PERCEIVED CAUSES OF POVERTY IN A SOUTH AFRICAN TOWNSHIP

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DECLARATION

I, GARIDZIRAI RUFARO declare that PERCEIVED CAUSES OF POVERTY IN A SOUTH AFRICAN TOWNSHIP: A CASE OF KWAKWATSI is my own work and that all the resources used or quoted have been duly acknowledged by means of complete references and that I have not previously submitted the dissertation for a degree at another university.

Student:

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DEDICATION

"True education does not ignore the value of scientific knowledge or literary acquirements; but above information it values power; above power, goodness; above intellectual acquirements, character" Ellen G White

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ABSTRACT

The main aim of this study was to investigate the perceived causes of poverty in a South African township of Kwakwatsi. The objective of the study was to investigate if the participants perceived causes of poverty in individualistic, structural and fatalistic terms. Furthermore, the study investigated the impact of socioeconomic factors on the residents' perceptions of the causes of poverty. In achieving these objectives a quantitative research technique was adopted. A sample size of 225 households was interviewed using a questionnaire.

A literature review indicates that poverty is a multidimensional concept alluded to a number of causes. People tend to blame external forces, government and themselves for being poor. In an attempt to investigate the perceived causes of poverty in the area, a scale developed by Joe Feagin was used. The scale groups causes of poverty into; individualistic, structural and fatalistic. Individualistic perceptions puts the blame for being poor on the individual, while structural factors is when individuals blame the economic and political forces, and fatalistic factors is when individuals blame unexpected events, such as illness and accidents for poverty. In addition, the study employed a linear regression model to analyse the relationship between perceived causes of poverty and socio-economic variables.

There were more male than female headed households in Kwakwatsi. Few household heads obtained tertiary education while others never attended school. Regarding the employment status, a large number of the participants were found to be informally employed. Those who were unemployed possessed skills such as retailing, building, catering, and hairdressing. The majority of the unemployed are looking for jobs while others are helping with chores at home.

Further analysis revealed the individualistic index as the most dominant, implying that residents of Kwakwatsi blame the individual for being poor. A reasonable number of participants also viewed poverty in structural and fatalistic dimensions. In the regression analysis; age, marital status, education, gender and employment status were significant predictors of the individualistic index. For the structural index the following factors were statistically significant: gender, age, income, education and employment status of the household head. In addition, age, education and

employment status are found to be significant predictors of the fatalistic index. It was interesting to note that the variable for household size had no significant in all the three indices.

Kwakwatsi is regarded as a poor area and the majority of the participants in this study blame the individual for being poor. This provides an opportunity for the government to partner with the community in the upliftment of the area. Further analysis can compare the perceived causes of poverty and the socioeconomic/ poverty status of the individual.

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LIST OF ABBREVIATIONS

EAPN   European Anti -Poverty Network

EU   European Union

EUC   European Commission Union

FGT   The Foster-Greer-Thorbecke (FGT) measure

FPL   Food Poverty Line

HI   Household Index

ILO   International Labor Organization

KMO   Kaiser-Meyer-Oklin Measure of Sampling Adequacy

MDGS   Millennium Development Goals

PCA   Principal Component Analysis

PPS   Perceptions of Poverty Scale

S.A   South Africa

SAGCS   South Africa Gold Coin Store

Stats S.A   Statistics South Africa

SPC   Social Policy Connections

UN   United Nations

UNICEF   United Nations Children Funds

UNHDR   United Nations Human Development Report

CHAPTER 1: BACKGROUND OF THE STUDY

1.1   INTRODUCTION

Poverty is one of the major problems facing human kind today. Poverty has been associated with suffering, diseases, and deaths (Seimenis, 2012:1). A report by the United Nations (2012) concluded that more than three billion people in the world were living under extreme poverty. Haydar (2005:240) mentioned that a large part of the world's population lack the basic commodities for survival, such as food, shelter, clothing, energy and medicine. Although the challenge of poverty has been dominant in both developed and developing countries, it is more common in sub-Saharan Africa (Gafar, Adeyani & Raheem 2009, Human Development Report, 2012). Based on $1.25 per day poverty line, about 65% of Sub-Saharan Africa's population was said to be living in poverty in 2011 (World Bank, 2011). The Human Development Report (2012) found that the majority of poor countries are in Sub-Saharan Africa. Some of the countries mentioned in the report include Zimbabwe, Uganda, Rwanda, Malawi and Burundi. With regard to South Africa, a study by the World Bank (2011) found that almost half of South Africa's population are living under poor conditions. A report by UNICEF (2012) indicates that poverty in South Africa is rising.

Despite prevalence of poverty in many parts of the world, there are contrasting views on what the concept of poverty entails. The general consensus is that poverty is a multidimensional concept and has alluded to a number of causes such as socio-economic, demographic factors, corruption and structural problems (Davids, 2010; Lopez, Gurin & Nagda, 2008, White & Killick, 2001). However, people tend to blame and perceive some factors as the causes of their poverty. The causes of poverty are generally grouped into: structural, individualistic and fatalistic dimensions (Bullock & Waugh, 2005: 1133, Hajnal, 2007:560, Shek, 2004:273). Individualistic factors are when individuals blame themselves for being poor, structural factors are when individuals blame the economic and political forces and fatalistic factors are when individuals blame unexpected events, such as illness and accidents for being poor (Davids, 2010:8).

Individualistic, structural and fatalistic perceptions of the causes of poverty are influenced by socio-economic and demographic factors such as race, education,

employment status, income, cultural beliefs and age (Davids, 2010). Halman and Oorschot (1999:3) found that Finns blamed the flaws and lack of labour markets as causes of poverty compared to individuals and social injustice factors. In Finland structural factors were perceived the most important determinants of poverty. It was also found that the employed Latinos minorities were inclined to individualistic factors, while the same Latinos inclined themselves to structural ones when they compare themselves with the upper class (Hunt, 1996:310). A later study by Hunt (2004:843) found that the Latino's perceived causes of poverty can be grouped into structural and individualistic dimensions.

Empirical studies done by Hamel, Brodie and Morin (2005:352) and Aliber (2002:2) found that race is one of the distinguishing factors in the understanding of how people perceive causes of poverty in South Africa. These studies indicated that whites and coloureds were inclined to fatalistic factors while blacks were more inclined to structural factors. Moreover, employment was found to influence people's perceptions of the causes of poverty. Davids (2010) observed that those who were employed perceived the causes of poverty as individualistic while those who were not employed perceived causes of poverty in structural terms. Employed respondents blamed themselves by seeing poverty as a condition caused by their work ethic and attitude towards work. The unemployed felt that poverty was due to bad luck and had little influence on their social economic status. Similarly, Sun (2001:167) observed that social work students have different views on perceived causes of poverty. White social work students perceived poverty in structural terms, while non-social work students were inclined to blame individualistic factors for being poor.

Overall, studies on the perceptions of the causes of poverty have reached different conclusions. Understanding the perceptions of the causes of poverty can increase our knowledge of the subject matter. This research will focus on how township residents perceive the causes of poverty and how socio-economic and demographic factors influence their reported perceptions. Findings from this study might assist policy makers in developing more targeted programmes aimed at poverty alleviation.

1.2 PROBLEM STATEMENT

Poverty is attributed to many causes, such as overpopulation, environmental degradation, lack of education and economic and demographic trends, shortage of job opportunities and individual responsibility and welfare dependency. Gafar et al., (2009) found that Africa is mainly affected by a shortage of skilled labour, scarcity of natural resources and location disadvantages, structural adjustments, a change in economic policies and natural disasters, such as wars and earthquakes. Moreover, in South Africa poverty cannot be divorced from the non-default apartheid system, which brought unequal distribution of resources (Bhorat & Kanbur, 2003:43). The observed impact of poverty includes an environment where child abuse, debt pressure, an increase in crime and education deprivation is prevalent (UNDP, 2003). According to Haydar (2005:240), a "significant number of people in the world today live under conditions of extreme poverty and most of them lack access to basic goods such as food, water and health care". A general view is that all returns should be amassed on the eradication of poverty. Haydar (2005:240) alludes to the importance of research in understanding what it means to be poor.

The Millennium Development Goals (MDGs) that emerged from the UN Millennium Declaration has the goal of reducing poverty among the more than 1 billion poor people worldwide by 2015 (UN, 2005). Despite widespread poverty and the commitment from the vast majority of countries there is no agreement as to who is supposed to do what and when to achieve the goal of alleviating poverty. This has resulted in many questions: why poverty? What are the causes? Who is to blame? What are the solutions to poverty?

Davids (2010) noted that understanding people's view about poverty can aid the government and the non-governmental organisations to minimise its impact. Empirical research shows that studies in South Africa focused on what poverty means, what are the causes of poverty, and what are the solutions to minimise poverty (Noble et al., 2007:117, Wright, 2008:2). There is scarcity of studies on the perceived causes of poverty, and those available are mainly based on national surveys/ data (Shek, 2004; Davids 2010). Of the few studies done it was concluded that South Africans perceived the causes of poverty in structural terms. This study will be at a household level and on existing findings on poverty in South Africa by

modelling and determining the perceptions of the causes of poverty amongst households in a semi-urban township of Kwakwatsi, South Africa. The results of the study can be used as a reference source for understanding the dynamics of urban poverty in a typical South African township.

1.3 GEOGRAPHICAL AREA OF THE STUDY

Although poverty affects most areas of South Africa, Kwakwatsi will be the focus area of the study. The area is a former black residential township located approximately 180 km south of Johannesburg and 280 km north of Bloemfontein in the Free State province of South Africa. The area is part of the Ngwathe Local Municipality, with its head office in Parys (Ngwathe Municipality, 2009). The area could be classified as a semi-rural township, with little economic activity. The nearest industrial town of Sasolburg is 70 km away. The estimated population size of Kwakwatsi is 15 095. A study by Sekhampu (2012) found increased incidents of poverty in the area. Of the sampled households, 50% were found to be poor. On average, poor households have an income shortage of 56% of their poverty line when using the lower bound poverty line. This, therefore, provides ample ground for testing the perceptions of these residents on what causes poverty.

1.4 OBJECTIVES OF THE STUDY

The following objectives have been formulated for the study:

1.4.1 Primary objectives

The primary aim of this study was to analyse the perceived causes of poverty amongst households in Kwakwatsi.

1.4.2 Theoretical objectives

In order to achieve the primary objective, the following theoretical objectives were formulated for the study:

- to define poverty as a concept;
- to conduct a literature review on various measures of poverty;
- to review the literature on poverty theories;
- to review the literature on perceptions of poverty; and

- to conduct an empirical literature review on the effects of poverty.

1.4.3   Empirical objectives

In accordance with the primary objective of the study, the following empirical objectives were formulated:

- to determine whether poverty is viewed in structural, individualistic and fatalistic dimension;
- to determine how socio-economic factors such as race, geographic location, educational level, gender and employment status impact on the reported perceptions of the causes of poverty.

1.5   LITEREATURE REVIEW

This section comprises a theoretical review and an empirical study.

1.5.1   Theoretical review

The theoretical review on the perception of the causes of poverty was conducted using textbooks, journal articles, newspapers, articles, government publications, dissertations and previous studies. Books and articles enabled the review the theory of perceptions of poverty.

1.5.2   Empirical study

The empirical analysis of this study comprises a review of previous empirical studies on issues related to poverty.

1.6   RESEARCH DESIGN AND METHODOLOGY

A quantitative research method was used to analyse perceptions of the causes of poverty and a questionnaire survey method was used to obtain the required information.

1.6.1   Research design

This section outlines the design used in this study. A quantitative research design was deemed fit and suitable for the purposes of this study.

1.6.2   Sampling process

A sampling process comprises the target population, sampling frame and technique as well as the sample size.

1.6.2.1   Target population

The target population are residents of Kwakwatsi Township. The approach to be used is as follows:

Element: comprises both male and female head households;

Sampling unit: Kwakwatsi Township households;

Extent: Free State Province, South Africa;

Time: 2013.

1.6.2.2   Sampling frame

The sampling frame of the study comprises households residing in the Kwakwatsi Township.

1.6.2.3   Sample size

A sample size of 200 questionnaires is deemed sufficiently large for the study (MacCallum & Preacher, 2001).

1.6.2.4   Sampling procedure

The respondents in Kwakwatsi were randomly selected from the sampling frame of Kwakwatsi Township residents.

1.6.3   The measurement of the perceptions of the causes of poverty

A Perceptions of Poverty Scale (PPS) was adopted from Feagin (1975) to measure the perceived causes of poverty in this study. Minor modifications were made to the PSS to suit the purpose of the current study. A questionnaire protocol was followed as a primary means of data collection. The questionnaire consists of two sub sections, Section A- questions addressing households' perceptions of poverty causes as structural, individual and or fatalistic indices. The section comprises 12 questions where each index is captured by a set of questions and households had to

either agree or disagree. All the items in section A were measured on a five point Likert scale, with anchors ranging from 1- strongly disagree, 2- disagree, 3- neutral, 4-agree and 5- strongly agree. Section B comprise questions related to socioeconomic factors, such as education level of the household, employment status of the household, income level of the household, age of the household and gender of the household. The purpose of Section B was to determine how these socio-economic factors influence households' perceptions as to the causes of poverty.

1.6.4   Factor analysis

Factor analysis is a statistical method used when interpreting questionnaires (William *et al.*, 2012:2). This is a method used to analyse the interrelation between variables (DeCoster, 1999). More so, it determines the nature of a relationship between variables (Beavers *et al.*, (2013:1). Two methods are used to determine the nature of a relationship: exploratory and principal component analysis (Suhr, 2005:1). In order to establish the relationship between perceptions of poverty, twelve perceptions of poverty factors were grouped into three factor components, namely, individualistic, structural and fatalistic perceptions of poverty (Davids, 2010). This was done using the statistical software SPSS. The individualistic factor component was composed of five factors; structural was composed of four factors while fatalistic was composed of three factors. Moreover, each factor component was evaluated for dimensionality and reliability through the factor analysis (Davids 2010). The higher the factor of perceptions of poverty the greater it is inclined to the factor component.

1.6.5   Linear regression model

Once perceptions of the causes of poverty were identified, linear regression and correlation was used to identify the effect of the socio-economic factors on the identified perceptions. Gujarati (2004:18) defined linear regression as the study of one dependent variable and more than two independent variables. Regression analysis was used to analyse the relationship between a dependent variable and independent variables. More precisely, it identifies and characterises the nature of the relationship among variables, estimates variables as well as predicting their behaviors. Furthermore, Correlation was used to measure the strength of the socioeconomic and the perceptions of the causes of poverty. The dependent

variables of this study comprised the three perceptions of poverty: individualistic, structural and fatalistic, while, socio-economic and demographic variables were the independent variables. The gathered data of all these variables was analysed using STATA 11 software package, with the aim of describing the nature of the relationship. The study used all the three models to explain if factor analysis shows that all three factors are significant. These models are illustrated below:

Y= perceptions of poverty (Individualistic, structural and fatalistic)

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \epsilon \ldots\ldots\ldots\ldots (1)$$

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \epsilon \ldots\ldots\ldots\ldots (2)$$

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \epsilon \ldots\ldots\ldots\ldots (3)$$

The three linear regression models above represent perceptions of poverty as structural (1), individualistic (2) and fatalistic (3) respectively. The model implies that the probability of people perceiving poverty in structural, individualistic and fatalistic terms depends on individual socioeconomic characteristics such as income, employment, age, and marital status, gender of the head, household size, and education level of households. The following are the explanatory variables for the study:

X_1= Income level of the household head

X_2 = employment status of the household head

X_3 = age of household head

X_4 = Education level of the household head

X_5 = marital status of the household head

X_6 = number of children of the household head

X_7 = household size

X_8 = gender of the head

α = intercept

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8$= the coefficients.

1.7   ETHICAL CONSIDERATIONS

This study was in line with the ethical standards of academic research. Information was obtained from the head of the household. Information obtained from the respondents was kept in strict confidence and the participants were not required to write their names.

1.8   CHAPTER CLASSIFICATION

Chapter 1: The problem and its setting

This chapter focuses on the introduction and background of the study. It also includes the problem statement, objectives and the research methodology used.

Chapter 2: Literature review on perceptions of poverty

This chapter provides a literature review on perceptions of the causes of poverty. It also focuses on the approaches, definitions and measurements of poverty.

Chapter 3: Research design and methodology

This chapter provides the research methodology and profile of Kwakwatsi Township.

Chapter 4: Results and findings

The chapter aims to provide a detailed analysis of perceptions of the causes of poverty.

Chapter 5: Conclusions and recommendations

The chapter summarises and conclude the study.

CHAPTER 2: LITERATURE REVIEW

2.1   INTRODUCTION

Poverty is a multifaceted phenomenon that affects people in different ways. This implies that the extent of poverty differs from region to region and different reasons are attached to what causes poverty (Davids, 2010). Some people blame themselves, their parents, government and external forces for the predicament. All these differing views provide an understanding of poverty and its eradication methods (Wilson, 1996:414). Poverty is a permanent problem which has plagued the whole world for years. In many parts of the world, there is overwhelming evidence of a large number of people living in conditions of poverty, while a minority enjoys luxurious goods and services (Griffths & Zhou, 2012:16). As a result, institutions like the World Bank have committed to the eradication of poverty. Thus, research on poverty aids the institutions on poverty reduction methods and provides inputs to policy making decisions.

The objective of this chapter is to provide a literature review of the concept of poverty. It discusses different approaches poverty is defined. These approaches include: absolute poverty, relative poverty, monetary approach, capability approach, multidimensional approach and social exclusion. The chapter further provide a discussion of the common measures of poverty. Furthermore, causes of poverty forms part of this chapter. In addition, empirical findings on the perceived causes of poverty will be discussed.

2.2   DEFINITION AND APPROACHES TO POVERTY

Poverty definition remains debatable, questionable with multifaceted arguments that oppose each other (Saunders, 2004; Noble, Ratcliffe & Wright, 2004; Ratcliffe, 2007; Sekatane, 2006:30). Over the years, many authors have come up with different ways to define poverty (Nyasulu, 2010:1). Some have defined poverty in statistical terms, income definitions, political definitions, psychological definitions, capabilities definitions and social definitions (World Bank, 2007; Saunders, 2004). Despite many definitions of poverty, this study adopted two definitions: lack of resources and lack of freedom (Francis, 2001; Hirschowits, Orkin & Alberts 2000:54; ILO, 1976; UNHDR, 1997; World Bank, 2005: Yunus, 1994).

Several researchers (Francis, 2001) and organisations (ILO, 1976; UNHDR, 1997; World Bank, 2005) have defined poverty as a form of lack of resources. The World Bank (2005) defines poverty as lack of resources to attain a minimum standard of living. The rationale is that for an individual to afford basic needs resources must be available and lack of resources makes one prone to poverty. Moreover, UNHDR (1998) defined poverty as a concept that summarises the inadequacy of resources and lack of choices that hinders an individual to live a decent lifestyle. The emphasis was on shortage of resources, which leads to indecision that in turn compromises the human standard of living.

In contrast, poverty can also be defined as lack of choices (Francis, 2001; Hirschowits *et al.*, 2000:54; Yunus, 1994). Yunus (1994) defined poverty as lack of human rights which leads to low lifestyle, while Francis (2001) defined poverty as lack of peace in a person. Lack of peace and low lifestyle attributing to poverty can result from hunger, lack of medical care, lack of human rights and freedom of speech. Hirschowits *et al.*, (2000:54) defined poverty as the disowning of prospects and choices that are essential to human development, which promotes healthy living, a creative mind, freedom of speech, high self-esteem and the ability to respect others. These definitions have shown lack of choice which has led to insecurity, low self-esteem, and social exclusion.

Despite debatable definitions of poverty, a number of approaches can be used to explain poverty, namely: absolute, relative, a capability, a multidimensional, a social exclusion and a monetary approach (Davids, 2010, Laderchi et al., 2003). These approaches form the basis of the discussion in the subsections that follows.

2.2.1   Absolute poverty

Absolute poverty is a concept introduced by Rowntree (1901). It is a subsistence concept that puts the emphasis on survival. Subsistence defines the minimum basic goods and services needed for survival. Rowntree (1901:87) mentioned that the minimum basic goods and services constitute food, clothes and shelter that are required to maintain standard of life. The minimum basic goods and services are measured by using income. Living below the minimum level defines absolute poverty (Alcock, 1997:68).

Rowntree (1901) defined absolute poverty as the minimum income sufficient to buy goods and services to maintain the standard of living. In support, Alcock (1993:58) defined absolute poverty as not having sufficient basic commodities for survival. Thus, shortage of food, clothing, shelter and medical care enhances vulnerability to poverty. It is this absence of basic goods and services that is absolute poverty. People living in absolute poverty can stay for long while their physical and health (Alcock, 1993:59).

The concept of absolute poverty went unchallenged for almost 50 years (Lotter, 2007:1206). Absolute poverty was then challenged by Townsend (1979) when he mentioned that the poverty cannot only be measured by minimum basic goods and services. More so, absolute poverty does not take into account social needs in its definition (Townsend, 1976). Despite these shortcomings; absolute poverty is the most widely used definition of poverty, although its shortcomings introduced relative poverty.

2.2.2   Relative poverty

In contrast to absolute poverty is relative poverty. The setbacks of an absolute definition of poverty have led to an alternative definition (Laderchi *et al.*, 2003). It was the works of Townsend (1954, 1979) who introduced the concept of relative poverty. Townsend (1976) defined relative poverty as individuals living under an unacceptable standard in a community Townsend (1976). The concept of relative poverty is mainly used in the developed world. For example, Saundres and Tsumori (2002) write that in Australia every individual is expected to own a car and if a citizen does not own a car he is regarded as relatively poor.

Relative poverty has two characteristics, namely; social exclusion and relative in nature (Saunders, 1997; Lotter, 2007). Social exclusion is experienced when poor cannot participate in certain activities in a society. For example, when the resources of the poor fall below the rest of society's resources an individual is relatively poor and is excluded from society's activities. Townsend (1954:133) explained that poverty is relative according to the society in which an individual lives. Thus, the behaviour or norms of a society determines the standard of the society.

Critics of the relative approach argued that:

- Relative definition is biased. The complication is that who decides the poverty line and on which criteria? This leaves the relative approach with many questions and arguments (World Bank, 2005).
- The definition is self-contradictory. It uses different standards, other people are wealthier and yet they are considered poor compared to others with the less wealthy considered rich (World Bank, 2005).

Based on these arguments, relative poverty implies that although you can afford basic commodities such as food, shelter, energy, clothing, health and do not participate in the society's activities you are regarded as poor. Hazlitt (1973:33) concluded that relative poverty implies that one is worse off than others.

2.2.3   Monetary approach

The monetary approach to understanding poverty is the most commonly used method in poverty identification and measurement (Laderchi *et al.*, 2003:6). Income or consumption is the basic measures of monetary approach to poverty. The income or consumption is expressed as a poverty line, which is defined as an income/ expenditure level used to separate the poor from the non-poor (Van Praag *et al.*, 1982: 345). The monetary approach detects poverty by the shortfall of income or consumption from the accepted poverty line (Laderchi *et al.*, 2003:6). Grosh and Glewwe (2000) as mentioned by (Laderchi *et al.*, 2003:6) argued that all the valuations must be done using the market value prices for uniformity.

A general consensus by Rowntree (1901) and Townsend (1979) was that a monetary approach is objective in nature and its objective illustrates that poverty exists in the community. In addition, monetary approach was an external assessment used by other researchers in an attempt to identify the poor. More so, a monetary approach perceived poverty as individualistic, where it is described according to individual situations and behaviour. These three features are central to a monetary approach.

However, the monetary approach is not a perfect approach to poverty and has its own disadvantages. Kamanou (2005:3) notes that this approach has a disadvantage on the choice of an indicator. There are two indicators - income and consumption and the question posed is, which the better measure of the two is. Another

disadvantage is that the monetary approach tends to use household decisions rather than individual ones (Laderchi *et al.*, 2003:249). Yet many decision makers and policy makers use individual decisions in policy making. A negative result is seen when the policies are more inclined to private income and disfavour social income (Laderchi *et al.*, 2003:249).

2.2.4   Capability approach

The capability approach was developed by Sen (1985). A capability approach as defined by Sen (1997:40) is a combination of abilities that a person can attain to improve the standard of living. It puts the main focus on development which is driven by human capabilities. Using the capability approach, poverty can be defined as lack of capabilities to improve the standard of living (Sen, 1993:41).

The capability approach entails living a valued or improved life which realises individual's potentials (Laderchi *et al.*, 2003:253). This involves the process of moving from monetary measures to non-monetary measures (Laderchi *et al.*, 2003; 14). The movement was also supported by Nussbaum (2000:74) who mentioned some of the important capabilities:

- "Normal length of life";
- "Health: good health, adequate nutrition and shelter";
- "Bodily integrity: movement; choice in reproduction";
- "Senses: imagination and thought, informed by education";
- "Emotions: attachments";
- "Practical reason: critical reflection and planning life";
- "Affiliation: social interaction; protection against discrimination";
- "Other species: respect for and living with other species"; and
- "Control over ones environment, politically (choice) and materially (property)".

However, the capability approach has a major challenge that when Sen (1985) developed the capability approach, no list or guidelines of capabilities were given. Instead, it was only a mention of aspects such as morbidity and being well nourished. This gives a room for arguments and creates many definitions of capabilities.

2.2.5   Social exclusion approach

The social exclusion approach was introduced around the 1990s (Wagle, 2002:160). This stems from the thinking that poverty is not only limited to income or consumption but also focuses on resource allocation and participation in society (Room, 1999:169). The European Union (1995) defined social exclusion as a process through which individuals or groups are wholly or partially excluded from full participation in the society in which they live. From the definition above one can suggest that social exclusion deals with individual participation and authority in a community. The reason why individuals do not participate in social activities is because they lack resources and authority (Room 1999:169).

Atkinson (1998) notes three main features of social exclusion: relativity, agency and dynamics. Firstly, Relativity implies that exclusion depends on a particular society. Secondly, poor people are excluded because of the agent or agents who fail to represent them. The last feature is that future opportunities are important as well as the current situations. Thus, for an individual to be excluded the society standards must be defined. Social exclusion is generally within the confines of features such as age, culture, gender, nationality, physical disability and ethnic groups. Social exclusion is a process where individual disabilities lead to social exclusion, which adds more disadvantages (Steward, 2004:2). The usage of a social exclusion concept in third world countries has been found to be difficult because social exclusion factors of developed countries are different from those of developing countries (Steward, 2004:2). It is not easy to come up with the guidelines which measure social exclusion from the sector to the public at large (Laderchi *et al.*, 2003:22).

2.2.6   Multi-dimensional approach

A multi-dimensional approach is a concept that includes social exclusion and lack of basic needs that are deemed as not to do without (Davids, 2010; Room, 1999). This approach implies that individuals lack basic needs for survival, such as food, clothing, energy, health and transport. In support, Room (1999:169) mentioned some basic needs, such as education, finance and skills level. Lack of these basic needs can lead to social exclusion in society. When individuals lack resources deemed

necessary in a society they exclude themselves from social activities. Hence lack of basic commodities and social exclusion forms the multidimensional approach.

The multi-dimensional approach focuses on the many facets of poverty. Absence of factors, such as skills, housing, health, income, food, energy and transport can make an individual vulnerable to poverty (Davids, 2010). The approach depends on three elements: social exclusion, economic wellbeing and capabilities (Wagle, 2007:4). In other words all these concepts are interrelated and its measures are more accurate compared to other approaches. Households are considered poor when they have failed to meet these three elements. For example, if a household meets two of these elements it might be considered very poor because it lacks two elements (Wagle, 2007:4).

Like other approaches, a multidimensional approach has its own disadvantages. This approach includes social exclusion, economic wellbeing and capabilities. It can be biased when measuring poverty by focusing on one or two of the three and neglecting the other (Wagle, 2007:4).

2.2.7 Concluding remarks on approaches to poverty

Despite the debatable, questionable definitions of poverty, one should not be vague on what it means. There are no universal definitions of poverty. Some define poverty in social, political, income and capability definitions. Thus poverty can be defined as a lack of resources or freedom of choice. Poverty is seen as a lack of basic goods and services for survival; at the same time if one lacks freedom of choice this can be defined as being poor.

There are other approaches used to explain and define poverty, namely; absolute poverty, relative poverty, a multidimensional approach, social exclusion and a monetary approach. An absolute approach is an objective concept which uses income or consumption as a poverty measure. This measure puts the main focus on the minimum level of basic goods and services. In contrast, relative poverty is a subjective concept that measures poverty according to society's standards. It is relative in nature and excludes the poor. A monetary approach measures the shortfall from the poverty line. It uses consumption or income in measuring poverty. However, there is a debate as to which is the best measure between income and

consumption, and consumption was seen as the best measure because it accounts for fluctuations. In addition, the capability approach takes into account individual abilities which improves peoples standard of living. If an individual lacks these capabilities, lack of basic goods and services deemed necessary by society, then they can be socially excluded. Poverty is multidimensional when it socially excludes. There is economic deprivation when individuals lack the abilities to improve themselves. Lack of the three elements implies deep poverty. However, all these approaches have their own weaknesses hence it is advised that they be used together to complement each other.

2.3   MEASURING POVERTY

Measuring poverty has been a problem for researchers, analysts, practitioners, government and non-governmental institutions for a number of years (Saunders, 2004; Ratcliffe, 2007). The problem was in defining the standards of living whose absence reflects poverty and how researchers decide upon the relative value of each standard of living (Sen, 1987).

Despite these challenges in measuring poverty, a number of accepted international measures are generally used (De Swardt, 2004). These measures are made up of objective indicators and subjective indicators. Objective indicators include consumption, income, life expectancy and housing standards (De Swardt, 2004:18). In contrast, subjective indicators include needs perceptions and the use of participatory approaches (De Swardt, 2004:18). The next section discusses the common poverty measures used in this study: poverty lines, headcount index, poverty gap index, Sen Index and FGT measure.

2.3.1   Poverty line

A poverty line is one of the measurements of poverty mainly used by researchers and economists. The origin of a poverty line is not clear but it is believed that Charles Booth invented the concept in the late 1880s (Gille, 1996:10). In the early 1900s some researchers started using the poverty line; thus the concept became popular. Even now the poverty line is still among the popular measurements of poverty (World Bank, 2012). Thus it still serves the same purpose of separating the poor from non-poor.

One of the widely accepted definitions of the poverty line was developed by the World Bank in 2005. This definition identifies it as the minimum expenditure necessary for an individual to meet basic food and non-food needs (World Bank, 2005:43). Basic foods are a basket of food that is deemed necessary for survival. They include items such as bread, sugar, salt, meat, vegetables, fruits, potatoes, maize meal, juice, eggs and soups (SPC, 2007:4). These basic foods are chosen as a basket and a market value is attached to each item in order to establish the total value of items (Lanjouw, 2001:8). However, basic foods differ from one country to another because staple foods are not similar across countries. For example, in Zimbabwe the staple food is maize meal while Malawi's staple food is cassava, potatoes and maize (Glantz, 1987:222 & Minot, 2010).

In contrast, non-food needs involves items such as clothing, transport, fuel, lighting, cleaning, rent, care, pension, insurance and medical aid (Mokoena, 2001:22). After a basket of non-food needs is identified, a market value is attached to each item (Lanjouw, 2001:8). Similarly to basic food, these basic non-foods also differ from country to country. For example, South Africa considered electricity and medical aids as basic, while in other African countries such as Zimbabwe these are luxurious goods. The total market values of both basic food and non-food needs make up a poverty line (Lanjouw, 2001:8). Since these items used to measure a poverty line, differ from one country to another; a poverty line also varies from country to country. This implies that the use of a poverty line cannot be generalised.

There are two basic approaches of measuring/identifying a poverty line. These include: an absolute poverty line and a relative poverty line (Oosthuizen, 2008:2). These were discussed earlier in this chapter in Section 2.3.1 and 2.3.2 respectively as approaches to poverty; hence this section only focuses on information which affects the poverty line.

2.3.1.1 Absolute poverty line

Absolute poverty is a poverty measure which separates the poor from non-poor based on income and expenditure on basic goods and services. It is made up of goods and services expressed in monetary value that is required to meet a minimum standard of living (Oosthuizen, 2008:2). Goods and services include: food, clothing, shelter, transport, energy, education, rent and care. All these goods and services are

expressed in monetary value. This means that a poverty line can be expressed in monetary value. The absolute line is fixed in terms of the minimum standard of living (Lanjouw, 2001:8; World Bank 2005:48; Oosthuizen, 2008:2). It implies that an absolute poverty line does not change over time. Thus absolute poverty makes the comparison of poverty rates easier. It allows poverty rates of the late 1990s to be compared with the current rates and allows for inflation rate considerations.

Absolute poverty lines include food and non-food elements (Rio, 2006:54). The food poverty line (FPL) takes into account the least nutritious diet appropriate for an adult in attainment of better lifestyle and balanced nutrition (SPC, 2007). FPL considers the cost of a food basket which caters for an adequate nutrition and health. The main focus of FPL is on an individual enjoying healthy food and getting balanced nutrients. Some of the items included in calculating the poverty line are chicken, bread, bun, coconut, sugar, fruits, cooking oil, rice, flour and meat (SPC, 2007:4). Attainment of a FPL implies that a healthy life and balanced nutrition are achieved. Those with income to buy the items included in the poverty line are non-poor. This poverty line is generally regarded as a normative poverty line. In contrast, a semi-normative Food Poverty Line accounts for cost of a basket attached to definite nutritional guidelines according to consumption habits (Rio, 2006;54). This implies that a food poverty line signifies the nutritional cost which at the same time takes into accounts consumer behaviour. This is the widely used method for measuring absolute poverty (SPC, 2007:2). The semi-normative Food Poverty Line is used with many methodological variations (SPC, 2007:2). Methods vary from nation to nation but the food must be nutritional and represent consumer behaviour.

A non-food poverty line is added to the FPL to get a holistic picture of the poverty situation for an individual or country (World Bank, 2012). In the case for FPL, a nutritional level was used as an objective criterion but there is no criterion set for a non-food poverty line (Rio, 2006:58-59). Determining the quantities and prices for a non-food poverty line is subject to debates. However, countries such as Mexico, Indonesia and Canada identified their non-food poverty line as clothing, shelter and transportation (Rio, 2006:59). In South Africa, a number of researchers (Mokoena, 2001; Slabbert, 2004; Sekhampu, 2010) have identified common elements to be included in the non-food poverty line as clothing, transport, fuel, lighting, cleaning, rent, pensions, insurance and medical aid. All these non-foods must be expressed

as a basket which reflects consumption habits of the population (Rio, 2006:59). A single value can be used for total non-food poverty expenditure and that value is added with the (FPL) to make up an absolute poverty line (Rio, 2006:60).

2.3.1.2   Relative poverty line

Contrary to an absolute poverty line, relative poverty uses a relative measurement to separate the poor from non-poor. Townsend (1979) defined relative poverty as the individuals in society living under the unaccepted standard of the community. In supporting Townsend's definition, Saundres and Tsumori (2002) defined relative poverty as households living below the acceptable standards of the society. From the above definitions, a relative poverty status is determined by looking at the acceptable standard in a society. Relative poverty is a shift from money metric approaches to the idea that poverty is a lack of resources within the society (Rio, 2006:73). This means that the society considers the amount of resources an individual has. For example, Adam Smith gave an example that, in his time, an individual who cannot afford a linen shirt is considered poor (Worstal, 2012). The result of not owning a shirt leads to social exclusion in that a failure to own a shirt makes an individual feel inferior and they can exclude themselves from those with shirts. This approach is mostly used in developed countries where absolute poverty is very low (Oosthuizen, 2008:7).

Relative poverty has two characteristics, namely; social exclusion and relative approach (Lotter, 2007 & Sunders, 1997). Social exclusion is experienced when a poor person cannot participate in certain activities in a society. For example, in a society where cycling is considered as a major activity some individuals in such a society who cannot afford bicycles are excluded from that major activity. Thus those excluded individuals are identified as poor within that society. The second characteristic of a relative poverty line is that it is relative to the context. Townsend (1954:133) mentions that poverty is relative according to the society in which an individual lives. This means the society can determine the standard which may differ from one society to the other. The difference in standards makes poverty perceptual to the society in which an individual belongs.

Poverty can be measured in both absolute and relative terms. On one hand, absolute poverty focuses more on minimum basic goods and services for poor

individuals. On the other hand, relative poverty deals with the standards of the society where they can afford basic commodities. Relative poverty includes absolute poverty even though the former is determined by society's standards. This means that the relative poverty line is higher than the absolute one.

2.3.2 Headcount Index

Headcount index (HI) is an index which was constructed by Foster *et al.*, (1984) in 1984. There is not much literature concerning the origin of this index rather what there was focused more on its weakness. A headcount index is the simplest way of measuring poverty. It is easy to construct and easy to understand (World Bank, 2005:70), as it is the proportion of the population that is counted poor (World Bank, 2005). The purpose of the headcount index is to count the physical number of the poor. All people who fall below the poverty line are counted as poor and expressed as a ratio of the whole population. It can be calculated as follows (World Bank, 2005:70).

$$P0 = Np/N \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (3.1)$$

Where;   P0 = headcount index;

Np = is the number of the poor;

N = is the total population;

This formula can also be rewritten as;

$$\mathbf{P_0 = 1/N} \sum_{i=0}^{N} \boldsymbol{I} \left(\boldsymbol{yi < z} \right) \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (3.2)$$

Where: P0 = headcount index;

N = is the total population;

I = is an indicator function that takes on a value of 1 if the bracketed expression is true and 0 otherwise (World Bank, 2005:70).

If expenditure (yi) is less than poverty line (z), then I (.) equal to 1 and the household would be counted as poor

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Sen (1983) has criticised the headcount index because it ignores the depth of poverty. The headcount index also does not reflect the level of poverty among the poor. This implies that it does not change if a poor person gets poorer. Most of the time, a headcount index measures the poor according to households and not individuals. This may compromise policy making since the policy makers are more concerned with individuals rather than households (World Bank, 2005). The headcount index was also described as a very crude index (Sen, 1976:1). The index is crude in that people who are living below the poverty line may increase in the magnitude of the shortfall of income from the poverty line and the improvement not captured through the index. Sen (1976:1) further explained that headcount index is unresponsive to distribution of the poor, and that a transfer of income from the poorest to the poorer will leave the headcount unchanged or reduce it.

2.3.3 Poverty gap Index

In addition to the headcount index is the poverty gap index. World Bank (2005:71) defines the poverty gap index as a poverty line less the actual income for the poor. A poverty gap is also defined as the total shortfall of income of all poor from the poverty line (Sen, 1976:220). From the above definitions a poverty gap index measures the income shortfalls of the poor from the poverty line. For example, if a poverty line is set at R400 per month, it means that an individual who earns R300 per month has a shortfall of R100. This means the poverty gap is more concerned with the shortfall of R100. Hence the poverty gap measures the depth of poverty because it is concerned with people below the poverty line. Makoka (2005:16) mentions that the poverty gap index can also be called a depth of poverty. According to the World Bank (2012: 2), the poverty gap index is calculated as follows:

$$\mathbf{P_i} = \frac{1}{N} \sum_{i=0}^{N} \frac{Gn}{Z}, Gn = (z - y). I (yi < z) \dots\dots\dots\dots\dots\dots\dots\dots\dots. \dots\dots\dots\dots\dots.. (4.3)$$

Where   y = income of poor household

z = poverty line

N = total number of the population

Gn = difference between poverty line (z) and income of the poor (y).

The formula shows the average shortfall of the poor from the poverty line and provides a broad understanding of the depth of poverty. Poverty gap index formula reflects how much is needed for their expenditure to meet the poverty line (Makoka, 2005:20). Sen (1976) stipulated two conditions a poverty measure must meet: monotonicity axiom and transfer axiom. Monotonicity axiom is when a decrease in income of the poor person increases the poverty measure (Sen, 1976:219). Bellu (2005:2) defines monotonicity as when the poor's income increases and poverty measure decreases. From the two definitions above income and the poverty gap index must move in an opposite direction. In contrast, a transfer axiom is when there is a real transfer of money by someone below the poverty line to anyone who is less poor, which must increase the poverty measure (Sen, 1976:219). Bellu (2005:2) mentions that a transfer axiom is when a poverty measure decreases as a result of a progressive transfer of income and increases after a regressive transfer. The poverty gap only meets the monotonicity axiom by reducing the poverty gap index after the poor's income has increased. In contrast, a poverty gap does not meet the transfer axiom because it does not show the distribution of unmet needs in the population (Betson & Warlick 1999:9). Another weakness is that the poverty gap index does not capture variances in severity among the poor and takes no charge of inequality on the poor (Makoka, 2005:20).

2.3.4 Sen Index

It was the failure of the headcount index, poverty line and poverty gap index to meet axioms that made Sen (1976) to devise his own measure. The Sen Index is the combination of several measures, such as a poverty gap index, Gini coefficient and the headcount index (Sen, 1976). The main reason why the Sen Index is attractive is that it is decomposable into three areas: incidence of poverty, depth of poverty and inequality among the poor (Mussadi & Xu, 2008:1).

There are three axioms introduced by Sen (1976), which are the monotonicity axiom, transfer axiom and the focus axiom. The monotonicity axiom is when a reduction of income by the poor leads to an increase in the poverty measure (Sen, 1976:219). The transfer axiom is simply a guarantee that a transfer of income from a poor person to a less poor person must increase the poverty measure (Mitra & Ok, 1995:1). Mitra *et al.*, (1995:5) mentions that focus axiom is when the value of the

poverty index is independent from the income of the non-poor. However, the headcount measure only meets the focus axiom and violates the other two while the poverty gap index satisfies the monotonicity axiom and the focus axiom. Gini coefficient satisfies the focus axiom and transfer axiom and violates the monotonicity (Blackwood & Lynch 1994:571-572).

Sen Index formula is written as:

$$S = H + [1(1 - I) G_p] \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (3.4)$$

This formula can also be rewritten as

$$\sum_{i=3}^{q}(z - y/qz \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (3.5)$$

Where   y= income of the poor

Z= poverty line

q_z= number of households with income less than (z)

H= q/n Headcount ratio

N= total number of households

G_p= Gini coefficient among the poor

This formula shows that the Sen Index is an increasing function of both headcount index and poverty gap index (Blackwood & Lynch 1994:571). In addition, since the G_p ranges from 0 to 1, thus the Sen Index is also an increasing function of Gini coefficient (Blackwood & Lynch 1994:571). The Sen Index has its own weakness as a poverty measure. It is biased towards policies that reduce the number of the poor (Blackwood *et al.*, 1994:571). In other words, the Sen Index is more responsive to the headcount index than in reducing income gaps and distributing income among the poor. In addition, the Sen Index is undesirable on those who believe in social equality and those who believe in a Rawlisian approach. However, those who believe in social equality prefer reducing poverty inequality as a way of reducing poverty. In contrast, the Rawlsians believe in helping the poorest of the poor (Blackwood *et al.*, 1994:571).

2.3.5   The Foster-Greer-Thorbecke (FGT) measure

This measure was introduced by Foster, Greer and Thorbecke in 1981 (Foster *et al.*, 2010:1). FGT is a decomposable measure implying that it takes into account the weighted average measures of individuals in a group (Foster *et al.*, 1984:1). FGT managed to meet all the axioms set by Sen (1976) hence it is understandable, sound and easy to apply. The FGT measure includes sensitive factors, such as change in the number of people, change in income shortfall and change in inequality (Blackwood &Lynch 1994:571). FGT can be calculated as Foster *et al.*, 2010:3);

$$\frac{1}{n} = \sum_{i=1}^{q}(z - yi)\alpha/z \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots (3.6)$$

Where   z is the poverty line

Yi is the lowest income

n is the population

q is the number of people who are poor.

Given that α =1, the FGT is equal to headcount and the average shortfall of income. This implies that the number of the poor and the depth of poverty is being measured ignoring the distribution of income among the poor (Blackwood & Lynch 1994:571-572). As α is given values which are one, the Gini coefficient becomes more applicable in measuring the FGT. The income gaps become the weights. Thus, the income gap of the poorer weights more than those who are less poor. There is need of consistency when using FGT between the values of the poverty measure and the values of the policy makers (Blackwood & Lynch 1994:572). A random selection of α can affect the nature of the bias and the degree of bias of FGT (Blackwood & Lynch 1994:572). From the above explanation, one can note that FGT is difficult to measure.

2.3.6   Concluding remarks

Despite the challenges in measuring poverty, a number of accepted international measures exist. These include the poverty line, headcount index, poverty gap, Sen Index, and Foster, Greer and Thorbecke measure. The most common measure of

poverty is the headcount index. It is simple to use and to understand. The poverty line measures the minimum expenditure needed for the standard of living. The minimum expenditure consists of basic food and non-basic food. It is measured using income. Individuals who fall below the poverty line are poor and those above the poverty line are non-poor. The poverty line can be absolute or relative. It puts the main focus on the minimum income required and ignores the inequality, the relative and intensity of poverty.

A poverty line has its own disadvantages as a poverty measurement. Firstly, it does not explain the depth of poverty as it only distinguishes the poor from non-poor .This implies that a poverty line does not identify the intensity of poverty among the poor people below the poverty line. Secondly, the poverty line does not account for subjective, relative and non-income effects It puts the main focus on minimum income needed for survival and disregards other aspects. Lastly, the number of people who are above the poverty line could fall below it if the poverty line changes. Hence risk, vulnerability and change are not favourable for absolute measures.

The poverty gap index measures an individual income shortfall from the poverty line. This measure takes into account the depth of poverty. It has become one of the favourite of policy makers because it shows much is needed from the poverty line. The poverty gap index violates the transfer axiom. However, the weakness of the headcount index, poverty line and poverty gap index brought about the Sen Index. The latter identified the number of poor, depth of poverty and how income is distributed among the poor. The FGT was introduced in 1981 and met the entire three axioms. This made it understandable, sound and easy to apply. FGT is decomposable implying that it can take the weight of individuals in a group. However, the FGT measure is difficult to measure

2.4 CAUSES OF POVERTY

The causes of poverty differ from one region to another. In Europe, the causes are unemployment, low levels of education, household size, gender and remoteness of the community (EAPN, 2013). In Africa, the main causes of poverty are corruption, lack of resources, poor governance, poor infrastructure, wars and limited opportunities (SAGCS, 2013). This justifies the need for this study to uncover the

common causes of poverty, namely, income shocks, institutional failures, human capital and corruption.

2.4.1   Proneness to income shocks

Most of Sub-African countries rely on agricultural products in sustenance of their economy and in poverty alleviation (Mukherjee & Benson, 1998). Yet agriculture cannot sustain the economy due to lack of resources and other unforeseen events such as floods, wind and drought (Narayan & Petesch, 2000a). This means that the people who depend on agriculture get less income, which does not cover basic goods and services. Due to income shocks income citizens cannot afford to buy basic needs and are vulnerable to poverty. For instance, Malawi depends on agriculture and yet almost three quarters of its population are poor (Mukherjee & Benson 1998:1).

Another factor which has exposed people to income shocks was the Global Financial Crisis. This has left many people unemployed (Australian Report, 2011:1-2). Due to unemployment households are left with less or nothing to spent on basic goods and services. It has exposed citizens to absolute and relative poverty. Moreover, income shocks have created a dependency syndrome on social grants and resulted in increased deprivation (Australian Report, 2011:1-2). Thus, the global financial crisis has led to increased rates of poverty and created some institutional failures because people cannot afford basic goods and services and some are left unemployed (Australian Report, 2011).

2.4.2   Institutional failures

Some of the important aspects of institutional failures are in labour markets, employment, governance, education and property rights (Anon, 2006; Yahie, 1993; White & Killick, 2001). Anon (2006) reported that America's labour markets have declined and its manufacturing companies have closed down and yet the labour force is increasing. These have left many unemployed and have not met the basic needs and standards of society. The government and the private sector are supposed to create employment to boost economic growth, reduce the level of unemployment and minimise poverty. In contrast to the objective they are failing to deliver the services hence poverty rates increased (World Bank, 2005). A general

consensus by Brew (2001:1) and (May *et al.*, (1995; 24) is that the South African government have failed to deliver the services to the poor. This is evident by the majority of South Africans who are living in informal settlements (White & Killick, 2001). One of the causes is that the government have failed to define property rights (White & Killick, 2001). This makes one vulnerable to poverty because shelter is a basic commodity.

2.4.3   Human capital

A general observation by Woolard (2002:3) was that the majority of unemployed constituted the uneducated. However, this idea is debatable because some are educated but not employed due to economic and political instabilities in their countries. Moreover, Woolard (2002:3) estimated that the majority of South Africans lack formal education and are mainly found among the poor. Low levels of education are linked with high unemployment rates and poverty rates. This makes an individual vulnerable to poverty. For instance, households who have low income levels cannot afford to pay fees or to attain higher level of education.

Furthermore, Francis (2001:8) pointed out that illiteracy is one of the main causes of poverty and has influenced development in a negative way. It has hampered economic growth due to less productivity. Research done by the World Bank (2012) concluded that the adult literacy rate in some sub-Saharan African countries is below 40%. Lack of education and lower education standards has contributed to the low literacy rate, which has caused poverty in Africa. Low levels of education contribute to less formally employed and less skilled households. Some people could not access education due to financial constraints (Mofokeng, 2005:29). Therefore education and skills are required for personal development and their absence make an individual vulnerable to poverty.

2.4.4   Blaming game, corruption and poor administration

It is believed that a combination of colonisation and apartheid formulated the basis for poverty in South Africa (Aliber, 2001; Shinns & Lyne 2003). A combination of colonisation and apartheid resulted in deprivation of resources, land, education and income for the majority of the population (Aliber, 2001:5). Due to lack of resources, the World Bank (2011) reported that almost half of South African citizens were living

under $1.25 per day and cannot afford basic needs. Corruption has contributed to poverty. Poverty can only be minimised by incorrupt government and through equal distribution of resources. In Africa there are good initiatives to minimise poverty but the funds end up in the hands of corrupt leaders. Due to poor governance by the South African governance, the authorities have failed to control corruption. This has causes imbalances which leads to poverty (SGCS, 2013).

2.5 CATEGORIES OF PERCEIVED CAUSES OF POVERTY

Poverty is a multifaceted phenomenon. This means that by its nature, explanations and understanding of poverty differ from country to country and from one individual to another. Individuals may have different perceptions on the causes of poverty (Wilson, 1999:413). According to Baldwin (2006:6) perception is a concept which has to do more than observing poverty. This means that from observing an opinion is formulated. Sometimes a perception depends on the experience of an individual. Noel (2003) mentioned that perceptions are open for arguments that an individual has a view on a certain issue. This study focusses on the perceived causes of poverty. A general consensus has grouped these causes into three categories, namely; individualistic, structural and fatalistic (Hunt, 2004; Shek, 2004; Sun, 2001; Davids, 2005). In addition to the three perceptions, Weiss and Gal (2007:894) identified another category known as psychological perception. Each of these categories is discussed in detail in the following sub-sections.

2.5.1 Individualistic perceptions of the causes of poverty

Individualistic perceptions deal with the individual failures and blames individuals for being poor (Davids 2010:51). An individualistic approach puts the main emphasis on behavioural and cultural factors. These factors include undesirable behaviour, inappropriate life style and lack of mental capabilities (Buz *et al.*, 2012:187). It is in these factors that an individual puts the blame on themselves for their poverty situation. As a result, such individuals are characterised by intergenerational transfer of poverty (Buz *et al.*, 2012:187). This means that poverty is transferable from one individual to another.

There are two classes of individualistic perceptions, the underclass and the culture of poverty (Wilson, 1987; Hunt, 1997; Davids, 2010). Underclass poverty is a group of

people living in poverty guided by certain values and behaviour. For example, poor people may live in an informal settlement and survive through prostitution. In addition, Murray (1996:3) suggested three kinds of underclass: an economic underclass; a moral underclass and an education underclass. An economic underclass accounts for those who are not capable of getting a job but have the abilities while moral underclasses are individuals who deviate from their morals (Murray, 1993:4). An education underclass is when individuals lack a social and cultural skill. All these kind of underclass poverty results in undesirable behaviour such as drug abuse, crime, unemployment, illegitimacy and violence (Murray, 1993:4).

The second class is the culture of poverty where many individuals get used to their conditions of being poor, adopt it and live with it for their entire lives (Davids, 2010;52). Wilson (1987:13) further explained that the culture of poverty is characterised by lack of ambition, lack of work ethics and self-reliance. Such a culture is generational in nature and tends to affect the whole family including the upcoming generations once it comes to existence. Moreover, an individualistic approach is attached to many explanations why individuals are poor. Wilson (1993:413) mentioned that poor people are poor due to reasons that they do not maintain their moral standard and do not put much or no effort to improve themselves. Davids (2010) alluded that people lack the ability to improve themselves; they spend their income on non-basic commodities and they do not seek to improve themselves. Both Wilson (1993) and Davids (2010) identified common explanations why people are poor and why they blame themselves. This common explanation is that people do not have the ability to improve themselves.

A number of theoretical approaches support the thinking that an individual is responsible for his/her socio-economic status. Theories underlying the perceptions of poverty are divided into two categories, namely, the conservative and the liberal approaches. A conservative approach attempts to explain the causes of poverty in an individualistic dimension while the liberal approach focuses on the structural dimension (Davids, 2010:58). The next section discusses the individual's explanations framework and victim blaming framework.

2.5.1.1   Individualistic explanations framework

An individualistic explanations approach explains individual characteristics an individual possesses, which include character and intelligence (Andy, 2011:1). In other words, the poor are poor because of their inability. Their inabilities see them in deep poverty (Andy, 2011:1). The individualistic framework alludes to factors such as absence of ability, lack of intelligence, no goals and lack of morals to be closely related to the situation one finds themselves in (Davids, 2010:58). In contrast, the framework credits the rich for their affluence, noting that they are hardworking, dedicated, goal oriented and can handle pressure.

This notion seems to resonate high in the developed world where there are many opportunities for individuals to improve themselves (Bullock & Limbert, 2003:696). Even the individuals who do not utilise such opportunities tends to blame themselves because they lack the ability and are penalised with a poorer standard of living (Smith & Stone, 1989:94). Bandura (1999:35) differentiates between the individualism and collectivism concepts. Individualism is when people work individually to achieve their goals and improve themselves while collectivism is when individuals work together to improve themselves (Bandura, 1999:35). Individualism is mainly practised in countries such as United States, Sweden and Russia. In contrast, collectivism is practised in countries such as China, Japan and South Korea. Collectivism and the individualistic possess a certain feature of consistency in the sense that all these approaches are intertwined. Therefore individuals from countries which practise individualism tend to blame themselves for being poor, while those individuals from collectivism put the blame on the system. An addition to the individualistic approach is the victim-blaming framework.

2.5.1.2   Victim-blaming framework

Victim-blaming framework is a multi-dimensional concept, attached to many definitions and many complexities (Davids, 2010:61). Wright (1993:3) defined victim blaming as situations that put the blame or responsibility on individual actions for being poor. For example, in a family of six if only five are poor the responsibility is put on those who are poor (Giddens, 2009:5). In other words, they should explain why they are poor. Giddens (2009:5) mentioned that a victim blame framework is

linked with the culture of poverty. Buz *et al.*, (2005:187) stipulated that individualistic perception deals with behavioural and cultural factors. The poverty life style makes a poverty culture, which is made up of social, economic and psychological characteristics (Buz *et al.*, 2005:187).

Lewis (1969) identified some features of poverty culture as: no efficiency, social exclusion, doubt and lack of education. More emphasis is put on misfortunes, and an accident of staying with the wrong people in the wrong places (Giddens, 2009). This implies that poverty is perceived to be caused by some undesirable factors, mental problems and an undesirable life style. The setback of an individualistic approach is that it is transferable to the next generation because young people adopt all the values from their parents (Davids, 2010).

2.5.2 Structural perceptions of the causes of poverty

The second perception of the causes of poverty is structural perception. Shek (2004:273) described structural causes of poverty as caused by unfairness within the society or the system. The structural explanations accounts for external forces which individuals cannot control. In addition, David (2005:54) alluded that structural perception causes of poverty are caused by economic disorders. Structural perceptions are attached to external explanations (Buz *et al.*, 2012:188).

From this view, people can complain of the unfairness in the society as caused by exploitation by capitalist and lack of social opportunities (Shek, 2004:273). David (2010:54) alluded to economic disorders as social and economic injustice. Social injustice accounts for factors such as lack of opportunities and the poor living in under-resourced conditions. Economic injustice accounts for factors such as unequal distribution of resources as the rich exploits the poor (David, 2010:54). In addition, structural views are associated with lack of education, low income and victims of social structures (Buz *et al.*, 2012:188). To understand structural perception causes of poverty structural and situational framework and public arena framework can be explained. The next sub-section discusses these theories.

In the structural framework, social structures and situational forces are perceived to be the main causes of poverty (Smith & Stone, 1989:95). These forces are independent from individual characters and traits; structural explanations focus on

societal characteristics to explain individual situations (Wright, 1993:2). Davids (2010:54) mentions that structural explanations result from external factors that affect an individual such as lack of education and employment. This framework insists that structures do not provide equal opportunities for all people in education, employment and capital (Smith, 1989:95), which are considered to be beyond human control. In other words, there is nothing an individual can do when the system has failed to provide for education and job opportunities.

Structural and situational framework group causes of poverty ascribe to uneven changes in technology, unemployment, a dual economy and unequal distribution of resources (Kerbo, 1991). Furthermore, Davids (2010:61) mentioned that structural and the situational explanations act independently with individual attributes. In other words, it is a matter of who can make use of available opportunities to the best of their abilities.

The public arena framework was used to analyse the structural explanations to poverty (Davids, 2005:63). This framework originates from sociological research on social problems (Wilson, 1996:415), and offers a theory which supports structural perception of the causes of poverty. Hilgartnar and Bosk (1988) allude that at any given point any issues which attempt to deal the problem of poverty can be addressed in public arenas, such as media, government institutions and private institutions. Wilson (1996) mentioned that a structural explanation is seen as multifaceted which alludes to many explanations. Some of these include: social injustice, unequal distribution of resources and the rich exploiting the poor. However, the findings on this framework were that people have different beliefs on types of poverty and what causes poverty (Davids, 2010:62). Examples of these beliefs are that poverty is caused by rich exploiting poor, social injustice, unequal distribution of resources and inability of the government to reduce poverty.

2.5.3 Fatalistic perceptions of the causes of poverty

Some researchers have criticised the individualistic and structural approach and came up with the third explanation to poverty as a fatalistic approach (Waxman, 1983; Feagin, 1975; Thom, 1977; Morcöl, 1997; Saunders, 2002). Fatalistic perception forms the third perception of the causes of poverty. Bègue and Bastounis (2003:456) mentioned that the fatalistic approach is used by individuals to explain

how they were victimised and ill-treated. Fatalistic causes of poverty include societal problems such as accidents, death and bad luck (Bullock & Waugh, 2005:1133). Fatalistic perceptions of the causes of poverty can be called accidental causes by being aligned with misfortunes (Shek, 2004:273). Furthermore, they assert that fatalistic perception is a result of unavoidable situations which individuals do not have control over (Bullock & Waugh 2005:1133). Smith & Stone (1989:95) identified bad fate, unlucky as fatalistic factors that affect poverty. Individuals have no control over these factors due to unforeseen circumstances.

2.5.4   Psychological perceptions of the causes of poverty

Besides individualistic, structural and fatalistic perceptions of causes of poverty, there is the psychological perception. Weiss and Gale (2007:894) identified a psychological element as the way poverty is perceived. The individualistic, structural and fatalistic causes of poverty do not account for emotional problems and lack of some abilities. Psychological perceptions of the causes of poverty are mainly characterised on how individuals think (Davids, 2005). Weiss and Gale's study (2007:905) found that social workers realised that many causes of poverty are inclined to structural changes, while they have put their focus on the psychological perception. Perceptions of the causes of poverty are dominated by uncertainty. For example, other studies mention that the poor must not be neglected and must be respected. In contrast, other studies ascribe to the negative stereotype of poverty (Underlid, 2005:274). Davids (2010) suggested that studies on perceptions of poverty complement policy making, hence understanding people's perception may have an impact in policy formulation (May & Norton, 1997:98). Shek (2004:273) observed that a study on perceptions into the causes of poverty can help understand the humiliation related to poverty, and aid in breaking the cycle of poverty.

2.6   EMPERICAL FINDINGS ON THE PERCEIVED CAUSES OF POVERTY

Most of the studies done on perceptions of the causes of poverty grouped perceptions as individualistic, structural, and fatalistic with psychological explanations (De Haan et al., 2003; Davids, 2010; May *et al.*, 2000; Moore *et al.*, 1998; May & Norton 1997). These four perceptions of poverty were used to identify

perceived causes of poverty. In addition, some of these investigated the effect of socio-economic and demographic factors on perceptions of the causes of poverty. Some of these factors include education, race, employment status, age, household size and geographical location. The common findings from these studies are that perceptions of the causes of poverty tend to differ from country to country. The next section discusses the empirical evidence on the perceptions causes in structural, individualistic, fatalistic terms, and on how socio-economic and demographic factors affect these perceptions.

2.6.1 Poverty perceptions indices

Some of the aforementioned studies (Oorschot & Halman, 2010) and (Halman & Oorschot, 1999) found empirical evidence supporting that perceptions of the causes of poverty are in structural terms.

2.6.1.1 Structural perceptions of the causes of poverty

 A study done by Oorschot and Halman (2010:1) and Halman & Oorschot, (1999) explored popular perceptions of the causes of poverty in eastern European countries (Poland, East Germany, Bulgaria, Czech, Holland and Slovakia). They grouped these into individual blame, individual fate; social blame and social fate. A questionnaire was designed, which considered aspects, such as religion, morale level, politics, leisure time, family and marriage. Factor analysis was used in measuring the four perceptions and social blame was the most perceived cause of poverty in eastern European countries (Oorschot & Halman, 2010:11). The main reason for social blame was that the majority of people living in these countries believe that poverty is a result of social actors compared to individual fate and social fate (Oorschot & Halman, 2010:1). However, they were other factors which also contributed to why western countries are poor (Halman & Oorschot, 1999:10).

Other studies (Bobbio *et al.*, 2010; Oorschot & Halman, 2010) found that people perceive poverty in structural terms. Bobbio *et al.*, (2010:223) grouped European Union Countries perceptions into three explanations: internal-individualistic, external structural and external fatalistic. The main findings were that the European Union Citizens perceived causes of poverty mostly in structural terms; 37% of the sample perceived social injustice as the main cause of poverty (Bobbio *et al.*, 2010:223).

The European Union Commission (2007) also reported that of all the factors perceived as causes of poverty social injustice accounted the most (34%). In other words, the European Union countries put the blame on the society at large as the main cause of poverty. The main reasons for this blame are that some governments failed to give good services to its citizens and that industries were offering low wages to its employees (Bobbio *et al.*, 2010:227-228).

Another study done by Abouchedid and Nasser (2001:276) observed that structural factors were more dominant in three groups, namely, Muslim, Lebanese and Christian university students. Their study was done in Turkey, Philippines, Hong Kong, India and Iran. All these countries were more inclined to structural explanations (Shek, 2004; Haati & Karam, 2005; Hine & Montiel, 2005). Factors which led to structural perceptions were social changes, social and economic crisis and failure by the government to provide public goods and services (Abouchedid & Nasser, 2001:277). Philippines perceived poverty as corruption, improper distribution of resources, traditional ruling, unwillingness of the government to minimise poverty and dictatorship in the ruling of Marcos.

In the South African context, a study was done by Davids (2010) based on a survey of 3510 South African participants, which found that South Africans perceived causes of poverty in structural terms rather than in individualistic and fatalistic terms. A greater percentage (44%) believed that the poor were exploited by the rich. Other reasons behind structural perceptions were identified as social injustice, uneven distribution of resources in a society and lack of opportunities because they were born poor (Davids (2010:19).

From the above empirical studies which concluded in favour of structural causes of poverty three methodologies were used, namely, descriptive, factor analysis and regression analysis. From these methods it was found that there are factors which contributed to structural views, such as policies that are self-centred, the unavoidable part of modern times, the rich exploiting the poor, lack of job opportunities, lack of education, uneven distribution of resources, incompetency of government and that they were born in areas of fewer opportunities. The similarities in these studies are that they all perceived causes of poverty in structural terms. The difference is that every country or continent attached different reasons to the poverty

situation. However, some other studies found that evidence supporting individualistic and fatalistic perceptions of the causes of poverty. The next section discusses the empirical findings of the individualistic perceptions.

2.6.1.2   Individualistic perceptions of the causes of poverty

Bobbio *et al.*, (2010:223) grouped individualistic perceptions of the causes of poverty into three explanations: internal-individualistic, external structural and external fatalistic. Their study was done on ex-East German and Denmark, where it was found that Europeans citizen's favoured some individualistic explanations compared to structural and fatalistic explanations (Bobbio *et al.*, 2010:223). Other studies have also indicated that Americans are more inclined to individualistic factors (Feagin, 1972; Hunt, 1996; Zucker & Weiner, 1993; Cozzareli *et al.*, 2001). In addition, Lithunia and Sweden also perceived individual choices as a cause of poverty (Bobbio *et al.*, 2010:223).

These studies generally conclude that people blamed the inability to manage money as a cause of being poor. However, they were number of reasons why poor people think they are poor. People perceived that they are poor because: they lack skills, lack abilities, lack opportunities, do not seek to improve themselves, spend their money on unnecessary goods and services and are lazy.

2.6.1.3   Fatalistic perceptions of the causes of poverty

The literature review has shown that there are other researchers (Feagin, 1972; Smith & Stone, 1989; Zucker & Weiner 1993) who realised that poverty also accounts to factors such as accidents, lack of opportunities, and bad luck, which are beyond individual control. All these can be classified under fatalistic perception. A study on the perceptions of poverty by Halman *et al.* (2010) used the data from Social and Cultural Developments in the Netherlands in 1995 (SOCON95). The study presented four perceptions of poverty, namely, individual-blame, individual-fate, social-blame and social-fate. The results showed that Dutch respondents/ participants perceived poverty to be caused by fatalistic factors, accounting for factors such as bad fate. Davids (2010) notes that fatalistic views accounted for 30% in a South African sample. Factors attached to fatalistic perceptions were: lack of motivation due to welfare, encountering some misfortunes and lack of luck.

From the above literature, they are similar reasons why people think they are poor. People have encountered misfortunes, accidents, lack of opportunities and bad luck. However, they are other factors which were not similar to the studies, such as they were born inferior and were unlucky. From the above findings, structural, individualistic and fatalistic perception causes of poverty were found to be the main perceived causes of poverty. Among these three perceptions causes of poverty, structural perception is the common one. Many respondents perceived structural explanations, especially blacks, developing countries and the uneducated. In addition, it was found that socio-economic and demographic factors tend to influence perceptions of the causes of poverty. The next section discusses the empirical findings on the effect of socio-demographic on the perceptions of the causes of poverty.

2.6.2 Perceptions of causes of poverty and socio-economic factors

There are studies done on perceptions of causes of poverty linked with socio-economic factors, such as age, race, education, employment and gender (Bullock, 1999; Davids, 2005; Limbert, 2003). The impact of socio-economic and demographic factors on perceptions differs from country to country. (De Haan *et al.*, 2003:352; May & Norton 2000:5; Moore et al., 1998:3; May et al., 1997:96). Socio-economic factors were discussed to compare the differences.

2.6.2.1 Perceptions of the causes of poverty and race

Race is perceived in a multifaceted way and has a role to play in influencing the perception into the causes of poverty (Davids, 2010:71). Davids (2010:149) mentioned that many blacks in South Africa stayed for long without basic commodities more than other races. This group tends to favour structural explanations, blaming society or the system for their predicament. Bullock (2005) alludes to similar findings that black Americans perceived causes of poverty in structural explanations while whites perceived poverty in as an individual cause. In support of Bullock and Waugh (2005) and Davids (2010), Hunt (1996) and Kluegel & Smith (1986) found that black people are more inclined to view structural factors while whites are inclined to be individualistic. The reason is that the white population

is perceived to have had more opportunities while blacks got less and they tend to blame the rich exploiting the poor (Bullock & Waugh, 2005).

The white population appears to have been given more opportunities, which many people have utilised (Bullock & Waugh 2005; Hunt, 1996; Davids, 2010). The black race tends to blame social injustice where the rich exploit the poor. Blacks mostly tend to blame the system for failing to provide food, energy and housing. Many black people in South Africa did not receive quality education and this contributed to their poverty status.

2.6.2.2   Perceptions of the causes of poverty and education

Davids (2005:77) mentioned that education has an impact on how people perceive the causes of poverty. The education level of an individual has both positive and negative effects on how they perceive poverty (Davids, 2005:78). A study done by Hunt (k21996:296) observed that highly educated participants perceived poverty in a positive way compared to those who are not educated. The educated blamed themselves for being poor while the uneducated put the blame on external forces and unforeseen factors. A study by Weiss and Gale (2007:905) in Israel concluded that professionals blamed psychological factors compared to all the other types of explanations for poverty. Participants with lower education levels experienced scarcity in basic goods and services compared with those with higher levels of education (Weiss & Gale, 2007:905). However, people with less education tend to blame the government and other institutions for not providing goods and services.

Another study done by Reutter *et al.*, (2005) examined how educated students (nurses) perceived poverty, and the results showed that the more educated individuals are, the more they are inclined to structural terms. However, Federico (2004:387) predicted some complications on the influence of education on poverty. One of these is the discrimination involved in the level of education. He noted that it is perceived that black Americans are lazy no matter how educated they are. Federico (2004:387) also observed that many black Americans purely rely on grants and/or other government support for survival. As a result, they tend to blame government for their poverty status.

In general, education tends to influence perceptions of poverty in individualistic and structural terms. The more an individual is educated, the more they perceive poverty in individualistic terms because they would blame themselves from not improving their socio-economic status. In contrast, those with less education or no education always blame the government or any other relevant system that they do not provide for them.

2.6.2.3   Perceptions of the causes of poverty and geographical location

Geographical location plays a role in perceptions causes of poverty. Perceptions tend to differ according to geographical location. Literature shows that that each geographical location has its opinions about what causes poverty (De Haan *et al.*, 2003:352; May 2000:5; Moore *et al.*, 1998:3; May & Norton, 1997:96). Urban areas showed that few individuals lack basic necessities, while traditional rural formal and informal urban areas may lack basic commodities. This implies that people in the rural areas tend to perceive poverty in structural terms, while those in urban areas perceive poverty in individualistic terms.

From the above studies, geographical location influenced perceptions of poverty. People in developed countries perceived causes of poverty in individualistic terms because they can afford to buy basic commodities. In contrast, those in developing countries perceived causes of poverty in structural terms because they blame the government for not providing public services, social injustice and exploitation of the poor by the rich.

2.6.2.4   Perceptions of the causes of poverty and age

Shek (2004:277) observed that age is one of the socio-economic variables that influenced views about poverty. Shek (2004) found that there is a difference between how a Chinese parent and adolescent perceive poverty. Adolescents perceived the causes of poverty to be victim blaming, while parents perceived the causes of poverty in fatalistic terms (Shek, 2004:287). Parents were more inclined to bad fate as a cause of poverty although women were found to be prevalent in this category (Shek, 2004:288). In addition, Shek (2002:790) observed that adolescents blamed structural explanations for the low level of income and shortage of jobs.

From the above studies, adolescents are more inclined towards structural explanations. They blamed society, institutions, and the government for low level of income and lack of job opportunities. Parents believe in fatalistic explanations attaching their reasons to bad fate and accidents. Thus age plays an important role in influencing perceptions of poverty.

2.6.2.5   Perceptions of the causes of poverty and gender

Gender has a role to play on how people perceive poverty. Buz *et al.*, (2005:193) observed that there is a relationship between gender, income and corruption. His study on students showed that male students blamed corruption of moral values compared to women. (Buz *et al.*, 2005:193). A general consensus also showed that males are more inclined to the structural dimension compared to females (Smith, 1986; Hunt, 1996; Sun, 2001). Morcoi (1997) also concluded that males are more inclined to structural explanations compared to women because economic structures tend to support women in terms of social grants and employment equity. Other researchers (Buz *et al.*, 2005 & Cozzarelli *et al.,* 2001), however, thought that gender has nothing to do with poverty.

Literature shows that male and female perceive the causes of poverty in different ways. It also differs from country to country. For example, if a country supports women more than men, the former might not support structural factors. Thus gender has a role to play in determining the perceived causes of poverty, although other researchers would argue that it has nothing to do with poverty (Buz *et al.*, 2005 & Cozzarelli *et al.*, 2001).

2.7   SUMMARY AND CONCLUSIONS

Poverty is a broad concept attached to many approaches, definitions and measurements. Many theories have been developed in an attempt to understand poverty, on the other hand, disagreements, challenges and debates have argued on how to define and measure poverty. Despite the disagreements and debates, the study defined poverty as a lack of resources and lack of freedom of choice. Lack of resources constitutes the deprivation of basic goods and services to attain a minimum standard of living. Poverty can also be understood as lack freedom of choice. This will result in lack of peace, human rights, freedom of speech.

Since poverty is a multifaceted concept, there are various approaches used in understanding it: absolute, relative, monetary, social exclusion, capabilities and multidimensional approaches. An absolute approach is objective, which measures the minimum basic needs for survival. It measures the basic goods and services deemed necessary by society and the goods and services are expressed in monetary terms. In contrast, the relative approach is a more subjective measure compared to absolute poverty. Relative poverty compares one individual to society's standards. The monetary approach is used in poverty identification and measurement. It makes use of the income or consumption to measure the shortfall from the poverty line. Poverty approaches are not only limited to monetary values but take abilities of an individual into account. The capability approach is a combination of all the abilities an individual can attain to have better lifestyle. Failure to obtain such abilities, such as to attain basic goods and services and living under the standards of society makes one to be socially excluded, which is one of the approaches to poverty. These approaches have their own weaknesses. Despite their weaknesses, these approaches must be used interchangeably and sometimes they must all be used to achieve the objective of defining and measuring poverty.

Although measuring poverty is complex there are common measures of measuring it: a poverty line, headcount index, poverty gap index, Sen Index and FGT measure. The poverty line is the most common measure of poverty. This is the minimum expenditure on basic food and non-basic food needs. If the expenditure is below the poverty line an individual is poor and above it he/she is non-poor. It is used to separate the poor from the non-poor. A headcount index is simply identifying those who are poor in the population. It quantifies the number of the poor in a society though it does not account for the depth of poverty. Furthermore, the poverty gap is the measure which accounts for the depth of poverty. It measures the shortfall from the poverty line. Sen introduced three axioms: focus, monocotiny and the transfer axiom. A good measure must meet these three axioms which the Sen Index does. This measure is decomposable in that it accounts for incidents of poverty, depth of poverty and the inequality among the poor. Another measure which is decomposable is the FGT. An FGT measure is a decomposable measure that takes into account the weighted average measures of individuals in a group. The FGT meets all the

axioms; hence it is understandable, sound and easy to apply. All these measures have its disadvantages but they must be used interchangeably in measuring poverty.

The causes of poverty differ from one region to another. Europe, Africa, Asia have different cause of poverty. Despite these different causes of poverty the common causes are: income shocks, institutional failures, gender discrimination, human capital and corruption. A country which depends on agriculture or one sector is prone to income shocks. Due to insufficient funds individuals cannot afford basic commodities and are vulnerable to poverty. Institutional failures have also contributed to poverty. The government has failed to provide public goods and services, health services and creating employment. This is one of the main causes of poverty. Furthermore, gender discrimination is another cause of poverty. Failure to provide credit, land and resources to women can make them poor. They can become lazy to work very hard because the system has failed to support them. Shortage of skilled labour, lack of education has hampered the economy at large as well as individuals. They cannot sustain themselves, which make them vulnerable to poverty. The blame is put on western countries, unfaithful leaders and corruption. A combination of these is a setback to the whole nation and individual at large.

Perceptions of causes of poverty were grouped into three: structural, individualistic and fatalistic explanations. Structural explanations put the blame on external forces, such as social injustice and uneven distribution of resources in a society. In contrast, an individualistic explanation blames individuals for being poor. It attaches factors such as laziness, lacking the ability to manage money and money spent on non-basic commodities. Fatalistic explanations put the blame on accidents, bad fate, lack luck and misfortunes. They are theories which support these perceptions causes of poverty, such as conservative and liberal approaches. Conservative approaches are more inclined to individualistic explanations while liberal explanations are structurally inclined.

The literature review has shown that studies done on the perceptions causes of poverty grouped perceptions into three: individualistic, structural and fatalistic. Factor analysis, descriptive and regression analysis were used in identifying the perceived causes of poverty. It was found that many people perceived causes of poverty in structural explanations as well as individualistic explanations. It was also found that

South Africans perceive causes of poverty in structural explanations. They put their blame on social injustice, lack of opportunities, uneven distribution of resources and lack of welfare as their main causes of poverty. In contrast, other studies identified that an individualistic approach was the main perceived cause of poverty. The reasons attached to this approach were that people were lazy, lacked authority and they did not want to improve themselves. Individualistic perception of poverty was mainly favoured by developed countries where many people had been given more opportunities to improve themselves. However, even those who failed to improve themselves would still perceive causes of poverty in individualistic terms. The few studies done on perceptions of poverty have shown that people blamed or experienced misfortunes of being poor. Other reasons which were attached to a fatalistic perception was that people are lazy, they are not intelligent, they do not put much more effort, they have a low income and they went to poor schools. The literature review also extended to the non-poor who perceived the poor as being poor because they do not have money to buy basic commodities, they are lazy, lack opportunities, fear the unknown and lack ability.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

A research methodology is one of the most important components in research hence it must be clearly defined. Cant, Gerber-Nel, Nel and Kotze (2003:65) advocate that a research methodology comprises of techniques and mechanisms of formulating the problem statement and obtaining results as well conclusions. They further argue that it entails producing a research design, scope, sample, instrument, as well as validity and reliability testing, and analysis (Cant *et al.,* 2003:65). This chapter seeks to discuss the research methodology used in this study.

3.2 RESEARCH DESIGN

A research design as defined by Parahoo (1997:142) is a "plan that describes how, when and where data should be collected and analysed". In other words, a research design consists of methods used to collect data, the period as well as the geographical location of the data collection. Data collection as subscribed to by Seeberg (2012:4-5) can either be qualitative, quantitative and or a combination of the two commonly known as triangulation. Qualitative research involves understanding what people think and how they perceive things through experiences in the real world (Merriam, 2009:13). It uses films, observations and focus groups (Seeberg, 2012:4-5). In contrast, quantitative research is a systematic and neutral process which follows a certain method. More so, it describes, investigates and tests the causal-effect relationships between variables (Burns & Grove, 1993:777). Soemarno (2007:227) in support mentions that quantitative research follows the collection of data, descriptive statistics and hypothesis testing. More so, Nicholls (2011:2) suggests that a quantitative research design constitutes attributes such as the use of common methods like percentages, means and models in predicting events as well as determining actions. This design can be utilised in the collection of large amounts of data and its results tend to be numerical (objective) (Sukamolson, 2009:11). In light of the above, a quantitative research design was deemed fit and suitable for the purposes of this study. The next section discusses the sampling process.

3.3   SAMPLING PROCESS

A sampling process comprises the target population, sampling frame and technique as well as the sample size (Kinnear & Taylor, 1991:395). The next section focuses on the target population.

3.3.1   Target population

A target population is an entire group of individuals, corporations, objects or any other items sharing at least a set of characteristics (Zikmund, 2000:339). Kinnear and Taylor (1991:395) suggest that it includes elements of the population, sampling units, extent and time. The derived implication is that a target population needs to be well-defined in terms of population elements, sampling units, extent and time. A population element as defined by Zikmund (2000:339) refers to an individual, corporation, item and or object which form part of the population. West (1999:63), on one hand, defined a sampling unit as a participant to be sampled which may include an individual, a retail outlet, an advisor, a company, a school, a university and or a consultant. On the other hand, an extent, commonly referred to as a research scope, defines the research focus in terms of the geographic location and boundaries, such as the town, city, province and or country in which the study is conducted. Thus, the sampling units of this study were both the male and female households, the extent or research scope was Kwakwatsi Township in the Free State province of South Africa. Lastly, the survey time or period of this study was two months (from April to May 2013).

3.3.2   Sampling frame

A sampling frame is a list of population elements from which a sample is chosen (Zikmund, 2000:344). Its purpose is to select suitable members of the targeted population to be surveyed (Turner, 2003:3). Turner (2003:4) in complement with the aforementioned suggests that a sampling frame must be accurate, up-to-date and complete. A list of households residing in the Kwakwatsi Township obtained from the Ngwathe Municipality was used as the sampling frame of this study. This is mainly because the residents of Kwakwatsi Township engage in less economic activities and ultimately experience increasing rates of poverty. The next section focuses on the sample size.

3.3.3   Sample size

Gerber-Nel *et al.* (2003:48) refers to a sample size as the number of participants to be included in an investigation. In addition, they associated a sample size with the quality and simplification of data as well as population representation (Gerber-Nel *et al.,* 2003:48). Statistically, a sample size of 30 is deemed normal, while any size of less than 30 is small and more than 30 is said to be big. As such, small sample sizes might not be representative of the targeted population whereas normal and bigger sample sizes can be representative of the population elements. In light of the above, a sample size of 225 which was used in this study, was deemed relatively big and therefore, representative of the population elements of the Kwakwatsi Township households.

3.3.4   Sampling procedure

There are different sampling procedures used in academic research when choosing a sample. McDaniel and Gates (2001:31) suggest that researchers may use the probability or non-probability samples. A probability sample is a sample in which all elements have the same chance of being selected into a sample (West, 1999:68). In other words all elements have a known and equal chance of being included in the sample. The probability sample includes methods such as simple random, systematic, stratified and cluster sampling (Gerber-Nel *et al.*, 2003:48). Simple random sampling is a method that assures equal chance of selection of the population elements into a sample, while systematic sampling involves the selection of population elements after every n[th] element in the sampling frame.

Non-probability samples refer to subsets of a population with little or no chance of being chosen into the sample (McDaniel & Gates, 2001:31). Convenience, quota, snowball and judgmental sampling constitute non-probability sampling techniques (Gerber-Nel *et al.*, 2003:49). In all these techniques, the researchers apply personal judgement to select the sampling units (ZikMund, 2000:350).

For the purpose of this study, a simple random sampling technique to select the households of Kwakwatsi Township into a sample size of 225 respondents. Thus, the respondents in Kwakwatsi were randomly selected from the sampling frame of Kwakwatsi Township residents. Where households were not available, fieldworkers

went to the next pre-selected. The next provides an overview of the geographical location of this study.

3.4 GEOGRAPHICAL LOCATION

The study was based on Kwakwatsi Township located in the Free State, South Africa. Kwakwatsi is a small township near Koppies, about 70 km away from Sasolburg, 180 km south of Johannesburg and 280 km north of Bloemfontein. Kwakwatsi is a former black residential township and its head office is in Parys under Ngwathe Municipality (Ngwathe Municipality, 2009). It is a semi-urban area associated with less economic activities and its population is approximately 15 095. In this population, Sekhampu (2010; 2012; 2013) found that poverty was high in the area, and therefore provided ample ground for testing the perceptions of these residents on what causes poverty.

3.5 QUESTIONNAIRE DESIGN

The research instrument used in this study is a questionnaire, which was mainly made up of dichotomous, multiple choice and Likert scale questions and divided into two sections: A and B. Section A was composed of socio-economic and demographic factors, such as household size, number of children, gender, age, marital status, level of education, employment status and income of the household heads.

Section B of the questionnaire measured perceptive causes of poverty which borrowed information from the Perceptions of the Causes of Poverty Scale (PCPS) developed by Joe Feagin (Bobbio *et al.*, 2010:223; Buz *et al.*, 2012:191; Davids, 2010:14). The question responses were based on a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The higher the scale for example a scale of 4 and 5, the more important the factor is to the causes of poverty. Below are the perceived reasons of the poor people's poor status.

- "They lack the ability to manage money";
- "They waste their money on inappropriate items";
- "They do not actively seek to improve their lives";
- "They are exploited by rich people";

- "The society lacks social justice";

- "Distribution of wealth in the society is uneven";

- "They lack opportunities due to the fact that they live in poor families";

- "They live in places where there are not many opportunities";

- "They have bad fate";

- "They lack luck";

- "They have encountered misfortunes";

- "They are not motivated because of welfare (grants)"; and

- "They are born inferior" (Davids, 2010).

The above perceived reasons were divided into three indices: individualistic, structural and fatalistic. The individualistic index was measured by question 1 to 3, the structural index was measured by question 4 to 8 and fatalistic index was measured by question 9 to 13. This questionnaire was used by a fieldworker to interview 225 respondents and was done in the months of April and May 2013. The language used in the questionnaire was English. In cases where the respondents did not understand English the fieldworker interpreted from English to Sotho and Tswana.

3.6   STATISTICAL ANALYSIS

This study used two steps of approaching statistical analysis, namely, factor analysis and linear regression analysis. Factor analysis was used in determining how respondents perceived causes of poverty, which were categorised into individualistic, structural and fatalistic. The linear regression model measured the impact of socio-economic and demographic factors on perceptions of causes of poverty. The predominant index was regressed against a set of demographic variables to identify the determinants that well explained the perceived causes of poverty. The next section discusses the factor analysis and linear regression model.

3.6.1   Factor analysis

Factor analysis is a statistical method used when interpreting questionnaires (William *et al.*, 2012:2). It determines the nature of a relationship between variables (Beavers *et al.*, (2013:1). In determining the nature of relationship, factor analysis minimises a

large number of variables into manageable variables called factors (William *et al.,* 2012:3). Two methods are used: exploratory and principal component analysis (Suhr, 2005:1).

Khalife (2009:17) notes that three steps are used in factor analysis, namely the sampling adequacy, factor extraction and the interpretation of the results. The work of Comrey (1973) is mainly used in determining an adequate sample size, which is the first step in factor analysis. Different sizes were identified: 100 by way of poor, 200 as fair, 300 good, 500 by way of very good and 1000 as excellent. The second step is factor extraction where decisions are made as to what factors can be used in factor analysis (Khalife, 2009:17). There are certain rules used in factor extraction, such as Eigenvalue, percentage of variance and the Kronbach alpha. Percentage of variance and eigenvalues helps in explaining and analysing the factors while Kronbach alpha determines the reliability. The eigenvalue must be above 0.4 for a factor to be meaningful. Interpretation, which is the last stage in the factor analysis, includes identification of factors with higher and lower loadings (Khalife, 2009:26). It is done after the identification of factor loadings using the theory underlying the analysis as well as the meaning of variables (Khalife, 2009:26).

For the purpose of this study, Principal Component Analysis was used to determine whether there was double factor counting. Thirteen factors were loaded in factor analysis and grouped into three categories, namely individualistic, structural and fatalistic. In addition, this study identified factors with higher and lower factor loadings, with higher factor loadings denoting the greater degree at which a factor is perceived as a cause of poverty and the opposite is true. An interpretation was then provided using the eigenvalues, percentage of variance and the Kronbach alpha.

3.6.2 Linear regression model

A regression analysis is a statistical data analysis method used to analyse the relationship between a dependent variable and independent variables. More precisely, it identifies and characterises the nature of the relationship among variables, estimates variables as well as predicting their behaviors. Artze (2010:3), in support, notes that regression analysis estimates the values of the dependent variable by the behavior of the independent variables.

The current study thus, employed a linear regression model to investigate the perceived causes of poverty based on individualistic, structural and fatalistic perceptions while taking into consideration the socio-economic. The dependent variables of this study comprised the three perceptions of poverty: individualistic, structural and fatalistic, while, socio-economic and demographic variables were the independent variables. The gathered data of all these variables was analysed using STATA 11 software package, with the aim of describing the nature of the relationship. Furthermore, the SPSS software package was utilised to perform factor analysis in this study. As such indices such as the coefficients, p values and R squared were used to report the results of hypotheses tests as well as significance of the supported hypotheses on the perceptions of the causes of poverty. The study used all the three models to explain if factor analysis shows that all three factors are significant. These models are illustrated below:

$$Y1 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \in \dots\dots\dots\dots (1)$$

$$Y2 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \in \dots\dots\dots\dots (2)$$

$$Y3 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \in \dots\dots\dots\dots (3)$$

Where:

Y_1 Y_2, Y_3 = Individualistic, structural and fatalistic perception respectively

X_1 = Income level of the household head (measured in rand per month)

X_2 = employment status of the household head

X_3 = age of household head

X_4 = Education level of the household head

X_5 = marital status of the household head

X_6 = number of children of the household head

X_7 = household size

X_8 = gender of the head (male=1 and female=0)

α = intercept

The next section presents the demographic profile of the respondents.

3.7   THE DEMOGRAPHIC PROFILE OF KWAKWATSI TOWNSHIP

This section fully describes and analyses the demographic profile of the sampled population. The profile includes the household size, various sources of income within a household, employment, age, gender, marital status as well as education of household heads. These factors were obtained from a review of relevant previous studies such Mbele (2012), Sekhampu (2010) and Statistics South Africa.

3.7.1   Members of the household

Members of the household refer to the number of persons within a household. The composition of household members is presented in Figure 3.1. As seen in Figure 3.1, the composition of household members comprise of mothers who account for 21.40 percent while fathers accounted for 17.20 percent of the total number of household members in Kwakwatsi. The figure also shows that sons count for 16 percent of the total number of household members, while daughters count for 25 percent of household's members. Furthermore, the composition reveals that the grandfathers and grandmothers account to 1.3% and 1.2% respectively. Uncles and aunts also share a more or less distribution of 0.20% and 0.40% respectively. Sekhampu (2010) found more or less similar trends in his study of the same area. The study accounted to 17% fathers, 22% mothers, 25% daughters and 16% sons. Stats S.A (2010) found that in the Free State mothers/wife, daughters, grandmother and aunts equalled to 48.5%. These results are consistent with the current survey findings.

Figure 3.1: Composition of household members

Bar chart showing composition of household members:
- Father/Husband: 17.20%
- Mother/Wife: 21.40%
- Son: 16%
- Daughter: 24.90%
- Grandfather: 1.30%
- Grandmother: 1.20%
- Uncle: 0.20%
- Aunt: 0.40%
- Other: 17.40%
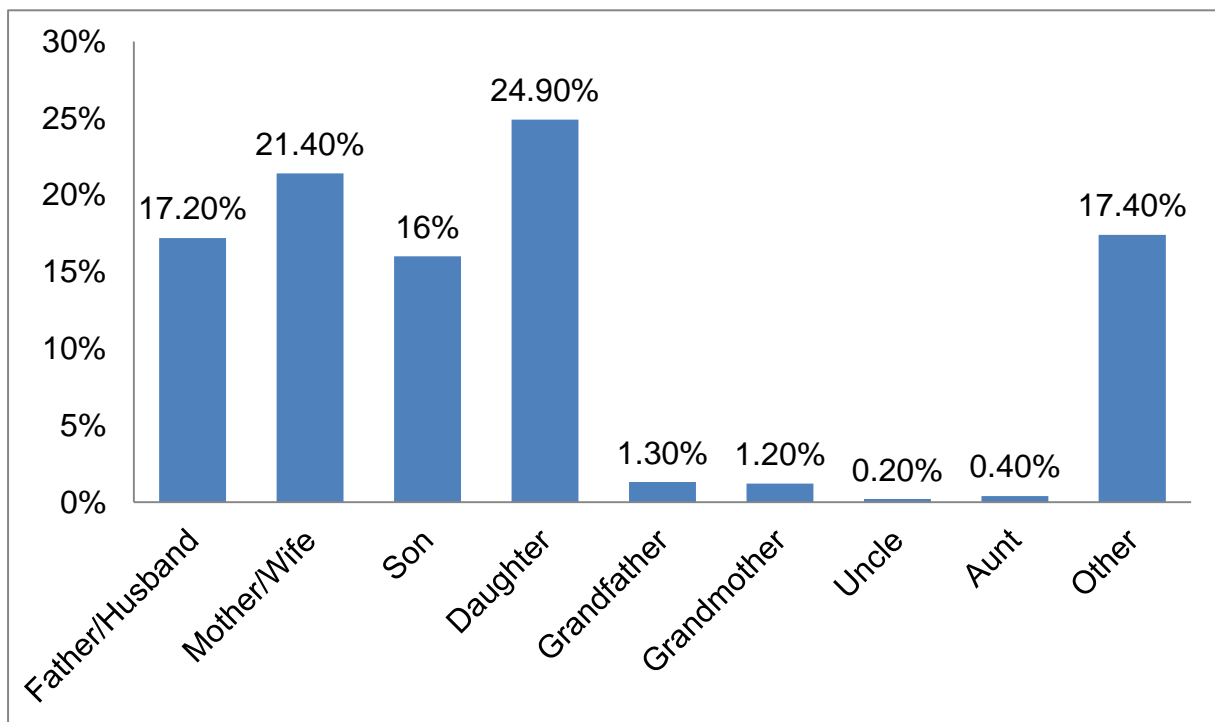
Source: Survey data (2013).

3.7.2 Composition of household heads

The composition of household heads in this study refers to the respondents who support their families. Figure 3.2, presents the composition of household heads and reveals a higher percentage for fathers/husband (75.60%) relative to that of mothers/wives (22.70%). The population of household head of daughters and grandmothers is 1.30 percent and 0.40 percent respectively. The Stats S.A (2011) shows a national household head composition of 60.6 percent males and 39.6 percent females. The Kwakwatsi figures are consistent with the national statistics department figures. From the above trend, fathers/husbands are the most common household's head in Kwakwatsi Township.

Figure 3.2: Composition of households heads

Bar chart showing: Father/Husband 75.60%, Mother/Wife 22.70%, Daughter 1.30%, Grandmother 0.40%.
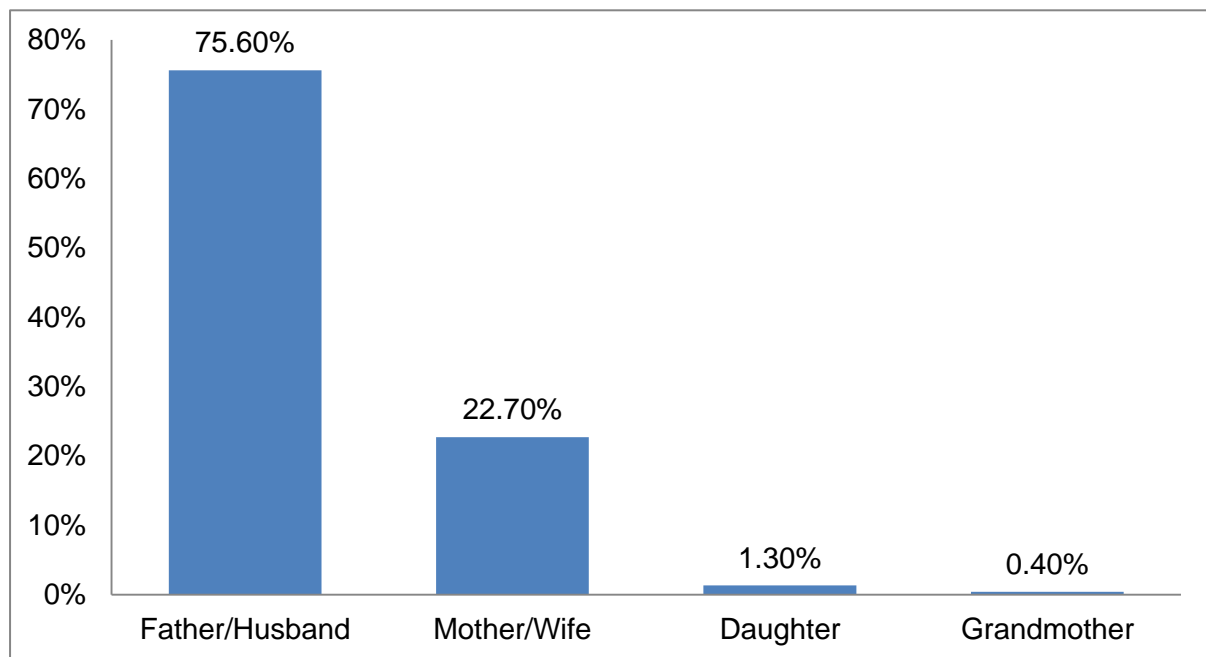
Source: Survey data (2013).

3.7.3　　　　Gender distribution of the population

Gender distribution of the population in this study describes the percentage of male and female in Kwakwatsi Township. The results indicate that about 40 percent of the population are males and 60 percent are female residents of Kwakwatsi Township. In comparison to Stats S.A (2011), the national gender distribution was 48.2 percent and 51.7 percent for males and females (gender) respectively. In both the national survey and the current study's survey results there are more females than males.

3.7.4　　　　Gender of household head

The gender of household head in this study refers to the percentage of males and females who support their families. The results indicate that male household heads account for 69.30 percent whilst the female household heads account for 30.70 percent. Stats SA (2008) reported that national male households head accounted for 61.1 percent, while females accounted for 38.9 percent. In 2011, Kwakwatsi Township had a gender household head of 59.20% and 41.80% for male and female, respectively (Stats S.A, 2011). The survey data suggests an increase in male household head from 2011 to 2013 and a decrease in female household head during the same period.

3.7.5 Average household size

The household size refers to the number of respondents sampled for the current study. Table 3.1, presents the average household size and reveals an average household size of 4.39 members per household. The average household size in 2011 was 3.6 for South Africa (Economic update, 2012:2). In the average household size the national figures had a similar make-up from the above trends.

Table 3.1: Household Average size

Demography	Average household size
FHH	3.9
MHH	4.6
Total Average	4.39

Source: Survey data (2013).

3.7.6 Marital status of the population

The marital status of sampled population is shown in Figure 3.3. The figure shows that 33.80 percent are children and not married. In addition, the figure reveals that the greatest percentage of members is married 34.70 percent. The percentage of those divorced and separated is 1.40 percent and 0.60 percent respectively. Those who are widowed amount to 5.40 percent of the total number of the population. A comparison with Stats S.A (2011:19) shows that those who were never married/children are 61% whilst those who are married are 31% in the Free State province. The national data does not correspond with the current survey results on those who were never married but it corresponds with those who were married.

Figure 3.3: Marital Status of the participants
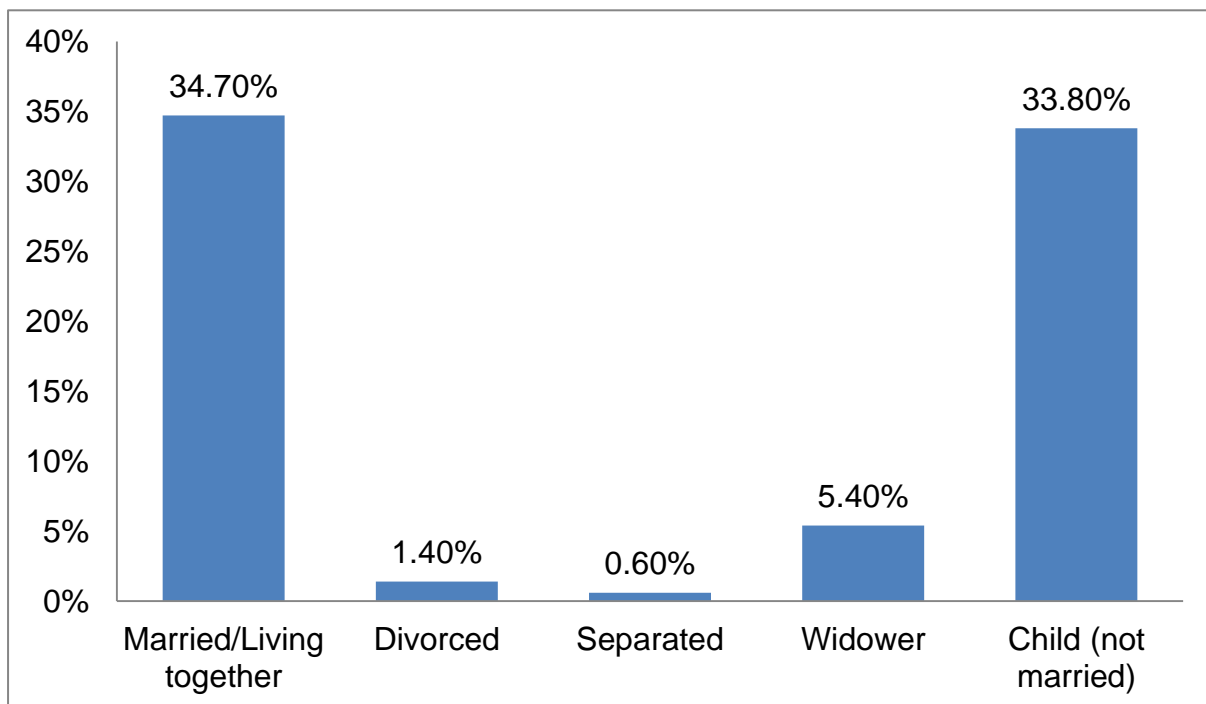
Source: Survey data (2013).

3.7.7   Marital status of the household head

Figure 3.4 reports the marital status of household head in this study. The figure indicates that the greatest percentage is the married/living together and is represented by 70.60%. The widows amounted to 18.70% while the divorced amounted to 4.90%. Household heads who reported that they were never married accounted to 4% while those who were separated amounted to 1.80%. Booyson *et al.*, (2013:7) reported that a majority of household heads are married and are living together, with single parents being the second highest. These results are in line with the current survey results.

Figure 3.4: Marital status of the household head
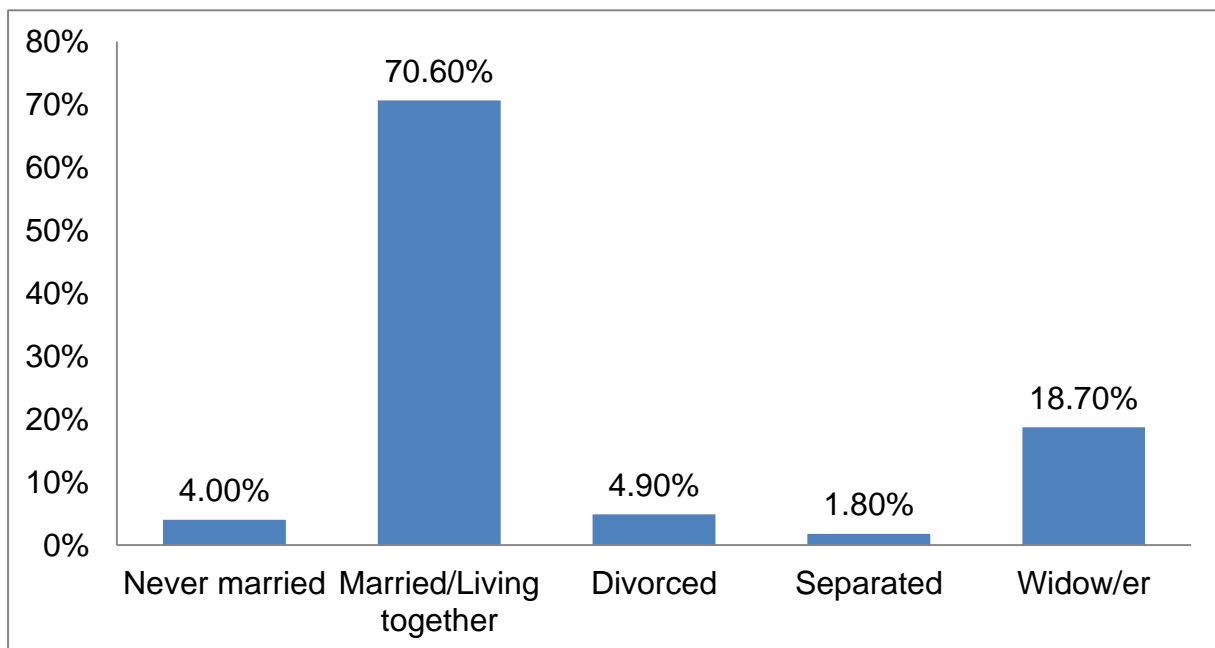
Source: Survey data (2013).

3.7.8 Average length of stay in Kwakwatsi

Table 3.2 presents the average length of stay in Kwakwatsi. The figure shows that 54 percent of the households have moved to the township in the last ten years. As also shown on the figure, approximately 19 percent of the respondents have been in the township for a period of 21-25 years.

Table 3.2: Average length to stay

Average stay in years	Frequencies	Percentages
1-5	1	0.4
6-10	7	3.1
11-15	5	2.2
16-20	122	54.2
21-25	42	18.7
26-30	29	12.9
31-35	15	6.7
36-40	4	1.8

Source: Survey data (2013).

3.7.9 Qualifications of the population at school

The education level of the population is presented in Figure 3.5. This Figure indicates that all the enrolments of the school-attendance of the sampled population. The majority of the school-going population is in the first three grades (32.42%). Approximately 59 percent of the sample is still in primary school. The enrolment of matric students/grade 12 is 10.09 percent, while for grade 8 to 11 combined is 30 percent. A lower percentage on tertiary education was recorded at 0.31 percent. A comparison with the National Department of Education (2010:10) shows that primary school enrolment is 88.6 percent whilst the grade 12 is at 17.12 percent and tertiary accounts for 0.68 percent at national level.

Figure 3.5: Qualifications of the population in school
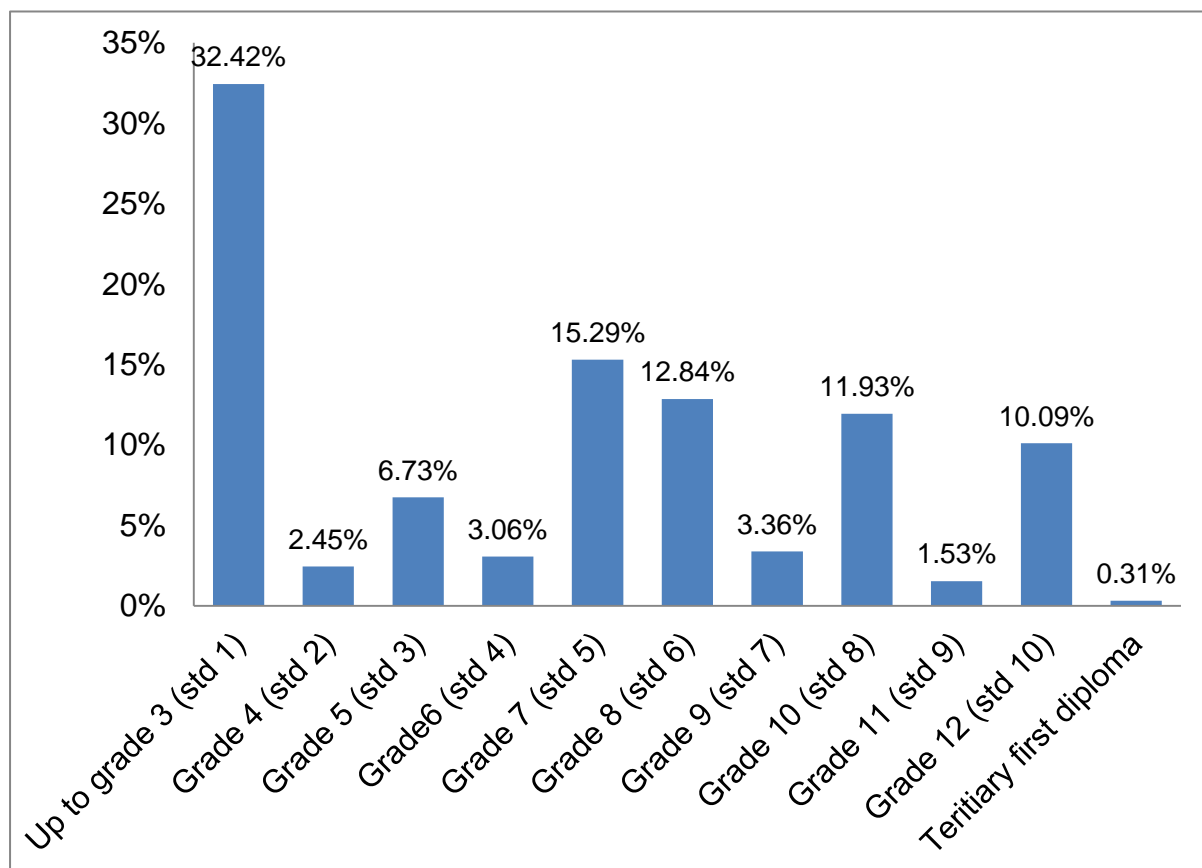
Source: Survey data (2013).

3.7.10 Qualification of the population out of school

Figure 3.8 presents the educational levels of the household members who are school leavers in the sampled population. The grade 12 or higher educational qualifications accounted for 14 percent among the sampled population, whilst the

grade 7 or those with lower educational qualifications amounted to 60 percent. Approximately 5 percent of Kwakwatsi population has never gone to school while 22 percent has passed grade 8-11. Sekhampu (2010:128) shows more or less the same percentage of grade 12. Stats SA (2009:51) also recorded a 27.7 percent on those with grade 12 and higher education qualification. Thus, from the above statistics, it can be seen that the higher level of education is increasing though it is not sufficient for development.

Figure 3.6: Out of school population

Category	Percentage
No schooling	4.90%
Tertiary first diploma	1.30%
Grade 12 (std 10)	12.40%
Grade 11 (std 9)	4.90%
Grade 10 (std 8)	3.60%
Grade 9 (std7)	0.90%
Grade 8 (std 6)	11.60%
Grade 7 (std 5)	4.40%
Grade 6 (std 4)	18.70%
Grade 5 (std 3)	0.40%
Grade 4 (std 2)	16%
Up to grade 3 (std1)	20.90%
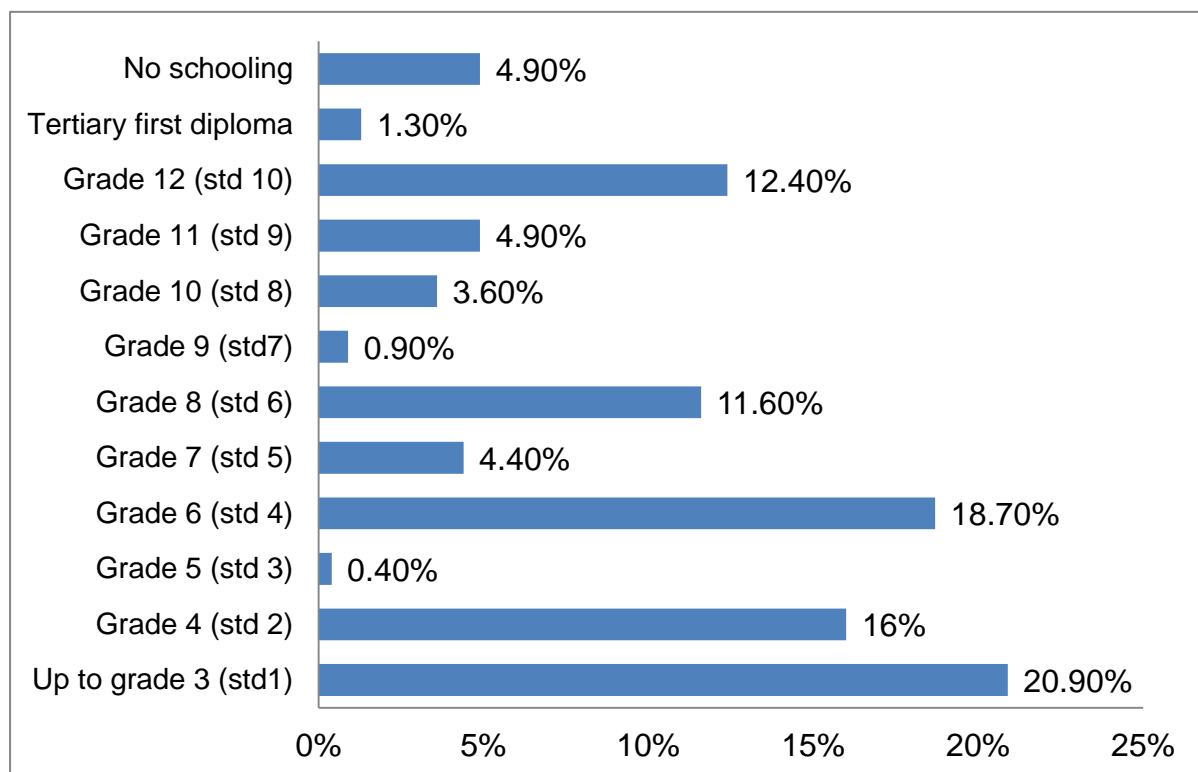
Source: Survey data (2013)

3.7.11   Educational level of household head

Figure 3.7, reports on the educational level of the household head of the sampled population. The figure shows that about (21%) attended school up to grade 3, about (12%) up to grade 8 and (12%) matric, whilst 5 percent of the household heads had no school. The highest percentage is (20.90%) for those who have grade 3. Statistics SA (2012:13) reported that (5.7%) of household heads are without education at national level. This is consistent with the (5%) from this current survey's results for the households without schooling.

Figure 3.7: Educational level of household head

Education level	Percentage
No schooling	4.90%
Tertiary first diploma	1.30%
Grade 12	12.40%
Grade 11	4.90%
Grade 10	3.60%
Grade 9	0.90%
Grade 8	11.60%
Grade 7	4.40%
Grade 6	18.70%
Grade 5	0.40%
Grade 4	16%
Up to grade 3	20.90%
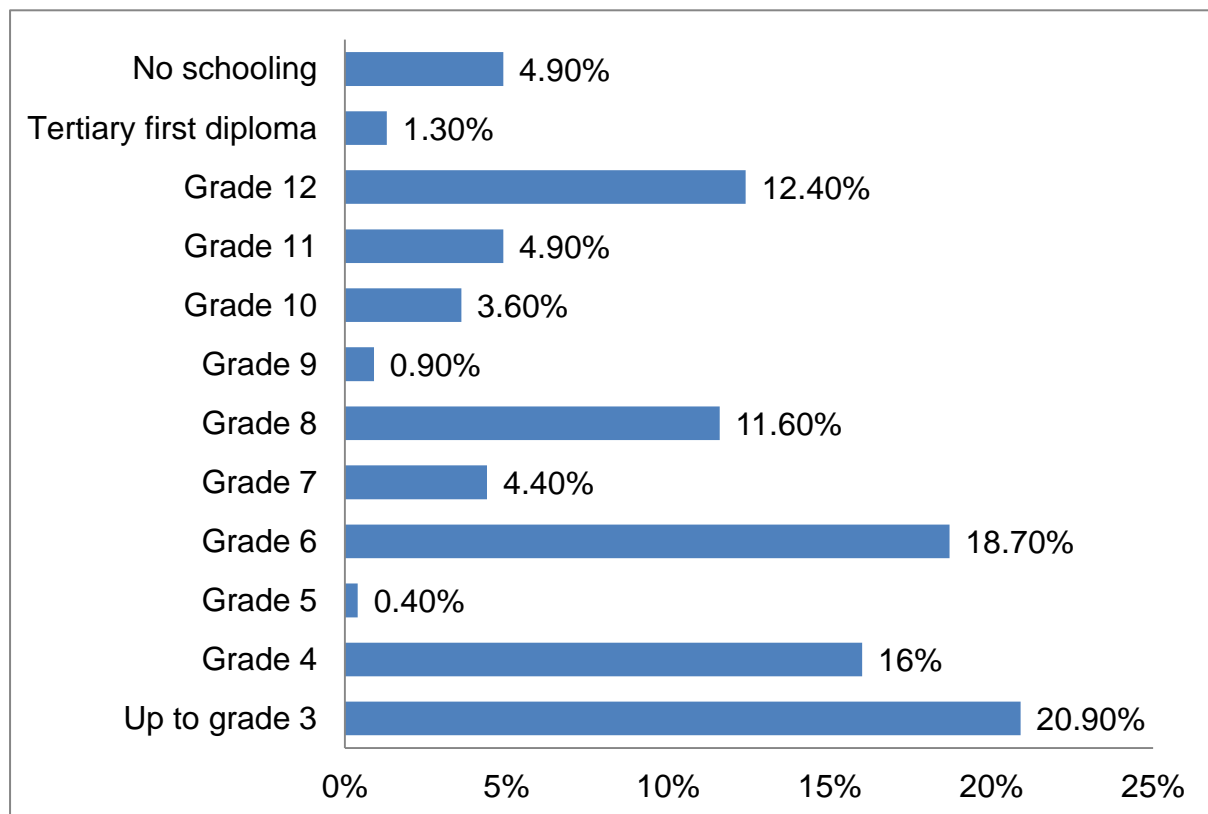
Source: Survey data (2013).

3.7.12 Employment status

The employment status of the sampled population is presented in Figure 3.8. As shown in the figure, the unemployment rate of the sampled population is at 15.7 percent. On the contrary, approximately 12.2 percent of Kwakwatsi Township households are formally employed while 72.1 percent are informally employed. Statistics SA (2013) reported a decrease of 1.6 percent in the unemployment rate and an increase of 6 percent in the informal sector jobs in Free State province for the past year. The current national unemployment rate is approximately 25 percent, whilst in Free State it is 31 percent.

Figure 3.8: Employment status

Bar chart showing employment status:
- Unemployed: 15.7%
- Informal activities: 72.1%
- Formally employed: 12.2%
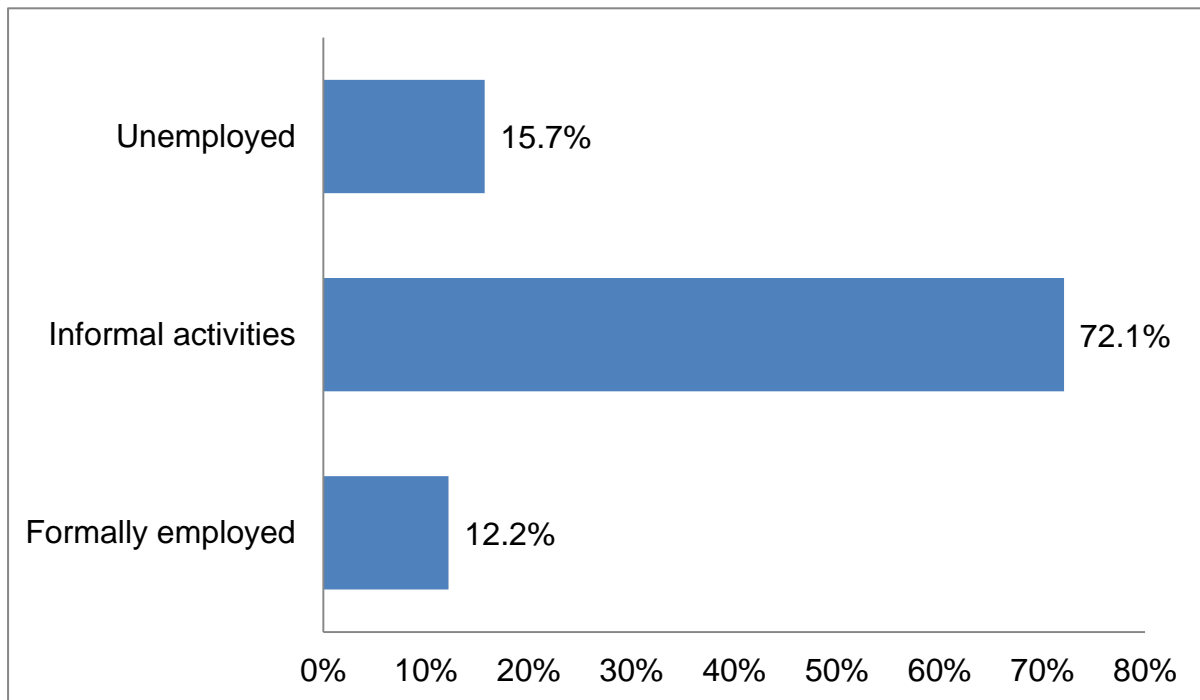
Source: Survey data (2013).

3.7.13 Duration of unemployment in years

Figure 3.9 presents the duration of unemployment of the respondents expressed in years. The figure reveals that 19.77 percent of the unemployed respondents have been without work for 2 years. Approximately 17 percent of the sampled population has been unemployed for more than 10 years, whilst 15.12 percent has been unemployed for about 5 years. 12.79 percent and 9.30 percent of the respondents have been without work for 6 years and 4 years respectively. Sekhampu (2010) found out that 34 percent of the population stayed more than 11 years without employment.

Figure 3.9: Duration of unemployment in years
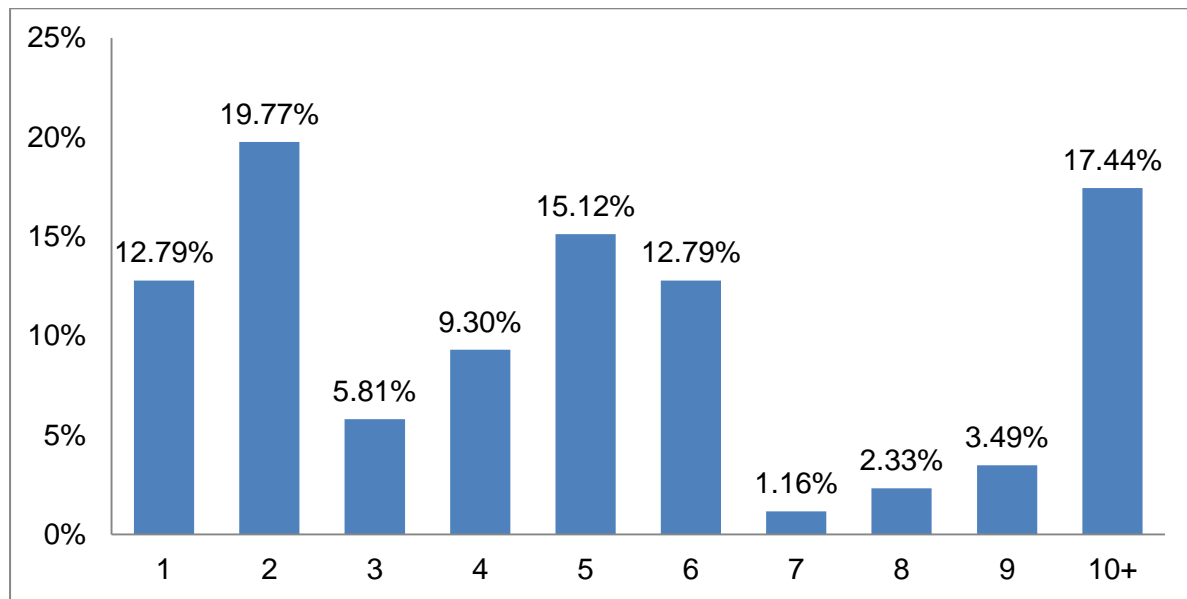
*Source***:** Survey data (2013).

3.7.14 Skills of the unemployed

This section describes the skills of the unemployed respondents and graphically presents them in Figure 3.10. As shown in the figure, the highest percentage (46.40%) of the unemployed respondents has skills in retailer trading (selling). This category of the unemployed respondents may be earning their daily living through selling. Twenty-two percent of the unemployed respondents have building or construction skills. Due to lack of any other skill they are left with no option rather than going to construction. The female surveyed respondents have catering/cooking, sewing, baking, hair-dressing and knitting skills and all these skills accounted for 11 percent. Male skills such as welding, gardening/farming and building/construction accounted for 25 percent. Approximately 5 percent of the surveyed respondents possess office skills and computer skills, while 8.30 percent have other skills. Sekhampu (2010:134) found out that construction is the highest skill among the unemployed with 23 percent followed by 21 percent of those with trading skills.

Figure 3.10: Skills of the unemployed

Other — 8.30%
Office — 2.40%
Computer — 1.20%
Gardening / farming — 2.40%
Building / construction — 21.40%
Welding — 1.20%
Knitting — 1.20%
Hair dressing — 3.60%
Baking — 2.40%
Sewing — 2.40%
Catering / cooking — 7.10%
Retail trader (selling) — 46.40%
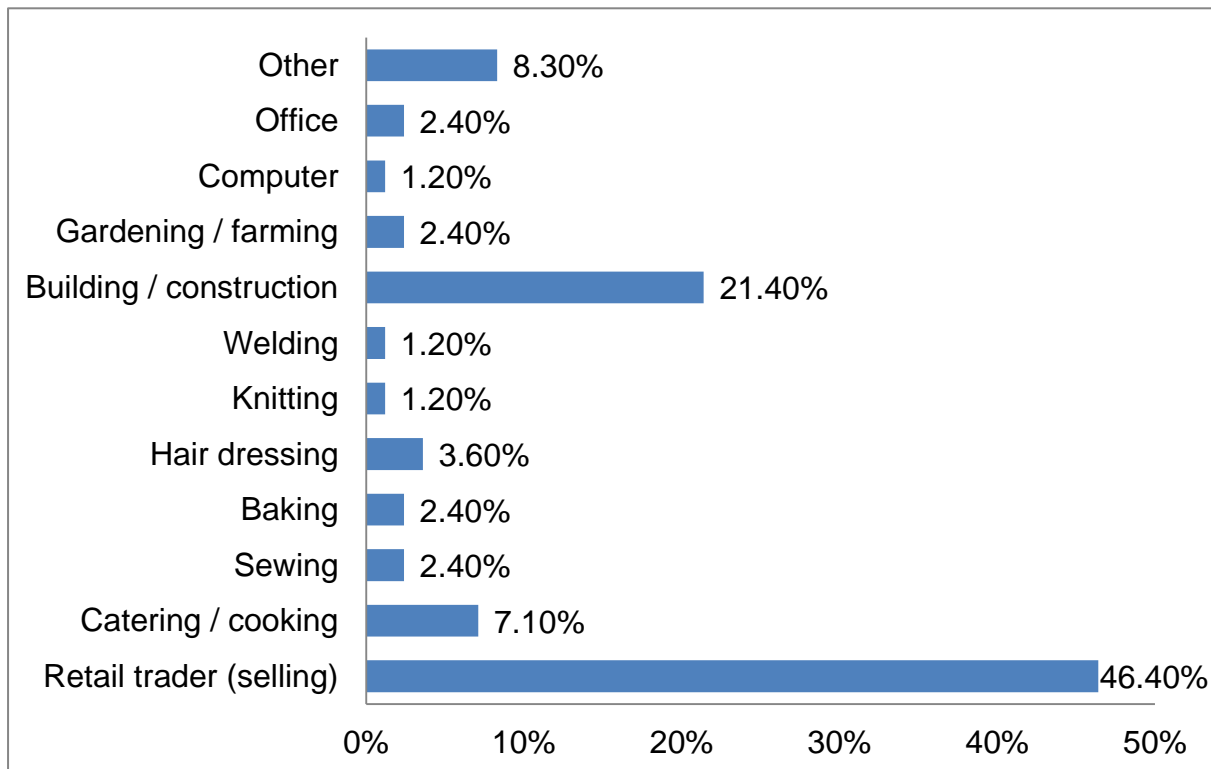
Source: Survey data (2013).

3.7.15 What are the unemployed doing?

This section describes what the unemployed are currently doing. Figure 3.11 illustrates what the unemployed are currently doing and shows that about 93.5 percent of these respondents are actively looking for a job. Most of them are looking for jobs related to their skills and also seeking for any other employment. About 4 percent of the sampled population is helping the other employed households with duties while 2.60 percent is just idle. According to Mbele (2012:63), in 2012, 79 percent of households were actively looking for a job, 17 percent were helping with the household duties while 3 percent were just idle in Boitumelo area which is the same setup with Kwakwatsi. The trends are more the same and they show that the unemployed are looking for jobs related to the skills they have listed.

Figure 3.11 What are the unemployed doing
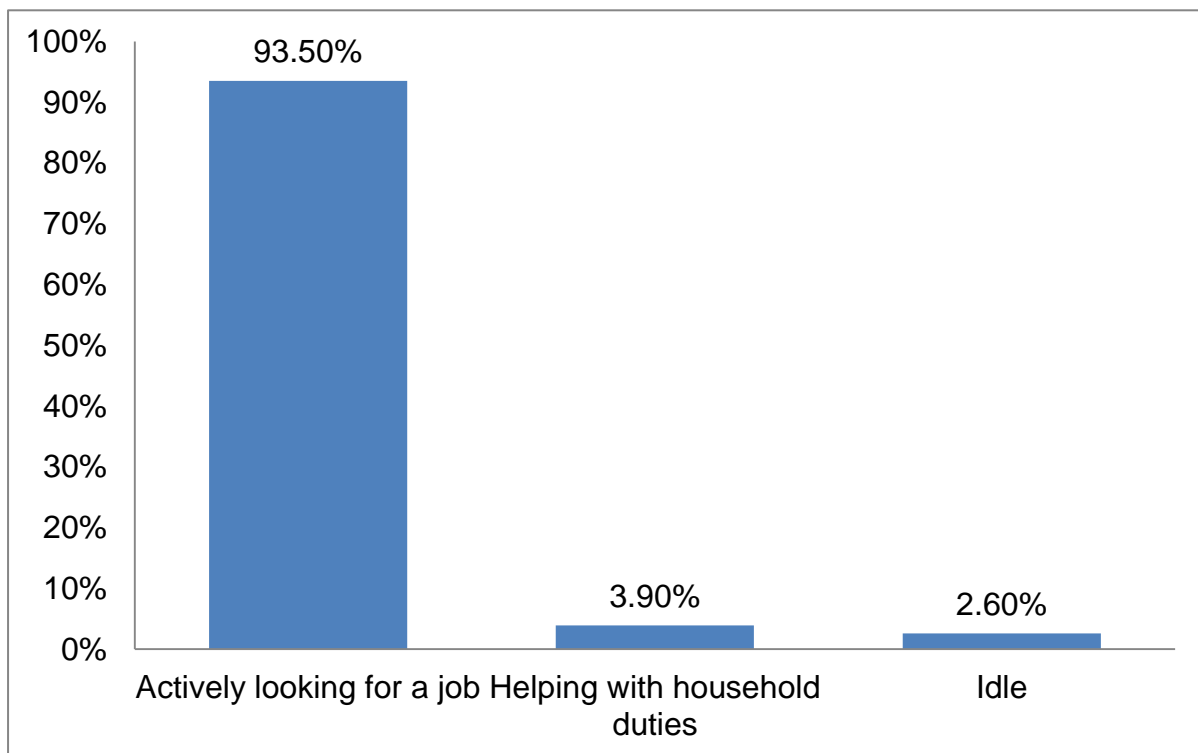
Source: Survey data (2013).

3.7.16   Employment status of household head

The employment status of the household heads is reported in Figure 3.12. An analysis of the employed as shown by the survey results in Figure 3.12 shows that 50.70 percent of the household heads are informally employed whilst 22.20 percent are formally employed. The figure further shows that about 23 percent of the household heads are not economically active whilst 4.40 percent is unemployed.

Figure 3.12: Employment status of household head
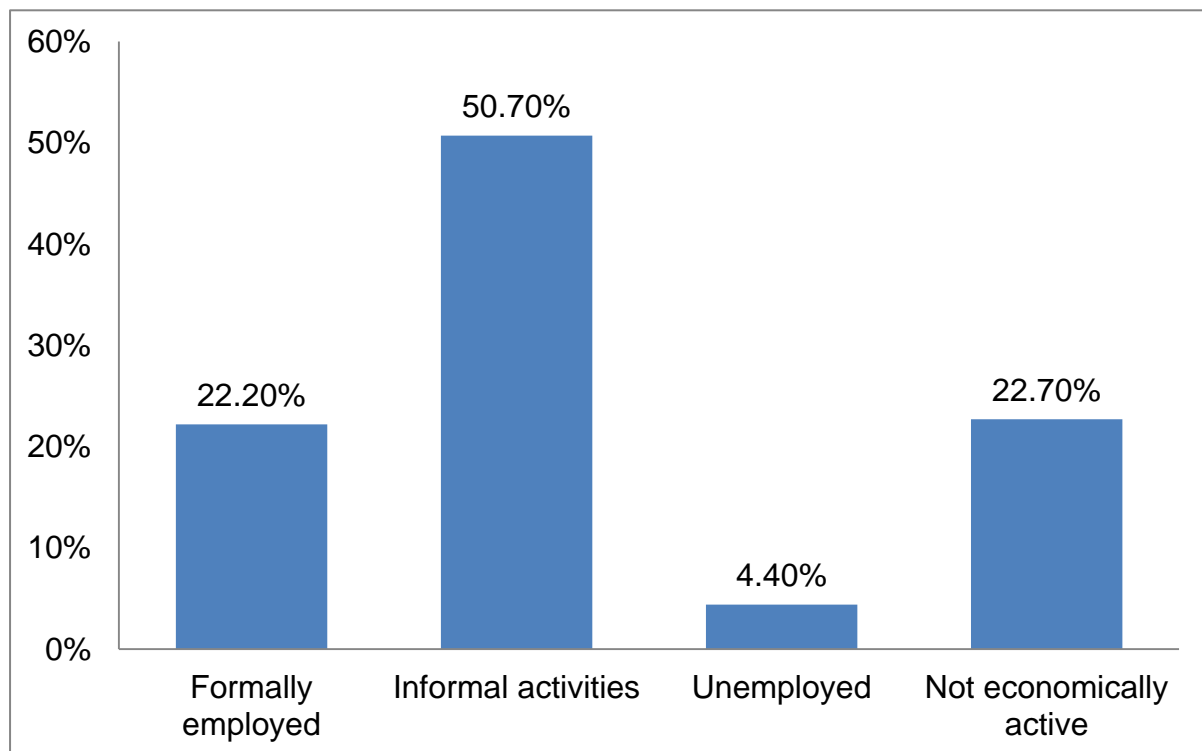
Source: Survey data (2013).

3.7.17 Sector of employment for the employed

Figure 3.13 reports on the employed respondents' sectors of employment. Approximately 55 percent of the surveyed respondents are employed in the following sectors community, social, education, training and personal service. About 28 percent of the surveyed respondents are employed in other sectors which fall under the informal sector. The wholesale, retail, trade and catering sectors accounted for about 6 percent, agriculture accounted for 7 percent while construction, electricity, manufacturing, mining and transport recorded about 5 percent in total (Stats SA, 2013). The national reports also showed that community, social, education, training and personal service are the sectors which employs many people in the Free State province (Stats SA, 2013). Thus, due to less economic and social activities Kwakwatsi Township households relies on the informal sectors for survival.

Figure 3.13: Sector of employment for the employed

Horizontal bar chart showing sector of employment percentages:

- Other: 27.50%
- Community, social, education,...: 55.20%
- Finance, insurance, real estate: 0.30%
- Transport, storage, communication...: 2.30%
- Wholesale, retail, trade, catering: 5.80%
- Construction: 0.30%
- Electrical, water, gas: 0.50%
- Manufacturing: 0.30%
- Mining, quarry: 1.30%
- Agriculture: 6.80%

(Axis from 0% to 60%)
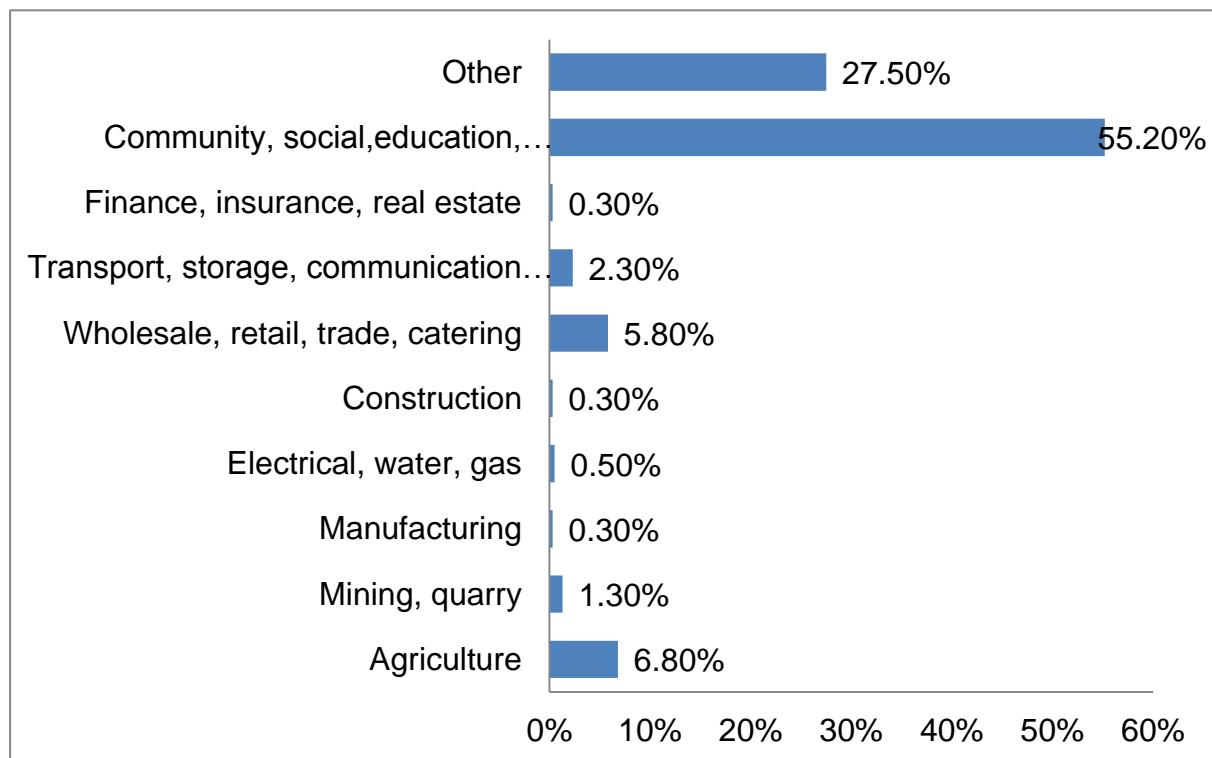
Source: Survey data (2013).

3.7.18   Sources of income

This section reports on the income sources of the households based on the survey results. Household income in the current study refers to the total income from all sources and all members of a household and is presented in Figure 3.14. From the figure, the household heads' income contributes to 66.74 percent, the first highest of the sources of income in a household. Other market income is the second highest contributor at 16.83 percent, followed by old age pensions at 8.96 percent and child support grants from government accounting for 5.3 percent. However, the other grants and help from the government contributed to 1.56 percent and 0.61 percent respectively. A study by Sekhampu (2010) in Kwakwatsi found that government grants make a contribution of 32% to household income.

Figure 3.14: Sources of income
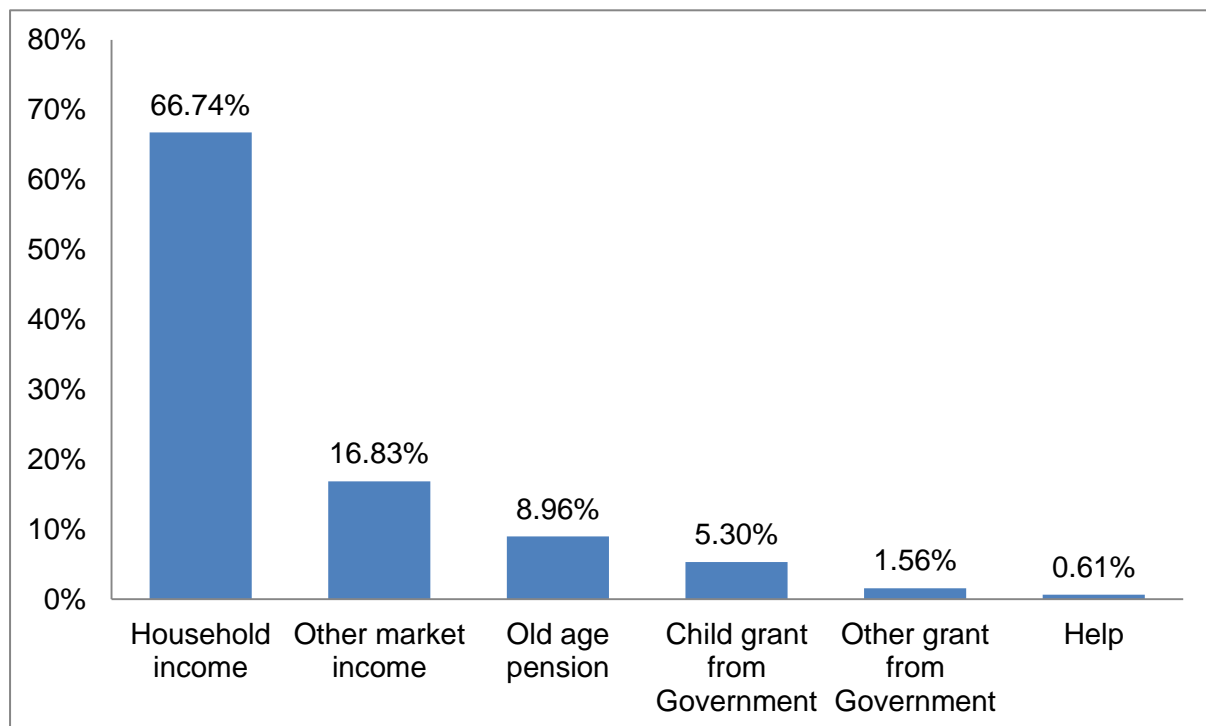
Source: Survey data, 2013

3.8   SUMMARY AND CONCLUSIONS

Research design describes how, when and where the data should be collected and analysed. There are two methods of collecting data, namely quantitative and qualitative. Qualitative methodology takes into consideration what individuals think and what their experiences are. In contrast, the quantitative method is a numeric research that is objective in nature that uses descriptive and hypothesis to test the cause and effect of variables. The study used quantitative methodology in analysing the perceived causes of poverty.

The targeted population was a low income area (Kwakwatsi). Kwakwatsi Township located in Free State province, South Africa. Its population is estimated at 15 095. A sample size of 225 was drawn using a simple random sampling method. Kwakwatsi male and female households head were the sampling unit. A sampling frame was extracted, which was a list of households compiled from the data collected in Kwakwatsi. The list described income, age, gender, education level, household size, marital status, number of children and employment status. This sample was chosen because it is recommended for a small township.

The study used a questionnaire to measure perception causes of poverty. The questionnaire was divided into two sections. Section A was composed of socio-economic and demographic characteristics, such as income, age, gender, education level, household size, marital status, number of children and employment status. Section B of the questionnaire measured the perceptions as to the causes of poverty. A study borrowed reasons why people think they are poor from Feagin. Thirteen questions were asked why, and respondents responded using a Likert scale of 5, 1 strongly disagrees and 5 strongly agree.

Two statistical approaches were used, namely the factor analysis and linear regression analyses. Factor analyses used three indices: individualistic, structural and fatalistic indexes in an attempt to investigate how respondents perceive causes of poverty. It used Principal Component Analysis (PCA) which determined the reliability and dimensionality of the study. To determine dimensionality and reliability, thirteen factors were loaded into factor analyses according to three indices and PCA was used to check double counting of factors. In addition, eigenvalue, percentage of variance and Kronbach alpha were used in analysing the data. The linear regression model deals were also used to investigate the perceived causes of poverty and socioeconomic variables. However, the literature has shown that education was perceived in structural perception, while gender was perceived in in all the three perceptions. In addition, employment status perceived causes of poverty in both structural and individualistic perception.

The demographic profile such as household size, various sources of income within a household, employment, age, and education of household members, number of children within a household and marital status and gender of the household head were described. The Kwakwatsi population is 15 095 and an average household size is calculated at 4.39. The average household size for the nation was 4 in 2011. This shows an increase in the average households. In this population, there are more mothers than fathers, 21.4 percent and 17.2 percent respectively. In Kwakwatsi, 60 percent are females and 40 percent are males. Sixty-nine percent of the sampled population are male household heads whilst thirty-one percent are females. About 54 percent of the sampled population moved into Kwakwatsi in the past 10 years. Approximately 54 percent of the population comprises of primary school students

and 10 percent are matriculates. 0.31 percent represents the educational level of the household head is 14 percent matric and who went to tertiary while 5 percent have not gone to school.

The Kwakwatsi unemployment status of the sampled population was calculated at 15.7 percent compared to national figures' unemployment rate, which is 25 percent in 2013. For those who are employed 12.2 percent are formally employed whilst 72.1 percent are informally employed. About 18 percent went unemployed for 2 years while 17 percent of the sampled population has been without work for more than 10 years.

The majority of Kwakwatsi sampled population are informally employed. The description shows that the unemployed possess skills in retailer trading 46 percent, building 21 percent, catering 7 percent and hairdressing 4 percent. Most of the unemployed 94 percent are looking for jobs, while 4 percent are helping the household head with daily duties at home and 2 percent is just idle at home. The employment status of household head indicates that 51 percent are informally employed while 22 percent are formally employed. About 23 percent are economically inactive. Fifty five percent is employed in the community, social, education, training and personal service, whilst 28 percent is employed in other sectors. Some are in wholesale, retail trading, catering and agriculture at 13 percent whilst transport, construction, electricity and mining are 5 percent. The employed get their sources of income from household income, market income, old age pensions and child grants. Household income is the most household source at 67 percent. Market income 17 percent, old age pensions 9 percent and child grants 5.3 percent.

CHAPTER 4: THE PERCEIVED CAUSES OF POVERTY

4.1 INTRODUCTION

Poverty is a complex concept that is associated with many definitions and causes. As earlier noted the causes of poverty are perceived in different ways depending on various factors, such as geographical location and socio-economic variables of the respondents. This chapter presents results on how the residents of Kwakwatsi Township perceive the causes of poverty. It is divided into two sections; the first section reports on the three dimensions of perceived poverty causes including the individualistic, structural and fatalistic, using factor analysis. The second section presents the impact of socio-economic and demographic factors on individualistic, structural and fatalistic perceptions using the linear regression model.

4.2 DETERMINATION OF THE PERCEIVED CAUSES OF POVERTY

Following the works of Feagin (1975), three dimensions were used to measure the perceived causes of poverty and these encompassed individualistic, structural and fatalistic perceptions. The individualistic dimension inquired whether the surveyed households perceive poverty as an effect of three individual factors, namely: "wasting money on inappropriate items", "not actively seeking to improve themselves" and lacking the ability to improve themselves". This means that the score for the individualistic dimension was expected to range from 3 (minimum) to 15 (maximum). The fatalistic index inquired whether the surveyed households perceive poverty as an effect of five individual factors, namely: "lack of luck", "not motivated because of welfare", "have encountered misfortunes", "have bad fate" and "are born inferior". This implies that the score for this dimension was expected to range from 5 to 25 scores. The structural index inquired whether the surveyed households perceive poverty as an outcome of structural factors such as: "lack social justice", "lacking opportunities because they were born in poor families", "they are born in places where they have no opportunities", "distribution of wealth is uneven" and "the rich exploits the poor". This dimension was expected to range between 5 and 25 scores. Generally, all the three dimensions generated 13 questions which were loaded in the factor analysis for reliability and dimensionality using the Principal Component Analysis and Varimax rotation. Table 4.1 shows that the Kaiser-Meyer-

Olkin Measure of Sampling Adequacy (KMO) is 0.66, which is above 0.6 suggested by Pallant (2013:199) and that the Bartlett`s Test of Sphericity value is 0.000. Thus, the data is appropriate for factor analysis, since both the Kaiser-Olkin Measure of Sampling Adequacy and the Bartlett`s Test of Sphericity are significant.

Table 4.1: KMO and Bartlett`s test of Sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.66
Bartlett`s Test of Sphericity	0.000

Source: Survey data (2013)

4.2.1 Principal Component Analysis (PCA)

In this study, PCA was used to investigate the perceptions of poverty. The principal component known as factor analysis mainly explains the relationship between variables in assessing the dimensionality and reliability. Dimensionality and reliability were achieved by significant Kaiser-Oklin Measure and Bartletts Test which showed significant results. Furthermore, 13 items were loaded into PCA with the Varimax rotation. Results for the eigenvalue and the percentage of variance are shown in Table 4.2. All the eigenvalues of more than 1 are considered valid when using the Kaiser`s criterion. Component 1 (Individualistic perception) recorded an eigenvalue of 2.610 and a percentage of variance of (20.07%). Component 2 (Fatalistic index) recorded eigenvalue of 2.419, which is above 1 and percentage of variance of (18.61%). Component 3 (structural index) has an eigenvalue of 1.987 and a percentage of (15.286%). From the above results all the eigenvalues are above 1. A similar study done by Davids (2010) on the perceived causes of poverty (using a national dataset for South Africa) has also shown high eigenvalues in all the three components. The study also used factor analysis (Principal Component Analysis and the Varimax rotation) to determine dimensionality and reliability. The three components recorded eigenvalues of above 1, fatalistic index with eigenvalue of 3.492 and (29.10%) variance, structural index with eigenvalue 2.071 and 17.25 variance and individualistic index with an eigenvalue of 1.55 and 12.91 percent of variance. In total all the three components explain about (54%) of the common variance and thus confirms the reliability and dimensionality of the three components.

Table 4.2: Total variance explained

Component	Rotation Sums of squared Loadings	
	Eigenvalue	% of Variance
1	2.610	20.073
2	2.419	18.606
3	1.987	15.286

Source: Survey data (2013).

The findings of the PCA for all factors are presented in Table 4.3. The table shows that all the loaded 13 items generate three components. As earlier noted, component 1 includes 4 variables "namely: "waste money on inappropriate items" (0.807), "not actively seek to improve themselves" (0.801), "the rich exploit the poor' (0.761), and "lacking the ability to manage money" (0.694). In the previous section, the individualistic perception comprised three items nevertheless; a fourth item on "the rich exploiting the poor" was added to the individualistic perception from structural perception. This was mainly because the added item is closely associated with individualistic views rather than structural causes, which contradicted the theory. The theory suggested that the item of 'the rich exploiting the poor' is a structural factor but the participants of this study perceived it in an individualistic dimension. The Kronbach`s Alpha was used to measure internal reliability in this study, and it accounted for 0.8, which exceeded the recommended threshold of greater than 0.5. Thus, the first component (individualistic perceptions) of the current study is internally reliable.

The factors in the second component include: "lack luck" (0.735), "not motivated by welfare" (0.687), "have encountered misfortunes" (0.681), "have bad fate" (0.556) and "are born inferior" (0.493). These factors refer to fatalistic causes of poverty and are in line with the theory. The Kronbach`s Alpha for this component accounted for 0.622 which is above 0.5 suggested by (Pallant, 2013:199) and therefore, suggests good internal consistency. The third component which related to structural perceptions of poverty, shows that; 'lack social justice' (0.325), 'lacking opportunities due to the fact that they are born in poor families' (0.735), 'they live in places they not many opportunities' (0.703) and 'distribution of wealth is uneven' (0.634). The results have shown that the structural component is composed of 4 factors instead of

5 identified by theory, as discussed in Section 3.4 of Chapter 3. The factor of "being exploited by the rich" was categorised as an individualistic perception of the causes of poverty in the PCA results. The structural Kronbach`s Alpha was at 0.69, which suggests good reliability of the data.

The literature review has shown that perceptions of the causes of poverty are grouped in a similar way to the results of this study: individualistic, structural and fatalistic (Hunt, 2004; Shek, 2004; Sun, 2001; Davids, 2010; Wollie, 2009). These studies used PCA to group factors into three dimensions of the perceptions of the causes of poverty. The difference between these studies and the current is that one item was found in the group of individualistic perceptions of the causes instead of in structural perceptions after the PCA.

Table 4.3: PCA of perceptions of the causes of poverty

Reasons why poor people are poor	Components		
	1	2	3
Factor 1: Individualistic			
They waste money on inappropriate items	0.807		
They do not actively seek to improve themselves	0.801		
They are exploited by rich people	0.761		
They lack the ability to manage money	0.694		
Factor 2: Fatalistic			
They lack luck		0.735	
They are not motivated because of welfare		0.687	
They have encountered misfortune		0.681	
They have bad fate		0.556	
They are born inferior		0.493	
Factor 3: Structural			
The society lacks social justice			0.325
They lack opportunities due to the fact that they born in poor families			0.733
They live in places where they are not many opportunities			0.703
Distribution of wealth is uneven			0.634
Kaiser-Meyer Olkin Measure	0.665	0.665	0.665
Kronbach`s Alpha	0.8	0.622	0.69

Source: Survey data (2013).

4.2.2   How do Kwakwatsi households perceive the causes of poverty?

Table 4.4 presents results in relation to the three perceptions of poverty mean scores and their standard deviations. The results show that the individualistic perceptions recorded a mean of 3.631 and a standard deviation of 0.964, whilst fatalistic perceptions recorded a mean of 3.248 and a standard deviation of 0.879. The structural perceptions recorded a mean of 3.134 and a standard deviation of 0.926.

From the above results, the respondents are inclined to first see poverty as being individualistic, structural and then as a fatalistic problem. Moreover, the highest standard deviation was recorded in individualistic perception (0.984) compared to fatalistic and structural, 0.877 and 0.782 respectively. This implies that the variations in the individualistic dimension were more than the variations in both the fatalistic and structural dimensions. Furthermore, the differences in all the three perceptions of the causes of poverty are reasonably small. Therefore, in light of the above results one can conclude that the Kwakwatsi household heads tend to perceive the causes of poverty as individualistic rather than structural and fatalistic.

Table 4.4: Perceptions of the causes of poverty

Indices	Number	Mean	Standard Deviation
Individualistic index	225	3.631	0.964
Fatalistic index	225	3.134	0.879
Structural index	225	3.248	0.926

Source: Survey data (2013)

4.2.3   Descriptive analysis of responses to the three indices

The table 4.5 shows responses of the surveyed households to each factor that causes poverty. Under individualistic, fifty-two percent of the sampled population agreed that they lack the ability to manage money and about twenty-nine percent disagreed and strongly disagreed. The respondents also agreed that poverty is caused by wasting their money on inappropriate items (81.8%), whilst (6%) disagree. The fact that the rich exploit the poor was seen as an individualistic factor by the respondents with a subscription of (71%) whilst, (27%) percent disagreed and strongly disagreed. This suggests that the participants think that the poor's

exploitation by the rich is individualistic and not inherent in the system of the country. Lastly, on the individualistic perceptions related to the poor not seeking to improve themselves, about (71%) agreed to the fact that they do not seek to improve themselves, while about (25%) disagreed. In comparison to Davids (2010:19), three items influenced the individualistic perception, whilst the present study had four items. The similarity of the study is seen on the factor that "they waste money on inappropriate items" which contributes most to the individualistic factors perceived to be causing poverty.

In terms of fatalistic causes of poverty, it is evident that the notion that "the poor were born inferior" was the most chosen factor by the participants. At least, 70 percent of the respondents agreed that the poor were born inferior whilst about twenty-nine percent disagreed. A Greater percentage (63%) of these households agreed to the fact that the poor were not motivated by the welfare system. In contrast, about (31%) disagreed and strongly disagreed to the fact that they are not motivated by welfare. It is also evident that about (48%) of the participants disagreed that bad fate was the cause of the poor's poverty predicament. About (55%) perceived poverty as a result of bad luck, while 48% of the participants viewed it as a result of bad fate. These results suggest that in Kwakwatsi Township the fatalistic perceptions of the causes of poverty seem to be dominated by items of being born inferior, welfare and misfortune. This is similar to other studies (Zucker & Weiner, 1993; Halman & Oorschot 2010) which concluded that under the fatalistic dimension, with factors such as "the poor are poor because they were born inferior", "welfare dependency" and "misfortunes" were more prevalent.

In structural perceptions, the majority were inclined to lack social justice in society. About 68 percent at least agreed that the society lacks social justice, whilst about (29%) disagreed. In addition, the participants ascribed to the unfair distribution of wealth, which accounted for about 58 percent as the cause of poverty, with 38 percent of the households strongly disagreeing. Forty-seven percent disagreed that the poor live in places where they have no opportunities, whilst about 48 percent ascribed to the lack of opportunities for the poor to improve themselves as a perceived cause of their poverty. About 4 percent remained neutral to the fact that the poor live in places where there are no opportunities. Furthermore, about 52

percent strongly agreed that the poor lack opportunities due to the fact that they were born in poor families, whilst 6 percent remained neutral. In contrast, 42 percent strongly disagreed that poor people lack opportunities because of being born in poor families. These results imply that the Kwakwatsi Township households perceive the causes of poverty from a structural dimension, as shown in similar studies which also perceived structural factors as the causes of poverty (Davids, 2010; Oorschot and Halman, 2010:1 and Halman & Oorschot, 1999)

Table 4.5: Response to the three indices (percent)

Reasons why poor people are poor	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Individualistic Causes					
they lack the ability to manage money	13.3%	15.6%	4.9%	52.4%	13.8%
they waste their money on inappropriate	3.1%	12.9%	3.1%	40.4%	40.4%
they do not seek to improve their lives	7.1%	23.1%	6.7%	47.1%	16%
they are exploited by rich people	9.8%	15.1%	4.4%	36%	34.7%
Fatalistic Causes					
they lack lucky	18.2%	25.8%	2.2%	35%	19.1%
they are not motivated because of welfare	11.6%	20.4%	2.2%	48%	17.8%
they have encountered misfortune	13.3%	19.6%	3.6%	49%	14.7%
they have bad fate	19.1%	28%	4.9%	36%	11.60%
they are born inferior	12%	16.9%	1.3%	50%	20%
Structural Causes					
the society lacks social justice	12%	27.1%	2.7%	42.7%	15.6%
they lack opportunities due to poor families	16.9%	25.8%	5.8%	40%	11.6%
they live in places without opportunities	18.7%	28%	4.4%	31%	17.9%
distribution of wealth in the society is uneven	16%	21.8%	4.4%	35.6%	22.2%

Source: Survey data (2013).

4.3   HOUSEHOLD FACTORS AND PERCEPTIONS OF THE CAUSES OF POVERTY

This section provides a descriptive analysis of the link between the participants' perceived causes of poverty and socio-economic and demographic factors, such as household size, age, educational level, marital status, income and gender of household head. The main objective of this section is to identify socio-economic and demographic variables that may have influenced the outcomes on the perceived causes of poverty. The mean scores were used to identify those who perceived poverty in individualistic, structural and fatalistic terms. If the mean of a household was less than the mean of an index then they perceive poverty otherwise. The higher the mean of an individual, the more they perceive poverty in that particular category i.e. individualistic, structural or fatalistic.

4.3.1   Gender and perceptions of the causes of poverty

The data in Table 4.6 show gender distribution of individualistic perception of the causes of poverty. Table 4.6 reports the number of males and females who are inclined to individualistic and not to individualistic perceptions. Table 4.1 shows that out of 100 males in the sample, 52 percent perceive poverty to be an individual problem; whilst 48 percent do not perceive poverty as an individual problem. For females out of 100, 48 percent of them are inclined to individualistic perception, whilst 52 percent do not perceive causes of poverty as individualistic. These results show that there are more males who ascribed to poverty being an individual's predicament compared to females. Similar studies (Buz *et al.*, 2005 & Cozzarelli, 2001) have shown that males were more inclined to blame an individual for not improving his/ her economic situation compared to females.

Table 4.6: Gender and individualistic perception

Gender of the Household head	individualistic perception			
	Otherwise (Do not perceive poverty as individualistic)		Yes (perceive poverty as individualistic)	
	Number	Percentage	Number	Percentage
Male	75	48.1%	81	51.9%
Female	36	52.2%	33	47.8%

Source: Survey data (2013

Table 4.7 reports the gender distribution of structural perceptions of the causes of poverty. It shows that 75 percent of males do not perceive causes of poverty as structural, whilst 25 percent perceive causes of poverty in structural perception. For females, 65 percent do not blame the structural dimension for their poverty, whilst about 35 percent blame the causes of poverty as structural. From the results above, it is evident that both males and females do not see poverty in structural causes of poverty. However, other studies found that males are more inclined to think that the structure of a society has an impact on a person's economic status, compared to females (Hunt, 1996; Morcoi, 1997; Sun, 2001).

Table 4.7: Gender and structural perception

Gender of the Household head	Structural perception			
	Not inclined structural perception		Inclined with structural perception	
	Number	Percentage	Number	Percentage
Male	117	75%	39	25%
Female	45	65.2%	24	34.8%

Source: Survey data (2013).

Table 4.8 presents a summary of gender and fatalistic perceptions. Table 4.8 shows that more males (71.2%) do not perceive the causes of poverty as a fatalistic perception, while a less number of males (about 29%) perceive causes of poverty as fatalistic. Females have the highest percentage (80%) that does not subscribe to a fatalistic perception, whilst 20% subscribed to fatalistic perception. The results show that both males and females are less inclined to a fatalistic perception. A similar study by Sun (2001:166) found similar results that males are more inclined to fatalistic perception than females.

Table 4.8: Gender and fatalistic perception

Gender of the Household head	Fatalistic perception			
	Otherwise (Not inclined to fatalistic perception)		Yes (inclined to fatalistic perception)	
	Number	Percentage	Number	Percentage
Male	111	71.2%	45	28.8%
Female	55	79.7%	14	20.3%

Source: Survey data (2013).

From the above results, males are more inclined to individualistic perception compared to females. In contrast, both males and females did not subscribe to structural and fatalistic perceptions. The findings of the current study correspond with the findings of other researchers (Buz *et al.*, 2005 & Cozzarelli, 2001) that males are more individualistic than females. On the other hand, the results of gender distribution of fatalistic and structural perceptions are different to other studies (Klueel, 1986; Hunt, 1996; Morcoi, 1997; Sun, 2001) which found that males are more structural and fatalistic than females.

4.3.2   Household size and perceptions of the causes of poverty

There are greater variations between the size of a household and the three dimensions of poverty (individualistic, structural and fatalistic perceptions). Table 4.9 presents results on household size and individualistic perception. This section describes the relationship between the number of household members and how they perceive the causes of poverty. Household sizes of 1 and 2-4 see poverty as causes by individualistic factors (60%). In larger households (5-7 and 8+), smaller percentages (41% and 44%) think poverty is an individualistic problem. From these results, one can conclude that individualistic factors are negatively related with an increase in household size: smaller households blame the individual for being poor while larger households do not agree with that way of thinking. These results are similar to findings by Gustafsson (2006:10-11) who concluded that households with a bigger size appear to be poor and tend to blame others for their poverty. This seems to be the case with the present study in Kwakwatsi.

Table 4.9: Household size and individualistic perception

Household Size	Individualistic perception			
	Otherwise (Inclined to individualistic perception)		Yes (Individualistic perception)	
	Number	Percentage	Number	Percentage
1	3	40%	4	60%
2-4	49	41.5%	69	58.5%
5-7	55	59.1%	38	40.9%
8+	5	55.6%	4	44.4%

Source: Survey data (2013).

Household size and structural perception is illustrated in table 4.10. This section describes the number and percentage of households who perceive causes of poverty in structural terms or otherwise. Households with 2-4 members do not agree (75%) that poverty is caused by structural factors. As in the individual index above, there was a negative relationship between the structural index and increasing household size. These results are in line with findings by White and Masset (2003:119) who concluded that the larger the household, the more they tend to blame others for their poverty predicament.

Table 4.10: Household size and structural perception

Household Size	Structural perception			
	Not inclined to structural perception		Inclined to structural perception	
	Number	Percentage	Number	Percentage
1	2	40%	3	60%
2-4	89	75.4%	29	24.6%
5-7	65	69.9%	28	30.1%
8+	6	66.7%	3	33.3%

Source: Survey data (2013)

Table 4.11 describes the relationship between household size and fatalistic causes of poverty. A household size of 1 does not blame the fatalistic factors to cause poverty (80%). Similar results were observed in a household size of 2-4, where about (75%) disagreed that poverty is fatalistic problem. More so,, household size of 5-7 (68%) does not see poverty as a fatalistic perception whilst (32%) perceived causes of poverty in a fatalistic perception.

Table 4.11: Household size and fatalistic perception

Household Size	Fatalistic perception			
	Otherwise Not inclined to fatalistic perception		Not inclined to fatalistic perception	
	Number	Percentage	Number	Percentage
1	4	80%	1	20%
2-4	93	78.8%	25	21.2%
5-7	63	67.7%	30	32.3%
8+	6	66.7%	3	33.3%

Source: Survey data (2013)

4.3.3　　　　　Age and perceptions of the causes of poverty

Age also relates to individualistic, structural and fatalistic perceptions. Table 4.12 presents the number of respondents who agree and disagree to individualistic factors as cause of poverty. An early age of 20-30 and old age of 71-80 seem to be undecided on individualistic causes of poverty (50% agreed, while the other 50% disagreed). The highest percentage was recorded between the ages of 31-40, where 64% perceived the causes of poverty to be individualistic. Nasser *et al.*, (2005) notes that early age and old age people perceived causes of poverty to have an individualistic perception.

Table 4.12: Age and individualistic perception

Age of then Household head	individualistic perception				
	Otherwise Not inclined to individualistic perception		Yes Inclined to individualistic		
	Number	Percentage	Number	Percentage	
20-30	1	50%	1	50%	
31-40	19	35.8%	34	64.2%	
41-50	50	50.5%	49	49.5%	
51-60	25	55.6%	20	44.4%	
61-70	10	71.4%	4	28.6%	
71-80	6	50%	6	50%	

Source: Survey data (2013)

Table 4.13 describes age and structural perception of the causes of poverty. Participants aged between 20-30 years perceived causes of poverty as being a structural perception and (100%) was recorded. In contrast, other age categories do not perceive structural perception as a cause of poverty. Household heads between ages of 31-40 did not perceive poverty in a structural perception; only 24% favoured perceptions of the causes of poverty. Similar result was observed between the ages of 51-80 years where all are not inclined to structural perceptions. A study done by Shek (2002:90) found that lower aged participants have a strong belief in structural perceptions due to lower levels of satisfaction in their daily life. These results are in line with the current observation since an early age ascribes to structural perceptions and declines with increasing age. In addition, Wollie (2009:251) found that the youth are inclined to have a structural perception of poverty.

Table 4.13: Age and structural perception

Age group	Structural perception			
	Otherwise		Yes	
	Number	Percentage	Number	Percentage
20-30	0	0%	2	100%
31-40	40	75.5%	13	24.5%
41-50	71	71.7%	28	28.3%
51-60	33	73.3%	12	26.7%
61-70	9	64.3%	5	35.7%
71-80	9	75%	3	25%

Source: Survey data (2013).

Table 4.14 gives the results of age and fatalistic perceptions'. Participants between 20-30 years subscribed to both fatalistic causes of poverty (50% agreed, with 50% disagreeing). About (87%) of those aged between 31-40 years disagree that poverty is a fatalistic phenomenon. All age groups from 51-80 years were not inclined to fatalistic perceptions. An empirical literature review (Shek, 2002:290) indicates that the youth or early age perceived causes of poverty in fatalistic perception terms due to having less control of events in their life. In addition, old age (females) in China perceived causes of poverty in fatalistic terms. This was due to lack of opportunities and transmission by their family.

Table 4.14: Ages and fatalistic perception

Age of then Household head	Fatalistic perception			
	Otherwise		Yes	
	Number	Percentage	Number	Percentage
20-30	1	50%	1	50%
31-40	46	86.8%	7	13.2%
41-50	73	73.7%	26	26.3%
51-60	30	66.7%	15	33.3%
61-70	8	57.1%	6	42.9%
71-80	8	66.7%	4	33.3%

Source: Survey data (2013).

4.3.4 Marital status and perception of the causes of poverty

Marital status, married and not married, influence individualistic, structural and fatalistic perceived causes of poverty. Table 4.15 presents the marital status of the participants and an individualistic index. It reports the number and percentage of

married and not married, and how they perceive the causes of poverty. The majority of those who were married (55%) disagree with the view that poverty is an individualistic problem. Similarly, those who are not married (47%) are not individualistically inclined compared to (43%). The above results shows that both married and not married participants do not perceive poverty to be caused by an individual's characteristics.

Table 4.15 Marital status and Individualistic perception

Marital status of then Household head	individualistic perception			
	Otherwise		Yes	
	Number	Percentage	Number	Percentage
Married	36	54.5%	30	45.5%
Not married	75	47.2%	84	42.8%

Source: Survey data (2013).

Table 4.16 shows the results of marital status and structural perception of poverty. About 68% of disagreed that poverty is caused by structural factors, whilst about 33% agreed. Not married individuals present more similar results, with 74% not agreeing. From the results above, one can conclude that both married and not married do not perceive causes of poverty in structural terms.

Table 4.16: Marital status and individualistic perception

Marital status of then Household head	structural perception			
	Otherwise		Yes	
	Number	Percentage	Number	Percentage
Married	44	66.7%	22	33.3%
Not married	118	74.2%	41	25.8%

Source: Survey data (2013)

Table 4.17 presents the marital status of the participants and fatalistic perceptions. About 76% of the married were not inclined to fatalistic perceptions. The same finding was evident in the unmarried group – 73% were found to disagree with the thinking that poverty is a fatalistic problem.

Table 4.17: Marital status and fatalistic perception

Marital status of then Household head	Fatalistic perception			
	Otherwise		Yes	
	Number	Percentage	Number	Percentage
Married	50	75.8%	16	24.2%
Not married	116	73%	43	27%

Source: Survey data (2013)

4.3.5   Educational level and perceptions of the causes of poverty

The education level is also found to influence how individuals perceive the causes of poverty. Table 4.18 reports the educational level and individualistic perception. It illustrates how respondents with primary, secondary, tertiary education and those who are not educated perceive causes of poverty. Participants with primary education perceived poverty as individualistic (50%) and otherwise (50%). Those with secondary education were inclined to individualistic perception (54%), whilst those who went to colleges, universities do not see poverty as individualistic (58). In contrast, those who never went to school failed to blame themselves (56%) while (44%) see poverty as an individualistic phenomenon. Wollie (2009:267) found that secondary school participants were a group more inclined to perceive poverty in individualistic terms.

Table 4.18: Educational level and individualistic perception

Educational level of the Household head	individualistic perception			
	Otherwise		Yes	
	Number	Percentage	Number	Percentage
Primary school	2	50%	2	50%
Secondary school	75	46.3%	87	53.7%
Tertiary	29	58%	21	52%
No school	5	55.6%	4	54.4%

Source: Survey data (2013)

The results on an educational level and structural terms are shown in table 4.19. Those with primary school perceived poverty in non-structural terms (75%) whilst those who did not go to school did not subscribe to structural perception (78%).

Similar results were observed when individuals with secondary school education did not see poverty in structural perception (74%). Campbell *et al.*, (2001:424) found that the educated were inclined to individualistic perceptions. A study by Wollie (2009:266) concluded that high school students were inclined to individualistic perceptions. In addition, Sun (2001:167) asserts that those who are educated perceive causes of poverty in structural terms. In addition, Kreidi (2000) found that education has nothing to do with the structural perceptions of poverty.

Table 4.19: Educational level and structural perception

| Educational level of the Household head | structural perception | | | |
| | Otherwise | | Yes | |
	Number	Percentage	Number	Percentage
Primary school	3	75%	1	25%
Secondary school	119	73.5%	43	26.5%
Tertiary	33	66%	17	34%
No school	7	77.8%	2	22.2%

Source: Survey data (2013)

Table 4.20 describes the relationship between the educational level and the fatalistic index. The table shows that (76.5%) of those with secondary school education do not agree with the view that poverty has a fatalistic dimension. The same outcome was evident in both household heads with tertiary education and no school. Kreidi (2000) observed a negative relationship between educational attainment and the fatalistic index.

Table 4.20: Educational level and fatalistic perception

| Educational level of the Household head | Fatalistic perception | | | |
| | Otherwise | | Yes | |
	Number	Percentage	Number	Percentage
Primary school	2	50%	2	50%
Secondary school	124	76.5%	38	23.5%
Tertiary	34	68%	16	32%
No school	6	66.7%	3	33.3%

Source: Survey data (2013)

4.3.6　Employment status and perceptions of the causes of poverty

Table 4.21 shows the relationship between employment status and individualistic perceptions. The highest percentage was recorded on the employed (54.1%) who perceived causes of poverty as an individualistic perception whilst only (49.4%) of those who are unemployed perceived causes of poverty in individualistic terms. From the above analysis, one can conclude that participants who are employed perceive causes of poverty in individualistic terms. In contrast, those who are not employed perceive causes of poverty otherwise. Bullock (2003:695) observed that low-income women put the blame on themselves for their lack of success in their lives.

Table 4.21: Employment status and individualistic perception

Employment status of the Household head	individualistic perception			
	Otherwise		Yes	
	Number	Percentage	Number	Percentage
Employed	28	45.9%	33	54.1%
Not employment	83	50.6%	81	49.4%

Source: Survey data (2013)

Employment status of household head and structural perception is illustrated in table 4. About (77%) of those who are employed do not see poverty in structurally factors whilst (29.9%) of the unemployed see poverty in structural factors. The results have shown that both employed and unemployed perceived causes do not blame the external forces. A similar study by Davids (2010) using national data for South Africa found that both employed and unemployed did not perceive causes of poverty in structural terms (Davids, 2010:150).

Table 4.22: Employment status and structural perception

Employment status of Household head	structural perception			
	Otherwise		Yes	
	Number	Percentage	Number	Percentage
Employed	47	77%	14	23%
Not employed	115	70.1%	49	29.9%

Source: Survey data (2013)

Table 4.23 shows employment status and fatalistic causes of poverty. About 74 % of unemployed did not subscribe to fatalistic perception, whilst (25.6%) perceived causes of poverty as fatalistic. About 72% of the employed disagreed with the view that poverty is a fatalistic problem. The results for Kwakwatsi indicate that both the employed and not employed do not perceive poverty in fatalistic perception.

Table 4.23: Employment status and fatalistic perception

Employment status of Household head	fatalistic perception			
	Otherwise		Yes	
	Number	Percentage	Number	Percentage
Employed	44	72.1%	17	27.9%
Not employed	122	74.4%	42	25.6%

Source: Survey data (2013)

4.3.7 Income and perceptions of the causes of poverty

Income and individualistic perception results are shown on table 4.24. Respondents with less income, 0-1000 perceived causes of poverty in individualistic perception (57.4%). Household heads with an income between 2001-3000 (53.3%) perceived causes of poverty in individualistic perception. Conversely, household heads with more income from 3000 are not inclined to individualistic perception. From the above results, household heads with less income perceived causes of poverty in individualistic perception. In contrast, household heads with less income perceived causes of poverty otherwise.

Table 4.24: Household income and individualistic perception

Income of Household head	individualistic perception			
	Otherwise		Yes	
	Number	Percentage	Number	Percentage
0-1000	43	42.6%	58	57.4%
1001-2000	24	51.1%	23	48.9%
2001-3000	14	46.7%	16	53.3%
3001-4000	15	62.5%	9	37.5%
4001-5000	3	100%	0	0%
5001-6000	4	66.7%	2	33.3%
6001-7000	3	50%	3	50%
7001-12000	5	62.5%	3	37.5%

Source: Survey data (2013).

Income and structural perception results are shown on table 4.25. The sampled population with less income, 0-1000 perceived causes of poverty disagree (73%) with the view that poverty is caused by structural factors. From the above results, household heads with less income perceived causes of poverty in individualistic perception. In contrast, household heads with more income perceived causes of poverty otherwise.

Table 4.25: Income and structural perception

Income of Household head	structural perception			
	Otherwise		Yes	
	Number	Percentage	Number	Percentage
0-1000	74	73.3%	27	26.7%
1001-2000	31	66%	16	34%
2001-3000	26	86.7%	4	13.3%
3001-4000	15	62.5%	9	37.5%
4001-5000	2	66.7%	1	33.3%
5001-6000	3	50%	3	50%
6001-7000	6	100%	0	0%
7001-12000	5	62.5%	3	37.5%

Source: Survey data (2013)

Income and fatalistic perception results are shown on table 4.26. About (80%), with income of 0-1000 perceived causes of poverty in non-structural terms (80%) whilst (20%) perceive poverty in fatalistic terms. Household heads with an income between 7001-12000 perceived causes of poverty as fatalistic perception (62.5%). Conversely, household heads with more income from 1001-12000 do not perceive causes of poverty in a structural view. From the above results, household heads with less or more income are not inclined to fatalistic perceptions. Nasser and Aboucheid (2001) found that high income households are more structural than those with low income.

Table 4.26: Income and fatalistic perception

Income of Household head	fatalistic perception			
	Otherwise		Yes	
	Number	Percentage	Number	Percentage
0-1000	81	80.2%	20	19.8%
1001-2000	36	76.6%	11	23.4%
2001-3000	20	66.7%	10	33.3%
3001-4000	16	66.7%	8	33.3%
4001-5000	1	33.3%	2	66.7%
5001-6000	4	66.7%	2	33.3%
6001-7000	3	50%	3	50%
7001-8000	5	62.5%	1	37.5%

Source: Survey data (2013)

4.4 DETERMINANTS OF THE PERCEIVED CAUSES OF POVERTY

This section discusses the influence of some socioeconomic and demographic variables on individualistic, structural, and fatalistic indices. These factors include gender, age, marital status; employment status of the household head, household's income and household size. The correlation analysis and regression are used to determine the relationship between socioeconomic and demographic factors and perceptions of the causes of poverty.

4.4.1 Correlation of variables

The results from descriptive analysis in section 4.3 suggest that socioeconomic variables and the three indices are related and that identifying the nature of the relationship is necessary. Table 4.27 presents the results of correlation between the three indices and socio-economic and demographic factors. Their variables include gender, household size, age, marital status, education, employment status and income. The results show a significant association between structural index and gender, age and employment status correlation coefficients. Gender relates to structural index positively (0.0810). This means that females are more inclined to the structural index, holding other things constant. In contrast, age and employment status are negatively related to the structural index. Correlation coefficient for age and employment status is significant at the 10% level of significance. This implies that the employed are less inclined to choose structural factors compared to those

who are unemployed, ceteris paribus. Furthermore, there is no significant association between a fatalistic, individualistic index, and household size, age, marital status, education, employment and income. However, the correlation seems not to give good results between perceptions of poverty and socioeconomic variables, thus a regression analysis present much better results.

Table 4.27: Correlation among variables

Variables	Gender	HH-Size	Age	Marital	Education	Empl status	Income
Individualistic index	-0.048	0.052	0.014	0.058	-0.075	-0.016	0.042
Structural index	0.081**	-0.052	-0.150**	-0.095	0.102	0.186***	-0.72
Fatalistic index	-0.127	0.039	0.061	0.028	0.039	0.002	0.076

*** *Significant at 1%,** significant at 5%,* significant at 10%*

Source: Survey data (2013)

4.4.2 Regression analysis

This section discusses regression results from the three indices. It should be noted that a high index score is associated with a high level of the perceptions of poverty. In other words, the higher the index score; the more a household is inclined to perceive the causes of poverty as individualistic, structural or fatalistic. The first regression involves analysis of the effect of socioeconomic and demographic variables on the individualistic index.

4.4.2.1 Determinants of individualistic factors of poverty

Ordinary least square regression was used to estimate how individualistic perception (the dependent variable) is affected by a socioeconomic and demographic factor (independent variables). The results of linear regression analysis on determinant of individualistic perception are presented in Table 4.28. The results show that gender, age, marital status, education and employment status are important predictors of the index. The results show that gender (0=female, 1=male) (p= 0.005) significantly explains individualistic perception at the 1% level of significance. The positive sign of the coefficient (2.7762) shows that a positive relationship exists between gender and individualistic perception. This implies having a female household head increases

the individualistic index compared to having a male head, holding other factors constant. In addition, age is found to be significant (at the 1% level of significance) in explaining the individualistic perception. The results also show a positive coefficient of (0.17) implying that an additional year in age of the household head increases the individualistic index by 0.17, holding other factors constant. Marital status is also significant at the 1% level of significance with a coefficient of 2.68. Holding other factors constant, having a married household head increases the individualistic index compared to having a non-married household head. These findings are similar to other studies by Buz *et al.*, (2005), Cozzarelli (2001) and Hunt (1996) which found that gender and employment status were significant in explaining individualistic perception of causes of poverty. In addition, Weiss (2007) also found out that education had a significant effect on individualistic perception.

In contrast, household income and size do not have a significant effect on individualistic perception of the causes of poverty. The non-significant of household income can be associated with high deviations in income of Kwakwatsi dwellers. Household size does not clearly determine how individuals perceive causes of poverty as having individualistic perception. Hence one could not expect a significant relationship between household size and the individualistic index. The R-squared (0.9248) is significant (F-value =7,218) at the 1% level of significance. This indicates that all independent variables jointly have a significant effect on the dependent variable.

Table 4.28: Individualistic regression analysis

Individualistic	Coefficient	Standard Error	T	P>t
Gender	2.7762	0.9857	2.82	0.005
HH Size	0.1100	0.2034	0.54	0.589
Age	0.1699	0.0193	8.88	0.000
Marital status	2.6883	0.9879	2.72	0.007
Education	0.4	0.0757	1.85	0.066
Employ status	2.421	0.6853	3.55	0.000
Income	0.00006	0.0001	0.02	0.982
F(7,218)=383.14 Prob>F=0.0000 Rsquared 0.9248				

Source: Survey data (2013)

Overall, age, gender, marital status, education and employment status influence individualistic perception. All these variables influence perception of poverty in a positive way. This implies that older, male, employed and more educated household heads tend to be inclined to have an individualistic perception of poverty. However, there appears to be no relationship between individualistic perception and income and household size in Kwakwatsi Town. Studies by Buz *et al.*, (2005), Cozzarelli (2001) and Hunt (1996) also found similar results in their study.

4.4.2.2   Determinant of structural index

A linear regression model was used to estimate how structural perceptions (dependent variable = index) is influenced by socioeconomic and demographic factors. The results of linear regression analysis on structural index are shown on table 4.29. The results show that gender, age, education and employment status are important predictors of this index. It shows that age and employment (p= 0.000) significantly explains structural perception at the 1% level of significance. Age and employment shows a positive sign of the coefficient of (1.160) and (3.8074) respectively, illustrating the existence of a positive relationship between age, employment and structural perception. This implies that those who are employed were inclined to choose structural problems as causes of poverty compared with the unemployed, who hold other factors constant. Education is also significant at the 1%

level of significance with a coefficient of 0.2307. Holding other factors constant, being educated increases the structural index compared to not being educated.

In addition, gender and income are found to be significant (at the 10% level of significance) in explaining the structural perception. The results also show a positive coefficient of (1.160) and a negative coefficient of (0.0002) on gender and income, respectively. This implies having a female household head increases the structural index compared to having a male head, holding other factors constant and an additional year in age of the household head increases the structural index holding other factors constant. In addition, income has a negative coefficient, implying that the higher the income of the household, the less likely that they will not perceive the causes of poverty in structural terms. These findings are similar to other studies (Hunt, 1996; Shek, 2004; Reutter *et al.*, 2005) which found that age, education, gender and income are significant variables in structural perception.

In contrast, marital status and size do not have a significant effect on structural perceptions of the causes of poverty. However, there are no studies which explain the link between household size, marital status and structural perceptions of poverty. The non-significant of household income can be associated with high deviations in income by of Kwakwatsi dwellers.

Table 4.29: Structural regression analysis

Structural	Coefficient	Standard Error	T	P>t
Gender	1.1600	0.904	1.78	0.076
HH Size	0.2921	0.1865	1.57	0.119
Age	0.1369	0.0175	7.80	0.000
Marital status	0.5759	0.906	0.64	0.526
Education	0.2307	0.0694	3.32	0.001
Employ status	3.8074	0.9285	6.06	0.000
Income	-0.0002	0.0001	1.89	0.059
F(7,218)=383.14	Prob>F=0.000	Rsquared=0.9248		

Source: Survey data (2013)

4.4.2.3   Determinants of fatalistic index

The last model also used ordinary least square regression to estimate how dependent variable (fatalistic perception) is influenced by socioeconomic and

demographic factors (independent variables). The results of linear regression analysis on the determinants of individualistic perception are shown in Table 4.30. The results show that age, education and employment status are significant. They show that age, education and employment (p= 0.000) significantly explains fatalistic perception at the 1% level of significance. The positive sign of the coefficient age (0.233), education (0.3182) and employment (2.7455) shows a positive relationship exists between these variables and a fatalistic perception. An additional year in age of the household head increases the individualistic index, holding other factors constant. A study done by Shek (2004:288) concluded that age is significant as to having a fatalistic perception. In addition, Hunt (1996) found that education is significant to having a fatalistic perception of the causes of poverty.

In contrast, gender, household size, household income and marital status do not have a significant effect on a fatalistic perception. To support this, other studies (Hunt, 1996; Sun, 2001; Buz *et al.*, 2005; Morcoi, 2007) found that gender is not inclined to a fatalistic perception of the causes of poverty. Household size does not clearly determine how individuals perceive causes of poverty in a fatalistic perception. The R-squared (0.9267) is significant (F-value =7,218) at the 1% level of significance. This indicates that all independent variables jointly have a significant effect on the dependent variable.

Table 4.30: Fatalistic regression analysis

Fatalistic	Coefficient	Standard Error	T	P>t
Gender	0.0649	0.081	0.06	0.953
HH Size	-0.1086	0.2248	-0.48	0.629
Age	0.2333	0.0211	11.04	0.000
Marital status	0.4475	1.092	0.41	0.682
Education	0.3182	0.0847	3.80	0.000
Employ status	2.7455	0.7575	3.62	0.000
Income	0.000	0.00014	0.55	0.584
F(7,218)=393.86 Prob>F=0.0000 Rsquared=0.9267				

Source: Survey data (2013)

Dependent variable: Fatalistic index

Table 4.31: Summary of the three regression models

Variable	Individualistic (p values)	Structural (p values)	Fatalistic (p values)
HH gender	0.005	0.076	0.953
Size	0.589	0.119	0.629
Age	0.000	0.000	0.000
Marital status	0.682	0.526	0.007
Education	0.000	0.001	0.066
Employment	0.000	0.000	0.000
Income	0.584	0.069	0.982

Source: Survey data (2013)

The results in table 4.31 show that gender is significant to individualistic perception at 1% level and structural at 10% level. This means that household head gender perceive poverty as individualistic and structural. Household size is found to be insignificant in all three perceptions of the causes of poverty. Furthermore, age is found to be significant in all perceptions of the causes of poverty at a significant level of 1%. The marital status is found significant only in a fatalistic perception at a level of 1%. This means that those who are married only increase the fatalistic index; hence they do not perceive the causes of poverty as individualistic and structural.

Education is significant in all three perceptions of poverty. It significally explains individualistic and structural terms at the 1% level of being significant. It is also significally explained at the 10% level considering a fatalistic perception. Employment is found to be significant in all three perceptions of the causes of poverty; individualistic, structural and fatalistic. The results show that gender significally explains individualistic, structural and fatalistic perception at the 10% level of significance. Moreover, income significally explains structural perception at the level of significance. This means that those with less income put the blame on their society.

Overall, individualistic perception is influenced by age, gender, marital status, education and employment. A positive relationship is seen between these variables and an individualistic perception. However, there appears to be no relationship between individualistic perception and income and household size in Kwakwatsi Township. Structural perception is influenced by age, education of the household, employment, household gender and income. Age, gender, education, employment

has a positive relationship with structural perception, whilst income has a negative perception. In contrast, household size and marital status are insignificant to structural perception. Fatalistic perception is influenced by age, marital status, education and employment. These entire variables influence fatalistic perception positively.

4.5   SUMMARY AND CONCLUSIONS

The perceived causes of poverty differ with geographical location and the participants' socioeconomic factors. In an attempt to investigate the perceived causes of poverty in Kwakwatsi, factor analysis and linear regression was used. Firstly, the study carried out a factor analysis to investigate the perception of the causes of poverty in individualistic, structural and fatalistic dimensions. Three indices were used to measure these three perceptions of the causes of poverty. Individualistic, structural and fatalistic perceptions were generated from 13 questions, where an individualistic index comprised 3 factors, the structural index comprised 5 items and the fatalistic perception also comprised 5 factors. All 13 items were loaded in the factor analysis for reliability and dimensionality using Principal Component Analysis and Varimax rotation. The results illustrated a Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) of 0.66 and the Bartlett`s Test of Sphericity value of 0.000. The Kaiser-Olkin Measure of Sampling Adequacy and the Bartlett`s Test of Sphericity are significant, thus factor analysis was appropriate. The eigenvalues were recorded as Component 1 (Individualistic perception) eigenvalue of 2.610, Component 2 (Fatalistic index) eigenvalue of 2.419 and Component 3 (Structural index) an eigenvalue of 1.987. The eigenvalue of more than 1 is considered valid when using the Kaiser`s criterion hence eigenvalues were more than 1. In addition, similar results were found, which were consistent with the current study (Davids, 2010).

Component 1 (individualistic) comprised three items but an additional factor of the 'rich exploiting the poor' was included from the structural perception. This means the respondents blame themselves of being exploited by rich people. Three items results of factor loading were 'they waste money on inappropriate items' (0.807),'they do not actively seek to improve themselves' (0.801), 'the rich exploit the poor' (0.761), 'they lack the ability to manage money' (0.694). Factors in the second component include:

'they lack luck' (0.735), 'they are not motivated by welfare' (0.687),' they have encountered misfortunes' (0.681), 'they have bad fate' (0.556) and 'they are born inferior' (0.493). These factors refer to fatalistic causes of poverty and are in line with the theory.

Furthermore, the third component related to structural perception of poverty shows that; 'they lack social justice' (0.325), 'they lack opportunities due to the fact that they are born in poor families' (0.735), 'they live in places they not many opportunities' (0.703) and 'distribution of wealth is uneven' (0.634). The results of factor analysis were also in line with (Hunt, 2004; Shek, 2004; Sun, 2001; Davids, 2010; Wollie, 2009). These studies used PCA to group factors into three indices of the perceptions of the causes of poverty. The current one is that one variable was found in the group of individualistic perceptions of the causes instead of structural perceptions.

The study also considered three perceptions' mean scores and their stand deviations. The results show that individualistic perception recorded a mean of 3.631 and a standard deviation of 0.964, whilst fatalistic perception recorded a mean of 3.248 and a standard deviation of 0.879. Structural perception recorded a mean of 3.134 and a standard deviation of 0.926. The mean results reported that respondents were more inclined to individualistic structural and fatalistic perceptions of poverty although the differences in all three perceptions of the causes of poverty are reasonably small.

The second subsection presented the impact of socio-economic and demographic factors on individualistic, structural and fatalistic perceptions using descriptive, correlation and the linear regression model. The main objective was to describe the link between the perceptions of the causes of poverty and identify variables that influence perception of the causes of poverty. Seven variables were taken into consideration as the demographic and economic factors; Household size, age, gender, marital status, employment, education and income. Gender was linked with individualistic perception, where (52%) of males perceived causes of poverty as individualistic and (48%) perceived the causes of poverty as individualistic. This implies that males are more individualistic. In addition, results showed that both males and females were less inclined to have both a structural and fatalistic perception

A household size of 1 is more inclined to individualistic perception (60%) whilst 40% do not ascribe to an individualistic perception. Households with more than two members perceived poverty not in individualistic terms. The same trend was also seen as a structural perception where a household size of 1 perceived causes of poverty in individualistic terms and a household of more than two were not structurally inclined. Under fatalistic perception, all households did not perceive the causes of poverty as a fatalistic perception. The results has also indicated that at an early age the causes of poverty are perceived as individualistic and structural while the old age group perceived the causes of poverty as fatalistic. Furthermore, both married and not married do not perceive causes of poverty in individualist, structural and fatalistic terms.

A relationship exists between education and perceptions of poverty. Education influences perceptions of poverty, both structurally and individualistically. The results have shown that both the employed and not employed are not inclined to have a fatalistic perception. In addition, the unemployed perceived causes of poverty in structural perception. Household heads with less income perceived causes of poverty in individualistic perception whilst household heads with less income perceived causes of poverty otherwise. In addition, household heads with less income perceived causes of poverty in a structural perception and household heads with less income perceived causes of poverty otherwise.

Regression analysis was also used in individualistic, structural and fatalistic models. Ordinary least square was used to estimate how these three dependent variables, structural, individualistic and fatalistic index are influenced by socioeconomic and demographic factors (independent variables). For the individualistic model gender, age, marital status, education and employment status are significant. Gender, age and marital status are all significant at 1%. A positive relationship exists between these variables and an individualistic perception. These findings are similar to other studies by Buz *et al.*, (2005), Cozzarelli (2001) and Hunt (1996). In contrast, household size and income were found to be insignificant on individualistic perception. The R-squared (0.9248) are significant (F-value =7,218) at the 1% level of significance. This indicates that all independent variables jointly have a significant effect on the dependent variable.

The second model illustrated structural perception as a dependent variable and socioeconomic and demographic factors (independent variables). It was found that gender, age, education and employment status are significant. Age, education and employment are found significant at the 1% level. Age, education and employment showed a positive coefficient, implying a positive link between these variables and perceptions of the causes of poverty. In addition, gender and income were found to be significant (at the 10% level of significance) in explaining the structural perception. The results also show a positive coefficient of and a negative coefficient on gender and income respectively. The negative coefficient on income implies that the lower the income of the household, the more they perceive the causes of poverty in a structural index. These findings are similar to other studies by Hunt (1996); Shek (2004) Reutter *et al.*, (2005) which found that age, education, gender and income are significant variables in a structural perception. In contrast, household income and size do not have a significant effect on an individualistic perception of the causes of poverty. The R-squared (0.9248) is significant (F-value =7,218) at the 1% level of significance. This indicates that all independent variables jointly have a significant effect on the dependent variable.

The last model also used ordinary least square regression to estimate dependent variable (fatalistic perception) and is influenced by socioeconomic and demographic factors (independent variables). The fatalistic model showed age, education and employment status are significant at 1% level. Significant variables showed positive coefficients, which imply a positive relationship between perceptions of the causes of poverty and socioeconomic variables. In contrast, gender, household size, household income and marital status do not have a significant effect on fatalistic perception. The R-squared (0.9267) is significant (F-value =7,218) at the 1% level of significance. This indicates that all independent variables jointly have a significant effect on the dependent variable.

CHAPTER 5: SUMMARY AND CONCLUSION

5.1   INTRODUCTION

Poverty is one of the major problems affecting human kind today. Its causes depend on the geographical location as well as the socioeconomic factors experienced by the respondents. This study explored the perceived causes of poverty in Kwakwatsi Township from the household's perspective. The main aim was to determine whether the Kwakwatsi residents perceive the poverty causes from an individualistic, structural and fatalistic dimension. In addition, the study also investigated the influence of socioeconomic and demographic factors on households' perceptions of the poverty causes. In achieving these two objectives, descriptive analyses and regression model were used. This chapter summarises the theoretical background, study methodology and the statistical analysis of the results. It also provides conclusions and necessary recommendations.

5.2   THE THEORETICAL BACKGROUND OF THE STUDY

Poverty is a multi-dimensional concept attached to many definitions, measures and causes. This means that it has a number of approaches, measures and causes. The theoretical analysis of poverty formed the basis of the current study. In providing this theoretical basis, absolute, relative, capability, multi-dimensional, social exclusion and monetary approaches to poverty were defined. An absolute approach, as earlier noted in chapter 2, is an objective concept which mainly focuses on the minimum level of basic goods and services, constituting food, clothes and shelter, required to maintain a bare minimum standard of living. However, poverty cannot be measured by basic goods and services only as suggested by the absolute approach, hence the introduction of relative poverty. Relative poverty as defined in chapter 2, is a subjective concept that measures poverty according to the society's standards. In other words, if say a household does not partake of the society's activities, regardless of his/her affordability to buy basic commodities such as food, shelter, energy, clothing and health, non-participation in those societal activities makes that particular household to be regarded as poor.

The multi-dimensional approach emphasises several aspects of poverty, such as lack of skills, health, income, food, transport and shelter. Based on this approach, failure to attain such aspects is claimed to result in poverty. The monetary approach uses income or consumption in poverty identification and measurement. The income or consumption is used to separate the poor from the non-poor. The capability approach, in addition, takes into account the individual abilities which improve one`s standard of living. If individuals lack capabilities such as, health, shelter, senses, emotions, integrity and affiliation they are considered poor. Another approach is the social exclusion, which is defined as the process that excludes poor individuals from participating in the society they live in. All in all, these approaches have their strengths and weaknesses in measuring and defining poverty, suggesting that a combination of these measures provides better results.

Despite the existence of many methods of measuring poverty, a number of accepted international measures are generally made available. These measures include objective indicators and subjective indicators, such as the headcount index, poverty line, poverty gap index, Sen Index, the Foster-Greer-Thorbecke (FGT) measures. A Poverty line is the most common used measure of poverty because it is easier to use. It is defined as the minimum expenditure/income that is required to cover basic food and non-food items. These expenditures are added together and are compared with the poverty line. On one hand, a headcount index is a fraction of the population that live below the poverty line. Its purpose is to quantify the physical number of the poor. A poverty gap index measures the income gap of the poor from the poverty line and also focuses on the depth of poverty. It shows how much is needed for a poor individual to meet the poverty line. The Sen Index is defined as a combination of head count index and poverty gap index. It is decomposable into the physical number of the poor and depth of poverty. The FGT, on the other hand is a measure which takes into consideration the weighted average measures of individuals. One of FGT strengths is that it is understandable, sound and it is easy to apply.

Since poverty is a multifaceted concept, it is important to identify its causes because they differ from one region to another. The literature review grouped the European causes of poverty into demographic, neighbourhood, cultural and labour markets. It also grouped Africa`s causes of poverty as inadequate access to employment opportunities, lack of assets, lack of competitiveness markets and human capital.

However, this study highlighted the following as the causes of poverty: proneness to income, institutional failures, corruption, lack of skilled labour and individual responsibility. More so, the global financial crises for instance, have greatly affected Africa because of its dependency syndrome on European countries. This has led to unemployment and a decrease in economic activities which exposed Africans to absolute and relative poverty. South Africa faced some institutional problems such as governance, housing and education. This is evident in poor service delivery, lack of sufficient formal settlement and a high illiterate level.

In achieving the empirical objectives of this study, it was necessary to consider the perceptions of the causes of poverty and the empirical findings of the literature review. Previous literature grouped perceptions of the poverty causes into individualistic, structural and fatalistic dimensions. As noted in chapter 2, an individualistic perception is a concept which blames individuals for their poverty. Individual factors that support individualistic perception of why poor people are poor are: they are lazy, they lack the ability to manage money and they spent the money on non-basic commodities. Structural explanations places the blame on external forces, such as social injustice and an uneven distribution of resources in a society, while fatalistic explanations blame accidents, bad fate, lack of luck and misfortunes.

The perceptions of poverty causes were supported by conservative and liberal approaches. Conservative approaches are ones that support the claim that an individual is responsible for his/her poverty, while, liberal approaches support the view that the structure of the economy can have an impact on poverty outcomes. Conservative approaches include individualistic explanations and victim blaming. The individualistic explanation describes an individual's character and intelligence such as absence of ability, lack of intelligence and lack of goals. Victim blaming include multi-dimensional definitions and mainly focuses on an individual's responsibility for being poor. Under a structural framework, the social structures and situational forces are seen as the main causes of poverty. These situational factors affect the poor in an economic way and ascribe to uneven changes in technology and unemployment.

The empirical findings on perceptions of poverty causes revealed that many respondents tend to perceive the causes of poverty mainly as individualistic and structural factors. In addition, previous research indicates that South Africans perceived the perception of the causes of poverty in a structural perception (Davids, 2010). In other words, the households blamed external forces which resulted in their lack of opportunities, prevalence of social injustice, uneven distribution of resources and their lack of welfare. A similar study in Lebanon indicated that university students tend to perceive the poverty causes in structural terms. They subscribed to structural factors because of social changes, social and economic crisis and failure by the government to provide for their people (Kerbo, 1991). Furthermore, the literature review has shown that Americans, and people in Lithunia as well as Sweden are more likely to ascribe poverty to individualistic factors like the inability to manage money, lack of skills, lack of abilities, and lack of opportunities, and that they do not seek to improve themselves. The empirical findings on a fatalistic perception showed that the causes of poverty involve accidents, lack of opportunities and bad luck (Bullock & Waugh, 2005:1133).

Socioeconomic and demographic variables such as education, age, race, employment and gender appear to influence the perceptions of the causes of poverty. The literature review showed that race influenced the structural and individualistic perceptions of poverty causes. Generally, blacks tend to blame the structural perception while whites appear to blame themselves. Education tends to influence perceptions of the causes of poverty in individualistic and structural terms. The literature has established that the more an individual is educated, the more they perceive the causes of poverty as structural. Furthermore, geographical location had an impact on the perceived causes of poverty as an individualistic problem while those in developed countries tend to perceive poverty as a structural factor. Age also contributed to structural and fatalistic views where adolescents were more inclined to have a structural perception and parents believed in bad fate and accidents. Furthermore, a general consensus by researchers indicated that males are more inclined to have a structural perception compared to females.

5.3   METHODOLOGY OF THE STUDY

The research methodology used in this study is quantitative. A questionnaire was used which measured the perceived causes of poverty in a low Township of Kwakwatsi from an individualistic, structural and fatalistic dimension. The objectives of the study were achieved through the use of Principal Component Analysis and a linear regression model. The Principal Component Analysis was used to determine whether the Kwakwatsi households perceive the poverty causes in individualistic, structural and fatalistic terms. Thirteen factors were loaded into factor analysis and grouped into three components of an individualistic, structural and fatalistic. The Principal Component Analysis used an eigenvalue of above or equal to 1 for a factor to be meaningful. Furthermore, percentage of variance and Kronbach alpha were considered in determining the reliability of the study. The second objective of the current study was achieved by correlations analysis and the linear regression model. Three linear regressions (one for each component) were estimated. Each component was regressed on socio-economic and demographic factors in order to identify factors that have a significant effect on perceptions of the poverty causes.

5.4   THE DEMOGRAPHIC PROFILE OF KWAKWATSI TOWNSHIP

Kwakwatsi Township was the focus area of the study. As earlier noted, it is a former black residential township located approximately 180 km south of Johannesburg and 280 km north of Bloemfontein in the Free State province of South Africa. Its estimated population size is 15 095 and a sample of 225 was used to investigate perceptions of the causes poverty. Within the sampled population socioeconomic and demographic factors such as household size, various sources of income within a household, employment, age, and education levels of the household members, marital status as well as the gender of the household heads of Kwakwatsi are summarized.

The Kwakwatsi average household size was calculated at 4.39. The gender distribution of the sample was 60 percent females and 40 percent males. In addition, 69 percent of the household heads were males, while 31 percent were females. The population distribution has also shown that about 71 percent of household heads are married, 19 percent are widowed while 5 percent are divorced. Furthermore, the

findings revealed that 54 percent of the participants migrated into Kwakwatsi in the past 10 years, while 19 percent have been staying there for the past 20-25 years. Approximately (54%) of the population are primary school students and (10%) are matriculants. A small percentage of the household heads (0.31%) had tertiary education while (5%) percent never attended school. The Kwakwatsi unemployment rate was calculated at (15.7%). The results also showed that (18%) of the participants were unemployed for 2 years while (17%) went for 10 years without employment. In addition, (12.2%) of the households are formally employed while (72.1%) are informally employed and (15.7%) are unemployed. Retailing, building, catering, and hairdressing were the identified skills which the unemployed possess. The majority of the unemployed were looking for jobs while others were helping with chores at home.

5.5   THE EMPIRICAL FINDINGS OF THE STUDY

In this study a Factor Analysis (Principal Component Analysis) was used. The PCA explained the nature of relationships between the research variables in assessing dimensionality and reliability. Dimensionality is the measurement of perceptions of the causes of poverty while reliability measures the accuracy of the perceived poverty causes items or factors. In this study, dimensionality and reliability were achieved through the performance of the Kaiser-Olkin Measure of Sampling Adequacy and the Bartlett`s Test of Sphericity. The two tests' significance in the current study indicated that the data was appropriate for PCA. In addition, all the eigenvalues were found to be significant because they were all more than 1 for the three components. The eigenvalues were 2.610 for component 1 (individualistic perception), 2.419 for component 2 (fatalistic perception) and 1.987 for component 3 (structural).

The results on the individualistic dimension/component identified four factors, namely: 'waste money on inappropriate items', 'not actively seek to improve themselves', 'the rich exploit the poor' and 'lacking the ability to manage money'. The "rich exploit the poor" was seen as an individual factor because it was more associated with individualistic views rather than structural causes. The fatalistic component results included factors related to: lack of luck, demotivation by welfare, encountering misfortunes, having bad fate and being born inferior. In addition, the

structural component revealed the perceptions that the poor are poor because 'they lack social justice'; 'they lack opportunities due to the fact that they born in poor families' 'they live in places where there are not many opportunities' and 'distribution of wealth is uneven'.

The socioeconomic and demographic variables such as gender, household size, education, employment status, marital status, age and income were considered in determining the perceptions of poverty causes. The results showed that males subscribed to individualistic perceptions more than females. In contrast both males and females did not subscribe to structural and fatalistic perceptions. Individualistic and structural factors were found to be negatively related with household size. This implies that smaller households tend to blame the individual and structure challenges for poverty, while larger households do not agree with that thinking.

The findings also indicated that there is no relationship between marital status and all perceptions of poverty causes. Furthermore, the results showed that the participants of a young age tend to perceive the causes of poverty as individualistic, while those of an old age perceive the causes in fatalistic and structural terms. In addition, education was found to have a significant effect on structural and individualistic perceptions. More so, the findings report that household heads with less income tend to perceive the causes of poverty in individualistic and structural terms. Lastly, the results found an insignificant effect of the respondents' employment status on structural and fatalistic perceptions of poverty causes.

5.6   CONCLUSIONS

In the investigation of the perceived causes of poverty, residents of Kwakwatsi were viewed in the three dimensions tested, namely individualistic, structural and fatalistic. However, the individualistic perception of the causes of poverty appears to carry more weight than the other two. This implies that the residents of Kwakwatsi Township mostly associate the causes of poverty with the inability to manage money, waste money on inappropriate items; do not seek to improve themselves and see themselves as being exploited by the rich.

In addition, under the socioeconomic variable, the study found that:

- gender, age, marital status, education and employment status are important predictors of the individualistic dimension;
- gender, age, education and employment status are important predictors of structural dimension; and,
- age, education and employment status are significant predictors of fatalistic dimension.

The item on the "rich exploiting the poor" was added to the individualistic perception from the structural perception. This component includes factors of individualistic perceptions of poverty causes. This means that the respondents blame themselves of being exploited by the rich. More so, poor people allow the rich to exploit them hence they perceive it in individualistic terms.

However, the study had its limitations. The first is that the questionnaire was unable to include important variables such as politics, religion (Nasser *et al.*, (2002:113). Politics tend to influence perceptions of poverty causes because individuals live in a political environment. In addition, religion also influences how people think about the causes of their poverty.

Kwakwatsi is regarded as a poor area and the majority of the participants in this study blame the individual for being poor. This provides an opportunity for the government to partner with the community in the upliftment of the area. Further analysis can compare the perceived causes of poverty and the socioeconomic/ poverty status of the individual.

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