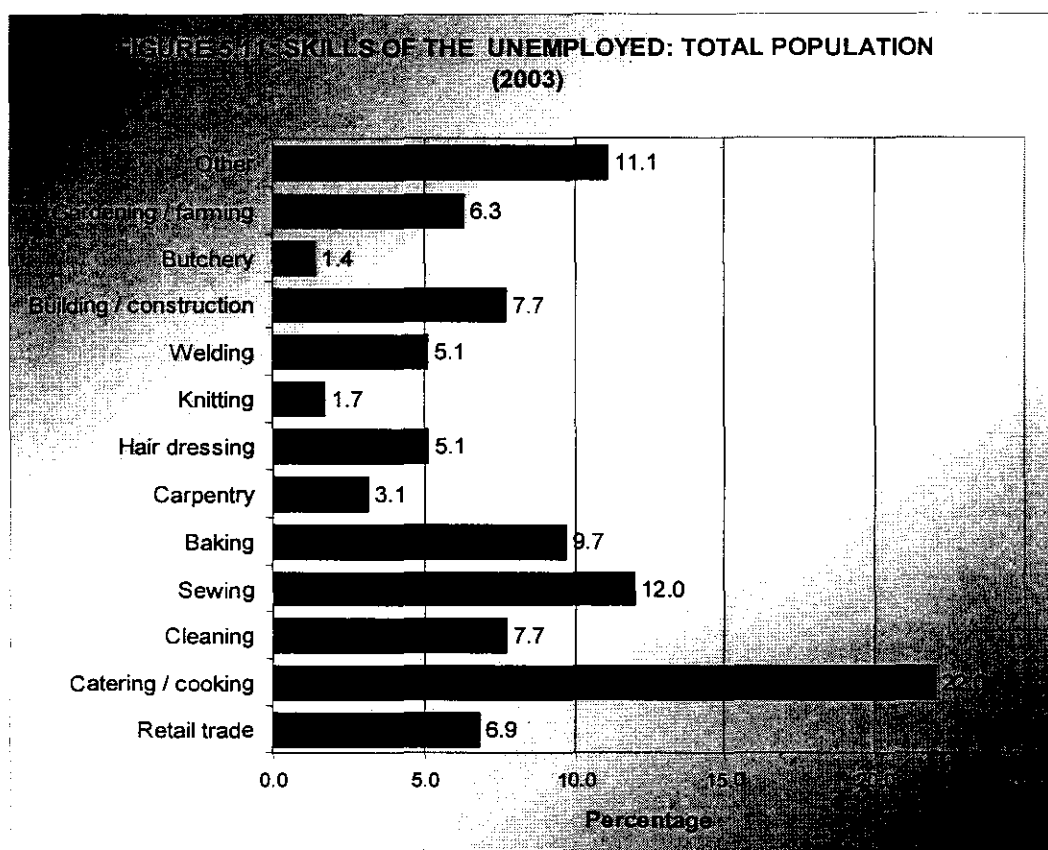
The analysis of the qualifications of the population could indicate that those with a degree or diploma have a better chance to find employment than those with a Grade 12 or lower. Those who are illiterate amount to 2.9% of the sample population, and 16.6% of the population have qualifications which are lower than Grade 7. The number of the unemployed with Grade 12 and Grade 11 amount to 21.2% and 20.8% respectively.



Source: Slabbert, 2003

Figure 5.11 further analyses the unemployed by showing the skills of the unemployed. The highest percentage of the unemployed has skills in catering/cooking, sewing and baking. Most probably, these are the female unemployed who have been working as domestic workers. Of the unemployed, 7.7% have building/construction skills, 6.9% have trading skills and 6.3% have gardening or farming skills.

The predominantly female skills possessed by the unemployed are catering/cooking, sewing, baking and knitting (45.4%), while the predominantly male skills are gardening/farming, building/construction, welding and carpentry (29.9%). According to Slabbert (1997:150), the lack of employment opportunities for low skilled persons, or unemployment among the low skilled, is considered the main determinant of poverty in the Vaal Triangle.

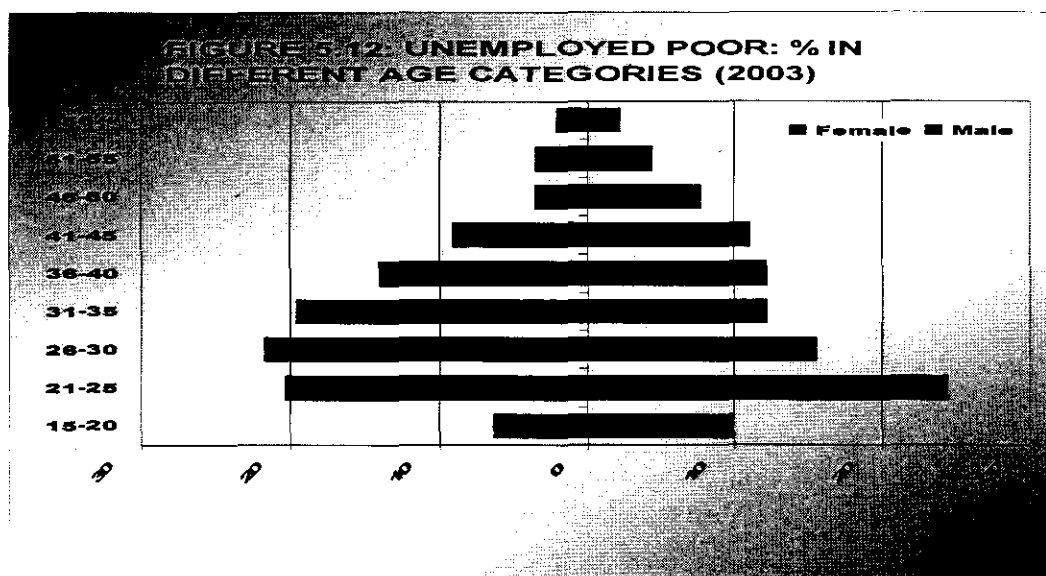


Source: Slabbert, 2003

The poor unemployed

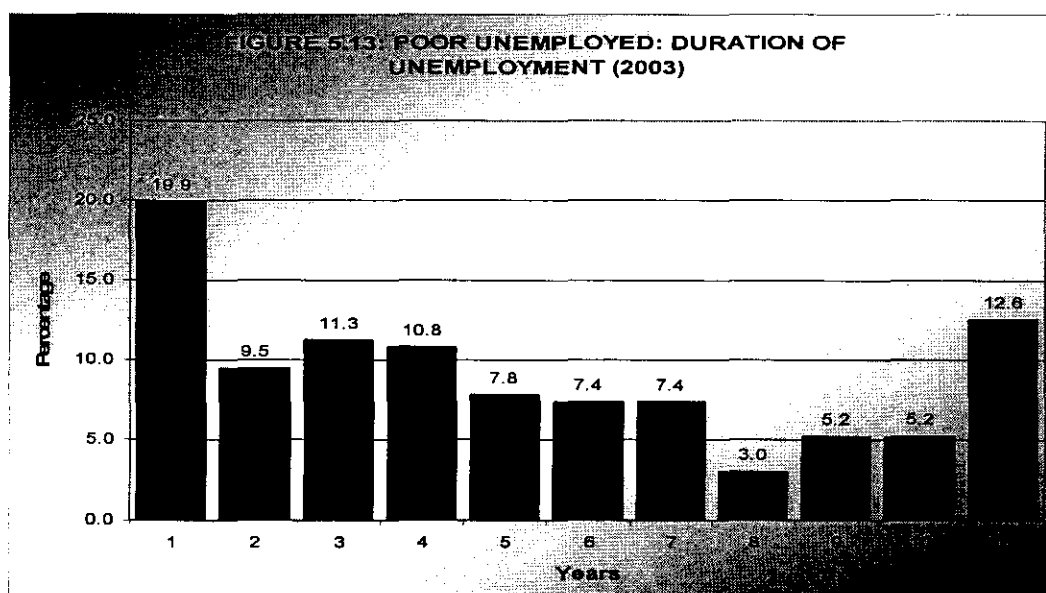
The unemployment rate of the poor in Bophelong is 68.3%, compared to 55.0% for Bophelong in general. This shows that the poor are more affected by unemployment than the population as a whole. Figure 5.12 shows the poor unemployed in different age categories. The percentage of the population is indicated on the horizontal axis.

The majority of the poor unemployed are in their youth: 58% of the poor unemployed are between 20 and 35 years of age. In the case of females, the percentage unemployed in the age group 20 to 35 is 61.5%, and for males 52.2%, for the poor. The percentage of the poor unemployed between 20 and 53 years of age is slightly lower than that of the unemployed (poor and non-poor) combined, which amounts to 64.7% for females and 57% for males.



Source: Slabbert, 2003

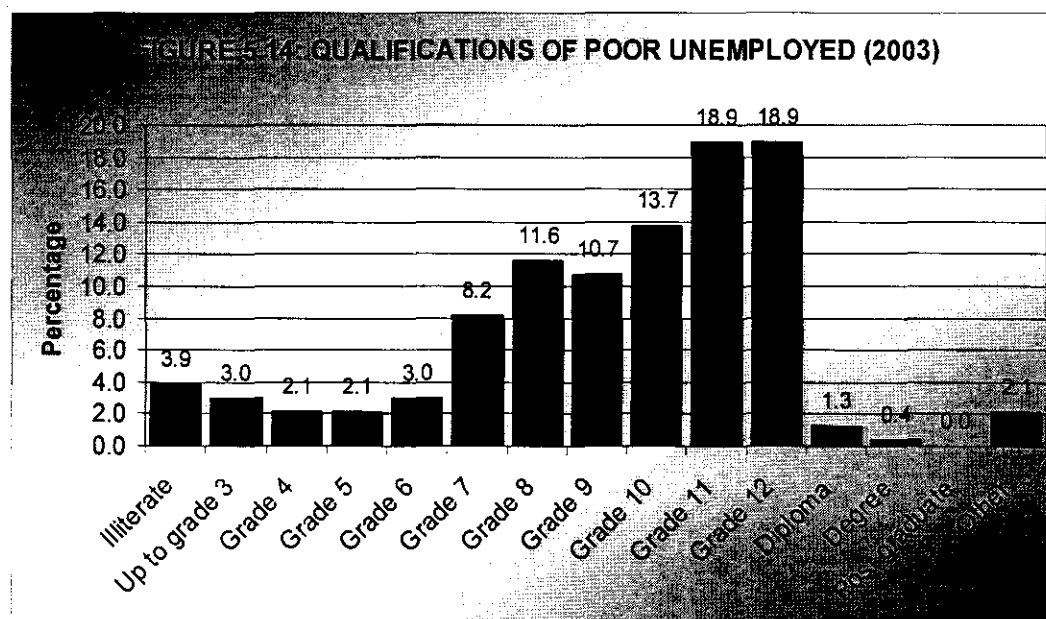
Figure 5.13 shows the duration of unemployment of the poor population. The figure shows that the period of unemployment of the poor is about the same as for the population of Bophelong as whole. Of these, 19.9% have been unemployed for a year, whilst 9.5% and 11.3% of the poor unemployed population have been unemployed for two and three years respectively. A considerable number of the poor unemployed has been unemployed for five and more years (40.8%).



Source: Slabbert, 2003

Qualifications of the poor unemployed

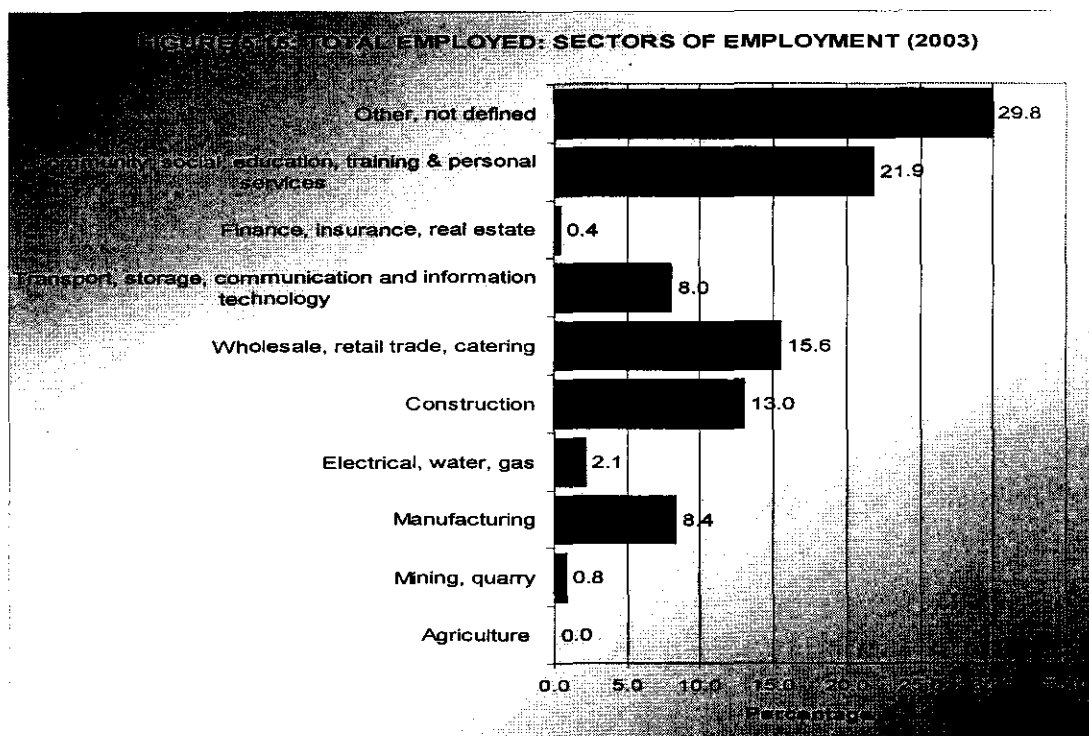
In Figure 5.14, the qualifications of the poor unemployed are portrayed. The percentage of the poor unemployed with a Grade 12 or higher qualification is 22.7% compared to 25.8% for the poor and non-poor unemployed. Only 1.7% of the poor unemployed have a diploma or degree, compared to 2.6% for the total unemployed population. It seems that on average the poor unemployed have a slightly lower level of qualifications than the unemployed in general.



Source: Slabbert, 2003

5.13.2 Profile of the employed

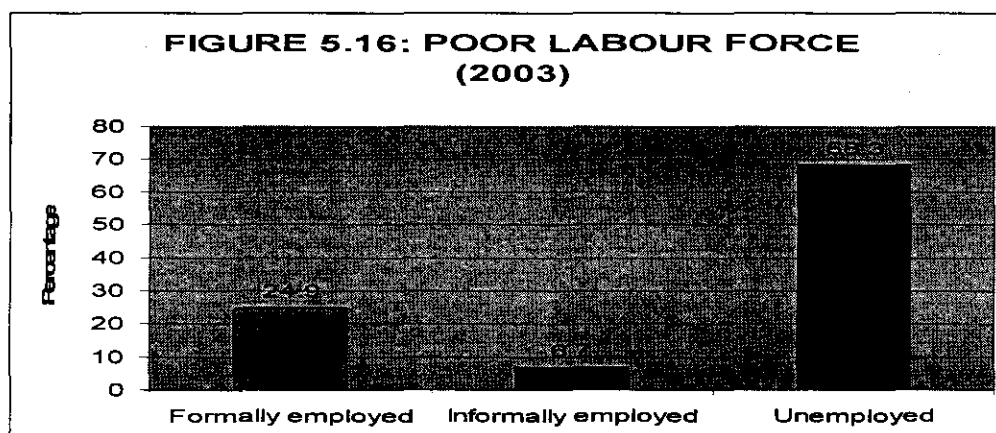
Figure 5.15 portrays the sectors in which the employed of the Bophelong community are working. About 30% of the employed indicated that they are employed in other sectors, in which most of the informal activities are recorded. Other major sectors of employment are community, social, education, training and personal services (21.9%); wholesale, retail trade & catering (15.6%), and construction (13.0%).



Source: Slabbert, 2003

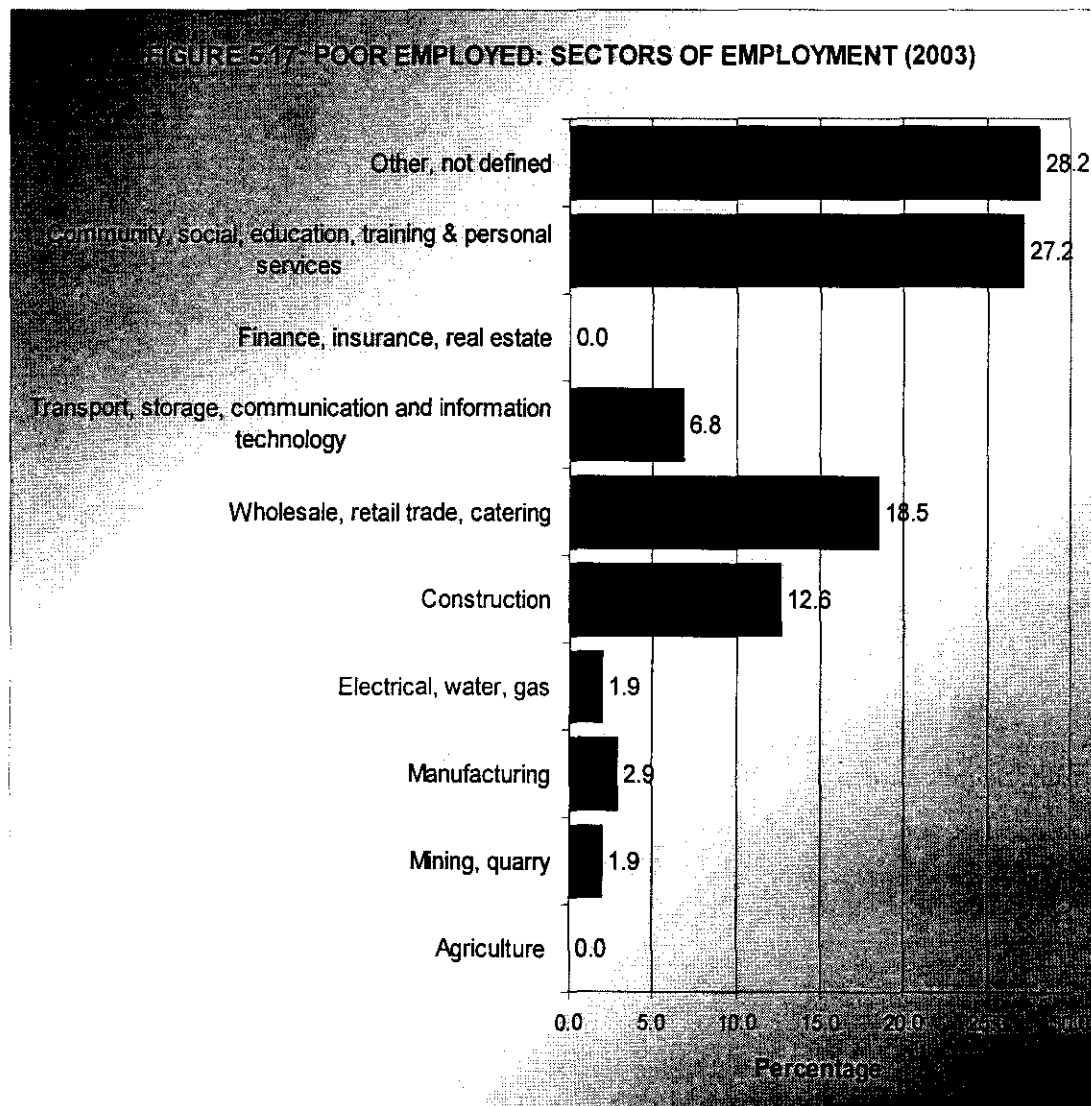
The poor employed

The percentage of the poor labour force that is employed is 31.6%. The unemployment rate of the poor is 68.3%, compared to 55.0% for Bophelong in general. From the poor employed population, 24.9% are formally employed and 6.7% informally employed, as indicated in Figure 5.16, compared to 34.9% and 10.0% respectively for Bophelong as a whole.



Source: Slabbert, 2003

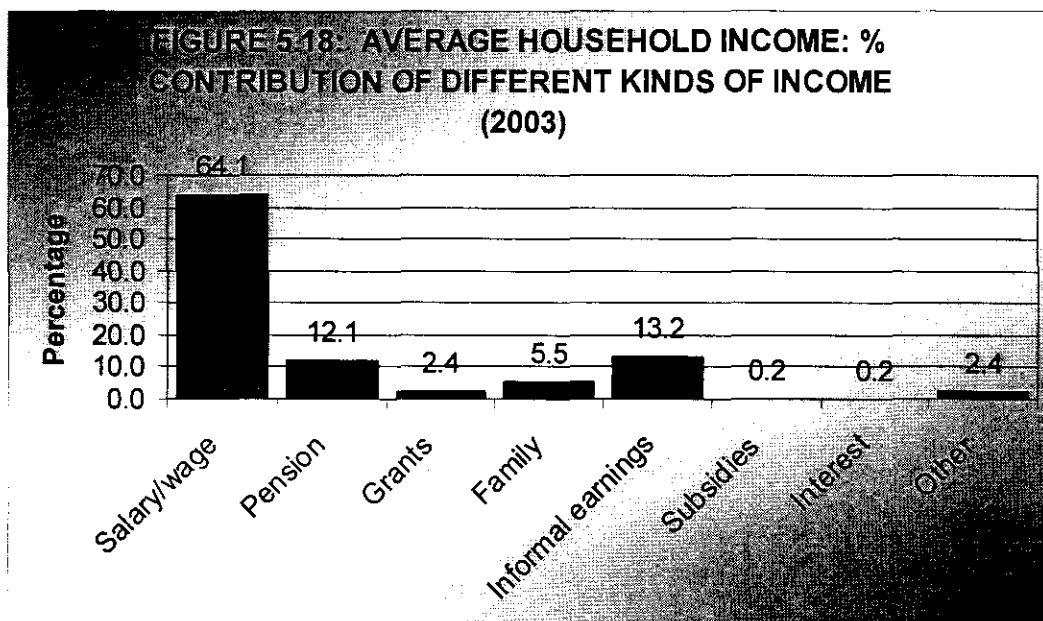
Figure 5.17 portrays the sectors in which the poor employed work. A comparison with the sectors of employment for the employed of Bophelong as a whole shows that a greater percentage of the poor work in community, social, education, training & personal services sector (27.2% compared to 21.9% for the total population). 18.5% of the poor work in the trade sector, compared to 15.6% for the whole population, and in the manufacturing sector (where average salaries are relatively higher) is a much lower percentage of the poor employed (2.9% compared to 8.4% of the entire population).



Source: Slabbert, 2003

5.14 INCOME AND EXPENDITURE

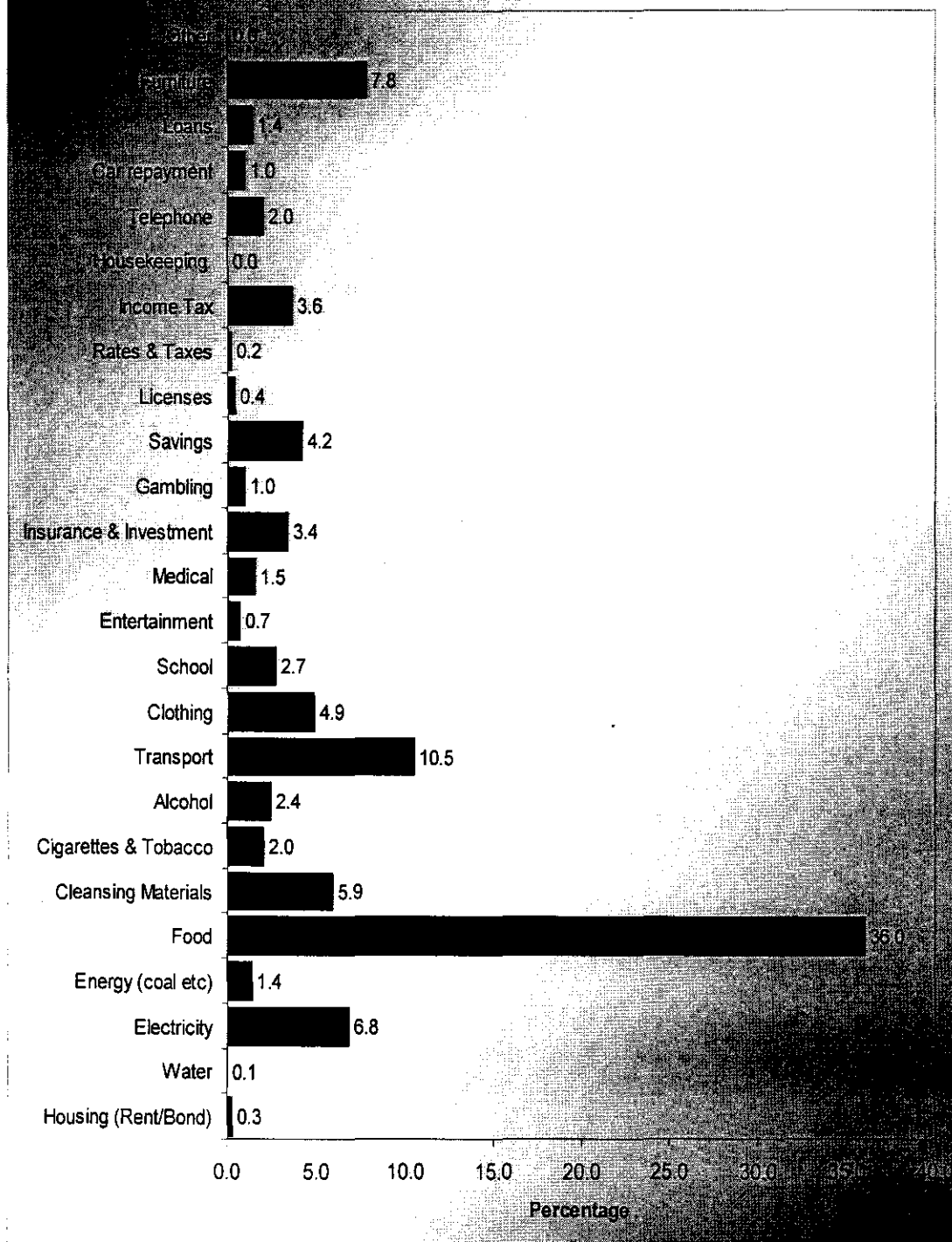
This section deals with the income and expenditure pattern of the residents of Bophelong (poor and non-poor combined) from the survey population. Figure 5.18 shows the sources of income of an average household for the population of Bophelong as a whole. Salaries and wages contribute 64.1% to the average household income, informal earnings 13.2%, pensions 12.1% and other grants, subsidies, gifts from family, etc. contribute 10.6% to the household income. The level of contribution of interest to income is at 0.2%, showing a lack of employment of interest earning strategies. The contribution of informal earnings should not go unnoticed as they are the second highest contributor to income within the area (13.2%).



Source: Slabbert, 2003

Figure 5.19 depicts the average expenditure pattern of households in Bophelong. The biggest percentage (36%) of the average household's income is spent on food and 10.5% on transport. Further analysis shows that the foods that community consumes amounts to basic necessities or foods generally considered covering only the subsistence of a household.

FIGURE 5.19: TOTAL POPULATION: HOUSEHOLD EXPENDITURE (2003)

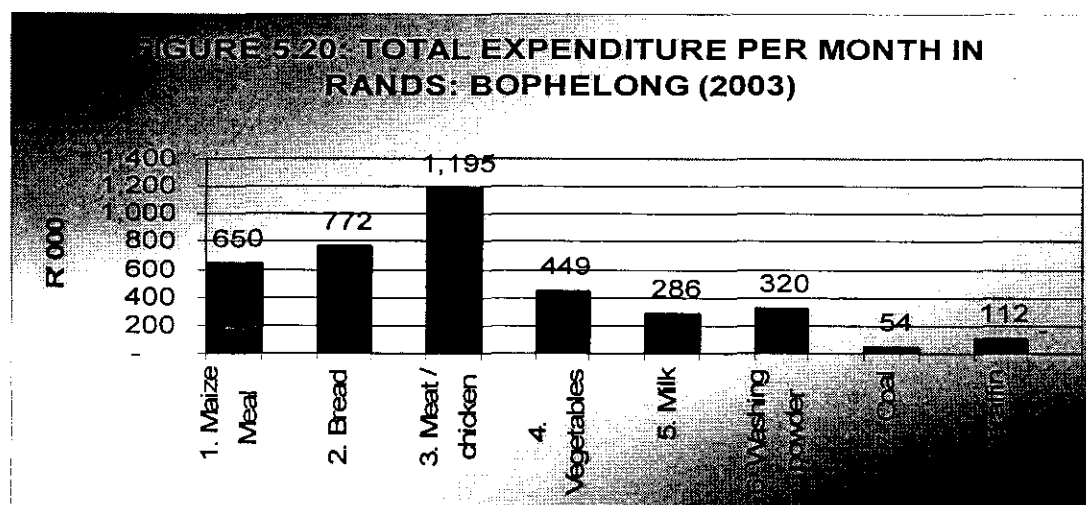


Source: Slabbert, 2003

The fact that makes transport the second highest expense is that those who work have to use public transport (taxi) in order to commute to and from work. Savings amount to 4.2%, and insurance & investment 3.4%. Expenses on housing are very little as most own their houses (RDP) and have no bond on the house. The use of alcohol and cigarettes is still prevalent in the community. They both make up 4.4% of the household expenditure. This is exhaustion of the little income the households were able to earn, and at times through so-called informal means.

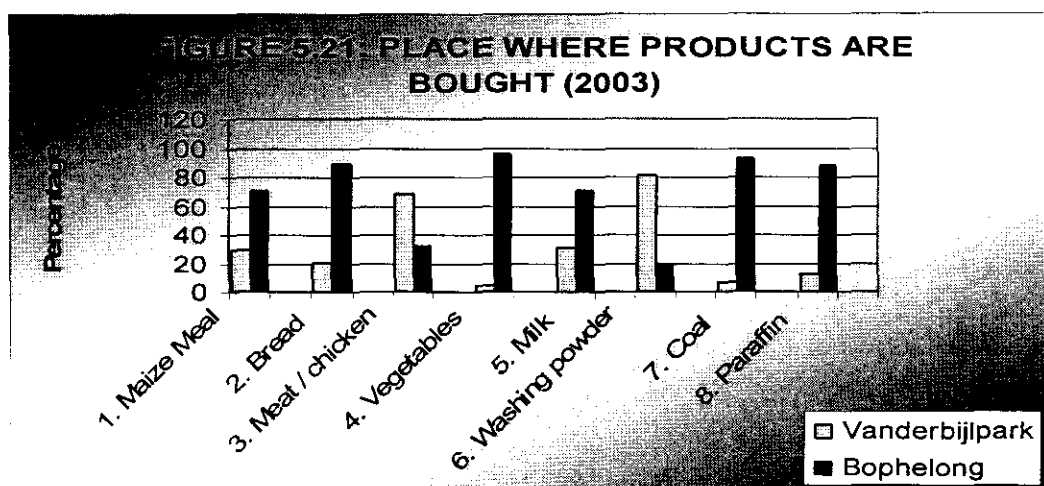
The average amounts spent on other household items by the households in Bophelong are highlighted in Figure 5.20. Residents in Bophelong consume 224 900 kilograms of maize meal per month, amounting to R650 000 per month (R7.8 million per year). R1.2 million is spent monthly on meat (R14.3 million per year), R449 000 on vegetables (R5.4 million per year) and R320 000 on washing powder (R3.8 million per year).

The total figure on these items amounts to R40.6 million per year. These products could, to a great extent, be produced locally; this provides an ample opportunity for inward industrialization, whereby local residents may produce some of these products for Bophelong, thereby keeping the money within the area. Examples of these are small maize mills, local bakeries, small washing powder factories, and the like.



Source: Slabbert, 2003

Figure 5.21 indicates the place where the products mentioned in Figure 5.20 are bought. The majority of these products are bought in Bophelong, except meat and washing powder. Although these products are bought within Bophelong, none of them are manufactured or produced in or around the area.



Source: Slabbert, 2003

Seventy per cent of all the maize meal consumed within the area is bought in Bophelong and the rest in Vanderbijlpark. For bread, 80% is bought in Bophelong. Meat is predominantly bought in Vanderbijlpark, with only 35% of the meat consumed bought in Bophelong. The same can be said for washing powder (20% bought in Bophelong and the rest in Vanderbijlpark).

5.15 SUMMARY AND CONCLUSION

The chapter set out to give a profile of households in Bophelong. Households, with special reference to the poor, were analysed from different angles. The analysis shows that 62% of the households of Bophelong are living below their poverty line. The average size of a household in Bophelong is 3.08. A slight majority of the population of Bophelong is female (53.5%), with males contributing 46.5% of the population.

For the poor, the gender distribution is 55.8% for females and 44.2% of males, thereby justifying the assertion that the female population of the area is slightly

more affected by poverty than the male population. The percentage of the poor population in the age categories 35 – 54 is 21%, the age category considered as the most productive ages of people. There is also a greater number of poor families without a father in the household, and this reduces the number of potential earners in the household.

The qualifications of the poor are relatively lower than the rest of the Bophelong population. Of the poor post-school population, 16.9% have a qualification of Grade 12 or higher, compared to 22.8% for the population as a whole. The population with a degree or diploma living in poor households is only 1.3%, compared to 3.1% for the population as a whole.

The unemployment rate among the poor is 68.3%, compared to 55.0% for Bophelong as a whole. The lack of employment lies at the root of the poverty problem within the area. The poor employed are concentrated in the sectors of the economy that employ less skilled labour. These sectors are the wholesale, retail trade and catering, the community, social, education, training and personal services; the construction sector and the unclassified sectors. The level of skills of the unemployed poor will need to be considered when planning any employment project aimed at alleviating poverty.

The income analysis shows that salaries/wages contribute a high percentage of income for Bophelong residents (64.1%). The other relatively big portion of income is derived from informal activities (13.2%).

The expenditure analysis reveals that households spend a major portion of their income on food and transport. Other items include washing powder, coal, milk, vegetables, meat, bread, and paraffin. Although these products are bought within Bophelong, none of them are manufactured or produced in or around the area. The total figure of expenditure on these items amounts to R40.6 million per year; thus providing an ample opportunity for inward industrialization, whereby local residents for Bophelong may produce some of these products, thereby keeping the money within the area.

The analysis in this chapter shows that lack of employment is the most important determinant of poverty within the area. The following chapter will further analyse the poor. This is done in order to analyse the activities the poor use to sustain themselves.

CHAPTER 6

THE POOR AND THEIR SURVIVAL

6.1 INTRODUCTION

Poverty is a multidimensional challenge that confronts everyone in one way or another. In trying to understand the complexity of the poverty phenomenon, one should always try to understand what poverty means to those who have to live with the hardships imposed by inadequate income.

In this chapter, the results of interviews conducted with the poor are highlighted. Interviews were conducted in a manner that allowed the poor to tell their story, without influencing their line of response. The main aim of the exercise was to really learn about the activities the poor employ to sustain themselves. The data gathered is illustrated in such a manner that gives a snapshot of how the poor of the area live. Income and expenditure of the poor enjoyed greater attention. This stems from the fact that the poor are generally involved in activities that ensure their subsistence.

The information of the poor is analysed from different angles in order to provide a meaningful picture about activities used by the poor to survive.

6.2 GENERAL PROFILE OF THE POOR FOR IN-DEPTH INTERVIEWS

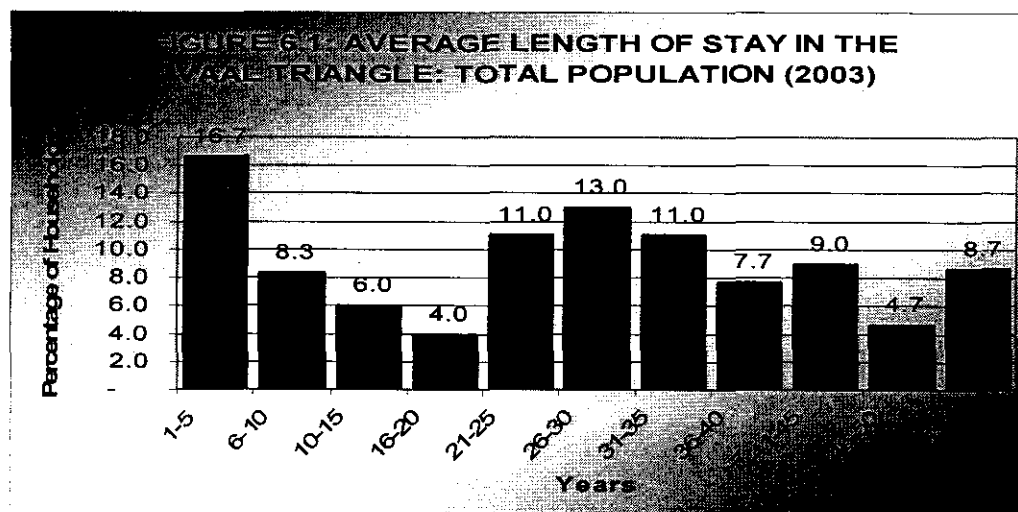
The preceding chapter gives a profile of Bophelong community; the profile includes the poor of the area. The profile analysed residents of the area in order to reflect the true state of affairs of the inhabitants of Bophelong. In this section, the aim is to give some background information about the poor.

The intention is not to go into lengthy discussion about this information, but rather to give a general background about the poor. The previous chapter also revealed a community that lives in abject poverty; 62% of households live below their own poverty lines, with 45.8% of all poor households earning an income of less than

50% of their HSL. The migration of households to Bophelong is analysed in order to show how it might have affected employment and poverty levels within the area. Furthermore the distribution of poor households (those who formed part of in-depth interviews) below the poverty line is analysed.

6.2.1 Migration

Figure 6.1 below analyses the average length of stay of residents (poor and non-poor) of Bophelong within the Vaal Triangle area. The figure shows that 16.7% of the population has stayed in the area for a period between one to five years. A further 8.3% has been in the Vaal Triangle for a period between six and ten years. These include some of the people who moved into the area when Bophelong was extended by the building of RDP houses in the late nineties. This means that 25% of households immigrated into the Vaal Triangle (Bophelong) in the last 10 years. The increased number of residents within an area results in increased competition for employment and household income with established residents of the area, thus increasing the unemployment and poverty rate.



Source: Slabbert, 2003

Slabbert (1997:88) cites that a high rate of urban migration is expected to increase the poverty rate, as more people are competing for the existing limited employment opportunities. Todaro (1994:261) points to the fact that urban migration is viewed as a major factor contributing to urban surplus labour and a

force that continues to exacerbate already serious urban unemployment problems. This reality is truly evident in South Africa today.

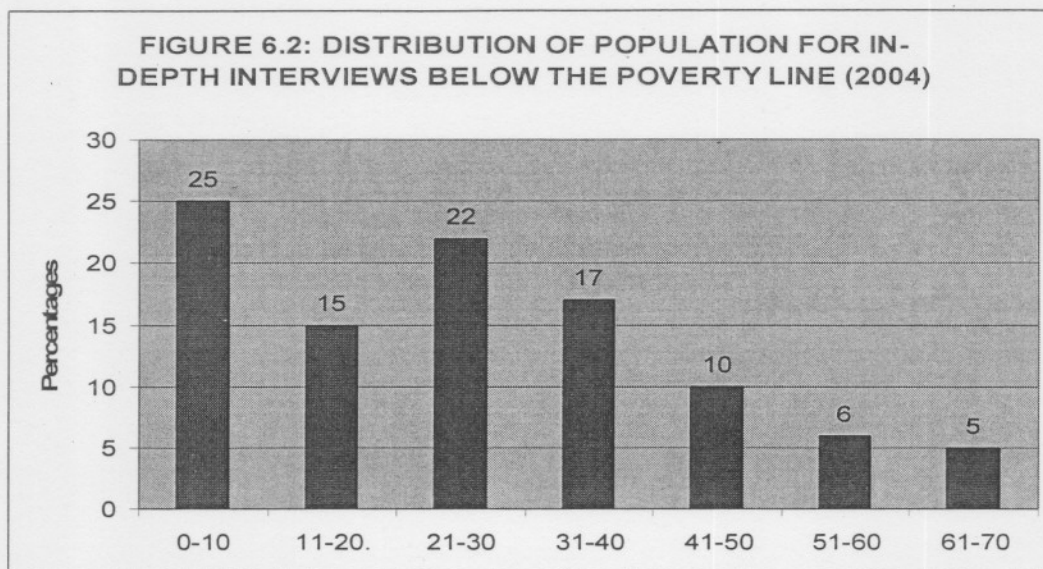
6.2.2 Distribution of in-depth interviews of population below the poverty line

This dissertation set out to study the activities used by the poor to sustain themselves. The poor were separated from the non-poor from the data gathered through questionnaire interviews conducted in 2003. The aim was to do in-depth interviews with the heads of the households who fall below the poverty line, as calculated for the respective household. Sixty households were visited between August and October; these households make up 32.3% of the total poor population.

Figure 6.2 shows the distribution of the poor households below the poverty line who form part of the in-depth interviews. For the analysis in this chapter, preference was given to those households who are far below their respective poverty lines.

Of those interviewed, 25% of households earn incomes between 0-10% of their HSL, 15% earn incomes between 11-20%, 22% earn 21-30% of their HSL, and a further 17% earn income equalling to 31-40% of their HSL. 6% earn 51-60% and 5% earn 61-70% of their HSL.

For the poor population as a whole, 45.8% of all poor households in Bophelong have an income of less than 50% of their HSL. Furthermore, the lowest 6.5% of the population have an income less than 10% of their HSL, and a further 5.4% of the population earn an income between 10-20% of their household subsistence level. The major clustering of the poor is more concentrated between 21 and 80 per cent of their specific poverty line.



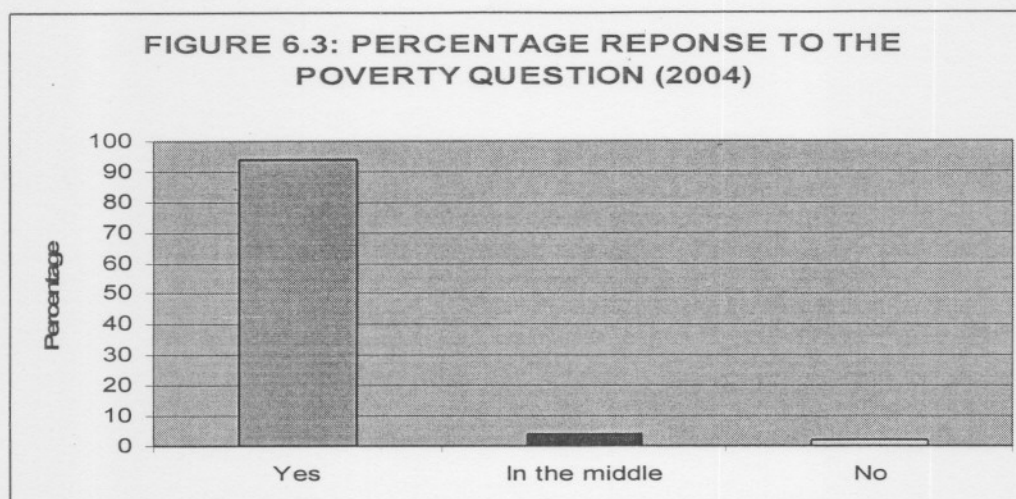
Source: Sekhampu, 2004

Interesting findings came to the fore when the poorest of the poor were interviewed. These are households where, in most of the cases, there is no source of income; they fall in the category of those who earn 0-10% of their respective poverty line. In these households, every morning it is a mystery as to where the next meal is going to come from. Their everyday survival is on a mouth-to-mouth basis. The plight of these households is sometimes compounded by the lack of a father figure in the household, which, in turn, reduces the income prospects of the household.

The interviews were conducted with diligence in order to ensure respect and dignity to those who formed part of the sample. Furthermore, the interviewer conducted the survey in such a manner that the trust of people was won to ensure the openness of the respondents when responding to questions which might seem sensitive.

6.3 HOW THE POOR PERCEIVE POVERTY

In order to find out about the poor's understanding of their situation and how they perceive it, a question was posed to them by asking whether they consider themselves poor or not. Figure 6.3 shows responses to the question.



Source: Sekhampu, 2004

The majority of respondents (94%) said they consider themselves poor, 4% said that they were somewhere in the middle and 2% answered no (Figure 6.3). When calculating the households' incomes and comparing it with their poverty lines, the statistics showed that they all live below the poverty line. The respondents who said they are not poor or are somewhere in the middle, do this by comparing their economic situation with those of their neighbours. This supports the notion of relative poverty as said by Alcock (1997:69), in that an element of judgement was involved in answering the question of whether one considers oneself poor or not.

These respondents might not feel socially excluded and hence their response. Parnell and Mosdell (1999:4) note that people do not have to be living in poverty to experience social exclusion, and, conversely, people who are living in poverty might not feel socially excluded.

Deaton (1997:5) cautions against over-emphasizing these approaches above tested tools of measurement, pointing out that there are cases where accepting someone's own assessment of his/her own standard of living could be misleading. He says that people may be accomplices in their own deprivation due to social acceptance of certain situations. He further gives an example that if some villagers believe that some one who has no sons is poor, no policy can be developed to eradicate this poverty.

A further interesting point was the fact that 100% of respondents said that their income is not enough to meet the needs of their families. Those who considered themselves poor were engaged in a discussion and were asked what poverty means to them. Although the question "How would you define poverty?" was not entirely answered, an important lesson emerged from the discussion. Poverty is not only about lack of money or material goods, but also about the absence of opportunities and choices which people need to build decent lives.

The severity of poverty was evident when people spoke about the lack of food. They complained about having to eat porridge and mainly vegetables like potatoes and cabbage almost on a daily basis. Unemployment featured prominently in the discussions. The poor complained that the result of unemployment is lack of income, which in turn perpetuates poverty. They talked of the rhetoric they hear on radios and during local council meetings about the creation of jobs taking place, but that it never reaches their doorstep. These respondents (5% of the total respondents) are generally young people who feel that in this world the notion of "God for us all, but everyman for himself" applies.

In the words of Mrs Mokoena, when I asked what poverty means to her, she said: "Poverty is to wake up every morning and not knowing with what you are going to feed your children. Their constant complaining about lack of food makes me feel less of a parent. I have been trying to find a job, but because I am old and not educated, no one will employ me." She further reiterated her plight by saying that she cannot apply for the government pension grant because she has not yet reached the required age, and "if only she could find a job to help her children".

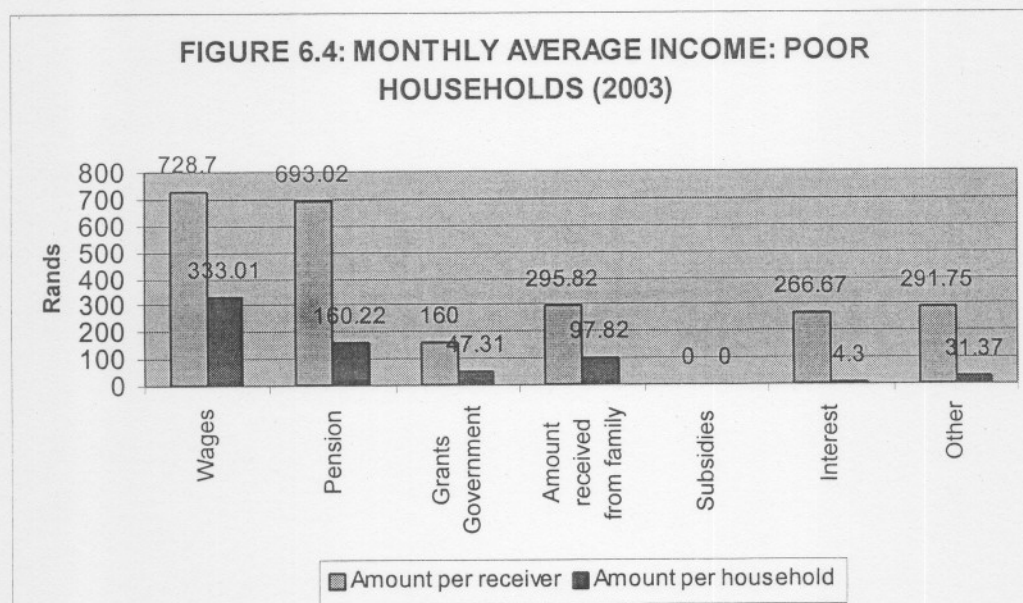
Ten per cent of the respondents cited the absence of a husband or father in the household as being one of the factors that contributed to the condition of being in poverty. These were mainly older people who are widowed.

6.4 INCOME OF THE POOR

Figure 6.4 shows the average income per receiver together with the receipts of a poor household. The average monthly wage of workers forming part of the poor

population is R728.70. For those who receive pensions, the average amount is R693.02. The average amount received from relatives is R295.82 per poor receiver, and from informal activities is R450.90. For those interviewed, informal activities seem to form the core of survival for an average worker. This is due to the poor's low skill levels, which also makes it more difficult for them to secure permanent employment.

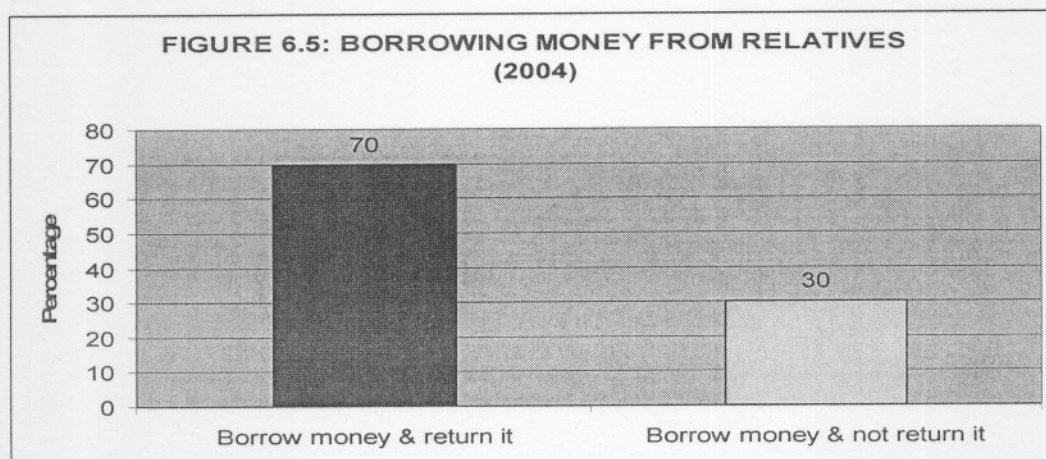
Wages, on average, contribute the highest average amount (R333.01) to the total monthly household income; pensions R160.22, government grants (which include the child support grant) amount to R47.31. Amis (1995:151-153) argues that the urban population in general have fewer coping strategies, and therefore their lack alternatives to supplement their income. The average total income per poor household is R771.53, and the average income per poor employed is R726.41. The average income per self-employed person amounts to R562.61. Sources that are considered as "other" contribute R31.37 on average per month to a poor household. The importance of help from family as a survival mechanism cannot be ignored. The poor on average receive about R97.82 from family members - this amount to 12.6% of the average total income per poor household. This amount goes a long way in ensuring subsistence of a poor family.



Source: Slabbert, 2003

Figure 6.5 below shows the replies of those who borrow money from relatives. From those who borrow money from relatives, 30% indicated that they do not return the money as agreed and 70% said that they honour their debt. The reason for this is that people anticipate getting some form of temporary work or a gift of money from an old friend, and then borrows money based on that understanding. When things do not work out or an anticipated receipt of money does not come forth, the result is the inability to pay the debt.

Due to the fact that they are family, and families usually take care of one another, the usual procedure in cases of non-payment is that the debtor will pay his/her debt when they have the money. Sometimes, the payment does not even take place as most of the poor survive on a mouth-to-mouth basis, from one piece job to the next one. The other reason for this understanding might be the fact that the money that is borrowed is usually of small amounts. The average amount that a poor household borrows from relatives is about R30 per month.



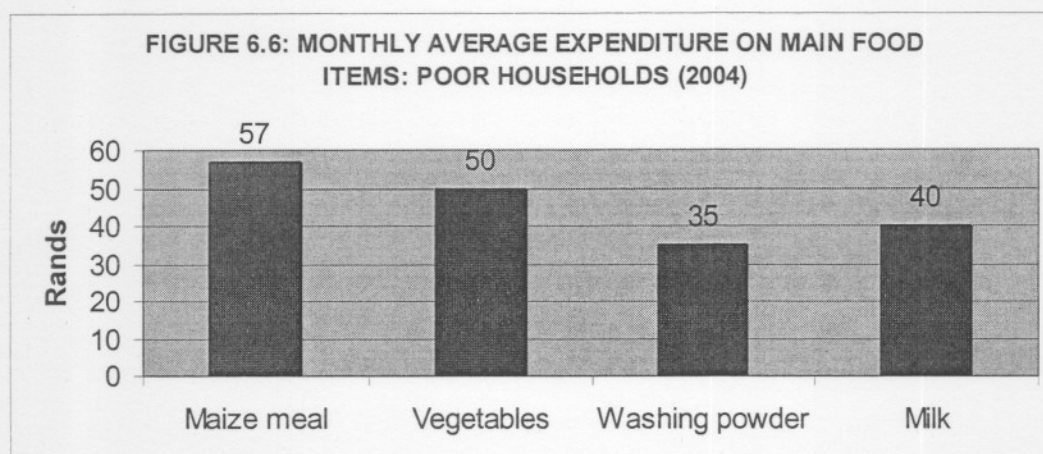
Source: Sekhampu, 2004

6.5 EXPENDITURE: MAIN FOOD ITEMS PURCHASED BY POOR HOUSEHOLDS

Figure 6.6 below shows the main food items that the poor buy in a month. A poor household on average consumes about 35kg of maize per month, amounting to about R57. This figure depends on where the maize is bought. The price of maize

is relatively cheaper in Vanderbijlpark than in Bophelong. The maize meal is usually bought about 3 or 4 times per month in 10kg bags. The amount spent on vegetables is about R50 per month. Furthermore, the expenditure for washing powder and milk is R35 and R40 respectively.

The amounts spent on these products appear to be very small. This might be due to the fact that the poor have developed a habit of using things sparingly in order to ensure extended use of the respective products or items.

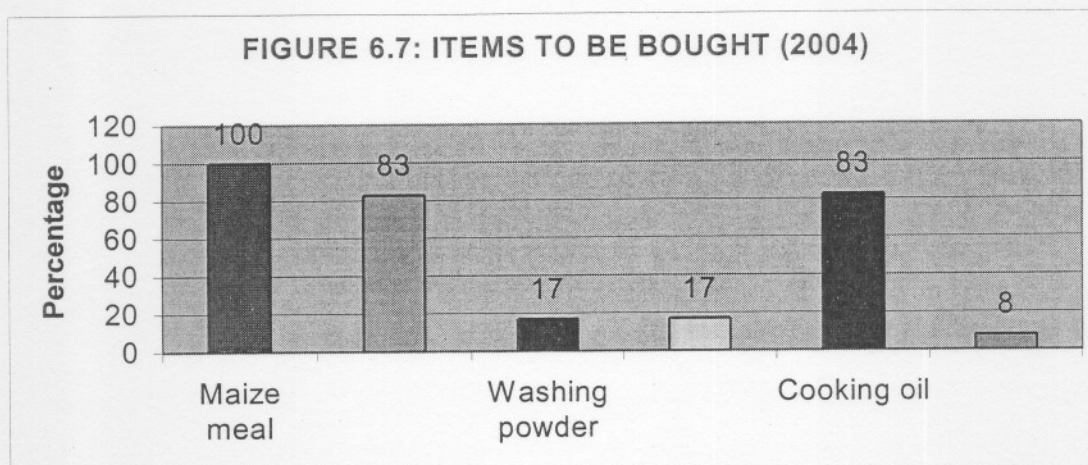


Source: Sekhampu, 2004

6.5.1 Expenditure patterns

An analysis of the poor is further undertaken by trying to find out what the immediate needs of a poor household are. This was done in order to establish the expenditure pattern of poor households. A question posed was: "If you could have R20, what would you buy with it?" Figures 6.7 to 6.10 show the respondents' answers.

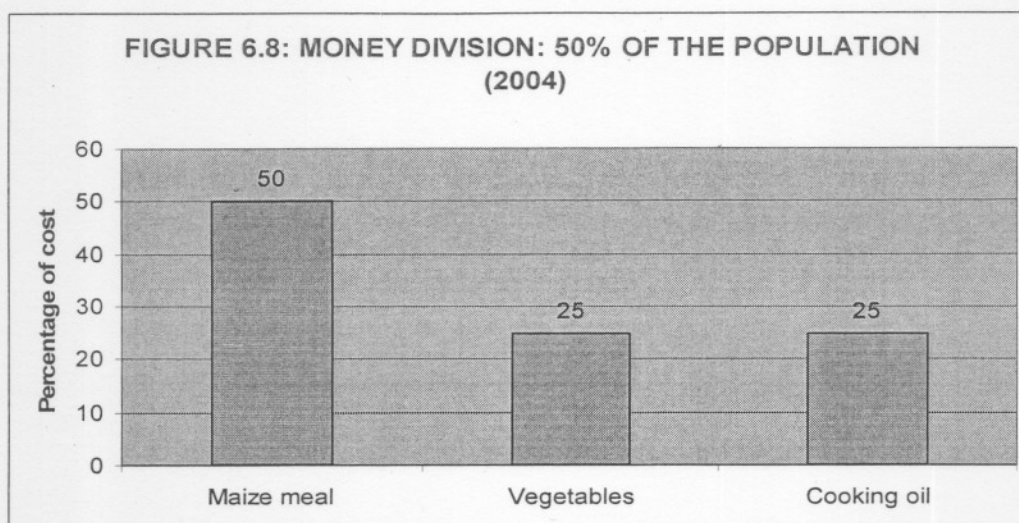
Figure 6.7 shows how the population would buy the different items. From the poor population, 100% said that they would buy maize meal as the main item. The percentage that chose vegetables and cooking oil in a list of items to be bought was 83% for each of them. Washing powder and milk was chosen by 17% of respondents, and the final item that was chosen was tea and sugar (8%).



Source: Sekhampu, 2004

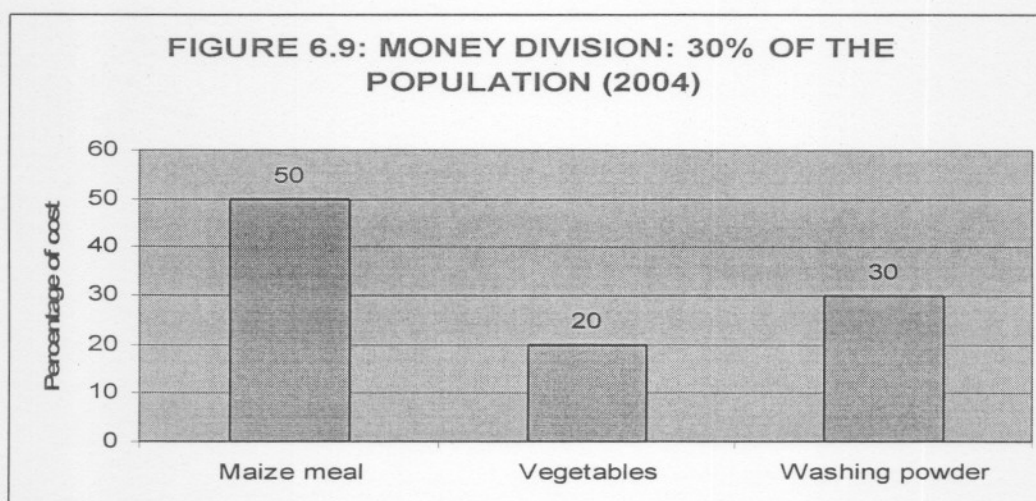
Figures 6.8 to 6.10 show the percentage of the money (R20) that poor household say they will spend on the items mentioned in figure 6.7. These amounts were allocated in relation to the percentage of the population that selected them. Figure 6.8 shows the choices of items made by 50% of the sample population.

The respondents said that they will use 50% of the money to buy maize meal, and the other 50% will be apportioned equally between vegetables and cooking oil. These households said that they base their decision on the fact that one needs cooking oil in order to prepare the vegetables. The maize meal enjoys preference because it forms a major part of meals of the poor. For the other items chosen the major influence comes from the fact that vegetables are generally cheaper than other food items, and when cooked can be better rationed to accommodate all members of a household.



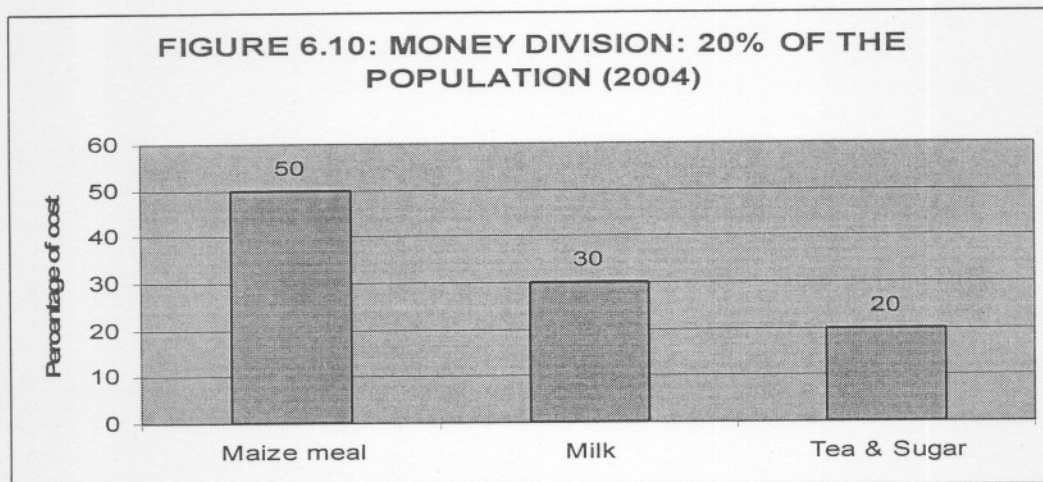
Source: Sekhampu, 2004

Figure 6.9 shows how 30% of the respondents will divide the money among the items of choice. The combination that they chose was, 50% on maize meal, 20% on vegetables, and 30% of the money to be used for washing powder (Figure 6.9). A considerable number of respondents said that it is better to have maize meal and struggle with something to have it with, than to walk around with unhygienic clothes. They further reiterated this by saying that if one buys washing powder in a bigger quantity, the cost is relatively cheaper than when one buys in small quantities.



Source: Sekhampu, 2004

Figure 6.10 shows how the final 20% of respondents decided to ration the money. They said that they would use R10 for buying maize meal, R6 for buying milk and R4 for buying tea and sugar, amounting to 50%, 30% and 20% of the three items respectively. The majority of those who responded in this way are older people, some of whom receive a state pension.



Source: Sekhampu, 2004

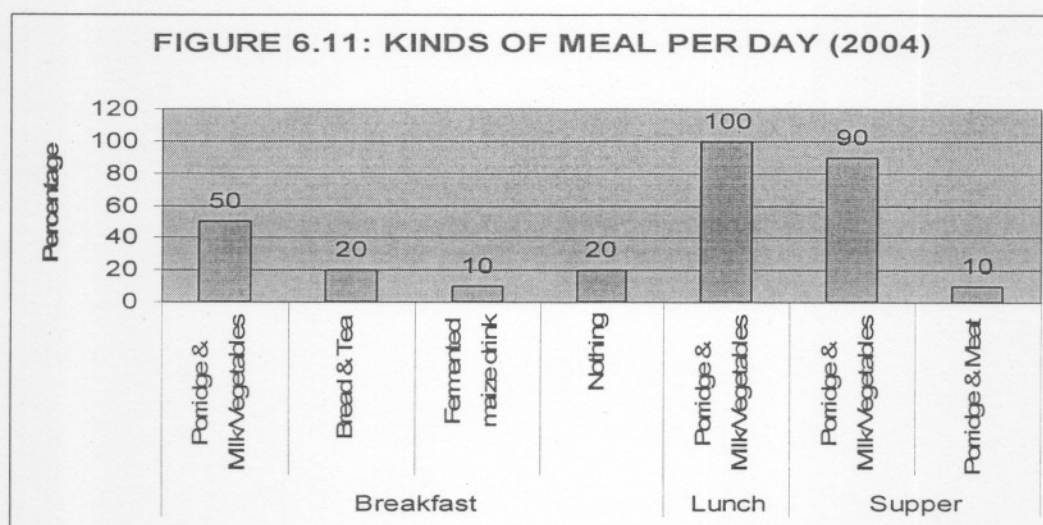
After finding out how the population decided on the different items, it was important to consider how long it takes to consume the selected items. Maize meal consumption differs from family to family. The same can be said for the other items the poor chose in a list of items to buy with the R20. This fact is highlighted in figure 6.11; which shows the kind of meals each family has on a daily basis. A 2.5 kg bag of maize meal will be finished in about 4 meals, bearing in mind that the average household size within the area is 3.8 members. It goes without saying that porridge (made from maize meal) forms a major part of the daily meals of the poor.

The expenditure on clothing differs from household to household. The average amount spent on clothes per poor family is R700 per year and the family members normally buy clothes twice a year. These clothes are usually bought through lay-byes (i.e. one pays for the item while it is in the store and can only have ownership of it when the last instalment is paid).

6.6 KIND OF MEALS PER DAY

In this section, an analysis of the kind of food the poor have on a daily basis is undertaken. The question asked was about what the household members normally have for breakfast, lunch and supper. Figure 6.11 shows the results gathered from the poor. Respondents, who said that they cannot afford to have bread or cereal in the morning as that will be very costly to them, make up 50% of the sampling population. The food items that they usually have are porridge (which is cooked maize meal) and vegetables or milk. A further 10% said that even having a simple porridge in the morning would stretch the budget too far. Their refuge against hunger in the morning is to have fermented maize drink and wait until midday to have some solid meal.

The poor who said that they normally have tea and bread for breakfast is 20% and the other 20% said that they cannot afford to have anything for breakfast. For lunch, 100% of the poor said that they have porridge with either milk or vegetables. Almost the same percentage said that they have porridge with milk or vegetables for supper (90%), and 10% said that they try to buy meat about three times a week. The meat comprise chicken hearts, livers and the likes, which are relatively cheap compared to other cuts of meat which they consider as delicacies.



Source: Sekhampu, 2004

The extent of poverty within the area was further highlighted by a number of households who said that their situation is so bad that they usually have to fry porridge with animal fat in order to make a meal. They usually do this when they can no longer endure eating porridge without anything. The health risk of doing this on almost a daily basis cannot be ignored.

Furthermore, some food items have inherited names like "julle moet"; this is an Afrikaans word meaning "you must". The reason for the name is that when children have to eat the same kind of meals day in and day out, they usually complain to their parents. The answer to them is that you must eat it, otherwise there is nothing else.

On the question of who is responsible for food preparation, 90% said that it is the mother and only 10% said that it is shared responsibility. The duty of the mother goes beyond food preparation. This is because a considerable number of households have no father figure, meaning that all the responsibilities of protection, guidance and care falls on the shoulders of the mother.

The consideration and care among the poor led to very interesting findings. The poor and the majority of township dwellers practice a notion of neighbours caring for one another. This culminates in neighbours lending each other small amounts of food items so that one can cook for a particular day or time of the day. This practice is very much alive within the poor of Bophelong. The majority of respondents said that they do borrow things like a cup of cooking oil, salt or maize meal of about 3kg on average per month. Furthermore, when neighbours or the poor have formed the so-called friendship in subsistence, some of the items that are borrowed are not necessarily returned. The usual interpretation is that if one lent his/her neighbour something, the expectation is that one has now a place to go in the future when times are tough and there is something needed in the family.

The poor were further asked about what they do when they do not have money to buy food. Eighty per cent said that they make a plan, and 20% said that they just stay hungry. The majority of those who said that they make a plan said that for the

sake of their kids they would have to find something to eat. To them making plan mean asking for food rations from neighbours or close-by relatives. They renounce when all possible avenues have been exhausted, these are times when they have to sleep or go for a day with an empty stomach. Making a plan sometimes means going to the open fields and picking up plants that grow in the wild, and cooking them for the family. Although these do not have a pleasant taste, lack of alternatives leave them no choice. To the other 20%, pride plays an important part in their decision not to ask for something. They would not bear the shame and sometimes the ridicule of having to be labelled as the ones who always borrow or ask for something. To them they would rather stay with their poverty than go to neighbours with their problems.

Other items that should be considered are the use of alcohol and smoking among the poor. Fifteen per cent of households have members who either smoke or drink. It goes without saying that the results of this are the further exhaustion of the little income the household has, which could be used for the other household needs. On average, the monthly amount spent on smoking is R32 and on alcohol is R40.

6.7 UNEMPLOYMENT

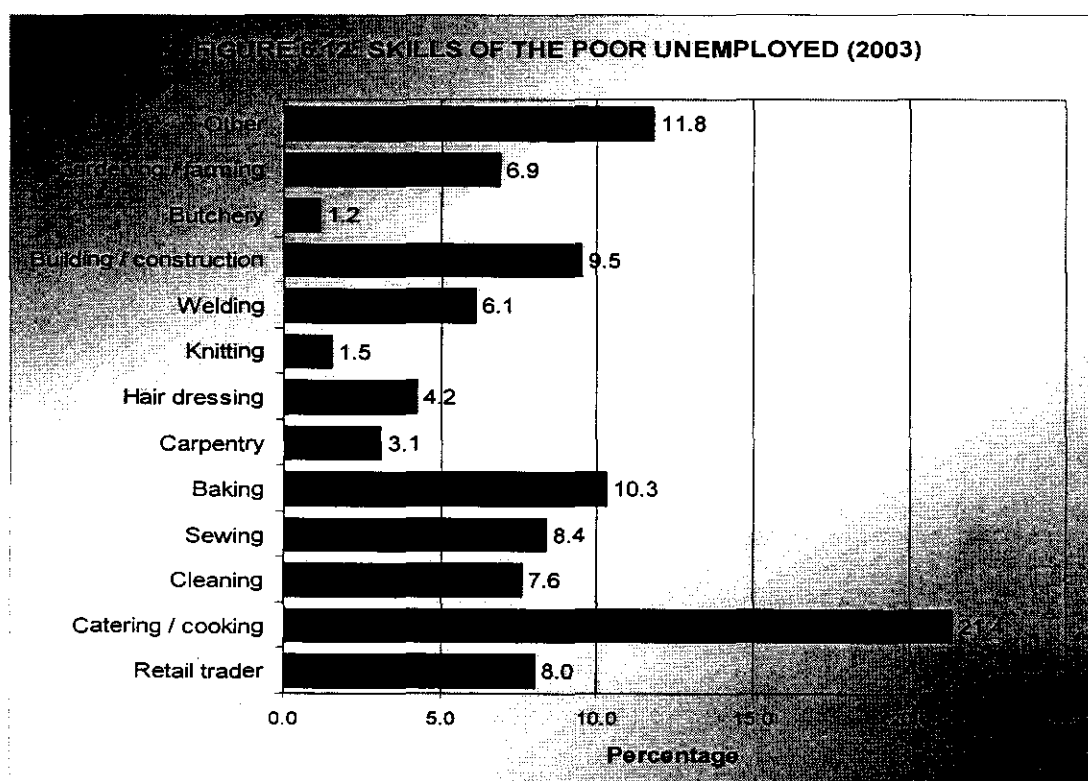
Slabbert (2003) calculated the unemployment rate of the poor in Bophelong to be 68.3%., 6.7% of the economically active poor population are in informal employment, with 24.9% in formal employment. Slabbert (1997:150) notes that the lack of employment for low-skilled persons, or unemployment amongst the low skilled, is considered the main determinant of poverty in the Vaal Triangle.

Max-Neef, Elizalde and Hopenhayn (1989:22) argue that unemployment generates pathologies that upset a person's fundamental needs system. Due to subsistence problems, the person feels increasingly unprotected, while crisis in the family and guilt feelings destroy affections.

Amis (1995:151-153) further reiterates this by saying that employment, or the lack of it, is the single most important determinant of urban poverty. It is the rigidity in urban labour markets that causes unemployment, which, in turn, causes poverty.

During the survey process, unemployment was the theme that recurred most often. Despite encouragement from the government to establish small and micro-enterprises, none of the respondents said they have started a profit-generating project. One of the factors they highlighted was that the market consists of poor people like themselves. The prospects of making a profit in such an environment seem for the poor of Bophelong very low. Further difficulties identified were the inequitable barriers to formal market entry and lack of access to credit.

Figure 6.12 below shows the skills levels of the poor unemployed in Bophelong.



Source: Slabbert, 2004

The majority of the poor unemployed have catering/ cooking skills (21.4%), 10.3% have baking skills, 9.5% have skills in construction, sewing 8.4%, welding 6.1% and those who have other skills make up 11.8%. The poor unemployed have

skills that are in general regarded as of low level, and it seems that they have recognised that they lack the skills required to find jobs. Table 6.1 shows their response when asked about their preparedness for skills training, 96.57% answered yes and 3.43% said no.

TABLE 6.1: PREPARED FOR SKILLS TRAINING: POOR UNEMPLOYED (2003)		
	FREQUENCY	PERCENTAGE
Yes	225	96.57
No	8	3.43
Total	233	100.00

Source: Slabbert, 2003

The optimism of the poor towards job creation was clearly evident in some quarters. They believe that one day things will be better. The questions asked under this category were: "Do you think the government is doing enough to create jobs?" and "Do you know any employment generating programme initiated by the local government in your area?" The answers to these questions made for an enlightening discovery. Seventy per cent of respondents believe that the government is doing something to create jobs, but it was below expectation. They see the stringency of the labour market that only hires people with certain skills or educational levels as the problem of unemployment. Generally, there was disappointment about the promises given at local and national level.

On the second question, those who said that they know of employment projects within their community said that these projects only serve the old part of the township. Their feeling was that of being neglected.

6.8 EDUCATION

A number of poor households said that their children could not attend school because they were poor. Sometimes the reason was that the children were excluded because of non-payment of school fees. In other cases, it was because there was no money for school uniforms and food. Eight per cent of the

respondents said that they keep their children at home because they cannot afford the cost of taking their children to school. They further complained that the government had promised free education but they still have to pay in order to ensure that their children attend schools. Many parents and grandparents bemoaned the fact that although there are children who passed matric, they are still unable to find jobs or to obtain funding for further studies, and these young people roam the streets and some of them have started to live delinquent lives.

Those who can afford to send their children to school said that their hope for a better life rests on the shoulders of their children. The reason for sending their children to school was to enable them to have a better future, and they hope to get help from their children at a later stage to get the family out of poverty. Education as the key to success was acknowledged. When parents were asked about what they would like their children to be when they finish school, the first thing they mentioned was that they would not be able to afford tertiary education. The question was further extended by asking them, if they had money to send their children to school what professions would they wish them to be in, and the professions that enjoyed great support are doctors, lawyers and teachers.

Their hope in the midst of a difficult situation was reflected when 90% of respondents said that even though things are bad at present, they truly believe that their children will be able to find jobs when they finish school.

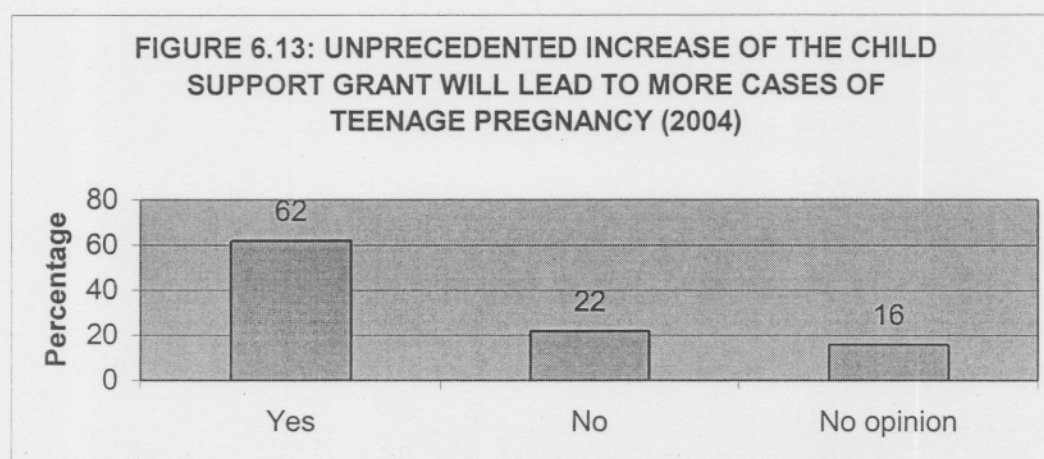
6.9 GOVERNMENT GRANTS

People spoke about the importance of state grants for their household's survival. The most effective one is said to be the state old age pension. Those who receive pension grants or have a household member who is a recipient, unanimously said that the money for the pension grant was not enough.

Their suggestion is that the grant should be increased by about R100 per month on average. Those who earn the grant say that something is better than nothing. The same views were expressed when it comes to the child support grant; concerns were expressed with the amount given. The impact of the child support

grant on the poor was analysed. The poor shared their opinions about the child support grant. Their concern was the irresponsible use of the grant by its recipients. They observed cases where the grant was not really used to serve the needs of the child whom it was intended for.

Figure 6.13 shows the expressions of those who were asked whether an increase of the child support grant to R500 per month would lead to increased cases of teenage pregnancy. The majority of respondents (62%) said that it will surely lead to increased cases of teenage pregnancy, Twenty-two per cent said no and the others used their right not to answer the question and said that they do not have an opinion on the matter. Those who said no spoke of the poor as people who are expected to live lives of promiscuity; they further said that they will not sell their souls for money. Of those who said yes, some said that some people are so deep in poverty that the temptation to have a child for money is rife.



Source: Sekhampu, 2004

The question of a basic income grant as a safety net for the poor was explored. Naidoo (2002:1) describes a Basic Income Grant (BIG) as a grant that is paid to all citizens without the psychologically damaging stigma of means testing. In other words, it is a universal grant that does not impose a judgement as to whether someone is a 'deserving' poor person or not. Rather, this grant goes to everyone as a right.

This does not mean that the rich actually get the benefit, since the tax system can be reworked to ensure that the better off actually pay back the cost of the grant. The Democratic Alliance (2004) proposes that for income tax purposes, the BIG should be multiplied by a factor of 20. For this reason, only people who earn less than R7 500 per annum would benefit from the BIG. Everyone else would pay more back to the state in tax every year than they would receive if they claim the BIG. The poor (100%) support the idea of a basic income grant. Their only qualm was that it should not be given to anyone, but rather to those who are poor, the disabled and the unemployed.

Their establishment of a qualification criterion was done in order to address the question of dependency. The poor's concern was that if the BIG were given to everyone, others would not try to find a job and try to live on the grant. This concern was with reference particularly to the youth.

The poor spoke of the youth of today as people who tend to live easily, who expect that things will happen easily. The average amount that the sample population proposed for the basic income grant was R120 per month.

6.10 CRIME AND THE COMMUNITY OF BOPHELONG

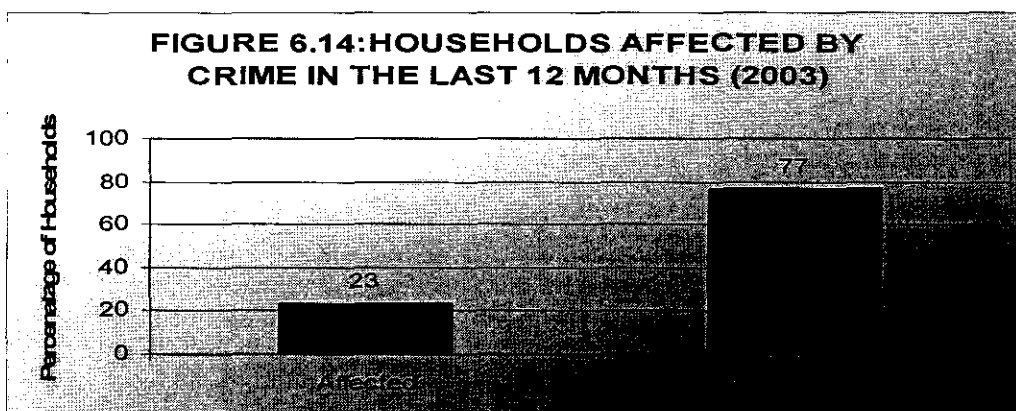
When the relationship between poverty and crime is investigated, several issues must be taken into consideration before a conclusion can be made. The aim of this section is to find common ground between crime and poverty. The views gathered from the total sampling population are analysed. Different literature studied will be related to the views of, and findings made among the inhabitants of Bophelong.

Chiu and Maiden (1998:20) provide a model that shows that richer neighbourhoods have lower crime rates than the less affluent or the poor, partly because they may employ effective defence strategies against crime. The poor, in contrast, cannot afford any private protection mechanisms. This, therefore, makes them susceptible to crime.

Braithewaite (1979:32) states that sociological theories have developed as interpretations that with a high degree of consistency that is unusual in social sciences, lower class people, and people living in lower class areas, have higher official crime rates than other groups. This is due to the local economic welfare and its association with the level of protection from crime. Private protection measures may include guard dogs, bars on windows, electric fences and alarm systems with armed security response.

Contrary to this, the poor of Bophelong say that they feel safe in their neighbourhoods (86%). The other percentage sees crime as a problem that prevents them from living their lives in harmony. Their concern is an increasing number of young people who are finishing school and are not being employed.

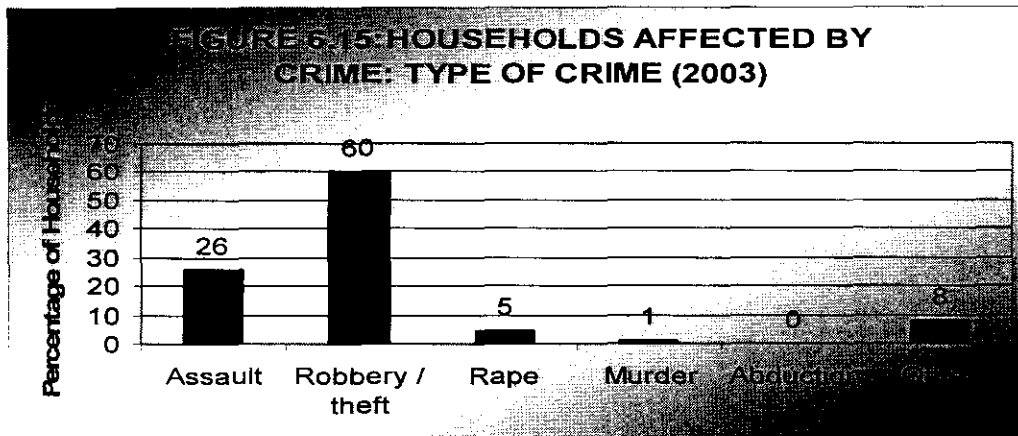
When taking the results of the survey conducted in 2003, these show a similar pattern of response. Figure 6.14 shows that 77% of households (poor and non-poor) in Bophelong said that they have not been affected by crime and 23% said that have been affected by crime, but this does not mean that they do not perceive crime as a threat.



Source: Slabbert, 2003

The poor of Bophelong bemoaned the fact that although there are children who had passed matric, they are still unable to find jobs or to obtain funding for further studies, and these young people roam the streets and some of them have started to live delinquent lives.

Of those who have been affected by crime (Figure 6.15), 26% said that they have been affected by assault, 5% rape, 1% murder and other crimes, 8%. The kind of crime that seems to have affected the inhabitants of Bophelong most is robbery/theft (60% of households).



Source: Slabbert, 2003

Hagan (1994:32) cites "The Anomie theory" which was developed by Durkheim. The theory considers that a breakdown of crucial institutions (such as the family, church, and school) that teaches individuals the values and norms held within the society will create a rise in crime. These breakdowns are thought to take place in poverty-stricken areas because individuals experience normlessness.

Normlessness is usually a result of a lack of standards and values within a community. Normlessness, according to the Anomie theory, is a result of common goals held by individuals within society without the equal means and opportunities of achieving these goals. Hagan (1994:32-49) further says that as a result of this goal-means gap, status-frustrated individuals often form delinquent subcultures. Within these subcultures, values are constructed that often completely reject the norms and values held by the society as a whole. These subcultures achieve goals by way of illegitimate means because legitimate means are not available to them, unlike the middle and upper classes.

There was no evidence of unruly behaviour among the poor who formed the second phase of the interview. The only concern was that many young people are

unable to find jobs and that would create problems for the community in the future. Forty per cent of respondents said that young people want things to happen in an instant, and are not prepared to toil in order to reach their goals.

The percentage of fathers/husband (16.62%) is lower than that of mother/wife (22.58%) in the poor households, thereby implying that the incidence of single parenting is high. This does not mean to say that a single parent cannot provide the guidance necessary for a child to be responsible, but rather to show that these households are confronted with varying situations shaped by the labour market, rapid social changes and the requirements of childhood education. Some of these families may not be prepared to face these challenges.

Loser (cited in Blau & Blau, 1982:119) argues that people who perceive their poverty as permanent may be driven by hostile impulses rather than rational pursuit of their interests. Furthermore, people may be sensitive to inequalities across ethnic, racial or geographical areas.

The findings of the study reported on a community that felt neglected and abandoned. The analysis also showed that despite all the grumbling about the lack of jobs, unfulfilled promises, the poor are resilient and optimistic about the future. They believe that their children will be able to find jobs when they finish school in the future. The poor unanimously said that doing crime is wrong and that they unequivocally oppose committing it under any circumstances.

Further discussions about crime were undertaken. The poor were asked whether they will commit crime/have committed crime, because there was no food or money to buy food in the household. All respondents said no, except in five households. In these households interviews were conducted in the presence of sons/boys who are between the ages of 19 and 24. Two of these young men said that they had committed crime and 3 said that the temptation to do so clouds their minds now and then. Those who have committed crimes said that seeing their families, especially little brothers and sisters, struggling brought them to a point where they could not take it anymore.

Their involvement in crime came when they befriended wrong people. They stole things like a television, radios and other household items that can be sold quickly in order to make money. On the question of whether would they do it again, they said that being at the wrong end of the stick taught them well. Being in jail enlightened their minds and they have repented from their transgressions.

Those who had thoughts of committing crimes spoke of the fact that one can only understand their feelings if one was poor. They feel helpless, let down, and betrayed by the government through broken promises. They further said that no one would say that they would commit crime, mainly because they do not trust the interviewer or do not really know what you will do with that information.

The analysis was taken a step further by talking to young people who were loitering in the streets. Three groups of people were interviewed. There were 4, 5 and 6 people per group respectively. The fact that young people in poor families will be tempted to commit crime further surfaced. They spoke of the lack of protection mechanisms in many poor households, thus making them vulnerable to thugs. Two of the groups said that they come from poor families and find solace in their friendship by sharing their problems. The question on whether they will commit crime for survival was not answered, but they said that they have observed cases where old friends or school mates commit crime on the excuse/reason of living in poverty.

One hundred per cent of the respondents to the interview process for this chapter said that they would report a crime if they see it being committed, but crime reporting is made difficult by the fact that there are no public phones nearby and only 11% of all households have a member with a cell phone. A further problem was the inefficiency of the police when incidents are reported. Five per cent of respondents said that the police complain about a lack of vehicles.

For this study, the conclusion is that the susceptibility to commit crime is there among the poor of Bophelong, and like in any poverty-stricken area, crime will generally be a problem. The police station in Bophelong is a satellite station, and this made the finding of crime statistics very difficult. This reason therefore

warrants further studies about poverty and its relation to crime within the area. It is worth remembering that, contrary to the myth rooted in many people's minds, poverty may not be a direct cause of crime.

No reasonable person would totally deny that poverty may well erode social restraints where they do exist, but it is unwise to make a generalisation that poverty causes crime. It is as meaningless as blaming delinquency on a fatherless childhood; only a minority – mostly those who are emotionally unbalanced - turn to crime. The vast majority of the poor do not support the perpetration of crime. Offending is a matter of choice; criminals must accept personal responsibility for their decisions.

6.11 SUMMARY AND CONCLUSION

This chapter provides a statistical picture of the data obtained from the research process. The information is summarised using actual tables and graphical illustrations to represent the responses of the poor of Bophelong. The chapter shows that 15% of all respondents have been in Bophelong for a period less than ten years. Of those who formed part of the second sample, 79% earned incomes less than 50% of their poverty line, as calculated for the respective household. The majority of the poor (94%) consider themselves poor, and 4% of the population consider themselves middle class. This supports the notion of relative poverty in that you are poor or non-poor compared to your surroundings. The poor unanimously said that their income is not enough to meet the needs of their families.

When it comes to unemployment, the chapter revealed the complaints of the poor who spoke of the rhetoric that they hear and which never amounts to anything. Youth faced particular difficulties in obtaining jobs because of their lack of education, experience and appropriate skills. Problems such as access to credit were exacerbating the inability to start employment projects. The market is very small as the majority of residents are poor.

The majority of the poor unemployed have catering/ cooking skills (21.4%). 10.3% have baking skills, 9.5% have skills in construction, sewing 8.4%, welding 6.1% and those who have other skills make up 11.8%. Many people spoke of the lack of a father as another indicator of poverty, the consequence of which is decreased income prospects.

There were repeated stories of children not attending school on account of poverty. In 8% of the households, children were not able to attend school because of non-payment of school fees, and because there was no money for clothing and food.

The expenditure and income analysis shows that the average expenditure on the main food items of the poor interviewed households per month amount to: R60 for maize, R50 on vegetables, R40 on milk and R35 for washing powder. On the income side, wages contribute the highest average monthly amount (R333.01); pensions R160.22, government grants (which include the child support grant) amount to R47.31. The amount received from family is R97.82 per poor household, and from informal activities is R97.50. The lack of employment opportunities and alternatives to supplement income means that the poor have to live on piece jobs, which means literally going from one possible employer to the next asking whether there are any openings for people of your skills.

The importance of government grants is highlighted, with the influence of the child support grant on the morality of young girls analysed. Cases where the child support grant was not used to serve the interests of the child were observed. The poor appreciate the grants but concerns were expressed with the amount given. Their suggestion is that both grants be increased by R100 per month. The opinions of the poor on a basic income grant are analysed, with 100% of the respondents voicing their support for the idea.

The kind of meals the interviewed poor have on a daily basis clearly shows the depth of poverty. The poor mainly consume porridge on a daily basis. The only supplementary foodstuffs are vegetables or milk. Twenty per cent of respondents said that they cannot afford to have breakfast, and an additional 10% have only

fermented maize drink for breakfast. The prevalence of poverty within the area was truly revealed when people said that they fry porridge with animal fat because they are tired of having porridge without anything. The support and understanding among the poor show a community holding hands in the midst of abject poverty. When times are tough, the poor lend each other food rations, which are sometimes not returned.

When it comes to crime, the majority of the population (77%) interviewed by Slabbert (2003) said that they have not been affected by crime within the twelve months preceding the interview date. Almost one quarter of the population has been affected by crime in the last twelve months. The population is vulnerable to crime due to lack of protection mechanisms. The breakdown of family structures was observed as a possible cause, as well as the absence of fathers within households which results in challenges for the poor; some parents may not be prepared to deal with the responsibilities of care, guidance and discipline. In 92% of all households visited crime was a thorn which they need to be rid of. In the other households (8%), young family members spoke of the temptation to commit crime, with 2 respondents having committed a crime and been imprisoned.

The dynamics that breed crime, as reflected through the literature studied, are present within the community. The vast majority of the population are poor (62%) and unemployed (68.3%). It cannot be concluded that the poor of Bophelong will commit crime for survival. The poor are resilient and optimistic. This was reflected when they hoped for a better future for themselves and their children. Ninety per cent of those who formed part of the in-depth interviews believe that their children will find jobs when they finish school.

The chapter also reveals that the vast majority of the poor do not support the perpetration of crime, and that committing an offence is a matter of choice. The lack of statistics for the area warrants further research on the relationship between crime and poverty. For this reason and because of the nature of crime as a social problem, the study is not conclusive on the matter.

CHAPTER 7

SUMMARY AND CONCLUSION

7.1 SUMMARY

The analysis of poverty amongst the inhabitants of Bophelong signifies that poverty is endemic within the area, and that the creation of employment opportunities holds the key to poverty alleviation. It is shown that the poor have limited means to sustain themselves.

The literature on poverty shows that poverty is a multi-faceted challenge, which affects the affluent and the rest of society in one way or another. There is no single, universally acceptable definition of poverty. For that reason, several measures of poverty exist. There are several approaches to poverty, among others, the absolute, relative and human scale development approaches. The absolute approach describes poverty as living below subsistence level, that is the level necessary to satisfy the minimum basic needs to sustain life, while the relative approach is based on a comparison between the standard of living of the poor and the standard of living of other members of society; people are considered poor if their resources fall below those of the rest of the community.

The human scale development approach, on the other hand, defines poverty in more holistic, broader terms. It makes a distinction between needs and satisfiers of those needs. A satisfier may contribute simultaneously to the satisfaction of different needs, or conversely, a need may require various satisfiers to be met. For example, a mother breastfeeding her baby is simultaneously satisfying the infant's need for subsistence and protection, affection and identity.

The main measures of poverty, which are used in this study, are the household subsistence level (HSL), the headcount index, poverty gap ratio and the dependency ration. The HSL is used as a poverty line in the study. For each household an individual poverty line is calculated. All the incomes of different

members of a household are added together and are compared with that household's poverty line. The headcount index is defined as the fraction of the population below the poverty line, and the poverty gap is used in conjunction with the headcount index in order to get a more holistic picture within the area. The poverty gap usually measures the average shortfall of the incomes of the poor from the poverty line, while the poverty gap ratio measures the extent of the shortfalls of income below the poverty line. Dependency ratios are usually calculated by dividing the total number of non-income earners by the total number of earners.

Due to the nature of the study, it was important to consider the foundation on which today's townships are built. Apartheid and its impact on urban poverty is analysed from different angles. Five aspects of apartheid policy, which caused black urban poverty, were examined. These include racially enforced removals, the nature of housing provision for blacks, the character of urban jobs, the costing of urban services and the municipal financial base, and the regulation of urbanization.

The study revealed the legacy of apartheid that still perpetuates poverty and increases distress. The poor quality of housing in the townships stands in stark contrast to the affluence of the (former white) suburbs. Apartheid not only controlled where you lived but also the condition of your residence. Job reservation, land dispossession, followed by race-based separate development policies together with influx controls, have left a legacy of misdistribution of wealth and marketable skills, spatially divided households, and inferior living conditions for the majority.

A considerable number of students who engaged in students' boycotts were unable to concentrate on their studies and many never completed their education. This population has now assumed an insecure and inferior place in the labour market. School boycotts disrupted generations of pupils' learning and created a lost generation of illiterate, uneducated and unemployable people.

For empirical purposes, the research process was two-fold; the first phase involved the gathering of household information in order to quantify the distribution of households in relation to their respective poverty lines so that the poor could be identified, and the second phase involved conducting in-depth interviews with the poor so that an analysis of activities that they use to sustain themselves could be undertaken. A sample of 300 households was selected using simple random sampling procedure in the year 2003. Of the 300 households, 186 (according to the headcount index) were found to be living below their poverty lines. In order to achieve the aim of the study, 60 of the poorest households were visited in 2004. Their distribution below the poverty line motivated their selection; the aim was to interview households who are far below their poverty lines.

The HSL is used as the main measure of poverty in this study, as it, firstly, covers all major centres of South Africa. Secondly, the HSL is the most frequently used measure in recent years. The third reason relates to the fact that the method of calculating the HSL makes it easy to calculate the HSL for individual households. A poor household is defined as *a household, of which the combined income of all its members is less than the Household Subsistence Level (HSL) as determined for that specific household.*

Employing the HSL, the study shows that 62% of households in Bophelong are living below their poverty lines as calculated for each household. The poverty gap ratio for the area is 0.48, meaning that the poor lack on average 48% of their income to attain a level equalling their poverty lines. Of all poor households in Bophelong, 45.8% have an income of less than 50% of their HSL, which indicates the depth of poverty. Furthermore, the lowest 6.5% of the population have an income less than 10% of their HSL, and a further 5.4% of the population earn an income between 10-20% of their household subsistence level. The female population is slightly more affected by poverty than their male counterpart, with 55.8% of females and 44.2% of males in poor households.

The unemployment rate of the poor households is 68.3%, compared to 55% for Bophelong as a whole. The poor employed are concentrated in the sectors of the economy that employ less skilled labour (and because of the fact that the supply of low skilled labour is high, employment amongst the poor is low). These sectors are the wholesale, retail trade and catering, community, social, education, training and personal services, the construction sector and other unclassified sectors. The level of skills of the unemployed poor will need to be considered when planning any employment project aimed at alleviating poverty.

A major part of the households (total population) in Bophelong derive their income from salaries/wages (64.1%) and informal activities (13.2%). The average total income per poor household is R771.53. For the poor households, wages contribute R331.01 to the average income. The average amount per household received from pensions is R160.22. The average amount received from family is R97.82 per poor household, from informal activities is R97.5. The average income per poor employed is R726.41. For the self-employed, the average income amounts to R562.61 per receiver. The lack of employment opportunities means that the poor have to live by doing piece jobs.

The expenditure analysis reveals that all households in Bophelong spend a major portion of their income on food (36%) and transport (10.5%). Other items include washing powder, coal, milk, vegetables, meat, bread, and paraffin. Although these products are bought within Bophelong, none of them are produced in or around the area. The total expenditure on these items amounts to R40.6 million per year. If some of these products could be made in Bophelong, the spin offs through the multiplier effect would be an increase in employment opportunities and the reduction of the poverty rate.

The analysis of the education profiles brought the following findings to the fore: the poor have relatively lower qualifications than the rest of the Bophelong population. Of the poor post-school population, 16.9% have a qualification of Grade 12 or higher, compared to 22.8% for the population as a whole. The population with a degree or diploma living in poor households is only 1.3%,

compared to 3.1% for the population as a whole. Low skills levels, in combination with low educational levels, severely disadvantage the poor when competing for jobs. This fact is further compounded by the fact that 25% of all households migrated to the Vaal Triangle (Bophelong) within the last ten years. This population has put a strain on the ability of the region to reduce unemployment figures, and more pressure on service delivery within the area.

In-depth interviews were conducted amongst the poorest of the poor population. The analyses of the poor of Bophelong shows that these poor are living in abject poverty. Their expenditure pattern shows a small market of household items that are considered necessary for subsistence. Maize meal forms a major portion of their expenditure. For the poor, the average amount monthly spent on maize meal is R60, R50 is spent on vegetables, R40 on milk and R35 for washing powder.

The meals the poor have consist of porridge, vegetables and milk. Fifty per cent of the sample population have porridge (which is cooked maize meal) and vegetables or milk for breakfast. A further 10% said that even having a simple meal of porridge in the morning would stretch the budget too far.

Their refuge against hunger in the morning is to have a fermented maize drink and wait until midday to have some solid meal. The usual practice is to try to have two meals per day in order to ensure extended consumption of the different household items. Living in poverty has pitilessly taught the poor some harsh survival mechanisms. The poor borrow things like a cup of cooking oil, salt or maize meal from neighbours.

Furthermore, when neighbours or the poor have formed the so-called friendship in subsistence, some of the items that are borrowed are not necessarily returned. The usual situation is that if one lent one's neighbour something, the expectation is that he has now a place to go in the future when times are tough and there is something needed in the family.

The depth of poverty was evident in certain quarters of the township when a number of households said that they are so much in dire poverty that they have to

fry porridge with animal fat in order to make a meal. Some households go to the open field to search for wild vegetables to cook for the family, and a further 20% of respondents constantly sleep on empty stomachs.

There were repeated instances of children not attending school on accounts of poverty. Eight per cent of poor households have children at home because they cannot afford the cost of taking them to school. In some cases, the children were not able to attend school because of non-payment of school fees, and because there was no money for clothing and food.

The importance of government grants was highlighted. The child support grants were appreciated, but concerns were expressed with the amount, and the same views were uttered for the state old-age pension. The basic income grant as a safety net was highlighted, the poor unanimously support the idea and suggest R120 per month be given on average.

Crime and its impact on the community of Bophelong was also analysed. The aim was to let the poor tell their story about crime and how they perceive it. Through meticulous interview techniques, the poor's trust was generally won. They responded to all questions; even those that might seem sensitive. For that reason, it is the conclusion of the researcher that the views of the poor on this matter truly reflect their beliefs and opinions about crime.

The following findings were made; these include findings from interviews conducted in 2003. Eighty-six per cent of the poor of Bophelong in 2004 said that they feel safe in their neighbourhoods; this corresponds to the results of interviews conducted in 2003 for the total population. Seventy-seven per cent of respondents in 2003 said that they had not been affected by crime within the twelve months preceding the interview. Of those who have been affected by crime, 26% said that they have been affected by assault, 5% rape, 1% murder and other kinds of crime (8%). The kind of crime that seems to have affected the inhabitants of Bophelong most are robbery and/or theft (60% of households).

There were no fears of unruly behaviour among the poor who formed the second phase of the interview process. The only concern was the fact that many young people are unable to find jobs and that would, in the future, create problems for the community. Forty per cent of respondents said that young people want things to happen in an instant, and are not prepared to toil in order to reach their goals.

This seems to align with Hagan's citation that as a result of this goal-means gap, delinquent subcultures are often formed by status-frustrated individuals. Within these subcultures, values are constructed that often completely reject the norms and values held by the society as a whole. These subcultures achieve goals by way of illegitimate means because legitimate means are not available to them, in contrast to the middle and upper classes.

During the in-depth interviews, 8% of all respondents said that they see their poverty leading them to commit crime; 40% of whom had already been at the wrong end of the law because they have committed crime. Their motivation or involvement in crime was a result of influence from friends and the desire to get rich without the toiling necessary to succeed. Their repentance came after they spent some time in prison. Due to inaccessibility of crime statistics about the area, the study is not conclusive on the relation between poverty and crime within the area. The analysis is based on the opinions of the poor, and the manner in which questions on crime were answered.

7.2 CONCLUSION

The poor of Bophelong are full of optimism and hope for a better future. Their lack of adequate skills and the stringency of the labour market perpetuate their poverty. The poor have limited choices to supplement their income. Public works programmes together with skills development, aimed at poverty eradication, need to be prioritised. Alternatives for supplementing income need to be found in order to help the poor to sustain themselves, and eventually live meaningful lives within our societies.

The educational and skills level of the inhabitants of Bophelong necessitate youth training schemes, on-the-job training as well as structured work experiences in order to help phase young people into the labour market. Poverty levels in Bophelong can be reduced through targeted public works programmes. The following suggestions are made:

- An inward industrialization process focussed on a few products consumed in Bophelong may provide incomes to about 1 700 people.
- An estimated 860 unemployed persons, of whom 540 have some welding skills, are available for downstream (steel) manufacturing activities.
- An estimated 1 400 unemployed people with some skills in sewing are available for the manufacturing of clothing.
- An estimated 400 unemployed persons with some skills in gardening / farming are available for agricultural activities.

If the abovementioned opportunities could be focussed on the 7 700 poor unemployed persons of Bophelong at a minimum monthly income of R600 per person, the poverty rate could be reduced from 62% to 28% in the Bophelong community. At a minimum income of R1000 per person, the poverty rate would be reduced to 16%.

Table 7.1 shows the impact of job creation programmes at different wage levels on the headcount index and the poverty gap index. At a wage level of R200 for all the poor unemployed in Bophelong, the headcount index and the poverty gap index would be reduced from 61.8% and 0.48 to 53.3% and 0.36 respectively. At a wage level of R400, the ratios will be reduced to 41.0% and 0.28 for the headcount index and the poverty gap index respectively.

TABLE 7.1: IMPACT OF JOB CREATION PROGRAMMES		
Average wage level	Headcount index	Poverty gap index
RO	61.8	0.48
R200	53.3	0.36
R400	41.0	0.28
R600	28.3	0.26
R800	20.0	0.28
R1000	15.7	0.31

Source: Slabbert, 2003

The economic spillovers of all these programmes will go a long way in eradicating poverty and its associated problems within the area of Bophelong. The energy and enthusiasm of young people will be channelled into productive and rewarding activities, and therefore might reduce the propensity to being involved in criminal activities.

The susceptibility to commit crime is present among the poor of Bophelong, and as in any poverty-stricken area crime will generally be a problem. Some inhabitants (23%) of the Bophelong community have been affected by crime in 2003. The poor who formed part of in-depth interviews renounce the perpetration of crime. The police station in Bophelong is a satellite station, and this made finding of crime statistics for Bophelong very difficult. This reason therefore warrants further studies about poverty and its relation to crime within the area. It is worth remembering that, contrary to the myth rooted in many people's minds, poverty may not be a direct cause of crime. Poverty may erode social restraints where they exist, but it is unwise to make a generalisation that poverty causes crime. Offending is a matter of choice; criminals must accept personal responsibility for their decisions.

As researchers, scholars, governments, individuals and multilateral organisations we need to focus our energies and marshal our resources in a concerted effort in order to eradicate poverty and its associate tribulations. Poverty is about lack of access, income and resources to make choices and take advantages of

opportunities to better oneself. A people-centred approach to poverty alleviation needs to be adopted. The energy and assets of the poor are key human and social resources. The poor are the ones who have to suffer the brunt of poverty.

It is the finding of the study that a large percentage of the residents of Bophelong live below their poverty lines (62%). The distribution of households below the poverty line shows the degree of poverty within the area. 45.8% of all poor households receive incomes less than 50% of their HSL. Lack of alternatives to supplementing income compound the degree of poverty within the area. The poor want to better themselves, but there are no means to reach this goal. The breakdown of family structures, the challenges of the ever changing world, together with the lack of attaining self-reliance might result in the poor finding crime as an alternative.

Poverty may not be a direct cause of crime, but conditions of abject poverty may as well erode any social restraints where they exist and thereby lead people to live delinquent lives. Skills development, urban farming and well targeted public works programmes can reduce poverty levels within the area of Bophelong. The energy and skills of the community can be channelled into productive activities in order to build a vibrant and productive community.

7.3 RECOMMENDATIONS

The purpose of this section is to propose possible employment-generating strategies aimed at poverty alleviation. It should be emphasised that the strategies indicated need further and more detailed investigation.

7.3.1 Lending to the poor

The informal sector has seen unprecedented growth, and has become one of the largest contributors to sustenance of many households. The restructuring of financial assistance to the informal sector is essential for improving the income earning potential of people involved in the sector. The inequitable barriers to formal sector entry and the lack of financing for low-income earners seem to stall

the development process of small businesses. The study showed that, on average, households in Bophelong derive 13.2% of their income from informal activities. For the poor, 12.6% of total household income is derived from informal activities. Activities range from small scale manufacturing to the selling of fruits or vegetables on streets corners.

Informal and small-scale lending arrangements have long existed in many parts of the world, especially in the rural areas, and they still survive. Good examples are schemes in Ghana, Kenya, Malawi and Nigeria. They provide the population with access to savings within the local area and with a certain cushion against economic fluctuations, and they encourage a cooperative and community feeling (UN, 1997). The groups formed provide joint collateral and serve as instruments for spreading valuable information that is useful for economic and social progress. The UN (1997) further cites that all economies rely upon the financial intermediary function to transfer resources from savers to investors. In market economies, this function is performed by commercial banks and the capital markets. More widespread financial intermediation, as well as increasing depth and variety, are a hallmark of advancing development.

Banking facilities for people lacking access to them, by those who want to be self-employed, should be investigated more closely in South Africa; to give access to credit to the poor and simultaneously make productive use of loans.

7.3.2 Training, skills and education

Training and retraining to build up human capital and marketable skills, such as basic literacy and basic entrepreneurial skills, and training in non-traditional occupations for vulnerable groups, are critical to the integration of the poor into the labour market.

To meet this need, the Department of Labour's Skills Development Strategy for Economic Growth provides for funding of training by employers via a payroll levy, the establishment of a national skills authority to determine training standards, and a standardised system of learning (SA, 1997). The need for access to

information relating to these initiatives needs to be prioritised. The majority of citizens, especially the poor, need to be informed so that they can make best use of these opportunities.

For the Bophelong community, the majority of the poor unemployed are in their youth: Of the poor unemployed, 58% are between 20 and 35 years of age; 61.5% of all poor unemployed females and 52.2% of males. Slabbert (1997:189) suggests that youth training schemes, offering on-the-job training as well as structured work experiences can help phase young people into the labour market.

When it comes to education as a tool for empowerment, the World Competitiveness Yearbook ranked South Africa last out of 46 developing countries in terms of its human resources development performance and other labour market indicators in 1996. The country's poor record in the field of education and training was said to have been an important determinant of this (SA, 1997).

When it comes to school enrolments, the poor of Bophelong have a slightly higher percentage of primary school enrolments (60.58%), compared to 59.9% for the population as a whole. Eight per cent of poor households which were visited during the second interviews have children at home because they cannot afford the cost of taking them to school. Sometimes the reason was that the children were excluded because of non-payment of school fees. In other cases, it was because there was no money for school uniforms and food. Education is a basic human right that no one, especially children, should be deprived of.

The government propagates a policy of access to education for all. Proper monitoring of this policy should be implemented. In addition, feeding schemes should be introduced in order to reduce the burden on the poor and at the same time make it easier for young children to attend school.

7.3.3 Urban farming

One way to help alleviate hunger among low-income households may be through urban agriculture. The works of Egziabher *et al.* (1994) showed that urban agriculture has positive outcomes. These include providing employment, food supply, supplementing incomes and producing important nutrition not normally available for low-income households.

For the Bophelong community, Slabbert (2003) estimated that 400 persons were interested in agriculture/gardening. During the second interviews with 32% of the total poor population all the respondents said that they do not have food gardens in their backyards due to limited space, and that they are interested in urban farming to sustain themselves. The land identified along the Golden Highway (owned by the municipality) is ideally situated for the production of vegetables. There is a pipeline supplying water from the river to the industrial firm Iscor, adjacent to the land. The possibility of utilising water from the pipeline for an agricultural project needs to be investigated.

There is scope for utilising organic waste on plots. Smit and Nasr (1992:141) suggest that proper use of urban waste can transform an urban area from being only consumers of food and other agricultural products into important resource conserving, health improving, sustainable producers of these products. They further argue that what is important is a framework for evaluating the future potential and long-term sustainability of urban agriculture in different locations.

In addition to selling vegetables to the Bophelong community, vegetables could also be sold to customers along the Golden Highway. The creation of a market place along the Golden Highway where vegetables, arts and crafts, clothing and other products could be sold may provide both incentives and manufacturing possibilities to the Bophelong community.

7.3.4 Public works programmes

Standish (1992) cites the following reasons why public works programmes have positive direct effects in the short term:

- the provision of employment and income to those whose poverty is endemic;
- the provision of skills and training to the participants of a public works programme; and
- finally, public works programmes produce the infrastructure for economic development, e.g. schools, clinics, the extension and upgrading of roads, the building of low income housing, slum clearance and the development and extension of urban transport system.

Well-targeted public works programmes can play an important role in delivering services and infrastructure to the inhabitants of Bophelong, and can also provide income and skills training, thus building the assets of the poor. Job creation will have a major impact on the level of poverty. Most of the persons that have some kind of skill, would, if they would get the opportunity, prefer to get further training in the same field and would like to start self-sustaining activities in the same field.

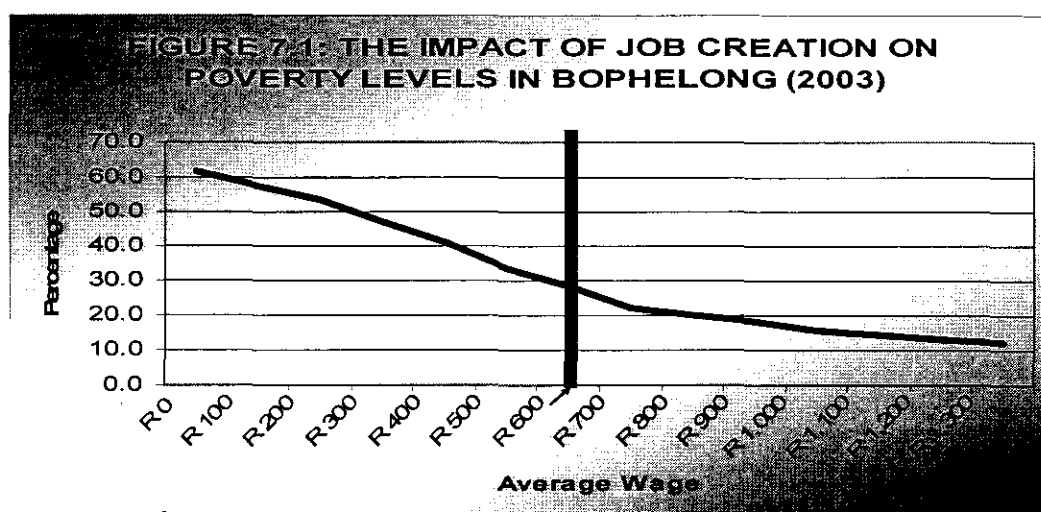
7.3.5 Inward Industrialisation

The unemployment rate for Bophelong was determined at 55%. The unemployment rate amongst the poor is 68.3%. The expenditure analysis showed that the residents of Bophelong consume maize meal amounting to R7.8 million per year. R1.2 million is spent monthly on meat (R14.3 million per year), R449 000 on vegetables (R5.4 million per year) and R320 000 on washing powder (R3.8 million per year). The total figure of these items amounts to R31.3 million per year.

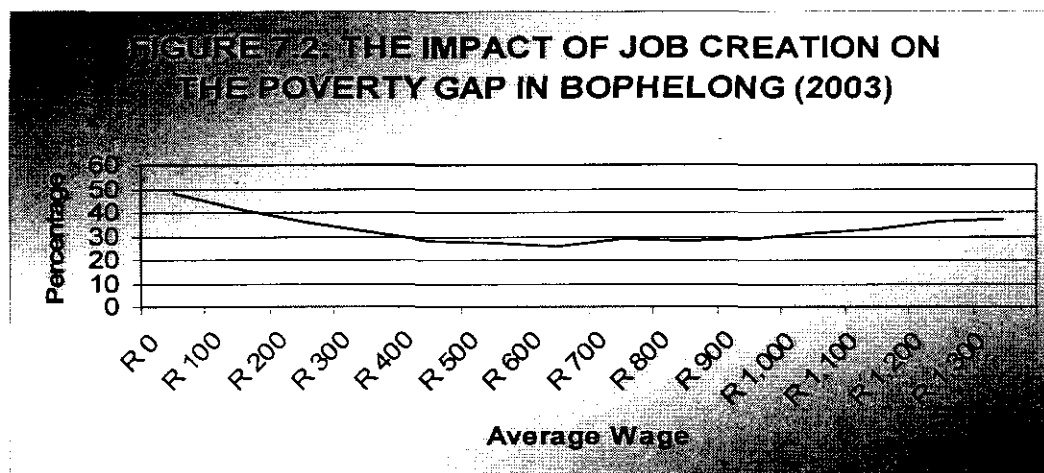
Ample opportunities exist for the production of products that are consumed by the community, if those interested could receive skills training, practical advice and financial support to initiate and start such activities. Assuming that some

unemployed poor residents could be assisted to form cooperatives or enterprises to produce the maize meal, bread, meat/chicken, vegetables and washing powder consumed by the Bophelong community, and that 30% of the turnover would be incomes to members/workers, the injection into the Bophelong community would be R1.02 million per month (R12.24 million per year), which could create jobs for 1 700 unemployed persons at a monthly wage of R600.

Figures 7.1 and 7.2 give a graphical representation of the impact of job creation on poverty levels and the poverty gap respectively. At an average income of R600 per month, 1 700 poor unemployed persons could be assisted in Bophelong in the above-mentioned inward industrialisation, decreasing the headcount index from 0.62 to 0.53. If an additional 6 000 jobs for poor unemployed persons could be created as domestic workers, welders, gardeners, textile workers etc. at an average income of R600 per month, the impact on the Bophelong community would be that the headcount index would be reduced from 0.62 to 0.28 and the poverty gap index from 0.48 to 0.26. When all the poor-unemployed would receive incomes of R1 000 per month, the poverty rate would decrease to about 16%. This implies that the percentage of households below their poverty lines would be reduced from the present 62% to only 28% and the average shortfall in income of the poor households would be reduced from 48% to 26%, provided all the poor employed get jobs at a monthly wage of R600.



Source: Slabbert, 2003



Source: Slabbert, 2003

It also appears that there are ample opportunities for an Inward Industrialisation Process, especially with regards to the production of maize meal, bread, meat/chicken and vegetables, and even washing powder. It is recommended that the production of these products on small scale with labour intensive techniques be investigated, as well as the skill requirements to operate such enterprises.

During an analysis of the area, Slabbert (2003) suggested a further expansion of the public works programme to cover areas which were identified under the skills level and requirements analysis of the area. Following are some of the suggestions that were made. From the analysis it appears that a large percentage of the unemployed in Bophelong were domestic servants. Their state of unemployment may be a result of private households that retrenched domestic servants out of fear for the implications of the labour legislation. Incentives that may stimulate the employment of domestic servants may help to decrease the number of unemployed.

7.3.6 Involvement from industry

As part of their social responsibility, industries could be approached to “adopt an enterprise” in the sense that they could help to establish one of the above-mentioned production units or alternatively identify downstream industries that will use some of their base products. About 7% of the unemployed (an estimated 860

persons in Bophelong) would, for example, like to be involved in welding activities to sustain themselves. The production of downstream steel products to provide opportunities for the unemployed needs to be investigated. Involvement by industry (for mentorship) and training institutions (in providing entrepreneurial and other skills) will be essential in establishing Small, Medium and Micro Enterprises (SMMEs) in the steel sector.

As sewing has a quite high priority on the preferred activities (estimated 1 390 persons) and skills training list, possibilities should be investigated for the establishment of SMME's in the clothing sector. Involvement of industry and training institutions will also be required to establish SMMEs. There is potential for employment creation and the reduction of poverty within the area. There is a need for a concerted effort in order to ensure the involvement of the poor in anti-poverty policies formulation. The level of skills of the unemployed poor will need to be considered when planning any employment project aimed at alleviating poverty.

7.3.7 Participation, Empowerment and Sustainability

Addison (2004) and his organization "Journey to Forever", foster the principles of **Participation, Empowerment and Sustainability**, which could be adopted by governments in the formulation, and implementation of policies aimed at poverty alleviation. These principles can serve as a platform to build vibrant urban areas.

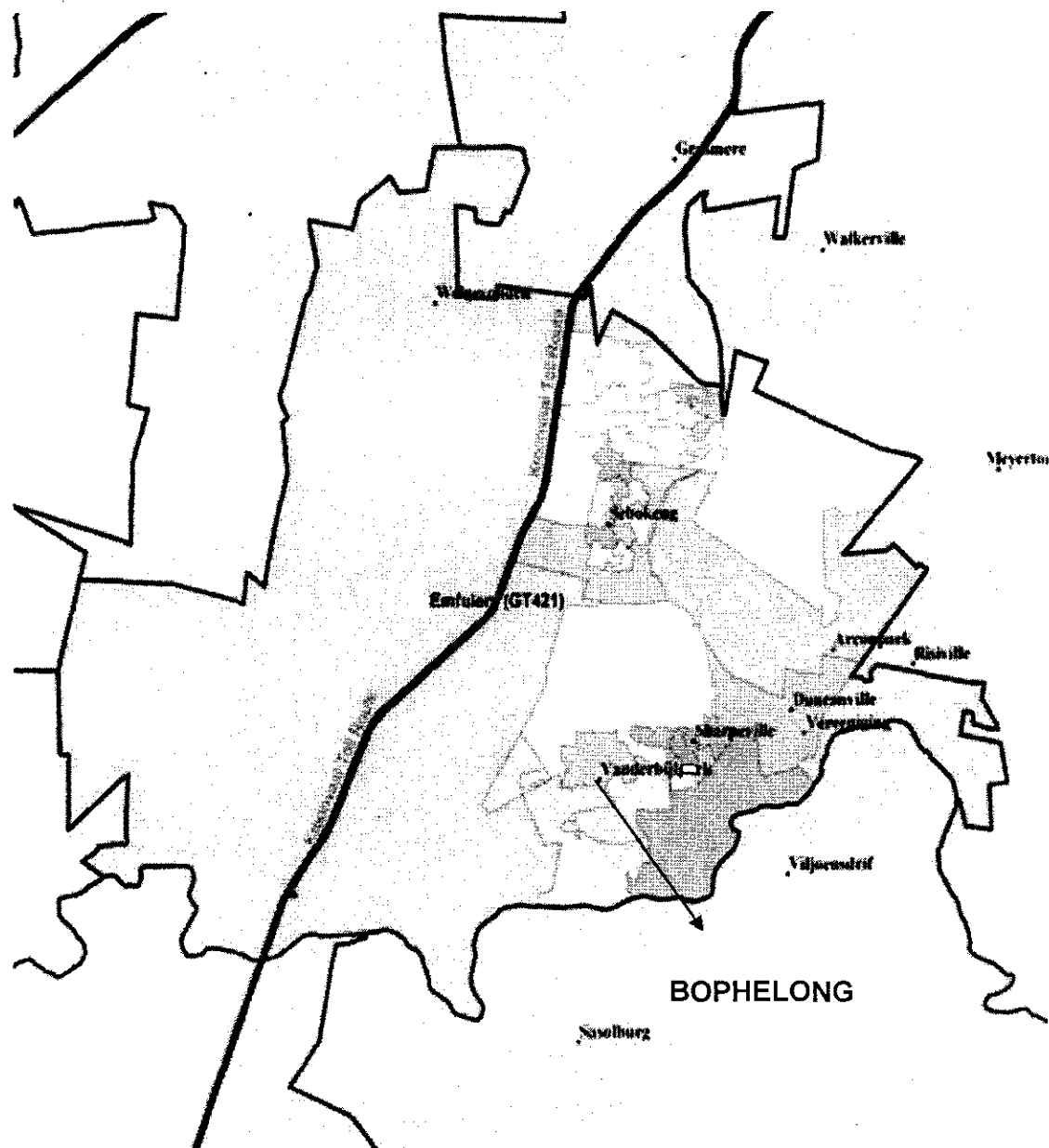
Participation. All projects need to involve the beneficiaries at each stage of the project. Participation means that the poor people themselves are involved in identifying the problems they face, determining ways to overcome them, designing realistic plans to achieve these goals, and carrying them out. Solutions devised and fulfilled by the people in need are far more likely to prove successful than those imposed from outside.

Empowerment. From participation grows empowerment. People who truly participate in their own development are permanently strengthened. As well as better incomes, projects help to improve the skills and the experience of those involved. The project should also help build up more self-confidence and hope in

the participants - confidence that they can make a difference and that they can improve their lives. If projects can give poor people confidence, hope, dignity and strength, this will strengthen people more than any short-term financial help could ever do.

Sustainability. Participation and empowerment seek to ensure that projects bring lasting changes that will strengthen people's ability to fend for themselves and improve their lives long after the project has ended. Therefore, another key principle is sustainability - a long-term approach that seeks to understand and respect local conditions. Projects need to draw on the vibrant cultural traditions of the people they are intended for, and should give a voice to all members of the community. Projects must ensure that the natural resources and the environment of the people are protected and sustained.

ANNEXURE A: EMFULENI MUNICIPAL AREA



Source: Demarcation, 2004

ANNEXURE B: BOPHELONG HOUSEHOLD QUESTIONNAIRE: SEPT. 2003

N.B.: The information in this questionnaire will be treated in strict confidence.

BOPHELONG	Section: Old / RDP / shack	Date:	Questionnaire no:
Street:	House number:	Interviewer:	

Please note that the Head of the Household should preferably answer this questionnaire.

A: BACKGROUND INFORMATION

1. What is the position of the respondent in the Household? Cross *

Head of household	Spouse or child	Extended Family member	Boarder
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2. How many housing Units are on the site?

3. How many people stay permanently on the site?

4. How long have you (respondent) stayed in the Vaal Triangle (years)?

B: ENVIRONMENTAL

5. How do you feel about the environment in which you stay? (Mark 2 options) *

1. It is clean and pleasant	2. It is littered, untidy and dirty	3. Indifferent – No opinion	4. Something should be done to clean it	5. It can be left as it is
-----------------------------	-------------------------------------	-----------------------------	---	----------------------------

6. If you feel it should be cleaned up, who should take the initiative and responsibility? (* More)

1. The Municipality	2. A street Committee	3. Every person should be made responsible	4. A campaign should be organised	5. Other: (explain)
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7. If you would have the money, what would you be prepared to pay monthly to have your environment cleaned up?

8. How do you experience, especially in winter, the smoke levels (air pollution) in your area? *

1. Not affected	2. Slightly affected	3. Affected	4. Badly affected	5. Unbearable (Severely Affected)
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9. If you are making fire for cooking & heating purposes, would you like to be introduced to technologies that will reduce the smoke levels at your house? *

1. Not making fire: using electricity for cooking & heating	2. Making coal / wood fire: but not interested	3. Making coal / wood fire: And Interested	4. Using paraffin: Not interested	5. Using paraffin: Interested
---	--	--	-----------------------------------	-------------------------------

10. If you would have the money, what would you be prepared to pay monthly to have your environment smoke-free?

11. How do you experience, especially in winter, the dust levels in your area? *

1. Not affected	2. Slightly affected	3. Affected	4. Badly affected	5. Unbearable (Severely Affected)
-----------------	----------------------	-------------	-------------------	-----------------------------------

12. If you would have the money, what would you be prepared to pay monthly to have your environment dust-free?

13. Especially in the spring & summer some people are using amplifiers to make loud music. How are you affected by this in your area? *

1. Not affected (quiet in the area)	2. I hear it but I don't care (accepting it)	3. I hear it and it is affecting me (don't like it)	4. I hear it and I am badly affected	5. I hear it and it is unbearable (severely affected)
-------------------------------------	--	---	--------------------------------------	---

14. If you feel that something should be done in your area to reduce the noise levels, who should be responsible and what should be done? (Mark * more than one option)

1. The Municipality should control & restrict people to play loud music	2. The police should control & restrict people to play loud music	3. A street committee should control & restrict people to play loud music	4. People who disturb the neighbourhood with noise should be fined / punished	5. The instruments of those who disturb the neighbourhood should be confiscated
---	---	---	---	---

15. If you would have the money, what would you be prepared to pay monthly to have your environment quiet?

15. Has any person in your household been a victim of crime in the last 12 months?

16. What kind of crime? (Can mark * more than one option)

1. Assault	2. Robbery	3. Rape	4. Murder	5. Abduction	6. Other
------------	------------	---------	-----------	--------------	----------

C: CONSUMPTION

17. How much of the following items do you buy per week/per month & about how much do you spend on these items per week/per month?

Product	Kilogram s / litres per week	Kilograms / litres per month	Rand per week	Rand per month	Town ✓	Township ✓
1. Maize Meal						
2. Bread						
3. Meat / chicken						
4. Vegetables						
5. Milk						
6. Washing powder						
7. Coal						
8. Paraffin						

18. How does your household spend your income monthly?

Item	Rand p.m	Name shop	of Town *	Township	
Housing (Rent/Bond)					1
Water					2
Electricity					3
Other (coal, paraffin etc)					4
Food					5
Cleaning material					6
Cigarettes & Tobacco					7
Beer, wine & spirits					8
Transport					9
Clothing					10
School					11
Entertainment					12

Medical expenses					13
Investment/Unit trusts/Insurance					14
Gambling					15
Savings					16
Licences (eg. Tv, Vehicle)					17
Rates & Taxes					18
Property tax					19
Income tax					20
Housekeeping services (e.g Garden)					21
Telephone/cell phone					22
Car repayment					23
Loans					24
Furniture					25
Other: Specify					26

D: EMPLOYMENT & EDUCATION STATUS

Complete in respect of all members of the household (Refer to Code List)

1. Number of people in the household	1	2	3	4	5	6	7	8
2. Composition of members (Father, Mother, Son etc)								
3. Age of each member in years								
4. Sex (Male = 1; female = 2)								
5. Marital Status								
6. Qualifications (still at school)								
7. Qualifications (not at school)								
8. Employment Status								
9. Sector of employment								
10. (10 – 17 for <u>unemployed</u> only) Skills of the unemployed								

11. Duration of unemployment in years								
12. Willingness & Sectors person would like to get Skills Training								
13. What is the Unemployed doing presently								
14. Do you have matric exemption?								
15. If persons would like to study further: preferences								
16. Preferences to start self-sustaining activities								
17. Minimum wage required to take a job								
18. Income: Wages/salaries per month (Take home pay)								
19. Pension/Remittance								
20. Grant from Government for children								
21. Help (family/relatives/etc)								
22. Informal activities (eg. SMME)								
23. Subsidies (eg. Housing)								
24. Interest/dividends								
25. Other (Specify)								

19. Do you / your household have a vegetable garden?

Yes	No
-----	----

20. Would you / your household be interested in receiving assistance to start a food garden in your yard?

Yes	No
-----	----

21. Would you / your household like to be involved in community food garden project?

Yes	No
-----	----

24. How often do you receive information on community services (such as the clinic, library, sporting events, refuse removal & community development projects) from the following sources:

Source	Never	Seldom	Sometimes	Regularly
Meetings with my ward's councillor	1	2	3	4
Meetings with ward committee	1	2	3	4
Social gatherings	1	2	3	4
At church (please specify which church):	1	2	3	4
Newspapers (please specify):	1	2	3	4
Radio (please specify which radio station/s):	1	2	3	4
Posters	1	2	3	4
Pamphlets	1	2	3	4

25. How would you prefer to receive information about community services (via which medium)?

26. How often does your ward councillor / ward committee consult you on your needs regarding community services?

Never	Seldom	Sometimes	Regularly
1	2	3	4

27. If you do get consulted, in what way do they consult you?

28. Describe your general feeling towards the Emfuleni Municipality?

Very negative	Negative	Neutral/Don't know	Positive	Very positive
1	2	3	4	4

29. In what way do you think can large corporates such as ISCOR get involved in community development projects in Bophelong?

THANK YOU FOR YOUR COOPERATION!

ANNEXURE C: BOPHELONG IN-DEPTH INTERVIEWS

QUESTIONNAIRE: AUG. 2004

Questionnaire number	House number

1. Do you consider yourself poor? **Yes** **No**

2. How would you define poverty?

.....

.....

3. Do you think your income is enough to meet the needs of your family? **Yes** **No**

4. Do you receive any donations of cash from friends or family? **Yes** **No**

Relation	Times per month/per year	Amount

5. Do you borrow money from friends and family? **Yes** **No**

Relation	Times per month/per year	Amount

6. Do you borrow money from cash loans? **Yes** **No**

Times per month/per year	Amount

7. If you could have R20, what would you buy with it?

Name	Kg/ml etc.	Rand value

8. Name the main foods/household necessities you buy in a week?

Name	Kg/ml etc.	Rand value	No: of times

9. Have you received donations of food from neighbours in the last month? **Yes** **No**

Name	Kg/ml etc.	Monetary value	No: of times

10. Do you borrow food/household items from neighbours/friends? **Yes** **No**

Name	Kg/ml etc.	Monetary value	No: of times

11. Name the meals that your family have per day?

Breakfast :

Lunch :

Supper:

12. Which household member is responsible for food preparation? **Mother** **Other**

13. How much do you spend on clothes?

Amount	Times per year

Grants:

14. Do you think the pension grant is enough? **Yes** **No**

If No, by how much should it be increased?

15. Do you think the money for the child support grant is enough? **Yes** **No**

If No, by how much should it be increased?

16. Since the payment of grants, do you think the money has in any way made/influenced girls to get pregnant knowing that there is money to earn in the form of child support grant? **Yes** **No** **No opinion**

17. Do you think girls, in particular, are less careful when engaging in sexual activities because the government gives child support grants?

☐ Yes ☐ No ☐ No opinion

18. Do you think the child support grant money is used to provide for the needs of the child?

☐ Yes ☐ No ☐ No opinion

19. If the grants were to be increased, say to be R500 per month, would that lead to increased cases of teenage pregnancy?

☐ Yes ☐ No ☐ No opinion

Basic income grant:

20. Do you think the government should give a basic income grant?

☐ Yes ☐ No ☐ No opinion

If yes, amount per month

21. What should be the criteria for qualification?

.....
.....

22. Do you engage in gambling?

☐ Yes ☐ No

23. In which of the following do you gamble?

☐ Lotto ☐ Others

Avg amount you gamble /month

24. If you don't have money to buy food for the household what do you do?

.....
.....

25. There are people who say that they engage in illegal activities because they don't have money to buy food or because their children are starving. Do you think that is fair/right?

☐ Yes ☐ No ☐ No opinion

26. Would you engage in an illegal activity to have money to support your family?

☐ Yes ☐ No ☐ No opinion

27. Have you ever engaged in an illegal activity because you did not have food or money to buy food for the household? i.e. ☐ Yes ☐ No ☐ No opinion

☐ Robbery/theft ☐ Abduction ☐ Others
28. At a certain time in your family life, has there ever been a thought in your mind to engage in an illegal activity because your family did not have money to buy their necessities? ☐ Yes ☐ No ☐ No opinion

29. Would you tell your child to commit an illegal activity, e.g. robbery/theft if you don't have money in the household? ☐ Yes ☐ No ☐ No opinion

30. Do you feel safe in the neighbourhood? ☐ Yes ☐ No

31. Would you report a crime if you see it being committed? ☐ Yes ☐ No ☐ No opinion

32. Do you have a cell phone? ☐ Yes ☐ No

33. Is there a public telephone nearby? ☐ Yes ☐ No

34. Who are the people who mostly engage in criminal activities? ☐ Male ☐ Female

Explain.....

35. What is the reason for the high crime rates in South Africa?

1.....

2.....

36. Do you smoke? ☐ Yes ☐ No

☐ If yes, amount per week/month

37. Do you drink alcohol? ☐ Yes ☐ No

☐ If yes, amount per week/month

38. Do you have enough money to support your children in school? ☐ Yes ☐ No

39. Do you have any children at home because you do not have money to send them to school? ☐ Yes ☐ No

Explain:.....
.....

40. Don't you think is better if they go to school to learn how to read and write,
and then look for a job to support the family? ☐ Yes ☐ No

41. Why did you send your children to school?
1.....
2.....

42. What would you like your children to be when they finish school?
1.....
2.....

43. Do you think your children will be able to find a job when they finish school?
☐ Yes ☐ No ☐ Do not know

44. Do you think the government is doing enough to create jobs?
☐ Yes ☐ No ☐ No Opinion

45. Do you know any employment generating programmes initiated by the
local government in your area? ☐ Yes ☐ No

Type of programme:.....

46. Do you have a garden? ☐ Yes ☐ No

If no, why not:.....

47. Would you like to get involved into gardening to sustain yourself? ☐ Yes ☐ No

48. Is there a hope for a better life for all in South Africa? ☐ Yes ☐ No ☐ Do not know

49. What is your dream of South Africa?
.....

THANK YOU FOR YOUR COOPERATION

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