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**Income Generating NGOs in Post Apartheid South African Townships:
What Role and Challenge in Poverty Reduction? A Case Study of Women
for Peace, Kagiso**

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partial fulfillment for the requirements of a Master of Arts in Development
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Declaration

I declare that the research report entitled: *Income Generating NGOs in Post Apartheid South African Townships: What Role and Challenge in Poverty Reduction? A Case Study of Women for Peace, Kagiso* is my own work. It has not been submitted for any degree or examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged as complete references.

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Signed:

Date:.....

Dedication

I dedicate this piece of writing to my beloved mum, Joan Shuri Forbah. I love you mum.

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Abbreviations

ABET	Adult Basic Education and Training
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
ASGISA	Accelerated and Shared Growth South Africa
ATASA	African Teachers' Association South Africa
CBO	Community Based Organization
CSO	Civil Society Organization
CYD	Center for Youth Development
ECD	Early Childhood Development Programme
FGT	Foster-Greer-Thorbecke
GEAR	Growth Employment and Redistribution
GNP	Gross Domestic Product
GNP	Gross National Product
HSRC	Human Sciences Research Council
HIV	Human Immunodeficiency Virus
IGO	Inter-Governmental Organization
MLL	Minimum Living Level
NGO	Non Governmental Organization
NPO	Non Profit Organization
NQF	National Qualification Framework
PVO	Private Voluntary Organization
RDP	Reconstruction and Development Programme
SAM	Social Accounting Matrix
SANGOCO	South African Ngo Coalition
SARN	Southern African Regional Poverty Network
SETA	Skills Education Training Authorities
SPII	Support Programme for Industrial Innovation
USD	United States Dollar
WFP	Women for Peace

Abstract

After the apartheid regime was abolished in the early 1990s, the number of NGOs in South Africa skyrocketed. By 1997, the South African government recognized the role played by the NGOs in challenging the injustices of apartheid and addressing the needs of vulnerable communities. This led to a Non-profit Organizations Act, (No 71 of 1997) aimed at creating an enabling environment for the non-profit sector. With the abolition of apartheid and the increase in the number of NGOs, not much seems to have changed. This being the case their objectives especially of poverty reduction are not met as they are also in need.

This case study thus seeks to examine the income generation projects of the NGO Women for Peace Kagiso centre. It will be looking at how the organization has helped to improve the living conditions of its beneficiaries, 30 years after its existence. It will also look at the challenges faced in running these income generating projects, as well as suggest possible measures that can help improve the situation. In order to answer the research question, I will basically implore qualitative research methods. It will involve literature review, participant observation, informal and semi-structured interviews. The sample consisted of 20 people made up of both staff members and beneficiaries.

CHAPTER 1: INTRODUCTION AND OVERVIEW

1.1 BACKGROUND

NGOs have progressively multiplied their focus on development activities. In fact, their role in development and development projects can not be over emphasised. Most of them see the need to help the poor increase their capacity to meet their own needs with resources they control. That is, help mobilize the existing human, material, financial, labour and capital, through the active involvement of the community especially at grassroots level (Clark, 1990: 29). These organisations more often than not intervene in the economic aspects of people's lives using economic tools. Such tools are usually small-scale operating at the level of community or individual business or cooperative, and may include such things as the provision of capital through grants or loans, savings and credit schemes, training or advice in skills or business management and other support services for small business such as assistance with marketing and the provision of temporary trained personnel. This has been identified by Oxfam as "Income generation initiatives" (1990: vi-vii)

After the apartheid regime was abolished in the early 1990s in South Africa, the number of NGOs skyrocketed. By 1997, the South African government recognized the role played by the NGOs in challenging the injustices of apartheid and addressing the needs of vulnerable communities. As a result, the government passed a Non-profit Organisations Act, (No 71 of 1997). This was in a bid to create an enabling environment for the non-profit sector. A number of such organisations were established following this act. In fact, it is recorded that there are about 38.000 non-profit organisations registered under the Department of Social Development (Department of Social Development: May 2007). Their activities were geared towards developing the poor South African communities and ensuring national development as a whole. South Africa remains one of the most unequal countries in the world with about 35.8% of its population living below the poverty line of \$2 per day (Hunter et al; 2003). There is even the \$1 a day poverty line which the World Bank uses (The World Bank Group, 2007)).

The present level of poverty has led many developing countries to turn to Non-governmental Organisations (NGOs) for the much needed sustenance and development. Political upheavals, natural disasters and general high poverty rate in most African countries awakened the need for an alternative solution to these problems (Berg 1987). Many hold out high hopes for NGOs as vehicles to promote poverty alleviation and development.

The optimism that was raised with the creation of NGOs is however dying down, as many developing countries are not so much experiencing the positive fruits of their projects. The number of southern NGOs in particular has increased over the years. However, the increasing scale in this sector as well as the growing reputation that NGOs have had especially with regards to their work over a couple of years, their contribution to development on a global level remains limited though there have been many small-scale successes (Edwards and Hulme; 1992: 13). This is the case of most developing countries, South Africa included. In spite of the increasing rate of NGOs in South Africa, poverty is today still ravaging many households.

This would cause one to wonder if NGOs are actually doing what they originally were set up for. Looking at the situation, one would be tempted to ask a series of questions including the following: To what extent are the many NGOs in post apartheid South Africa actually helping to improve the deplorable living conditions of the people? What could be the challenges they face in accomplishing their goals? What can be done to remedy or ameliorate the situation? Why do NGOs battle to support income generation, and what is actually their impact on development? It is with this regard that this study aims to examine the income generation projects of Women for Peace. As an indigenous based organisation, Women for Peace seeks to be a strong and forward looking organisation of excellence that works to support the empowerment and development of diverse communities by transferring skills in order to contribute to bringing about human betterment and wellbeing. In order to ensure the betterment and wellbeing of its target communities, Women for Peace, set up income generating projects intended to make its beneficiaries become economically active, being able to meet their own needs, that is,

being self reliant. However, looking at these communities, poverty is still the order of the day. Hence, this research proposes to examine the role of Women for Peace and the contribution made in improving the living conditions of its participants. It will also try to examine some challenges faced with these projects, seeking to uncover aspects about the battle this NGO faces to support income generation, and try to find a way forward.

In order to achieve this, I will provide theoretical and conceptual frameworks by analysing applicable poverty and development theories and concepts with particular interest in socio-economic development, examine the challenges NGOs face in poverty reduction in South Africa as well as provide recommendations in terms of community based development activities.

1.2 STATEMENT OF PROBLEM

According to Edwards and Hulme (1992: 13) despite the growing reputation that NGOs have won for themselves and their work for a couple of years, their contribution to development remains limited. There are various evaluations of the successes of NGOs. De Beer and Swanepoel (2000) point out the fact that NGOs and civil society are the main initiators of development and development projects wherever they are located. They are voluntary organisations that play a significant role in poverty reduction. Both international and local NGOs provide services in the various communities in which they are, by raising funds for example. However, these successes are becoming critical. There must definitely be something wrong somewhere. Maybe the projects are not good or they are actually good but poorly implemented. In fact, some of the weaknesses commonly identified in this sector include limited financial and managerial expertise, limited institutional capacity, and low levels of self sustainability, small scale interventions, lack of inter-organisational communication as well as lack of understanding of the broader social or economic context (<http://docs.lib.duke.edu/igo/guides/ngo/define.htm>).

This being the case their objectives especially of poverty reduction are not met as they themselves are in need. It is in this light that this paper seeks to examine the income generation projects of Women for Peace. It will be looking at how the organisation has

helped to improve the living conditions of some members of the community in which it is situated, who take part in its projects, that is, its beneficiaries, 30 years after its existence. It will also look at the challenges faced in running these income generating projects, as well as suggest possible measures that can help improve the situation.

1.3 MOTIVATION

I was motivated on carrying out research in this area firstly because, not much has been written on the topic. I was also motivated by a research conducted by Tanjong, (2004) on the topic *“Focus and Quality of NGOs in Cameroon as Development Alternatives: A Decade Appraisal”*. This research revealed that most NGOs in Cameroon are not providing the much needed alternative to development and that most of them are sources of private funding and so do not actually exist. With my interest in NGOs and poverty alleviation, I decided to carry out a study in South Africa to find out how their projects actually help in improving the living conditions of the local inhabitants. Basically, I will be looking at the kinds of problems faced by urban NGOs in black “townships”. Due to the scope and duration of a structured master’s thesis, I have limited my study to a particular NGO, being Women for Peace, paying attention to its income generation projects.

1.4 RESEARCH QUESTION

The paper seeks to answer the question: *What battle does Women for Peace face in its support for income generating projects as a way of fighting poverty in Kagiso?* The following will be sub questions geared towards answering the main question:

- How do they generate income?
- What is the market for their projects?
- Where does the money go to?
- What impact does it have on its beneficiaries?

1.5 AIMS OF THE STUDY

The overall aim of this study is to examine the role and challenges income generating NGOs in urban South African townships face in their fight for poverty reduction. This

will be done with a case study of the NGO, Women for Peace situated in Kagiso. That is, the micro (the case study) can help me understand the macro (being the situation of income generating NGOs in South African townships). This can be outlined as follows:

- To provide a theoretical and conceptual framework from which to launch the study by analysing applicable poverty theories and concepts with particular interest in social and economic development.
- Outline historical aspects and explore political as well as socio-economic dynamic function of the selected case study area.
- Examine the origin and structure of Women for Peace and explain how it mirrors or diverges from the general trend of NGOs.
- Explore the income generation projects of Women for Peace and see how they contribute to improving the lives of the beneficiaries.
- Examine the possible challenges the projects face which may hinder the organisation from meeting with the objective of poverty reduction. And also to provide possible measures to ameliorate the situation.

1.6 SIGNIFICANCE OF THE STUDY

- The major significance of this study is the fact that it will point out those things that may hinder the objectives of the income generating projects of Women for Peace from actually being accomplished. As such, it will suggest possible measures that can help the organisation to work on better strategies to go about the projects.
- To sensitize people of the community to see the contribution they can make to NGOs to facilitate their work in their various communities.
- To look at some of those challenges NGOs involved with income generation face especially with regards to poverty reduction which has made them not to be able to achieve their major goal, namely, to develop the poverty-stricken South African communities, especially in the post apartheid era.

1.7 RESEARCH METHODOLOGY

Research method refers to a technique for collecting data or a procedure that a researcher uses to condense, organize and analyze data in the process of undertaking scientific research in social science Bryman (2001) In order to answer the research question, this study adopted a combination of several research tools used to gather information.

Primarily, a broad range of literature was explored. This was to thoroughly to provide:

1. A meaningful and conceptual framework
2. Clarify key concepts such as poverty, NGOs, income generation
3. Explore various dimensions of income generation projects especially of NGOs and their contribution to poverty reduction.

This involved the use of both primary and secondary data. Various documents were used to get more background information on the organisation Women for Peace. These documents among others include annual reports and quarterly reports. Individual project reports were hardly available and so information from individual projects was basically based on the interviews.

Qualitative Methods

Qualitative analysis is particularly appropriate when gathering socially dynamic information related to human behaviour and interaction of people. That is, how people make sense of their lives, experiences and their structure of their world. (Abiche, 2004:9). It involved participant observation and semi-structured interviews.

Participant Observation

Participant observation means that the researcher joins the participants for a period of time, to observe them during their time of work. The researcher used participant observation for the sewing project. During such times, the researcher used the opportunity to do informal interviews in the form of conversation with the participants, as such seek to understand more about the project and how they benefit from taking part in the project.

Another participant observation was with members of the executive committee of the organisation with seven people present. This was geared towards examining the successes

and challenges faced with regards to project implementation. This gave the opportunity to find out whether the organisation and its beneficiaries or project participants have and are pursuing a common objective and agenda. This is because one of the problems which Hurley (1990: 3) points out is occurring in income generation interventions is that beneficiaries and interveners often have different or confused objectives and agendas. During this meeting, I had the opportunity to talk about my research and how it will benefit the organisation. Also, together with these executive committee members present, we were able to discuss some problems the projects face and the organisation as a whole after which we talked on some possible solutions to make things better.

Semi Structured Interviews

The researcher developed a set of semi-structured questions in terms of broader conceptual framework of the study. These served as a guide as far as conducting the interviews was concerned. A number of semi structured interviews were conducted with leaders and management of the NGO, Women for Peace. The interviews were based on themes including mission of the organisation, operation and management systems, organisational project cycle, sources of funding, markets for their products, how income is distributed, what impact their projects have had over the years as well as successes and challenges the organisation faces, especially in carrying out its income generating projects. Those interviewed were the chairperson of the organisation, project managers for the different projects being the ECD, Imbali Visual Literacy Project, Sewing, Video/Oral History, Herbs and Herbal First Aid Projects.

This type of interview was equally being conducted with project participants or beneficiaries for each of the projects. This was aimed at finding out how they have benefited from the projects especially with regards to their income level.

1.8 Limitations of the Study

As far as this study is concerned, there were many limitations that were encountered. The following include such limitations.

Being a case study which focuses on one organisation, it may not be adequate to draw one conclusion across several organisations dealing with income generating projects

However, the study tried to bring insights into how NGO income generating projects function, their contribution in poverty reduction and some challenges faced in running them. There were equally some important lessons were drawn with regards to NGOs and their struggle in poverty reduction. This could however be done from the case study. This was the case because looking at the micro can equally help understand the macro, that is, the challenge faced by income generating NGOs in South African Townships.

In addition, there was little information on the case study area, Kagiso. This being the case, the researcher had to use the limited available information with regards to the community. This was in the case of doing a situation assessment for the community done in chapter 4.

Furthermore, there was the issue of lack of statistics from the different projects. This being the case, the researcher found it difficult to quantify the extent of the organisation's contribution to poverty reduction in Kagiso.

Another limitation was that of getting people for interviews within stipulated time. This was the case because of the crisis which the organisation is going through which makes it hard to get people for interviews. Considering the nature of the Herbs and herbal first aid project, the researcher could not meet with beneficiaries. As such, information on this is based on interview of the project Manager; Julie Henderson. This was especially a problem for the researcher considering the need to meet academic deadlines. There were also the financial implications of transportation, considering the distance the researcher had to cover to the community.

Moreover, there was the problem of time. The time given was not sufficient enough for the researcher to fully explore the organisation since there was the need to meet up with academic deadlines.

1.9 Outline of Dissertation

This study is made up of seven chapters. The chapter progression for the study is divided as thus:

CHAPTER 1: This chapter introduces the study. Here, the research problem is stated as well as the research questions outlined. It also provides aims, significance and methodology of the study.

CHAPTER 2: The aim of this chapter is to provide an understanding of the concept of poverty, looking at the definition, how it is measured as well as bringing out related theories that seek to explain the causes of poverty.

CHAPTER 3: This chapter entitled Poverty in South Africa attempts to provide a macro perspective of the situation in South Africa, that is, on poverty. Having looked at the theories of poverty in chapter 2, chapter 3 aims at exploring how these theories can explain the causes of poverty in South Africa. It also takes a look at some statistical indicators of poverty in the country. The chapter ends by looking at what the new government of democracy is doing as far as fighting poverty in South Africa.

CHAPTER 4: In chapter 4, an understanding of the concept of NGOs is brought out, looking at how they are classified, their strengths and weaknesses, and their role in poverty reduction. Also it looks at the NGO landscape in South Africa and then ends up by looking at the case in the case study area, Kagiso.

CHAPTER 5: Chapter 3 was to help paint a big picture of the situation of a country in which Kagiso falls. In this part of the work therefore, I will be examining the poverty profile of the township Kagiso. In order to achieve this, I will look at the causes of poverty in the area and there after look at some of the prominent features of poverty in Kagiso. Before getting into details of the poverty situation in Kagiso, I will begin by presenting a situation assessment of the township. It ends up by looking at what is being done to fight poverty in the area, considering the fact that the fight against poverty is one of the targets of the new government. That is, what is being done at the micro level to meet up with the macro level of the country. The aim of this chapter is to provide a background against which NGOs in the community are to operate, especially if they are working towards addressing poverty in the community.

CHAPTER 6: This chapter focuses on the case study. Having looked at the poverty situation in Kagiso in chapter 5, it is worthwhile looking at what the organisation in study is doing to make things better. Before getting into what WFP is all about and what its income generating projects are, it begins by examining what income generation is all about. It then provides a historical background of the organisation Women for Peace is also provided. It goes on to examine the various income generating projects of the organisation as well as provide a detailed account of the income generating projects of the organisation in case study and thus presents the research findings related to Women for Peace and its fight against poverty through its income generating projects.

CHAPTER 7: Provides conclusions and recommendations emanating from this research and suggests possible measures that could be used to better address the poverty situation in communities by NGOs like Women for Peace which seek to address such problems, through income generating projects.

CHAPTER 2: THE CONCEPT OF POVERTY

This chapter is primarily concerned with the conceptualization of poverty. It aims to look at the definition of poverty, how it is measured as well as bringing out related theories that seek to explain the causes of poverty.

2.1 WHAT IS POVERTY?

As a multidimensional phenomenon, poverty is defined and measured in a multitude of ways. In fact, it has been used differently by different people to mean different things. It paints various pictures in different minds. Given the complexity of the issues, the best introduction to poverty measurement is through the multifaceted nature of the phenomenon and the different concepts of it. Poverty can be conceived as absolute or relative, as lack of income or failure to attain capabilities. It can be chronic or temporary, is sometimes closely associated with inequity, and is often correlated with vulnerabilities and social exclusion. The concepts used to define poverty determine the methods employed to measure it and the subsequent policy and programme packages to address it (Bosrup, (1989).

SPII (2007) identifies three major threads tied to poverty which seek to explain poverty, including, firstly, the notion of material lack, especially the lack of resources necessary for survival. The second thread is that of agency and dignity, being the case where people who are able to survive are still considered poor if survival would require them to give up their self respect or if they are not able to fulfil their minimal social obligations. The last thread is that of subjugative experience. This explains that people are ordinarily considered poor if they experience forms of lack that lead to *suffering*.

Also, poverty could be in a narrow or broad sense. In the narrowest sense, it means the lack of income and in a broader sense it could be seen as multidimensional including issues as housing, health, education, access to services and other avenues of accessing resources as well as to social power relations. (SPII, 2007) I believe that the narrow and the broad sense of poverty are very much interrelated. A lack of income would have an effect on the individual's ability to get housing, education and other facilities. Therefore, the narrow and the broad can hardly be treated separately.

Poverty has many faces, changing from place to place and across time, and has been described in many ways. Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom. (The World Bank Group, 2007)

“Poverty is not knowing where your next meal is going to come from, and always wondering when the council is going to put your furniture out and always praying that your husband must not lose his job. To me that is poverty.” (Mrs Witbooi of Philipstown, quoted in Wilson and Ramphele, 1989: 14).

Poverty has been summarily defined by the UN as “the denial of opportunities and choices most basic to human development to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self esteem and respect from others. (Hirschowitz; 2000)

Dauids et al. (2005: 37-40) consider different perspectives of poverty. Firstly, they consider the income perspective which classifies people as poor if their income falls below a defined income measure. This income line is defined as the level at which households have enough income for a specified amount of food, housing and transportation. Secondly, there is the basic needs perspective. This is an influential international perspective especially in the context of the “developing world” where millions of people live without access to clean water, an adequate and balanced diet, physical and emotional security as well as climatically appropriate clothing and shelter. There is in addition the social exclusion perspective which describes a situation whereby there remains a group that is excluded from the mainstream benefits of the society and prevented in some way from fully enjoying general prosperity, in spite of welfare and general wealth. There is also the sustainable livelihoods perspective which stresses the participation of individuals and communities in defining and solving their own poverty. The last is the human development perspective. This perspective emphasizes a holistic

understanding of poverty in terms of which anti poverty actions enlarge peoples' life choices.

There are different philosophies around the main causes of hunger and poverty. The extent of poverty in developing countries, particularly in Africa, is deep rooted. According to a World Bank estimate, approximately 1.3 billion people in developing countries live under the poverty line of \$2 per day. In some sub-Sahara African countries, the number of people living under extreme poverty is estimated at more than 50 percent. (Abiche 2004: 30).

The World Bank (2001) argues that the most important cause of poverty in Africa is economic stagnation. The last 20 years witnessed the escalation of poverty as a result of low growth rates of the African economy According to the view of the World Bank; Africa has not been capable of benefiting from international trade. The World Bank also believes that political instability, lack of improvement in infrastructure, inadequacy of national policy and structural adjustment, lack of investment are among the main causes of poverty. (Abiche 2004: 31)

With the notion of alleviating poverty in the developing world, several institutions such as the International Monetary Fund, the World Bank, government and more especially non-governmental organisations are undertaking a variety of development activities to alleviate poverty and are using various approaches, and implementing a number of strategies for this purpose, income generating projects being part of them.

For the purpose of this study I will examine poverty to mean are people are poor because they lack income, food, clothing and shelter. That is, people are poor because they lack adequate income or assets to generate income. Strategies to reduce poverty emerging from these definition focus on increasing the income as well as consumption of the poor and their attainment of “satisfiers” of basic needs, such as health and education (Long, 2001: 40-45). The concepts of poverty emerging from the perspective of sociological deprivations are rooted in underlying structural inequities and inherent disadvantages. Poverty is also examined in this study as the lack of real opportunity – due to social constraints as well as personal circumstances to lead valuable and valid lives. Emphasis

on empowering the poor, facilitating their participation in society and enabling them to move upward on the socioeconomic ladder, are central to the human capability approach to poverty reduction. Poverty eradication is a major challenge world wide, yet it is a particularly daunting one in South Africa and Africa in general. In spite of the efforts to improve social conditions over the years, these have remained alarmingly inadequate and have shown further deterioration on many fronts even as Hunter et al (2003) note.

2.2 MEASURING POVERTY

Poverty can be measured at the level of countries as well as at a global level. Different methods have been used to measure poverty across countries Woolard and Leibbrandt (1999) for example, use private consumption expenditure as a way of measuring poverty and they also identify other ways by which poverty has been measured. These include: Per capita consumption, household consumption, per capita income, per capita food expenditure, per capita caloric intake, budget share of food expenditure (food ratio) and average educational level of adult household members.

A common method used to measure poverty at country level is based on incomes or consumption levels. A person is considered poor if his or her consumption or income level falls below some minimum level necessary to meet basic needs. This minimum level is usually called the "poverty line". What is necessary to satisfy basic needs varies across time and societies. Therefore, poverty lines vary in time and place, and each country uses lines which are appropriate to its level of development, societal norms and values. (The World Bank Group, 2007)

According to the World Bank when measured at the global level, poverty can be categorized as both absolute and relative with the same reference poverty line used, and expressed in a common unit across countries.

2.2.1 Absolute poverty

This is described as a lack of basic security, the absence of one or more factors that enable individuals and families to assume basic responsibilities and to enjoy fundamental rights. It is a situation where people's total earnings are insufficient to obtain the minimum necessities for the maintenance of merely physical efficiency (Kinwa, 1994: 8). Triegaardt, (2006: 3) also postulates that absolute poverty implies that households are unable to meet the basic needs for survival. They are chronically hungry, unable to access health care, lack the amenities of safe drinking water and sanitation, cannot afford education for some or all children, and perhaps lack rudimentary shelter, and basic article of clothing like shoes.

An alternative – and more multi-dimensional - definition of 'absolute' poverty was given at the World Summit for Social Development in Copenhagen in 1995 as follows:

“a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to social services” (Noble et al., 2004)

A measure of absolute poverty quantifies the number of people below a poverty threshold, and this poverty threshold is independent of time and place. The poverty threshold or poverty line is the minimum level of income deemed necessary to achieve an adequate living standard. The World Bank has identified this poverty line and classifies it to be less than \$1 per day for those living in extreme poverty and less than \$2 per day for those in moderate poverty, (The World Bank Group, 2007). The Absolute poverty line is fixed in terms of the standard of living indicator being used over the domain of poverty comparison. Being fixed, comparisons can be made across the entire poverty domain over time (Mlambo, 2000: 7).

2.2.2 Relative Poverty

Relative poverty on the other hand, is used in terms of particular groups or areas in relation to the economic status of other members of the society. Poverty results from and even consists of a lack of basic securities, which include financial resources, as well as

education, employment, housing, health care and other related aspects. When the consequences of this insecurity are severe they lead to deprivation in new life areas (Abiche, 2004: 30). With relative poverty, people might be able to afford basic necessities but are unable to maintain the standard of living considered normal in the society. The relative poverty line sets a constant proportion of the national mean of the standard of living measure being used as the poverty line. Any person whose standard of living falls below this measure is considered poor. (Mlambo, 2000: 7)

2.3 POVERTY THEORIES

Different authors have written different theories all which seek to explain what poverty is and I will be examining some of the theories on poverty, which seek to explain the causes of poverty. Bradshaw (2006) identifies five theories of poverty which I will be adapting for this study. They include poverty caused by individual deficiencies, cultural belief systems that support subcultures in poverty, political-economic distortions, geographical disparities, as well as cumulative and circumstantial origins.

2.3.1. Poverty Caused by Individual Deficiencies

Those who are in support of this theory of poverty are of the opinion that those who are poor are responsible for their own poverty. Bradshaw (2006) points out that conservative theoreticians blame individuals in poverty for creating their own problems, and argue that with harder work and better choices the poor could have avoided (and now can remedy) their problems. Islam (2005: 2) equally argues that the poor are poor because they did not work hard; they squandered money on ‘gambling, drinking and unnecessary luxuries and they had disorder of family life. They had no ambition, no inner call for work, were fatalistic, and suffered from “an intractable ineducability” as the Brock Committee phrased it. Other variations of the individual theory of poverty ascribe poverty to lack of genetic qualities such as intelligence that are not so easily reversed.

According to Weber (2001) Religious doctrine that equated wealth with the favour of God was central to the Protestant reformation. As such, those who are poor or disabled find themselves in such a condition because it is a punishment from God either because of their personal sins or that of their parents. Looking at the individualistic theories of

poverty from moral perspective, Rainwater (1970) notes that the poor are afflicted with the mark of Cain, who suffer and must suffer for their moral failing. He thus sees their poverty as something which they deserve.

This theory gained support from neo-classical economics that see the poor as people who lack incentives for improving their own conditions. They argue that the core premise of this dominant paradigm for the study of the conditions leading to poverty is that individuals seek to maximize their own well being by making choices and investments, and that (assuming that they have perfect information) they seek to maximize their well being. Economists like Gwartney and McCaleb argue that anti poverty programs have rather increased poverty. They thus see welfare programs as something that protects individuals (the poor) against the consequences of their own bad choices. Therefore, according to these economists, poverty continues to exist because of the too many welfare programs which are not productive. As such, if people are left to face their poverty, the severity of it would not make them to make such a choice (Bradshaw, 2006: 6-7). In fact, both Malthus and Herbert Spencer thought that only hunger could teach the poor civility and subjection (Islam: 2005: 2). Therefore, this theory suggests that the poverty of the poor is as a result of their own behaviour and attitudes, which if left to face the consequences, would change for the better.

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

This theory is linked with the first theory of individual deficiencies. This was developed by the anthropologist, Oscar Lewis in 1959. This was based on his experience in Mexico. It suggests that poverty is created by the transmission over generations of a set of beliefs, values, and skills that are socially generated but individually held. Individuals are not necessarily to blame because they are just victims of their dysfunctional culture or subculture.

Islam, (2005: 2) argues that with the culture of poverty, an economic setting of cash economy is required, a high rate of unemployment and under employment, low wages and people with low skills. Where there is neither voluntary or state support nor stable

family, the low-income population tends to develop the culture of poverty against the dominant ideology of accumulation of the middle class. The poor realize that they have a marginal position within a highly stratified and individualistic capitalistic society, which does not offer them any prospect for upward mobility. In their search for survival, they develop their own institutions and agencies considering the fact that the larger society tends to ignore and bypass them. As such, the poor come to embody a common set of values, norms and pattern of behaviour, which is different from the general culture as such.

In the writings of Oscar Lewis, he defined the culture of poverty as a set of beliefs and values passed from generation to generation. He further writes:

“Once the culture of poverty has come into existence it tends to perpetuate itself. By the time slum children are six or seven they have usually absorbed the basic attitudes and values of their subculture. Thereafter they are psychologically unready to take full advantage of changing conditions or improving opportunities that may develop in their lifetime”. (Bradshaw, 2006: 8)

The poor have a way of life identified by a specific subculture. Lewis found 70 traits that underlay this subculture, which he classified these traits into four types. They are:

“• Relationships between the subculture and the larger society

People either disengage or maintain distance from the larger society. They do not belong to labour unions or political parties, go to banks or hospitals or enjoy leisure facilities of the city. They have a high mistrust of the dominant institutions of society.

• Nature of the slum community

The slum community is characterized by poor housing and overcrowding and a minimum of organisational structure beyond the space of family. These institutions grow up mainly to meet their minimum needs. The slum economy is inward looking. It is embedded in pawning of personal goods, informal credit and use of second hand goods.

• Nature of the family: bilateral kinship system, unstable marriage, multifocal family,

- *Attitudes, values and personality of the individual*: The individual has ‘a strong feeling of fatalism, helplessness, dependence and inferiority’; a weak ego tuned to the gratification in the present and a strong preoccupation with masculinity” (Islam, 2005:3).

Kinwa (1994: 11) argue this being the case, lack of motivation, resignation, attitudes of helplessness and fatalism make poverty inevitable. With this theory, the poor are not poor because they are economically deprived but also because they contain within themselves cultural and psychological shortcomings. They are trapped in poverty by a chain of interlinked causes. They were born poor and their poverty only begets more poverty. In fact, they find themselves in a vicious circle and it is difficult for them to get out of it.

2.3.3 Poverty Caused by Economic, Political, and Social Distortions or Discrimination

This theory is different from the first advocated by conservative thinkers and the second being a culturally liberal approach. This third theory is a progressive social theory whereby theorists do not look at the individual as responsible for his poverty. Rather, they look at the economic, political, and social system which causes people to have limited opportunities and resources with which to achieve income and well being. Attacking the individual theory of poverty, 19th century intellectuals show how social and economic systems overrode and created individual poverty situations. Advocates believe that poverty in this case is as a result of the flawed system and so must be radically changed. For example, Marx showed how the economic system of capitalism created the “reserve army of the unemployed” as a conscientious strategy to keep wages low. Later Durkheim showed that even the most personal of actions (suicide) was in fact mediated by social systems. Discrimination was separated from skill in one after another area, defining opportunity as socially mediated. Taken to an extreme, radical thinkers argued that the system was flawed and should be radically transformed (Bradshaw, 2006: 10).

This theory is what Islam (2005: 4) referred to as the structural theory of poverty where he points out that the perspective of this theory has made clear that the identities of the poor based on age, sex, ethnicity and disability are socially constructed. Certain groups

within society become vulnerable because of discrimination. Therefore, regardless of their capabilities and competence, the poor are left to fall behind.

Davids et al (2005: 41) suggest that any attempt to eliminate structural poverty should involve a widespread redistribution of wealth and income, which would mean the creation of improved social services, higher welfare benefits for the needy, and more and better paid jobs, introducing higher taxes on the non-poor to pay for these reforms.

Bradshaw, (2006: 11) also points out the fact that in a bid to eliminate structural barriers to create better jobs, there has been a focus on education and training of extensive manpower as well as other programs. There have been some successes in this approach as well as perceived failures. Worthy of note however is the fact that funding per student in less advantaged areas is far less than what is spent on students of more advantaged areas. In addition, teachers are not adequately trained, books are out of date or are in limited supply, amenities are few and in fact, the culture of learning is under siege. These being the case, poor people are left in the same situation, with poor performance and cannot pursue higher education (Bradshaw, 2006: 11).

Another thing that makes the poor, poor is the fact that their interests and participation in political systems is either impossible or is deceptive. Since there is a link between wealth and power, the poor are less involved in political discussions because they are poor. Coupled with racial discrimination, poor people lack influence in the political system that they might use to mobilize economic benefits and justice, which they themselves would be beneficiaries (Bradshaw, 2006: 11).

2.3.4 Poverty Caused by Geographic Disparities

Looking at this theory, poverty has been classified in different types including rural poverty, ghetto poverty, urban disinvestment, Southern poverty, third-world poverty. This theory calls attention to the fact that people, institutions, and cultures in certain areas lack the objective resources needed to generate well being and income, and that they lack the power to claim redistribution. There has been so much association between development

and poverty. The fact that rural areas for example are not developed, they would hardly have access to certain opportunities which are concentrated in the cities. Therefore, by virtue of the fact that people live in such areas, they are bound to be poor. This is also facilitated by racism and political indifference of the localities in which they flourish. (Bradshaw, 2006: 12). Talking about spatial concentrations of poverty, Bradshaw, King, and Wahlstrom, (1998) point out the fact that when there are facilities in an area, it attracts more facilities while on the other hand, the presence of poverty and the conditions leading to poverty or the consequences of poverty like crime and inadequate social services generate more poverty (Bradshaw, 2006: 12). Therefore, the poor are bound to be poor and can hardly come out of their poverty because all they attract is poverty.

Using the case of America, Curley (2005) points out Massey and Denton's argument on America's history of segregation. They argue that white America has systematically put up barriers to black spatial mobility, which essentially confined blacks to disadvantaged neighborhoods. They were bound to remain in such conditions especially as federal housing policy contributed significantly to the disinvestment in black urban neighborhoods and the expansion of the suburbs for white America. In addition, locating public housing projects in predominantly poor black communities further increased the poverty concentration in urban areas.

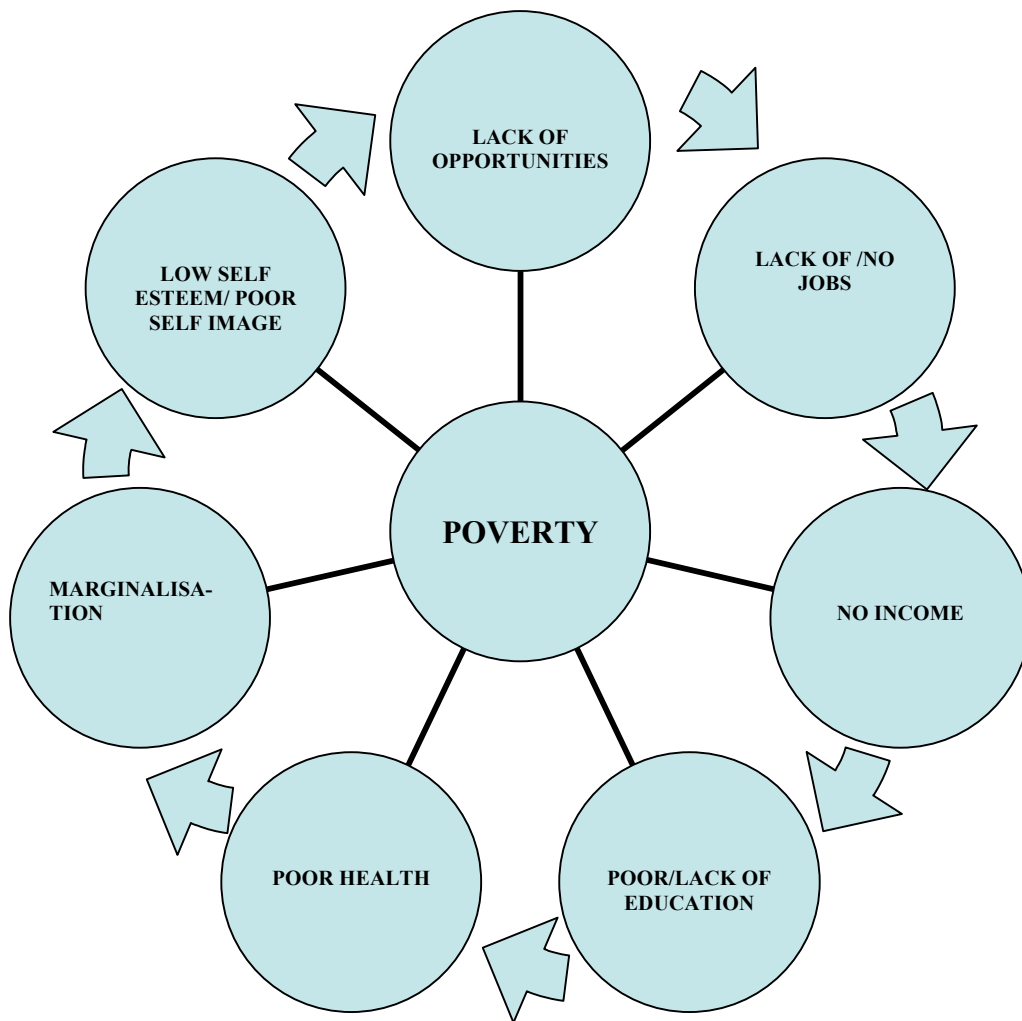
Added to this was also the fact that people from ghetto areas with the highest levels of education, the greatest skills, widest world view, and most extensive opportunities were the ones who migrated out of central city locations to other places. (Bradshaw, 2006: 13). This being the case, there was little attention given to the poor because those who were left behind were those who were uneducated and could hardly know what to do. I therefore believe that this being the case, even if there was the availability of programs or services which could help the poor, their very ignorance of it kept them in their poverty.

2.3.5 Poverty Caused by Cumulative and Cyclical Interdependencies

This is the last and final theory of poverty. It is by far the most complex and to some degree builds on components of each of the other theories. This is the case because it looks at the individual and their community as caught in a spiral of opportunity and problems, and that once problems dominate they close other opportunities and create a cumulative set of problems that make any effective response nearly impossible. This cyclical situation looks at individual situation and community resources as mutually dependent. This theory has its origins in economics in the work of Myrdal (1957) when he developed a theory of “interlocking, circular, interdependence within a process of cumulative causation” that helps explain economic underdevelopment and development. Myrdal notes that personal and community well being are closely linked in a flow of negative consequences. For example, at the community level, a lack of employment opportunities leads to outmigration, closing retail stores, and declining local tax revenues, which leads to deterioration of the schools, which leads to poorly trained workers, leading firms not to be able to utilize cutting edge technology and to the inability to recruit new firms to the area, which leads back to a greater lack of employment. Therefore, any crisis can lead to a series of personal and community problems including migration of people from a community. Thus the interdependence of factors creating poverty actually accelerates once a cycle of decline is started. At the individual level, it is equally a circle whereby, the lack of employment leads to lack of consumption and spending due to inadequate incomes, and to inadequate savings. This would mean that individuals can not invest in training, and also lack the ability to invest in businesses or to start their own businesses. This leads to lack of expansion, erosion of markets, and disinvestment, all of which contribute to more inadequate community opportunities. Added to these are health problems, failure to invest in education of children leading to vulnerability to illness and failure to get good jobs. These are as a result of the lack of income. Moreover, the lack of income as a result of the lack of jobs leads to deteriorating self confidence of the individuals, little or no motivation and sometimes may lead to depression (Bradshaw, 2006: 14-15).

Summarily put, as the word suggests, the cumulative and interdependent theory of poverty explains that poverty is like a chain which cannot be broken easily considering the fact that one thing leads to the other. It goes round and round and the poor can hardly find themselves out. The diagram below is an illustration of the cumulative and interdependent nature of poverty.

Fig. 2.1. *The cumulative and interdependent nature of poverty*



These five theories of poverty can be summarized in the table below, which outlines the theory, what causes poverty based on the theory and how it works.

Table 2.1 Theories of Poverty

Theory	What causes Poverty?	How does it work?
1. Individual	Individual laziness, bad choice, incompetence, inherent disabilities	Competition rewards winners and punishes those who do not work hard and make bad choices
2. Cultural	Subculture adopts values that are non-productive and are contrary to norms of success	Peer groups set wrong values and reinforce wrong behaviours,
3. Political-economic Structure	Systematic barriers prevent poor from access and accomplishment in key social institutions including jobs, education housing, health care, safety, political representation, etc	Selection criteria directly or indirectly exclude some groups of persons based on inappropriate criteria
4. Geographic	Social advantages and disadvantages concentrate in separate areas,	Agglomeration, distance, economies of scale, and resource distributions reinforce differences
5. Cumulative and cyclical	Spirals of poverty, problems for individuals (earnings, housing, health, education, self confidence) are interdependent and strongly linked to community deficiencies (loss of business and jobs, inadequate schools, inability to provide social services) etc.	Factors interact in complex ways. Community level crises lead to Individual crises and vice versa, and each cumulate to cause spirals of poverty

SOURCE: Bradshaw, (2006: 22)

2.4 CONCLUSION

Poverty is a multifaceted phenomenon viewed by different people to mean different things. The causes of poverty are as numerous and complex as the way it is viewed. This is the case as has been discussed with the use of the different theories. Others have viewed poverty to be caused by the individual's laziness, whereby it is argued that the poor are poor because they are lazy. This school sees welfare programs as increasing poverty. Another school holds that people are poor because of the fact that they have inherited poverty and so see it as a culture; yet a third school holds that people are poor due to barriers that prevent them from getting access to certain social economic and even political institutions. There is also the school which looks at poverty based on the geographical area. The last school examined above is the school that sees poverty to be caused by interlocking factors, making it a web which makes it difficult for its victim to come out of it. The diversity of its causes also explains the diversity of how it is measured. It is measured either as absolute or relative yet each country has set its own poverty lines. This only goes a long way to explain the diversity of this concept of poverty.

CHAPTER 3: POVERTY IN SOUTH AFRICA

This chapter entitled Poverty in South Africa attempts to provide a macro perspective of the poverty situation in South Africa. Poverty in South Africa is quite complex or better still multifaceted. There are many factors surrounding poverty in South Africa. However, having looked at the theories of poverty in chapter 2, chapter 3 aims at exploring how these theories can explain the causes of poverty in South Africa. It also takes a look at some statistical indicators of poverty in the country. The chapter ends by looking at what the new government of democracy is doing as far as fighting poverty in South Africa is concerned. Painting a broad picture of the situation of the country will help look at what is going on at the micro level. That is, this chapter will help develop a framework for analysing poverty in Kagiso.

3.1 Causes of Poverty in South Africa

3.1.1 The Legacy of Apartheid

One of the theories examined above as responsible for poverty is that of Poverty Caused by Economic, Political, and Social Distortions or Discrimination. This theory explains that the poor are poor because they are being discriminated upon. As such, these systematic barriers prevent them from access and accomplishment in key social institutions including jobs, education, housing, health care, safety, political representation, to name a few. Talking about poverty in South Africa, one cannot overlook the apartheid system of government.

South Africa has a long history of struggle, against a racially segregated system of political and economic exclusion of the majority by a minority. This was especially during the National Party's rule from 1948-1994 whereby this system of racial segregation was legalized, implemented and enforced. Separate residential areas and homelands were created for people of different ethnic groups. The black majority in particular were sent out of the cities and industrial centres of the country. People were forced to move to other parts. In fact, the indigenous South Africans became aliens in their own land (Seedat; 2001: 58).

As Davids et al (2005: 18-19) stipulate, the National Party during the apartheid regime assumed that development in a plural society could be promoted by dividing the population into four racial groups in this case being the whites, coloureds, Indians and last of all the blacks, with each of them having different political and social position within the system. It was believed that the interests of each racial group could only be promoted if there was such a separation as it permitted each to have its own delimited area of jurisdiction. On the contrary, this system rather brought hardship for the majority of South African classified as non whites and more especially the black majority. Draconian laws were maintained, coupled with brute force, separate development, bringing about a situation where white privilege existed along side black poverty and deprivation in every aspect of life including land ownership, job opportunities, wages and salaries, access to amenities, provision of health, education and welfare services, to name a few. Its impact was multigenerational and it's still felt even till today which is the era of democracy, human rights and freedom (Mathole, 2005: 24).

3.1.2 The culture of Poverty

This legacy of apartheid in South Africa is felt even till today. As such, one will also look at the other theory of poverty, the culture of poverty. This is the case where the poor are poor not because they want to remain in poverty but the fact that their poverty is inherited. This kind of poverty is being transferred from generation to generation. This is what Mathole (2005: 24) refers to as multigenerational. Though the apartheid system was abolished, Francis (2006: 5) argues that the historically generated power inequalities have not been substantially altered by the configurations of power which have emerged since the transition to democratic rule. Francis (2006: 6) also notes that the abolition of apartheid restrictions in employment and education has benefited a significant number of Africans, who have moved into higher education, better-paid employment and business. However, these changes have done little to improve the lives of the large majority. It is almost in such a way that it is inherited and can have only a few benefiting.

Geographical Location

In addition, Shinns and Lyne (2004: 2) argue that one of the major causes associated with poverty is location. During the apartheid regime in South Africa, there was the passing of the Group Areas Act in 1950, (Act No. 41 of 1950) which was an act of parliament that created this era that assigned races to different residential and business sections in urban areas in a system of urban apartheid. The effect of the law was essentially to exclude any non-White from being allowed to live in established towns or to live and work in any established economically viable areas - all of which were proclaimed to be White areas. It caused many non-Whites to have to commute large distances from their homes in order to be able to work. The law led to non-Whites being forcibly removed for living in the "wrong" areas. Those who suffered most from this were the black majority who were sent out of the cities and industrial centres of the country.

Higson, (2002: 2) points out that, townships grew up especially around commercial and industrial areas occupied by these blacks who worked in the cities. Hostels were equally created especially around the mines, where migrant labourers stayed in very miserable conditions. Township life was unbearable, characterized by poverty, unemployment, low wages, and lack of food, clothes, health care and shelter. The lack of clean water was responsible for the health hazards including diseases like typhoid and cholera, even made worse with the absence of toilets (Anstey; 1993: 40)

Ntoane and Mokoele, (1994: 1-15) affirm that the townships were overcrowded, unhygienic, with disorganized residential areas as well as poor sanitary conditions. Education then was considered a luxury and the few existing schools were usually overcrowded, not being able to accommodate many children, leaving a host of them to become street children. Life in the townships was unbearable. It was a place where poverty was the household word facilitated by unemployment, low wages, and lack of food, clothes, health care and shelter. In fact, people could not meet up with even very basic needs. (Anstey, 1993: 40) This is the kind of poverty which Bradshaw (2005) describes as poverty caused by geographic disparities and like Mathole, 2005: 24) points

out, the effects are still felt till date; the townships still exist and the conditions there are still as bad.

Kinwa (1994: 21) points out this situation when she argues about the spatial distribution of wealth in South Africa. Wealth is said to be concentrated in the major metropolitan areas, the towns and the white-owned farms. In fact, there is a correlation between poverty and where people live.

3.1.4 Individual Deficiencies

Moreover, another theory that explains the cause of poverty is the theory of poverty caused by individual deficiencies. Some economists like Gwartney and McCaleb argue that welfare programs have rather increased poverty. This is the case because the poor are not left to take initiatives to come out of their situation, but rather lazy about waiting to get one benefit or the other. As such they (Gwartney and McCaleb) are of the opinion that welfare programs have introduced a perverse incentive structure, one that penalizes self-improvement and protects individuals against the consequences of their own bad choices (Bradshaw, 2005: 7).

Looking at the situation, I think that in South Africa, the individuals originally might not have chosen to live in poverty but then with the increase in government spending, they might have made it a choice and so wait on the government to get welfare grants and the like. In fact, Van der Berg (2006: 213) notes that by 1997, social spending was well targeted towards the poor, especially the provision of social grants, which constitute a much higher part of social spending in South Africa than in any other developing country. However, one would not understand why in spite of the high social spending especially on the poor with the advent of the democratic era, they seem to still remain in their poverty. In a survey, Van der Berg (2006: 207) portrays a situation of social spending by race from the period 1949-1997. The figures show a significant drop on the spending on whites as compared to the increase on that for blacks or Africans. In 1949, social spending on whites amounted to 59% as opposed to 26% on blacks while the other 15% was spent on Coloureds and Indians. By 1997, the difference was so evident, with

80% spending on blacks and 9% on Whites while the remaining 11% on Coloureds and Indians. However, those who are still ravaged by poverty are the blacks. To an extent then, one can accept the view that too many welfare programs are not helping the poverty situation in South Africa. In fact, Bhorat and Kanbur (2006: 13) note certain trends that emerged in the analysis of welfare shifts in post apartheid South Africa. They include: an increase in both absolute and relative poverty when using the standard measures of poverty; an increase in income inequality, catalyzed by the rise in the share of within-group inequality; despite some employment growth, the rapid expansion of the labour force has resulted in increased unemployment rates; (this was the case because the jobs created were formal jobs. Therefore, the resulting employment losses hit hardest at the poorest segments of the population that have the fewest alternative skills for re-employment) a large swift fiscal resource shift has engendered widened access to assets and basic services for poor households with aggregate trends fairly consistent across race and gender.

3.1.5 Lack of Income

Furthermore, based on the ANC Parliamentary Bulletin of 21 October 1996, the primary cause of poverty in South Africa is lack of income, and the main cause of a lack of income is the lack of paid work. Unemployment is therefore considered as the core cause of poverty in South Africa, and it has a clear race dimension. Unemployment among black South Africans is 38%; among coloureds, it is 21%; among Indians, 11%; and among whites, 4%. It was noted that black South Africans have nearly twice the unemployment rate of coloureds; black South Africans have more than three times the unemployment rate of Indians; black South Africans have almost ten times the unemployment rate of whites. By 2005, the unemployment rate ranged between 36-42%, considered the highest in the world from the year 2000. The percentage by race can be illustrated on the table below.

Table 3.1 Unemployment rate (%), by race

	¹ Narrow definition	² Broad definition	³ Broad-narrow gap
Race			
African	26.2	41.2	15.0
Colored	19.4	23.3	3.9
Indian	14.3	17.1	2.8
White	4.2	6.3	2.1

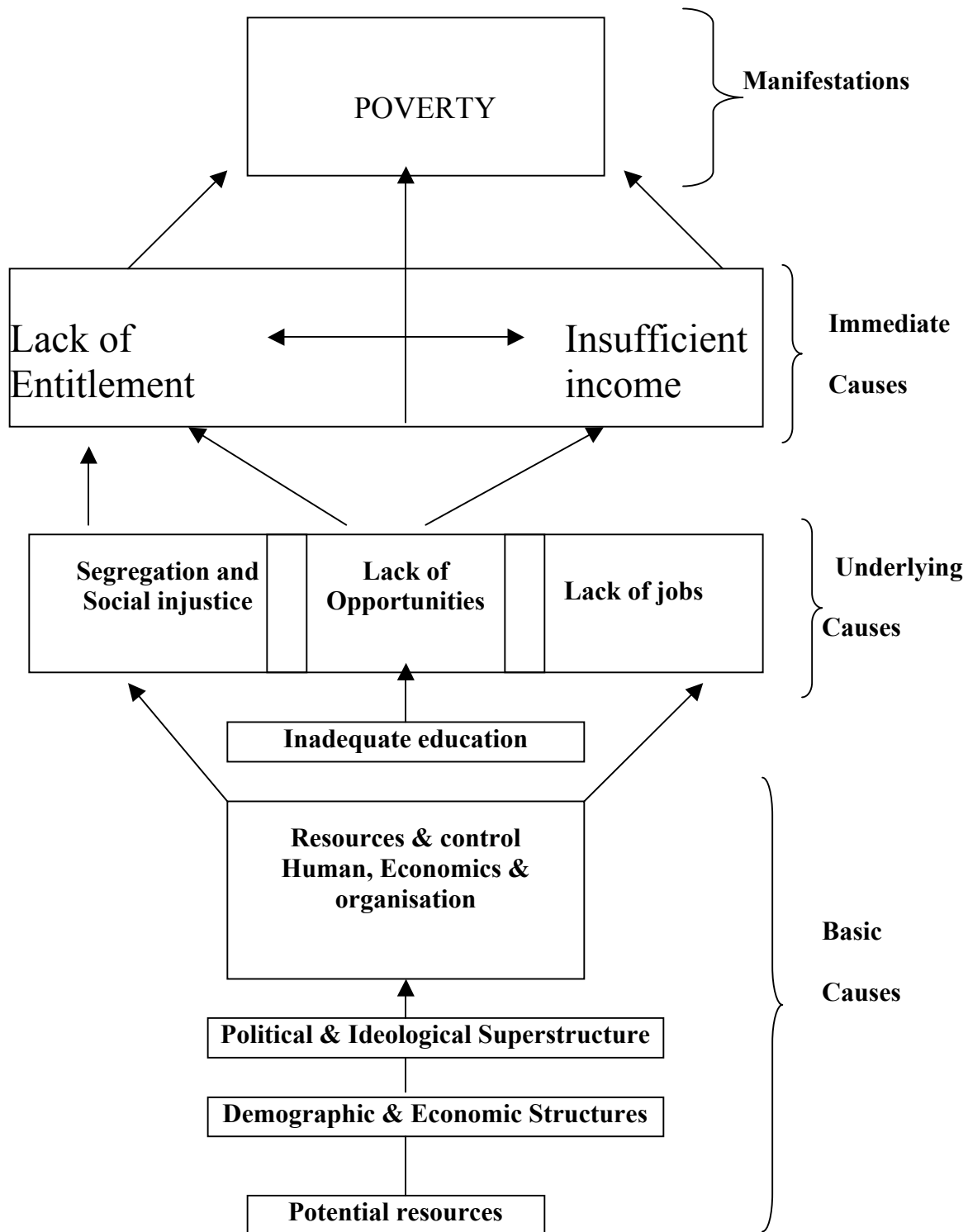
Source: [Kingdon](#) & [Knight](#) (2005)

¹ The narrow definition or measure means that there is an exclusion of the unemployed who wanted work but did not search actively in the reference period.

² The broad measure includes the group of the unemployed who wanted work but did not search actively in the reference period.

³ This refers to the difference between the broad and narrow measures of unemployment

Figure 3.1 Causes of Poverty in South Africa



Source: Kinwa, 1994: 35

3.2 Measuring Poverty in South Africa

Measuring poverty is not a straightforward matter, as it depends on a critical assumption: what level of income constitutes the poverty line? In public dialogue the \$1-a-day-level has gained a lot of distinction. According to Statistics South Africa (2000) there are four main methods of measuring poverty in South Africa. They include: the first method of measuring poverty based on household expenditure; the second results in the calculation of two distinct South African development indices – household infrastructure and household circumstances; the third considers inequality of income among the employed; the fourth approach entails a social accounting matrix (SAM), based on household income. This shows the relationship between income generation and consumption at a household level. There is also the minimum living level (MLL) below which people live in poverty which will be adapted for this study. In March 2003 this was taken as R1 871 for a household of 4.7 people as determined by the Bureau of Marketing Research in March 2003. It is simply defined by considering the poorest 40% of households (about 19 million people or just below 50% of the population) as poor giving a monthly household expenditure level of R353 per adult equivalent. Despite being an upper-middle income country, South Africa is a country of stark contrasts. The extreme inequality evident in South Africa means that one sees destitution, hunger and overcrowding side-by-side with affluence. In other words, the & third world and the first world both exist side by side in the same country only divided by skin colour and more recently unequal opportunities within races.

3.3 Some Poverty Indicators in South Africa

There are many things to be considered when talking about poverty. Some of them include race, gender, education, mortality rate, health, life expectancy to name a few. Some of these have been discussed in the causes above that explain poverty in South Africa. Some of the issues I will like to look at include race, employment, geographical location as well as education. In South Africa, poverty has racial, gender and spatial dimensions, a direct result of the policies of the successive colonial, segregationist and apartheid regimes. Poverty is distributed unequally among the nine provinces and also

across racial groups. Fourteen years of democracy, the poverty rate is still very high. There is a drop but then the rate in my opinion is not very significant considering the fact that the system of apartheid has been abolished. We begin by looking at the trends for a period between 1993 and 2006. The table below shows this trend in South Africa from 1993, just before the abolition of the apartheid rule comparing it with the trend after the abolition.

Table 3.2 Poverty trends in South Africa since the transition

Group	FGT	1993	1995	2000	2004	2006
All	P ₀ headcount rate	50,1%	51,7%	50,8%	46,9%	44,4%
	P ₀ headcount	20 002 068	21 397 486	22 704 130	21 785 700	20 990 916
	P ₁	0,2419	0,2678	0,2539	0,2193	0,2114
	P ₂	0,1482	0,1711	0,1547	0,1276	0,1265
Blacks	P ₀ headcount rate	63,0%	64,7%	62,3%	57,0%	
	P ₀ headcount	19 171 230	20 491 823	21 560 365	20 731 068	
	P ₁	0,3076	0,3398	0,3155	0,2699	
	P ₂	0,1894	0,2188	0,1934	0,1578	
Coloureds	P ₀ headcount rate	27,6%	26,2%	26,9%	26,0%	
	P ₀ headcount	934 031	915 136	1 009 649	1 022 562	
	P ₁	0,1068	0,0956	0,0998	0,0974	
	P ₂	0,0572	0,0463	0,0511	0,0501	
Indians	P ₀ headcount rate	6,4%	5,7%	5,7%	6,4%	
	P ₀ headcount	65 484	59 416	62 578	73 097	
	P ₁	0,0178	0,0167	0,0208	0,0215	
	P ₂	0,0079	0,0069	0,0106	0,0108	
Whites	P ₀ headcount rate	0,5%	0,5%	0,8%	1,0%	
	P ₀ headcount	26 825	25 659	43 640	49 203	
	P ₁	0,0026	0,0015	0,0027	0,0039	
	P ₂	0,0017	0,0008	0,0013	0,0024	

SOURCE: Van der Berg, Louw and du Toit (2007: 21)

⁴Where FGT means Foster-Greer-Thorbecke measures of poverty, ⁵P₀: Headcount ratio,

⁶P₁: Poverty gap index and ⁷P₂: Squared poverty gap index

⁴ The Foster-Greer-Thorbecke (FGT) measure, a poverty assessment tool developed in 1984 by Thorbecke and Joel Greer (now an economist with the Federal Health Care Finance Administration in Washington, D.C., which runs the Medicare and Medicaid programmes) while they were working on a large-scale study of food consumption and poverty in Kenya in the early 1980s. Subsequently, they asked James

The above table shows the poverty trend across racial groups and the total percentage of people living in poverty by 2006 which stands at 44.4%. Though there was no clear figure for 2006 on poverty based on racial groups, the trend shows that the blacks have consistently maintained a high rate of poverty and yet they form the greater part of the population.

3.3.1 Education and Poverty

There is a very strong correlation between educational attainment and standard of living. The level of education will determine to a great extent the living standard of a person. This is usually the case because, those who are employed jobs because of the skills they have, while the uneducated, because of lack of skill, they tend to be unemployed or hold casual jobs, with low incomes. In fact, Van der Berg (2002: 1) argues that education improves the earnings potential of the poor, both in competing for jobs and earnings and as a source of growth and employment in itself. This is represented on the graph below by Woolard and Leibbrandt (1999: 33).

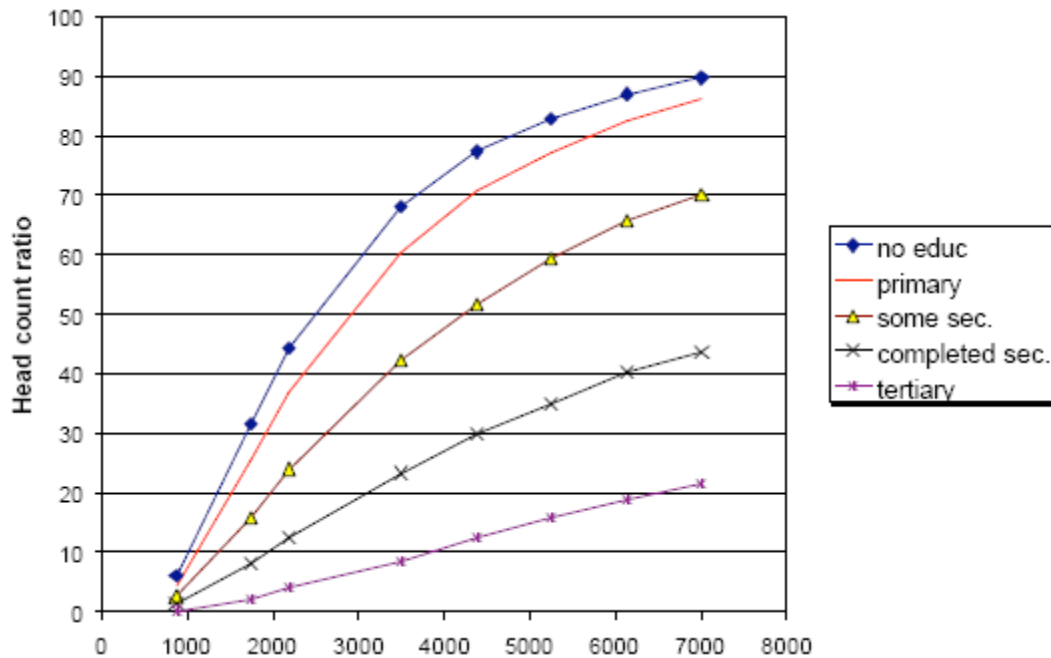
Foster, another graduate student in economics and now a professor at Vanderbilt University, to help them formalize the measure and derive some of its axiomatic properties. The formula measures how income is distributed below the poverty line and takes into account the intensity and severity of poverty. It has been adopted as the standard poverty measure by the World Bank, the Inter-American Development Bank and practically all UN agencies, and it is used universally in empirical work on poverty. (Lang, 2000) Susan

⁵ This is the percentage poor in total population. This measure is simple and clear, but sensitive to changes around the line and insensitive to changes among the poor.

⁶ This reflects depth of poverty. This index is left unchanged by redistribution among the poor.

⁷ Sensitive to the depth and severity of poverty.

Figure 3.2 Incidence of Adult Poverty by Educational Attainment



Poverty line per adult equivalent p.a.

SOURCE: Woolard and Leibbrandt (1999: 33)

The figure above clearly shows the gap that exists between the different educational attainment levels for adults 18 years and above. Those with no education form the highest rate of those living in poverty while those with tertiary education form the least. It is also worth noting that the difference between those with no education and those with primary.

In addition, there is a relation between education and race and location. Though this has decreased over the years, Van der Berg (2002: 5) argues that there is still a difference with the quality of education across the different races. Though Blacks can now attend formerly white schools, this is just a negligible percentage. There are still predominantly black schools especially in townships, mostly inhabited by blacks. This being the case, there is great quality diversity in mainly black schools, and as a group most formerly black schools still perform much worse than white schools, as reflected in matric pass rates.

3.3.2 Poverty Indicators by Province

Based on the Human Sciences Research Council (HSRC) analysis of 2004, the following figures represented on the table below represents the poverty situation in South Africa by province

Table 3.3 Poverty Indicators by Province

Province	No. of poor persons (million)	% of population in poverty	Poverty gap (R billion)	Share of poverty gap
Eastern Cape	4.6	72%	14.8	18.2%
Free State	1.8	68%	5.9	7.2%
Gauteng	3.7	42%	12.1	14.9%
KwaZulu-Natal	5.7	61%	18.3	22.5%
Limpopo	4.1	77%	11.5	14.1%
Mpumalanga	1.8	57%	7.1	8.7%
North West	1.9	52%	6.1	7.5%
Northern Cape	0.5	61%	1.5	1.8%
Western Cape	1.4	32%	4.1	5.0%
Total: South Africa	25.7	57%	81.3	100.0%

SOURCE: HSRC 2004 Fact Sheet Poverty in South Africa

The figures above show the disparity as far as provincial poverty rates are concerned. highest for Limpopo with 77% Eastern Cape (72%), Free State (68%), Kwazulu Natal and Northern Province (61%) and lowest for Gauteng (42%) and the Western Cape (32%). Poverty is deepest in the provinces which make up a large percentage of the population of the country like the Eastern Cape, Limpopo and Kwazulu Natal.

The disparity of poverty rates is not just between provinces. There is also the disparity within the provinces that is, between urban and rural settlements. In as much as poverty cuts across the different provinces, there is still a great disparity between the urban and the rural areas. Those in the rural areas are usually the ones hit hardest by poverty. This was discussed above as poverty caused by geographical disparities, where wealth is

concentrated in major metropolitan areas, the towns and the white-owned farms while the rural areas are characterised by poverty in all its forms. Woolard and Leibbrandt (1999: 23) argue that for a very wide range of poverty lines, the incidence, depth and severity of poverty are unambiguously highest in rural areas, followed by small towns and secondary cities and considerably lower in metropolitan areas. The poverty share of rural areas that is, the percentage of poor individuals that live in rural areas, at the higher poverty line is 73%. Moreover, the combination of a high poverty rate and deep poverty among the poor in rural areas means that 75% of the total poverty gap is accounted for by poverty in rural households, although they only make up 49% of the population.

3.3.3 Poverty Indicators by Population Group

Poverty is actually not confined to any one race group, but is concentrated among Africans with a 61%, almost twice higher than that for Coloureds and not to talk of comparing it with that of Indians and whites.

Table 3.4 Poverty Indicators by Population Group

Race	Percentage
African	61
Coloured	38
Indian	5
White	1

Source: Sacha (26 May 2007) South Africa the Rainbow Nation a Rainbow of Poverty and Inequality

http://www.mydigitallife.co.za/index2.php?option=com_content&do_pdf=1&id=1321

Poverty is actually not confined to any one race group, but is concentrated among blacks with a 61%, almost twice higher than that for Coloureds and not to talk of comparing it with that of Indians and whites.

Summarily describing some poverty indicators, Woolard (2002) observes the following. South Africa has a per capita GNP of USD3690 p.a. (in 1998 dollars); yet

- About 15% of adults are illiterate;
- 9.2% of children under 5 are malnourished;
- Life expectancy has fallen from 62 years in 1990 to 48 in 1999 as a consequence of AIDS;
- It is estimated that 13% of the population and 25% of adults in South Africa are HIV-positive;
- The infant mortality rate is 45 per 1000 live births;
- The maternal mortality rate is 230 per 100 000 live births;
- Of the 44 million people in the country in 2000, about 8 million were surviving on less than the internationally recognized dollar a day poverty line and 18 million were living on less than 2 dollars per day;
- 37% of households survive on less than R1000 per month (in 2002 Rands);
- 60% of the poor get no social transfers;
- Health expenditure is 7% of GNP, but less than half of this is public spending.

3.4 Democracy and the Fight against Poverty: Government Response

In 1994 when the government of national unity, led by the African National Congress (ANC), took power, it inherited a country of gross inequities with high unemployment. With the advent of this democratic era in 1994 under Nelson Mandela, many however envisioned a better South Africa, where there would be equal opportunities for all and not just a few minority. The new government put in place economic policies that would check poverty and inequality in South Africa.

3.4.1 The Reconstruction and Development Programme (RDP)

The first economic policy implemented by the new government was the Reconstruction and Development Programme (RDP). The first democratic election in 1994 brought about the government's implementation of the RDP. It was the election manifesto of the ANC which was faced with the challenge of putting to action the principles contained in it. "The Base Document subsequently became the RDP white paper. As an integrated socio-economic framework" it aimed at empowering people so that they could become self

reliant in the long run, build local capacity through development support initiate development programs and projects on a participatory basis as well as address the past injustices caused by both apartheid and colonialism. It soon gained popular support and since 1994 became the acronym on everyone's lips with high enthusiasm from the people as they looked forward to playing their part in the envisaged "people-centred development process" (Davids et al, 2005: 43).

The chief purpose of developing the RDP by the ANC was to address the immense socio-economic problems brought about by its predecessors under the apartheid regime. It is specifically aimed at alleviating poverty and addressing the massive shortfalls in social services across the country, to rely on a strong macro-economic environment.

This was especially needful considering the serious structural problems South Africa was facing, characterized by stagnant economic growth, declining per capita income, increasing unemployment and a spiraling debt problem. The RDP thus came as a new macro socio-economic framework to address these difficulties. It was based on certain principles which served as a guide. They include the fact that it will be integrated, well coordinated and sustainable programme, it would be people driven, it would consolidate national sovereignty, and it would link growth, development, reconstruction, redistribution and reconciliation into a unified programme and lastly embark on democratization.

http://en.wikipedia.org/wiki/Reconstruction_and_Development_Programme#_note_lo_dge.

There was some success with the RDP. The new Government for example, made a significant impact on the provision of infrastructure, housing and services to both urban and rural Africans. Racially-based restrictions in the labour, housing and land markets were removed and there was provision for formal equality of opportunity in the education system. In 1994, the new Government raised African pensions to the same level as that provided for other population groups. Those elderly people (the large majority) who receive a pension thus have a regular source of income, weakening the link between old

age and extreme poverty. However, only a small minority of Africans benefited from opportunities offered by the new dispensation, gaining highly paid jobs in the public and private sector or taking advantage of support for emerging businesses (Francis, 2006: 6). In fact, Corder, (2004: 201) thinks that South Africa's future stability depends on a more equitable allocation of resources and opportunities. The RDP was a bold and imaginative attempt to achieve this, but then its success is more in the mind than in reality. The RDP was therefore effectively abandoned in 1996 and replaced by a neo-liberal "Growth, Employment and Redistribution" (GEAR) programme, which aimed to boost jobs and growth through promoting export-promotion and privatization.

3.4.2 Growth Employment and Redistribution (GEAR)

Talking about GEAR, Davids et al, (2005: 44) indicate that it is a macro-economic strategy which was commissioned in December 1995 and released in June 1996 by South African Minister of Finance, Trevor Manuel. Its objective was to increase economic growth and create significant new job opportunities. Its supporters hold that the only way to redistribute wealth in a sustainable way is within a prudent fiscal framework. They maintain that economic growth and job creation objectives are necessary to take forward the RDP's vision of creating a better life for all South Africans.

Michie and Padayachee, (1998: 627) hold that the underlying premise of the GEAR strategy aimed at attaining a growth rate of 6% per annum and create 400.000 jobs per annum by the year 2000, is that growth would be best promoted by freeing the private sector from the fetters of the distorted racial logic and constraints of the country's apartheid past.

In addition, its target of creating over 400.000 jobs has not been a story to write home about. There have rather been significant job losses in the formal sector since its adoption in 1996. In fact, employment rather decreased by .7% in 1996 and by 2000, it decreased by 2.9%. There was however an increase in jobs in the informal sector which are low paid jobs. The effect of this was disastrous on families as there is little in the way of social security protection for the unemployed (Knight; 2001). A number of reasons put forward for this massive number of job losses include the slow pace of foreign direct

investment, growing international competition, government measures to reduce the overall size of the public sector as well as outsourcing and increasing rates of capital intensity.

Capital intensity is the term in economics for the amount of fixed or real capital present in relation to other factors of production, especially labour. This helps to push up the productivity of labour considering the fact that physical labour is replaced with tools and machinery. Therefore, a society that is more capital intensive tends to have a higher standard of living over the long run than one with low capital intensity. GEAR which is neo-growth is capital intensive and so there has been an increase in the growth rate of the country. However, for a country like South Africa, this has had implications and continues to have implications on the masses. In fact, Francis (2006) argues that a significant number of Africans have benefited from such policies and have moved into higher education, better-paid employment and business. However, these changes have done little to improve the lives of the large majority. Meanwhile, whilst GEAR has delivered on its growth promises, 4.9% in 2006, it has failed to deliver on its jobs promises and thus not shedding much of the apartheid levels of poverty and inequality. The form of jobs created in the GEAR period has been skilled jobs for those in core sectors of the economy who benefit from global integration, low quality and more precarious jobs (Steyn, 2007).

In fact Francis (2006) notes that employment fell during the 1990s and early 2000's and rose slightly only in 2005. Jobs in manufacturing and mining, which have long been central to the livelihoods of many working-class families, mirrored these trends. employment in the manufacturing sector fell from 1.49 million in 1994 to 1.25 million in 2002, rising slightly to 1.28 million in 2004 Mining employment fell from just under 800,000 in 1984 to just over 600,000 in 1994 and just over 450,000 in 2004). Employment in mining and quarrying continued to decline between 2004 and mid-2005, rising slightly thereafter. It is almost like returning to the apartheid period which was capital intensive. In fact, Gelb (2004: 18) argues that after 1945, growth was led by the expansion of capital-intensive production for the domestic market of both consumer

durables and heavy intermediate goods. This strategy was linked to building domestic political support amongst the urban middle class and skilled industrial workers, that is, the urban white population in the South African case. Raising white living standards implied a widening racial gap, exacerbated by increasing capital-intensity and limited labour absorption, raising black unemployment from the late 1960s.

“Hence, whilst the GEAR decade certainly produced a ‘Season of Hope’ for both domestic and international capital and those of the black middle class (through a range of measures such as trade liberalisation, privatisation, lower corporate taxes, BEE), given the prevailing high levels of poverty and inequality, it brought a ‘Season of Despair’ (as a result of continued economic exclusion) to those at the lower-ends of societ.” (Steyn, 2007).

Also, the strategy’s inability to create jobs implied a failure to redistribute income to the majority of people. As a result, this only contributed in increasing poverty instead of eradicating it. In fact, it is as if it is the redistribution of wealth from the poor to the rich. It can equally be concluded that it not only deepens inequality and poverty but the accumulation of wealth is in the hands of a few. Marais, (1998: 170-171) postulates that the per capita income of the white minority rose by 43% while that of the Africans only by 13%. He further says that GEAR offered little or no comfort to the question of social inequality in South Africa, providing no targets for this.

If unemployment is considered a major cause of poverty in South Africa, the big question then is, would it be wise to introduce programs which instead of creating jobs rather lead to job losses? Rather it would make more sense to introduce programs to meet up with this goal rather than help increase more need.

3.4.3 The South African Constitution

Act 108 of 1996 of the South African constitution gives fundamental socio-economic rights to South African citizens which the state must protect. These rights protected in the Bill of Rights of the constitution included the following socio-economic rights: the right of access to housing, health care, food, water and social security; the rights to basic

education, the right to a clean and healthy environment, the right not to be refused emergency medical treatments; the right not to be evicted or have homes demolished without court order; the right of children to basic nutrition, shelter, health care and social services as well as the right of detained persons to adequate accommodation, nutrition, reading material, and medical treatment. It is in fact to check gender, race and even age inequalities that exist in the different communities in South Africa (Davids et al, 2005: 44-46). However, there are certain constraints to the success even of the constitution. This is the case as it has not brought an end to social and economic hardships which the people face. Some of these constraints as put forth by SANGOCO in its report on Poverty and Human Rights Vol. V (1997-1998: 49-50) include:

(i) *Legal obstacles*

These ranged from legal provisions that were too restrictive and administratively complex, poor implementation of existing legislation, and a lack of access to affordable, accessible legal services for enforcing rights.

(ii) *Administrative obstacles*

This includes complex, time-consuming and bureaucratic procedures for gaining access to socio-economic assistance measures such as housing subsidies, land restitution applications, land acquisition grants, social grants, and subsidies for welfare organisations.

(iii) *Financial obstacles*

The unaffordability of the costs of basic social services such as water, medicines, education, and housing emerged as a major obstacle which the poor presented as hindering their enjoyment of socio-economic rights as laid out by the constitution.

(iv) *Physical obstacles*

Often services are not accessible to people because they are located far away from where people stay. Poor roads and other transport infrastructure and a lack of affordable means of transport aggravate this. Persons living in rural areas coupled with people with physical and mental disabilities suffer the most in this regard. This was highlighted particularly in relation to the location of clinics, schools and water facilities. This is because of the fact that the apartheid planning and legislation meant that many people's homes are located far away from employment opportunities.

3.4.4 Accelerated and Shared Growth Initiative South Africa (ASGISA)

This has been one of the most recent poverty reduction strategies in South Africa since the process began after the apartheid regime was abolished in the 1990s. Set out by the South African government in 2004, it has as objective to half poverty and unemployment by 2014. The reasonable increase in the growth rate creates optimism for the success of this program. For example, in 2004, the growth rate tended to exceed 4% and reaching about 5% in 2005, and so also improving the creation of employment. Though the unemployment rate stands at about 26%, it is better than 32 a few years ago, and equally shows growth and success of the program (Media briefing by Mlambo-Ngcuka, 2006). However, there are a number of constraints identified as far as establishing the program is concerned. They include:

Firstly, the volatility and level of the currency: the Rand is somewhat unstable and this discourages investors in tradable goods and services especially out of the commodity sector. Also, the cost, efficiency and capacity of the national logistics system are another constraint of ASGISA. As a result of accumulation of investment and the like, there is a high tendency for the price of moving goods and services over distances to be higher than normal. Deficiencies are felt in South Africa in logistics (Behar, 2006).

Behar, (2006) also points out that another constraint to meeting the objectives of ASGISA is the shortage of suitably skilled labour amplified by the cost effects on labour of apartheid spatial patterns. The effects of apartheid are felt even till date. This is manifested in the low educational system as well as the unfair patterns of population settlements. The need of professionals may be a problem today because of this. Since many of these poor workers live far from their work places, their labour cost tends to be high.

This explains why Government set up a number of policy measures like those discussed above, that could contribute to addressing the problem but faces strong constraints in

using them. As such, the objectives are not met and so poverty in South Africa remains a very crucial issue and those in the rural areas, or otherwise the townships, suffer the most.

3.5 Conclusion

Poverty in South Africa is a call for concern with numerous causes ranging from individual deficiencies to the effects of the apartheid system of government. Its manifestations are great and the degree varies from province to province, city to city, and even township to township, across racial groups and across educational attainment. As identified by the ANC Parliamentary bulletin in 1996, the major cause of poverty in South Africa is the lack of income primarily as a result of unemployment. This explains why Government set up a number of policy measures that could contribute to addressing the problem to fight poverty and has indeed been fighting poverty on many fronts including employment creation, to take the poor out of unemployment; health, to improve the health of the poor; and education, to give the poor a better chance at improving their position as well as through meeting basic needs.

However, while significant progress has been made in education, health care, housing and providing basic services, poverty continues to be widespread, income disparities remain, unemployment is still high and many people lack necessities. In fact, the government faces strong constraints in using these policies. As such, the objectives are not met and so poverty in South Africa remains a very crucial issue and those in the rural areas, or otherwise the townships, suffer the most, with their poverty like a chain which is hard to stop just as explained by the theory of poverty caused by Cumulative and Cyclical Interdependencies, discussed above.

CHAPTER 4: THE CONCEPT OF NGOS

In chapters 2 and 3, we were looking at the poverty situation of South Africa and Kagiso respectively. This was to paint a picture of the landscape with which NGOs are to work. In chapter 5 therefore, an understanding of the concept of NGOs is brought out, looking at how they are classified, their strengths and weaknesses, their role in poverty reduction. What are NGOs and what are they doing as far as poverty reduction is concerned? to be able to understand the situation in South Africa and in Kagiso, we will look at the NGO landscape in South Africa and then end up by looking at the NGO landscape in the case study area, Kagiso. This is to create a framework within which the NGO in study fits in the community.

4.1 Definition and Conceptualization

The concept of NGO (Non-governmental Organisation) has been used by different people to mean different things. It has been used to mean any grouping of people, who have a common mission to meet a particular need in their society or community, and are not formed or controlled by government. Throughout the world, groups of people identify needs in their communities which government institutions are either not designed to meet or which government institutions are unable to meet because of the unavailability of resources, and the government having other priorities. This is particularly the case in poor countries (Clark, 1991: 40).

Simply defined, the term non-governmental organisation (NGO) is an organisation or formation that was started without the help or intervention of the government or any form of assistance or support (Mamphiswana 2004: 19).

According to Tsolmon, (2004: 12) the term *nongovernmental organisation (NGO)* has usually been used to describe an organisation that is involved in economic and social development on many levels (local, regional, national and international). NGOs may include organisations involved in both domestic and international development efforts. Examples of these organisations vary from local community welfare organisations to international disaster relief organisations. Nongovernmental organisations have therefore

been defined as self-governing, private; not-for-profit organisations that are geared towards improving the quality of life for disadvantaged people (Tsolmon, 2004: 12)

The World Bank Operational Directive (1991) for example defines NGOs as “private organisations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development.” (Tanjong, 2004: 5) A World Bank Key Document, [*Working with NGOs*](#), adds, “In wider usage, the term NGO can be applied to any non-profit organisation which is independent from government. NGOs are typically value-based organisations which depend, in whole or in part, on charitable donations and voluntary service. Although the NGO sector has become increasingly professionalized over the last two decades, principles of altruism and voluntarism remain key defining characteristics.” Different sources refer to these groups with different names, using NGOs, Civil Society Organisations (CSOs), Private Voluntary Organisations (PVOs), charities, non-profits charities/charitable organisations, third sector organisations and so on (Shah, 2005).

Davids (2005: 67) defines NGOs as private, self-governing, non-profit organisations promoting people-centred development with the primary objective of rendering assistance to individuals or developing communities in order to promote sustainable development at grassroots levels. They equally have a commitment to the idea of community capacity building through popular participation and social learning. They are accountable both to their donors as well as to the communities they work for.

Kane (1990) identified the following criteria or characteristics to compose of a definition for the term NGO which Mamphiswana (2004: 19) points out:

- An NGO should be privately set up and structured and sufficiently autonomous in its activity and financing.
- It should be a non-profit making institution to ensure its voluntary or benevolent character.

- It should support development, which is what ensures its public interest character, even if governments have introduced legislation to limit the areas in which this public interest can be exercised.
- Also, Davids (2005: 69) adds that NGO activities are financed mainly through grants from donors both domestic and international based on their fundraising activities with only limited government funding.

Looking at the criteria, NGOs by nature should be non-profit seeking. As such, any surplus generated during their activities is further used to further the development aims and objectives of the organisation. According to the Department of Social Welfare, NGO Directorate and National Welfare Social Service and Development Forum, though NGOs are not profit making, they can

- Have employees like other enterprises who are paid for what they do. But the employers such as board of management or board of directors are not paid for the work they do on board. They are only being reimbursed for expenses incurred on board.
- Have Income generating activities though not geared towards profit making to distribute to members and shareholders. It is rather used to further the aims of the organisation (Mamphiswana 2004: 19-20).

Both the number of non-governmental organisations and their involvement in national and international policy-making have increased tremendously over the last half century and especially the last several decades. Their members are usually individuals and private associations, and they may be formally established networks of other organisations (Wood, 1997: xxii).

NGOs like intergovernmental organisations (IGOs), have regularly scheduled meetings of their members representatives, specified decision-making procedures, and a permanent staff. NGOs are one part of civil society. While it is often argued that NGOs are the voice of the people, representing grassroots democracy, a counter argument is made that NGOs have tended to reinforce, rather than counter, existing power structures, a wide

variety of NGOs function in intractable conflicts. Since the 1990s the focus of NGOs has moved progressively into development activities. They saw that relief attacked only the symptoms of poverty. To attack deprivation itself, necessitated helping the poor to increase their capacity to meet their needs with the resources they control. These include conflict resolution NGOs, as well as those in humanitarian assistance, development, human rights, peace building, and other areas (Development and Peace Foundation, 1996:)

Korten (1990: 117) identifies four stages through which NGOs have evolved. The first stage is that the typical development NGO focuses on relief and welfare and delivers relief services directly to beneficiaries. In the second stage, NGOs are oriented towards small scale, self reliant local development. The third stage is identified as the 'sustainable systems development' developing from a relief NGO to a development NGO. The last stage is the People's movements Generation. This can be illustrated on the table below.

Table 4.1 Strategies of Development-oriented NGOs: Four Generations

GENERATION				
	FIRST	SECOND	THIRD	FOURTH
	<i>Relief and Welfare</i>	<i>Community Development</i>	<i>Sustainable Systems Development</i>	<i>People's Movements</i>
Definition	Shortage	Local Inertia	Institutional and Policy Constraints	Inadequate Mobilizing Vision
Time Frame	Immediate	Project Life	Ten to Twenty Years	Indefinite Future
Scope	Individual or Family	Neighbourhood or Village	Regions or Nation	National or Global
Chief Actors	NGO	NGO plus community	All Relevant Public and Private Institutions	Loosely Defined Networks of People & Organisations
NGO Role	Doer	Mobilizer	Catalyst	Activist/Educator
Management Orientation	Logistics Management	Project Management	Strategic Management	Coalescing and Energizing Self-Managing Networks
Development Education	Starving Children	Community Self-Help	Constraining Policies and Institutions	Spaceship Earth

Source: Table 10-1: Strategies of Development-Oriented NGOs: Four Generations in Korten D C, 1990, Getting to the 21st Century, Kumarian Press, Connecticut.

4.2 Classification of NGOs

There are many types of NGOs and they have been classified based on their orientation and level of operation. By orientation they include charitable, service, participatory as well as empowering orientation. By levels of operation they include Community Based Organisations (CBOs), city wide organisations, National NGOs and International NGOs

4.2.1 NGO Types by Orientation

4.2.1.1 Charitable Orientation

These include NGOs with activities directed toward meeting the needs of the poor. Such activities include the distribution of food, clothing or medicine; provision of housing, transport, schools, to name a few. Often involves a top-down paternalistic effort with little participation by the "beneficiaries". Such NGOs may also undertake relief activities during a natural or man-made disaster.

4.2.1.2 Service Orientation

This includes NGOs which design their programs and people are expected to participate in its implementation and in receiving the service. Activities include the provision of health, family planning or education services.

4.2.1.3 Participatory Orientation

Such NGOs are characterized by self-help projects where local people are involved particularly in the implementation of a project by contributing cash, tools, land, materials, labour, to name a few. In the classical community development project, participation begins with the need definition and continues into the planning and implementation stages. Cooperatives are examples of organisations which often have a participatory orientation.

4.2.1.4 Empowering Orientation

With such organisations, the aim is to help poor people develop a clearer understanding of the socio-economic and political factors affecting their lives, as well as to strengthen

the awareness of their own potential power to control their lives. These groups sometimes develop spontaneously around a problem or an issue, at other times outside workers from NGOs play a facilitating role in their development. In any case, there is maximum involvement of the people with NGOs acting as facilitators.

4.2.2 NGO Types by level of operation

4.2.2.1 Community-based Organisations (CBOs)

These arise out of people's own initiatives. These can include sports clubs, women's organisations, neighbourhood organisations, religious or educational organisations. There are a large variety of these, some supported by NGOs, national or international NGOs, or bilateral or international agencies, and others independent of outside help. Some are devoted to raising the consciousness of the urban poor or helping them to understand their rights in gaining access to needed services while others are involved in providing such services.

4.2.2.2 Citywide Organisations

These include organisations such as the Rotary or lion's Club, chambers of commerce and industry, coalitions of business, ethnic or educational groups and associations of community organisations. Some exist for other purposes, and become involved in helping the poor as one of many activities, while others are created for the specific purpose of helping the poor.

4.2.2.3 National NGOs

These include organisations such as the Red Cross, YMCAs/YWCAs, and professional organisations. Some of these have state and city branches and assist local NGOs.

4.2.2.4 International NGOs

They range from secular agencies such as Redda BArna and Save the Children organisations, OXFAM, CARE, Ford and Rockefeller Foundations to religiously motivated groups. Their activities vary from mainly funding local NGOs, institutions and projects, to implementing the projects themselves.

4.3 Strengths of NGOs

NGOs have many strengths that give them a unique ability to address many of society's most pressing issues. In fact, unlike governments, NGOs are considered by many as efficient, participatory, flexible, innovative and experimental and cost effective. Therefore, the following are some of the strengths of NGOs pointed out by Marschall (2002).

4.3.1 Freedom and Flexibility

NGOs are less bound by rules, traditions, interests, and procedures as much as government officials are. Therefore, they can more easily engage in social ventures, untested enterprises, and projects involving considerable risks. They could even go against public opinion much longer than elected officials, who are more bound by their constituency or electorate. Also, NGOs can be much more creative in bringing together cross-sectoral alliances and issue-related ad hoc coalitions than can governments and their agencies. A great deal of freedom comes from the fact that the majority of NGOs are, by their very nature, single-issue organisations, which enables them to concentrate their resources on that single issue without much compromise and without trade-offs. A politician must balance among competing interests. This is not the case with politicians doe example, who must be ready to compromise and make trade-offs all the time, if he or she wants to be reelected. This freedom thus gives them the advantage as far as creativity is concerned.

4.3.2 Trust and Legitimacy

NGOs generally enjoy a good reputation and trust among the public considering the fact that they are often driven by issues the public considers to be worthy causes. In many cases, the independence of NGOs from business interests and government influence gives them high standing in terms of uncompromised moral and professional authority. Impartial information on controversial issues, from human rights violations to corruption, is more likely to be expected from an independent NGO than from a government agency or a business corporation. The latter might have other interests than "the truth, nothing but the truth." As NGOs would have since they are concerned about the people they serve. In their monitoring and watchdog role, NGOs have a comparative advantage because of their professional and moral authority. NGOs however need time to be able to build that trust.

4.3.3 Grassroots Experience

NGOs more often than not are development agents. Because of this, they function more at community or grassroots level. Because of this, NGOs with grassroots experience can be very valuable partners for government agencies and businesses. They can provide vital linkages between local communities and funding agencies because of the trust they enjoy from both. NGOs can provide development and aid agencies with vital feedback about what works on the ground and what does not. NGOs with local roots can mobilize indigenous resources otherwise unavailable for development projects.

4.3.4 Mobility and Swiftness

NGOs have gained very visible power in mobilizing public opinion. This is especially due to the easy access to information, and the capability to store, manage, and disseminate it with unprecedented speed. There is a perfect match between information technology and the way in which horizontal NGO networks communicate. With the help of new technology, virtual communities emerge along interest lines and with affinities that cross geographic, political, and cultural borders. People from across the globe can ally and re-ally quickly with distant colleagues on issues they care about. Mobility and

swiftness are crucial resources for NGOs in positioning civil society in the global (and local) public policy arena.

The 1998 Government Report on Poverty and Inequality in South Africa summarized the advantages NGOs have especially over the government, as delivery mechanism (Mamphiswa, 2004: 35). They include:

- NGOs usually have better information about conditions at local level
- They have good contacts and have built reputation and relationship of trust over time
- They are able to respond quickly to problems on the ground and adapt to changing needs
- NGOs have smaller bureaucracies and tend to be more accountable thereby minimising corruption
- They are able to identify the poor and target assistance to them
- They are able to provide basic services at relatively lower cost since they have the ability to use voluntary or unpaid labour and local knowledge and resources.
- They also foster community solidarity.

4.4 Weaknesses of NGOs

In spite of the fact that there is a school that hold that NGOs play a great role as far as poverty reduction is concerned, there is yet another school that criticizes NGOs and their approach to development, suggesting that NGOs do not live up to this objective.

In fact, Kothari (2005: 203) talking about the weaknesses of NGOs says that they seldom had a clear strategic focus, often lacked technical capability and seemed reluctant to cooperate with other organisations. Kothari goes on to say that the constraints which these NGOs face are largely self imposed as a result of their self-limiting vision. Their ability to shed their constraints would need the courage of participants to embrace a bigger vision of both their roles and potentials.

Smillie, (1995: 1) says that NGOs are small and not just that but some are amateurish, that is, unprofessional. Also, Kinwa (1994: 60-61) points out that, NGOs have limited technical capacity which is as a result of the lack of sufficient managerial skills.

Furthermore, NGOs have been noted for their dependency syndrome. This is especially the case of Southern NGOs who depend on foreign donors for funds and the like. This being the case, they are at risk of compromising their original vision in order to work with that of their Northern donor or support. This is even noted by Smillie (1995:60-61) when he says that development assistance designed and managed by outsiders often comes uninvited. Though most of them are an extension of their society's altruism, they can hardly be described as an expression of local concern, be it collective or individual. In fact, those foreign organisations that support local NGOs cannot avoid imposing their views of development, their priorities and their bureaucratic requirements on the recipients. This being the case, they can hardly meet the development needs of the locals. In addition to this, Kinwa (1994: 61) expresses the fact that NGOs are faced with the issue of redefining their aims and objectives.

It is therefore, within this framework that this study will consider the validity of these criticisms and these supportive views on NGO behaviour, with regards to Women for Peace.

4.5 The Role of NGOs in Poverty Reduction

Having looked at what poverty is and the situation in South Africa, it is clear that it is an issue. As such, poverty reduction has moved to the top of the development agenda recently. This objective of reducing poverty has led several institutions like the IMF, the World Bank, government as well as non-governmental organisations to embark on several development activities world over. They have thus implored different strategies to address this situation. In fact, NGOs' ability to deal with poverty would mean they would have to deal with the causes of poverty. According to Kinwa (1994: 67), they would have to do this at two fronts; micro and macro levels. What exactly then are NGOs doing considering the fact that many hold out high hopes for NGOs as vehicles to promote poverty alleviation and development?

The role of NGOs in promoting micro-level development projects helps in their poverty reduction struggle. For example, they are innovative, flexible and experimental. This means that they can transfer technologies developed elsewhere and adapt them to local conditions, as well as formulate innovative responses to local needs. This enables them to undertake projects at minimal or no cost especially because of their commitment to using low cost technologies (Davids et al, 2005: 70). This being the case, huge amounts of money that would have been used for such transactions is directly ploughed back to the community in which they are, meeting other needs and therefore helping in reducing poverty.

Also, with the much increasing number of NGOs, the issue of unemployment is addressed. In order to get projects accomplished, people are needed to carry out the various tasks. These people are employed as staff in the organisations and so get a source of income. This would mean a betterment of living standards and conditions. In South Africa for example, total employment in the non-profit sector in 1999 exceeded the number of employees in many major sectors of the South African economy (Davids et al, 2005: 68). Though sometimes there might be limited funding, bringing people together with resources, they might be able to come up with self income generating projects which will bring income to the organisation.

To emphasize the role of NGOs in poverty reduction Arrossi (Ed) (1994: xiii), says that there are many examples of innovative schemes and initiatives involving low income groups and their community organisations in reducing poverty and meeting basic needs even though this might not be the case when looking at the achievements of governments and international agencies in Africa and most of Latin America and Asia, in reducing poverty and ensuring that basic needs are met.

4.6 NGO Landscape in South Africa

The history of the existence of NGOs is not a very definite one. According to Tsolmon (2004: 7) Non-governmental organisations have been involved in various value-based activities since the eighteenth century. These organisations evolved from slave trade opposition and labour unions to groups lobbying within international organisations, such as agencies of the United Nations. The history of NGOs and their involvement in international involvement dates back to as early as thirteenth century.

According to Davids (2005: 68), Africa's first modern NGOs emerged in the latter days of colonial rule as ethnic welfare associations. These became forum through which the urbanized Africans forwarded their demands to the colonial governments to pay more attention to essential services. These organisations played very important political roles in contesting the authority of colonial governments. Since independence, NGOs in Africa have increasingly been involved in development activities especially as a result of government's inability to provide basic services and also execute programs for the economic empowerment of the poor.

The history of NGOs in South Africa can be traced as far back as the times of the arrival of the missionaries and colonialists from Europe in the 1600s. The missionaries in particular set up a number of schools and churches aimed at providing services to poor people and poor communities. These were basically the kind of NGOs that first came to South Africa (Mamphiswana 2004: 27).

Like in the Philippines where progressive NGOs were formed within the context of anti-dictatorship struggle, the first progressive NGOs in south Africa were formed with in the context of the anti apartheid struggle (Mamphiswana 2004: 27). The enactment of apartheid laws in South Africa in 1948 led to a point that racial discrimination became legally institutionalised. Those who were considered as non-whites were deprived of certain privileges. As a result, several non-governmental organisations were established that were geared towards challenging the South African state and furthering a non-racial democratic society. Their major concern was to ameliorate the deplorable living conditions of the segregationist policies of the apartheid regime. "Not only did churches

and NGOs support and work for the democratic transition of South Africa, but many believe that they are in fact the best instruments to support people centred development in local communities” (Koegeleberg, 1995: 1).

The emergence of NGOs at this time was a response to deprivation resulting from the racially biased allocation of resources by the apartheid government which was evident in virtually every walk of life in South Africa like health, education, land ownership, to name a few. The black population which formed a majority suffered the effects of these policies which were in fact geared towards keeping them in abject misery.

According to Habib (2005) in the early 1980s, anti-apartheid civil society organisations grew as a result of President P.W. Botha’s liberalisation of the political system. Botha’s reform movement retained repressive elements, straining and the state-civil society relationship throughout the 1980s with a hostile legal and financial environment for NGOs. Oppositional social movements spawned by community-based organisations were integral in bringing about the end of apartheid in 1994.

During the apartheid regime, most progressive NGOs came up to enhance radical and structural change in South Africa. Their primary goal at this time was to provide services to the oppressed people (the Blacks most especially) and to fight against the oppressive government and put an end to its oppressive policies. According to Seoka (1993), the fact that the blacks had poor resources led to the formation of Black Conscious Movements which embarked on a programme to combat poverty. NGOs therefore provided general services to the vulnerable members of the society such as the poor, illiterate, sick, unemployed and homeless, to name some. Therefore, NGOs were not only involved in advocacy but also to ensure that there was a betterment of the poor conditions of the vulnerable people in the community who had become prey of the oppressive government. In spite of the work which these organisations were busy involved in, they had to work under hard and difficult conditions. The apartheid government did not encourage them and their concern for development.

In fact, Brink (2008) argues that during the pre-democratic period, a vast number of South Africans relied on the support of a committed yet under-resourced band of non-governmental organisations (NGOs) for much of their basic developmental needs. These organisations were largely funded by foreign governments and they operated without the recognition and support of the government of the time, which in fact worked in withholding all forms of support to such organisations considering the fact that they operated contrary to their policies. The NGO sector however matured within an operating environment in which it was perceived as the only legitimate presence able to meet these needs. While funding was quite difficult to obtain within an oppressive political system, what funding was directed at development work in South Africa was channelled directly to the NGO sector.

With the advent of democracy, South African civil society evolved into three groups namely: formal NGOs; informal, survivalist community-based organisations (CBOs) and the so-called “social movements”. Government support for formal NGOs was first enshrined in the 1994 Resource Development Programme spearheaded by then President, Nelson Mandela. Since then, the government has sought to create an enabling environment for NGOs, first by repealing repressive legislation and opening the door for legitimate protest, and later by introducing a variety of legislation regarding NGO registration and tax benefits. The result has been an increasing partnership between these organisations and the state on policy development, implementation and service delivery, as well as growing criticism of the professionalization and commercialization of NGOs from both within and outside the sector (NGO Handbook, 2007).

The government which came into office in 1994 had a mandate to end poverty through meeting basic needs, restructuring the economy, democratising the state and strengthening civil society. In a bid therefore to coordinate the activities of NGOs, there was the formation of the South African National NGO Coalition, (SANGOCO) in 1995 to coordinate NGO input into the Government policy and ensure that the rich traditions of civil society - embedded in the resistance to apartheid - continue to serve the people of South Africa. It is therefore SANGOCO’s stated aim to support the democratic

government in this endeavour. (www.sangoco.org.za, 2008). It is clear from this therefore that the government recognized the role of the civil society in the struggle against apartheid and contributing to the betterment of the lives of South Africans. This was further enhanced by the passing of the Nonprofit Organisations Act 1997, (No 71 of 1997) (Department of Social Development: May 2007).

The real size of the NGO sector in South Africa is not known. There is no reliable figure about this. In fact according to Mamphiswa (2004: 32-33), there was no mechanism put in place to collect data on the sector. As such, various sources reflect different figures regarding the size of the NGO sector in South Africa. For example, by 1997, the Development Resource Centre (DRC) and the South African Institute of Fundraising estimated that there were approximately 54.000 NPOs active in the country. By 2001, a survey conducted by Social Surveys showed that there were over 101.000 NGOs in South Africa though the National Department of Social Development had earlier claimed that there were 80.000 NGOs in the country. Yet according the database of SANGOCO (2001), there were only 3.262 NGOs who were members Mamphiswa (2004: 32-33). More recently, it is recorded that there are about 38.000 non-profit organisations registered under the Department of Social Development. (Department of Social Development: May 2007). As seen therefore, there is actually no definite figure of the number of NGOs in South Africa. One thing is however clear that the number of NGOs are on the increase since the passing of the Non-profit Organisations Act, (No 71) of 1997). These organisations are involved in different fields including education, housing, health, research, community development, human rights and business development just to name a few.

Women for Peace, was one of those NGOs that was started during this period, that is, in 1976. It is worth mentioning that with its creation in 1976, the initiative was to bring women of different races together, to work together for peaceful change. As the years went by and as the apartheid regime came to an end, the organisation thought it wise to equally work towards skilfully empowering disadvantaged and oppressed South Africans to be economically active and become self reliant. As such, it aims to provide income

generation skills, capacity development and training. Women for Peace therefore can be classified as a CBO which seeks to empower community members and help them understand their poverty and come out of it. With this being their aim, branches were started in different parts of the country and run especially in rural communities. The organisation has centres in Kagiso, Alexandra, Etwatwa and a branch in Lenasia, all townships in Gauteng.

4.7 NGO LANDSCAPE IN KAGISO

The history of the origin of NGOs in Kagiso is not quite definite. The origin of such organisations cannot be traced like that of the country. However, considering the fact that many organisations sprang up to fight the apartheid government, the origin of NGOs in the community must be as old as the community itself. Like Mamphiswana (2004: 29) postulates, through Black Community Programs, blacks themselves developed NGOs for black people, with the major aim of promoting self reliance, considering the failure of the government to treat them as citizens, talk less of meeting their needs.

The size of the sector too is hardly known in the community. This is equally due to the fact that a mechanism was never put in place to check this. An effort was made to establish a forum for non-governmental organisations, which would serve as a forum to integrate them in the community (Delair, 2000). However, this never came into existence and so the actual size of the NGO sector is not known.

In a bid to support such organisations, the municipality launched the Grant in aid Programmeme to financially support organisations operating within Mogale City. The Grant-In-Aid is a way of assisting applicants to go forward. The amount ranges between R1000-5000. Each year, a number of organisations apply for this grant but then not all meet up with the criteria and so not all of them can get the money (www.mogalecity.gov.za).

There is no definite number of NGOs available but it is also clear that the numbers are on the increase. This involves organisations operating in fields like rural development, health management, environmental management, sports and recreation, local economic development, early childhood development and social development. What is their contribution in the community as far as the betterment of the living conditions of the inhabitants are concerned, in meeting their needs of unemployment, low income, low literacy, and poor housing?

There is also no definite document available that gives an in depth explanation of the work done by NGOs in the community. However, based on a door-to-door survey carried out for the Mogale City Municipality, it was revealed that a percentage of 3.2% of the population got employment through the private sector which is indicated in the table below based on the employment industry in Kagiso (Debt Manager, 2007).

Table 4.2 Employment Industry in Kagiso

Type	Percentage
None	48.8%
Government	6.8%
Other	6.5%
Private Sector	3.2%
Manufacturing	1.6%
Wholesale or retail	1.1%
Transport	0.7%
Private Household	0.5%
Financial/Insurance	0.5%
Construction	0.4%
Medical	0.2%
Electricity/Gas/Water	0.2%
Community/Social	0.2%
Mining or Quarry	0.2%
Agriculture/Forestry	0.1%
Undetermined	0.1%
Unknown	28.9%

SOURCE: Debt Manager, 2007

These figures might not be actually representative of the actual situation in the community considering the percentage of people whose employment status is not known. However, it might not be very far from the truth, considering the rate of unemployment in the community. If people are unemployed, they hardly have a source of income and so can only depend on different grants which in most cases do not meet up with numerous needs.

It might also be difficult to establish the percentage of people employed by the private sector in the community because of a number of reasons. In my opinion, the fact that there is no forum or avenue in place to bring together NGOs, or a mechanism to check their numbers, it becomes difficult even to know the number of people involved in such organisations. Also, not all organisations are registered with the municipality and so their exact numbers and the number of people involved is difficult to get.

4.8 Conclusion

As noted by Brink (2008) a huge number of South Africans depended on NGOs for support of most of their basic needs. These NGOs were not supported by the government then, yet they seemed to register some degree of success especially as it was perceived as the only legitimate presence able to meet these needs, in spite of the unfavourable conditions in which they operated.

With the dawn of democracy, a much more favourable condition was created for NGOs to operate in South Africa and their numbers increased and has increased over the years. However, Brink (2008) also argues that the arrival of democracy, paradoxically, posed a significant threat to the survival of many organisations working within the development sector. Some of the issues related to this include the fact that many NGOs lost funding. Also, most skilled individuals who worked with the NGO sector took up government jobs, leaving the sector with a skills crisis which this sector lives to handle. These all contributed in the crisis which the NGO sector is facing, and as such, many who could hardly sustain themselves collapsed while others are barely surviving and if not well handled will eventually collapse.

This has been the situation nationwide and so has not been different in Kagiso where quite a number of NGOs were bound to shut down considering their inability to survive. What is the case with Women for Peace? In the next chapter, I will be examining the income generating projects of Women for Peace and its contribution in improving lives of its beneficiaries.

CHAPTER 5: POVERTY IN KAGISO

The discussion on the poverty situation in Kagiso cannot be treated so separately from the wider issue of poverty in South Africa discussed in chapter 3. Chapter 3 was to help paint a big picture of the situation of a country in which Kagiso falls. In this part of the work therefore, I will be examining the poverty profile of the township Kagiso. In order to achieve this, I will look at the causes of poverty in the area and there after look at some of the prominent features of poverty in Kagiso. Before getting into details of the poverty situation in Kagiso, I will begin by presenting a situation assessment of the township. The aim of this chapter is to provide a background against which NGOs in the community are to operate, especially if they are working towards addressing poverty in the community.

5.1 SITUATION ASSESSMENT OF KAGISO

This situation assessment is compiled based on information from the Mogale city website (www.mogalecity.gov.za) as well as a Kagiso community profile compiled by Delair, (2000) and information from a door-to-door survey conducted on the socio-economic conditions of the people of Kagiso, for the Local Municipality by Debt Manager (2007).

5.1.1 Brief History of Kagiso

The word Kagiso means peace. It is a township situated in the West Rand in Gauteng Province South Africa. It is part of Mogale City (made up of Krugersdorp, Muldersdrift, Tarlton, Hekpoort, Magaliesburg, Azaadville, as well as the industrial areas including Chamdor, Fatoria and Boltonia with Kagiso and Munsieville, as the townships). It was officially proclaimed in 1920 when ex-miners and squatters on smallholdings on the outskirts of Luipaardsvlei erected the first corrugated iron houses. By 1950, there were about 3 436 people in the Luipaardsvlei Township, until another new township - Lewisham - was laid out to the south-east of Krugersdorp. This was referred to as Kagiso I. This was followed by Kagiso II. When the bonding house system was introduced, there were further developments in the community. This gave the opportunity for many to buy houses through banks. This did not however reduce the problem of overcrowding considering the fact that most people could not afford to get loans with banks with little incomes they earned. Though the township developed before the apartheid regime, things

were made worse after the Group Areas Act of 1950, which clearly partitioned the country into different areas, with different areas allocated to different racial groups. Therefore, it was a mainly Black settlement.

5.1.2 Demographic Profile of Kagiso

About 190 000 people live in Kagiso. It is subdivided into seven different wards, with each having its own councilor. The total land surface which Kagiso covers is 1129, 8765ha. Kagiso includes fourteen extensions which are: Kagiso I, Kagiso II, Masibilanga, East Park, Joshua Doore, Kagiso Extension 6, Riverside, Kagiso Extension 8, Kagiso Extension 12, Father Gerald Martin and Kagiso Extension 14. Many languages are spoken by the people who live in Kagiso, such as Tswana, Northern Sotho, South Sotho, Xhosa, Zulu, Tsonga and Venda. There is a lot of migration into the area from the rural areas, with people seeking work in nearby Krugersdorp and Chamdor. Some people who live in Kagiso travel to Johannesburg for work.

5.1.3 Administration

The community is divided into different wards with each ward having its own councillor. The entire community is however being governed by the Municipal Council, Mogale City headed by an Executive Mayor, made up of committee members representing each of ten committees. Through the assistance of the government, the council ensures that the basic needs of the people (services) are delivered. This includes necessities such as water, electricity, sanitation, and health. This explains its vision of quality service delivery for all in Mogale City, with the mission of providing an integrated municipal governance system for improved quality of life for all its communities. Some of the values which it upholds are integrity, accountability, diligence, consideration, participation to name some.

5.1.4 Economy

There are approximately 42 small businesses in Kagiso area including a shopping centre, being Kagiso Mall. There are numerous informal traders. The unemployment rate is very high in this area with about 46% unemployment rate. The main sources of employment

for the economically active are neighbouring factories and businesses in Chamdor, Krugersdorp. There are also a number of projects undertaken by the municipality to address the high unemployment rate in the Township.

5.2 PHYSICAL INFRASTRUCTURE

5.2.1 Roads

All the main roads in the Kagiso community are tarred. There are however unpaved paths within the shacks. There are still other areas that need to be tarred especially in Extension 14. There are at least 7 entrance roads. The commonest form of transport is by taxi. In fact taxis are the main form of transport in Kagiso. There are no other public transportation means. Many residents equally use private transport.

5.2.2 Electricity

As part of the strategies of fighting poverty in Mogale City, the municipality decided to provide certain basic services to those who qualified as indigents. Among them is the provision of 50 kilowatt hours of free electricity every month as well as free installation of prepaid meters. This being the case, many residents of the municipality can have access to electricity. However, not every one has electricity in their homes. But then it is just a minimal percentage of about 3% (that is, of people who do not use electricity as their source of energy) (Debt Manager, 2007).

5.2.3 Access to Water

There is free access to running water either through communal taps or private taps. Most of those who make use of the communal taps are those in the informal settlements while those in the formal settlements have water connected to their homes. The communal taps are also of easy access as they are close by the homes. There is however a small percentage of about 7% of people in Kagiso who have to walk for more than 10 minutes to get water. The municipality is however looking into this to ensure that this is addressed. It is also worth noting that the municipality provides six kilolitres of free water each month and subsidized rates and taxes, and free installation of prepaid meters (Debt Manager, 2007).

5.2.4 Housing

There are different housing types that are clearly visible in the community – formal and informal, that is, houses, hostels and backyard houses. By 2000, it was estimated that there were about 8000 backyard structures alone in Kagiso. This is however being addressed by the municipality in its housing projects which is going on in the community. However, housing still remains a problem in Kagiso. This is as a result of the population increase especially due to the high level of migration into the community. As such, many people still live in informal settlements.

5.2.5 Access to Telephones

Kagiso is highly connected telephonically. There is a VODACOM, MTN and CELL ‘C’ community telephone shop in most of the streets. There are also public phones available for members of the community.

5.3 Sanitation

As far as sanitation is concerned, the municipality launched a sanitation project as a way of meeting the needs of inhabitants of Mogale city. This was especially geared towards targeting the rural areas in the municipality. The aim of it was to completely eradicate the bucket system. This project gained the support of all three levels of government, with keynote addresses by the Department of Health's Jabulile Hlophe; the portfolio head for infrastructure, Isaac Dube; and the Department of Water Affairs and Forestry's Miriam Mhlophe (van Rijswijk, 2007). The municipality for example set up refuse removal services and over 75% of the inhabitants of Kagiso have their refuse removed by the municipality on a weekly basis. Also, most dwellings have flush toilets. This is thanks to the municipality in its housing project which takes into consideration the need for better sewage services. There is however the problem of storm water drainage as about 45% of the population sees this as a problem which must be looked into.

5.4 Education

There are about 15 primary schools and six secondary schools in the area. There is equally an adult centre, which aids people wanting to improve their education. Kagiso also has a library, which has a reference section as well as a children's library. There are three formal crèches and about 50 informal crèches in the area. There is a huge need for more schools since the available ones cannot meet the growing population of children. Because most children come from very poor homes, there is a problem of non payment of school fees and a very high dropout rate. Illiteracy is very high in the community; this is because people were not given the opportunity to acquire education during the apartheid era and now with the possibility of studying open to all, there is the problem of financial constraints which still hinders many people from acquiring formal education.

5.5 Health and Welfare

The health needs of the people in the community are met by the Leratong Hospital. There are two clinics in the area and a mobile clinic operates in the township as well. There are equally a number of hospitals in Mogale city which the people can turn to. However, there is an urgent need for more health facilities as the existing ones can not serve the rising population.

5.6 Sports and Recreation

As far as recreational facilities in the area are concerned, there is a multipurpose sports centre, which has a cricket pitch, soccer fields, tennis courts, and a swimming pool. Other sports and recreational facilities include tennis courts, volley ball courts, netball courts, basket ball courts, parks, a community hall and youth clubs.

Like most townships in South Africa, despite the fact that Kagiso is a well-established location of a rapidly growing community, it is, like any other poor community, characterized by high unemployment rate, crime, teenage pregnancy and poverty. Fourteen years after the collapse of the apartheid regime not much has changed in Kagiso. The majority of the people still live in abject poverty facilitated by unemployment and low wages. In fact, the community seems to be highly serviced. But

then the services are not for free. These people most of who are not employed have to pay for the houses, send children to school, meet other needs of theirs. But then, the unemployment rate is about 46% and many household heads are unemployed. A number of people depend on pensions but of R1660 per month.

5.7 Causes of Poverty in Kagiso

There are many reasons responsible for the poverty situation in Kagiso. In fact, a lot of them can be attributed to a web of socio-economic causes just as the theories of poverty discussed earlier on. The causes of poverty in Kagiso cannot be isolated from the overall causes of poverty in South Africa. However, I will look at a few specificities with regards to the community.

5.7.1 Individual Deficiencies

Firstly, according to Delair (2000) those who are poor are not willing to be self reliant. They seem to be apathetic. Being apathetic means they are indifferent, lazy, and even unconcerned. They tend to be contented with the situation in which they find themselves. This in itself is a problem because it makes it difficult to deal with the issue of poverty. It's as much as having a patient who is not concerned about his health. This is what Bradshaw (2006) describes as poverty caused by individual deficiencies when explaining the poverty theories. Here Bradshaw (2006) explains that the causes of poverty are individual laziness, bad choice, incompetence and inherent disabilities. Therefore, this poverty which exists as a result of their own behaviour and attitudes can be changed for the better if they are left to face the consequences.

5.7.2 Lack of Income

In addition, Delair (2000) also notes that high unemployment rate is a salient feature in the community. It stands at a percentage of about 46%. As such, the inhabitants of the community do not have a source of income or those who have earn low. In fact, over 70% of the population is living below an income of R1660, an amount set by the Local Municipality as a baseline for future focus to assist indigents.

5.7.3 Geographical Location

Most townships in South Africa developed as a result of the fact that the blacks were not allowed to live in cities. Townships grew up around all commercial and industrial centres where these black people lived while working in the cities. (Higson, 2002:2). Kagiso was officially proclaimed in 1920 when ex-miners and squatters on smallholdings on the outskirts of Luipaardsvlei erected the first corrugated iron houses. Most people who lived here worked in neighbouring factories and businesses in Chamdor, Krugersdorp and Fectoria, which served as their main source of income.

As discussed in chapter 3, talking on poverty in south Africa, it is clear that the Group Areas Act of 1950, made things clear between the different races as it created different residential and business sections so as to exclude any non-White from being allowed to live in established towns or to live and work in any established economically viable area. The aim was to protect the interest of the white minority. As such, Kagiso, was one of those areas that were classified as a black settlement and so the people had to feel and continue to feel the impact of this act, that left them to face poverty.

5.7.4 High Demography and Low Economic Growth

Closely related to geographical location is the reason of high demography and low economic growth. There is a lot of migration into the area from the rural areas, with people seeking work in nearby Krugersdorp and Chamdor. Some people who live in Kagiso also travel to Johannesburg for work (<http://www.mogalecity.gov.za/municipality/kagiso.stm>). This pattern of migration coupled with the natural population growth creates a problem. This is the case because the population increase creates an imbalance between the available social and physical infrastructures as well as economic services put in place to meet the needs of the people. This also makes it difficult to measure the economic growth of the community. In fact, real figures can hardly be gotten and so leaves the community poor even though much seems to be done by the government and the private sector to address issues of poverty in the community.

These are some of the causes of poverty in Kagiso. Having looked at these, I will proceed to examine some of the salient features of poverty in the community.

5.8 Some Prominent Features of Poverty in Kagiso

In order to understand the poverty situation in Kagiso, I will be taking a look at some prominent features in the community. In the following paragraphs, I will be examining some salient features of poverty in Kagiso being unemployment, income levels. Literacy levels as well as housing.

5.8.1 Unemployment

The unemployment rate is very high in this area. By the year 2000, the unemployment rate was 52.28% (Delair, 2000). By 2007, there was a decrease but with just about 6% leaving the unemployment rate at 46%. It is not clear if this is a narrow or a broad definition of unemployment. This is not clear because the source of this information does not make known whether it includes the group of the unemployed who wanted work but did not search actively in the reference period or it excludes the unemployed who wanted work but did not search actively in the reference period. However, based on my judgement, this is the broad definition of unemployment. This is the case in my opinion because after having looked at the causes of poverty in the community, Delair (2000) argues that those who are poor are not willing to be self reliant.

Therefore, a significant percentage of the population is still unemployed. As for members of the community who are heads of households, there are 31% unemployed (Debt manager, 2007). Things are made worse by the fact that the very poor are the ones who do not want to be self reliant, still apathetic. (Delair, 2000). The table below is a representation of the percentages of employment for members of the community.

Table 5.1 Employment Status for all members of the community

Employed	27%
Unemployed	46%
Self employed	2%
Pensioners	7%
Prisoner	0.2%
Not economically active	0.2%
Unknown	17%

SOURCE: Debt Manager, 2007

Table 5.2 Employment Status for Heads of Households

Employed	35%
Unemployed	31%
Self employed	3%
Pensioners	10%
Prisoner	0.4%
Not economically active	0.3%
Unknown	20%
Total	100%

SOURCE: Debt Manager, 2007

Table 5.3 Employment Industry

None	48.8%
Government	6.8%
Other	6.5%
Private Sector	3.2%
Manufacturing	1.6%
Wholesale or retail	1.1%
Transport	0.7%
Private Household	0.5%
Financial/Insurance	0.5%
Construction	0.4%
Medical	0.2%
Electricity/Gas/Water	0.2%
Community/Social	0.2%
Mining or Quarry	0.2%
Agriculture/Forestry	0.1%
Undetermined	0.1%
Unknown	28.9%

SOURCE: Debt Manager, 2007

5.8.2 Income Levels

Following a socio-economic door-to-door survey conducted in the community (Kagiso) for the Mogale city local municipality, an amount of R1660.00 was set as a baseline for future focus to assist indigents (that is the poor and needy; people whose income fell below the baseline of R1660). This income was set based on the pensioners' income. There is a set back using this amount in the fact that those who are pensioners always have their income and as the years go by, there is an increase in the percentage. This implies that this amount will increase in future. The number of pensioners in the community is not quite many (about 7%). Looking at this amount, over 70% of the households indicated that they earned less than R1660 per month. If the number of people who earn less than the baseline income are 77% and there are only about 7% pensioners,

then what about the other 70%. What exactly is their income? An issue which is a call for concern in the community is the fact that 83% of those who indicated they were household heads also indicated that they earn less than R1660 per month. This is not quite surprising considering the high unemployment rate in the community (Debt Manager, 2007).

5.8.3 Literacy Level

As far as literacy levels are concerned, I think it is kind of difficult to establish the literacy levels of the individuals. This in my opinion is due to the fact that some people acquire informal education and so can hardly be classified as illiterate. However, the following table summarizes the levels of education for members of the community, Kagiso.

Table 5.4 Education Levels for Heads of Households

Unknown	27%
Some secondary	24%
Grade 12	19%
Some primary	10%
Higher or tertiary education	9%
Complete primary	8%
No school	2%

SOURCE: Debt Manager, 2007

Table 5.5 Education Levels for all Members of the Community

Grade 12	28%
Some secondary	25%
Unknown	20%
Higher or tertiary education	10%
Complete primary	8%
Some primary	7%
No school	2%

SOURCE: Debt Manager, 2007

The education levels for this community are low with 28% of the heads of households having Grade 12 and above qualification and 38% of the rest of the members of the community having Grade 12 and above. This is because of the fact that these people can hardly afford to pay school fees especially after Metric level.

5.8.4 Housing

There are different housing types that are clearly visible in the community – formal and informal, that is, houses, hostels and backyard houses. By 2000, it was estimated that there were about 8000 backyard structures alone in Kagiso. This number also continues to increase as a result of the constant population increase which is contributing to overcrowding (Delair, 2000). However, based on the 2007 survey done for the Mogale City Local Municipality, (DebtManager, 2007) there was some development and many people now live in formal houses. In spite of the work which the Local Council is doing, the issue of housing continues to be a problem because of the fact that in search for jobs around the urban cities, many people migrate to the township and since they cannot afford houses, they continue to build shacks and other informal houses.

5.9 The Fight against Poverty

In chapter 3, we discussed what the democratic government is doing as far as poverty reduction is concerned in South Africa. In this section, we will take a look at what is being done at the micro level to meet up with the macro level of the country. That is, how the government structure at community level joins the nation in this fight.

Considering the features that indicate the level of poverty in the community, the Mogale City Local Municipality has put in place strategies by which they are trying to ensure that members of the Mogale City live above a certain standard. In the following paragraphs, I will be looking at some of these strategies put in place.

5.9.1 Indigents Management Programme

One of the programs set by the Mogale City Local Municipality is the Indigents Management Programme. Launched in 2005, this programme is aimed at reaching out to those who are living on the breadline (Mogotsi, 2005). As part of efforts to live up to its commitment to effective, efficient and economic service delivery, the Mogale City Municipality has initiated a campaign to register indigent households for free basic services. Households that qualify receive each month 50 kilowatt hours of free electricity, six kilolitres of free water and subsidized rates and taxes, and free installation of prepaid meters. The conditions set by the municipality to qualify as an indigent include the following: an applicant must be a resident of Mogale City, must have proof of ownership of property, may not own more than one property, and must have a Mogale City Local Municipality account registered in the applicant's name. In addition, the applicant has to be a South African citizen and have a household income of R1660 or less. Those who are employed must have proof of payslips (Makabane, 2005).

In a bid to get the information reach the municipality, fieldworkers were dispatched in 2006 to do door-to-door visits in an effort to help needy residents register for basic municipal services. One of the problems encountered by fieldworkers was that residents were not aware of the survey, while others refused to divulge information (Tlholoe, 2006). It is worth noting too that with the continuous population increase, the indigents also keep increasing.

5.9.2 Housing Delivery

Another important step which the Mogale city Municipality took and is working on as far as improving the living conditions of inhabitants are concerned is the housing delivery services. Under the project, thousands of housing units of different designs, with differing tenure options, will be available. It is aimed at making sure that those who have been living as second class citizens experience something different. In fact, it was the mayor's intention to make sure that the dignity of such a people is restored. As such, there is a continuous prioritization on housing as a key element to ensure that the fruits of freedom are enjoyed by all. In fact, the project began in Kagiso extension 12 where many houses have already been built and many more are still being constructed. This project also aims

at transforming old informal settlements to formal houses. Since July 2006, 120 houses had been built in Kagiso Extension 12 under the People's Housing Process. By the end of June 2007 there were some and 250 that were expected to be completed in Kagiso Extension 12 (Mogale City, 2007). In spite of this great work done in Kagiso, the issue of housing remains a problem. This is as a result of the population increase especially due to the high level of migration into the community.

4.9.3 Job creation

Another important step that is taken to fight poverty in Mogale City, Kagiso being a part, is the aspect of job creation. The numerous projects which the municipality carries out require the services of people. These serve as job creation for many people in the municipality. The housing delivery project for example created employment for 60 residents of Kagiso who were involved in the construction in Extension 12. Also, fieldworkers were required to do a door-to-door survey to get indigent household register for the free services which was offered to those who qualified as indigents. This also served as a source of employment (Mogale City, 2007). In spite of this, unemployment still remains a great problem in the community with about 46% of the population unemployed. Though this is the case, the municipality has not given up on making sure that the people of the communities within the municipality get better services and improved living standards.

5.10 Conclusion

In fact, poverty is like a chain which is continuous. This is explained by the theory of poverty caused by Cumulative and Cyclical Interdependencies which Bradshaw (2006) explains among his theories of poverty. As seen from the causes and features of poverty in Kagiso, this is not quite different in the Township. This is because the fact that many people are unemployed, they have little income and because of little income, they can not afford certain facilities which they would have wanted to have.

Because of the prevalence of poverty in the West Rand especially in the Townships, Kagiso inclusive, the municipality has taken upon itself to make a change in the lives of inhabitants. It is however worth noting that these services which the municipality provides are not all for free. The people are expected to pay. In fact, they have municipal accounts which they are expected to settle monthly. The free services received are water and electricity which is also limited to 50 kilowatt hours of free electricity, six kilolitres of free water and subsidised rates and taxes, and free installation of prepaid meters. In fact, the inhabitants complain of high service charges. This explains why it is recorded that Kagiso residents owed the municipality R257-million for services (Mogotsi, 2007). How is this problem of poverty then solved when the people though unemployed have to handle such huge bills? It is worth noting that all that is being done is a way of the small trying to meet up with the big picture of the democratic era trying to fight the poverty stricken South Africa.

Having looked at what the municipality is doing to ensure that the people of Mogale City come out of poverty, the big question to ask at this point is *what about the private sector or the non-governmental organisations (NGOs)?* In the chapter that follows, I will be examining the concept of NGOs and paying attention to their contribution in poverty reduction with particular interest in the community of Kagiso, a township whose inhabitants are poverty stricken, and there is a high rate of unemployment.

CHAPTER 6: CASE STUDY

This chapter focuses on the case study. Having looked at the poverty situation in Kagiso in chapter 4, it is worthwhile looking at what the organisation in study is doing to make things better. Before getting into what WFP is all about and what its income generating projects are, we begin by examining what income generation is all about.

6.1 The Concept of Income Generation

Hurley (1990: vi-vii) define income generation interventions as development interventions that intervene in the economic aspects of people's lives with the use of economic tools. Such tools are usually small-scale operating at the level of community or individual business or cooperative. They may include such things as the provision of capital through grants or loans, savings and credit schemes, training or advice in skills or business management and other support services for small business such as assistance with marketing and the provision of temporary trained personnel.

In the case of the organisation I will be looking at, WFP, it tries to assist community members improve their incomes by training beneficiaries in income generating projects as well as assist in other services like marketing the output. Looking at poverty as defined above, one of the things mentioned is that there is need to empower the poor so as to facilitate their participation in society and the economy and as such, enable them move upward on the socioeconomic ladder. This empowerment is through the training the participants of the projects receive which will serve as a way for them to begin to think of ways of coming up with their own projects which will help in generating income.

Remenyi (1993: xiii) says that there are many ways in which income-employment generation goals can be pursued by NGOs in the Third World. They include literacy and skills training so as to expand the range of economic opportunities open to the people with whom they work.

Still going again to the definition of poverty above, another issue mentioned is that poverty can be considered as lack of income or failure to attain capabilities. In the case of

WFP, the income generating skills training which participants receive is expected to help them expand the range of their economic opportunities and as such increase their income. If the people can then have income, it is an indication that living conditions will improve and as such, help in poverty reduction.

Remenyi (1993) therefore recommends the widespread support of credit based income generation programs as a cornerstone of a new poverty-oriented development strategy, devoted to development through self-directed poverty alleviation.

According to Morolong (2001: 115) entrepreneur development and income generation programs are key components of poverty eradication. As such, they must be planned and implemented in order to achieve the defined long-term objectives, being to restore and increase household productive capacity and income by providing alternative income generating capacity to households. With income generation, there is the transfer of both skills and capital. Still in this light, Gibson (1993: 188) says that there is generally a positive impact of income generation programs on poverty alleviation even though the poorest do not always benefit. This should however not be the case because these are somehow the neediest in society and as Fitzgerald et al (Eds) (1997) point out, income generation programs must primarily address the needy and that the results be measured against a predetermined benchmark of income.

According to Ageways (2003) there are a number of things which income generation can do namely; provide primary financial benefits, produce small, regular amounts of cash to meet some immediate needs including emergency food, schooling, hospital fees and wedding or funeral costs, lead to better nutrition and health, bring satisfaction and improve self-esteem, strengthen social networks and prevent isolation. It also notes however that the projects are usually small and as such, unlikely to earn enough to totally support one person, let alone a family. Another shortcoming of income generating projects is the fact that they can fail if they are not well planned (such as lack of markets)

NGOs play a significant role in poverty reduction through the approaches and strategies they use like income generating projects. In fact, Gibson, (1993: 184) notes that NGOs need to develop more business-like operations, focusing on the most practical forms of enterprise structure, and yet without losing their priority of seeking to benefit the poor and other disadvantaged groups. According to Peebles (2006) NGOs have become involved in international trade in two different ways. Firstly, by establishing fair trade cooperatives to facilitate the export of goods from developing to industrialized countries directly from the producers. The underlying principle here is to ensure that more of the profits go to the producers than to the middlemen. The other way is not well known but this NGO business strategy is for the NGO itself to take on the role of designer, marketer and distributor of specific products and to work with particularly disadvantaged groups, primarily women, as sub-contractors who are taught to produce the goods that the NGO sells. Thus the NGO, in effect becomes a private sector actor. With this strategy, all profits are invested back into the organisation to ensure organisational sustainability and to expand their base of sub-contractors. Their subcontracting role also serves to empower their sub-contractors as opposed to setting up an exploitative piece work arrangement. It provides a viable means of poor women to set up their own home-based enterprises. The key to the success of this particular strategy is the fact that the NGO takes on the responsibility for the development of the international market for the products produced.

There are a series of questions to ask this being the case. In checking the sustainability of the activities, they must also consider some of these issues raised in Ageways (2003). Who is going to buy the products or services? If they are aimed at local people, are the products what they want? Why should people buy from them, rather than someone else? How many similar businesses can the local economy support? If the products are to be sold to tourists, are there enough tourists in the local area? How much must be charged in order to make a profit? Is anyone offering the same product for less? If the local community is poor, can they afford to buy from them?

Abiche (2004: 3) is of the opinion that NGOs' contribution towards development and poverty alleviation is significant, but they need to organize and empower themselves in

order to provide significant support in the effort of sustainable development to reduce poverty and other human sufferings.

Income generation involves a lot but for the sake of this study I will look at the transfer of skills and capital from the products that are produced by the organisation. It is within this framework of NGOs and income generation that I will be looking at WFP: what are its strengths and weaknesses in carrying out its income projects with regards to poverty reduction, especially looking at the condition of its beneficiaries.

This situation assessment of Kagiso presented in Chapter 4 explains the background against which NGOs are to work to improve the conditions of the impoverished masses in Kagiso. How effective are the organisations whose intentions have been to address the needs of a vulnerable community like Kagiso? The aim of this section is not to examine all NGOs operating in the community. It just looks at a particular NGO operating in the community. This section thus focuses on the case study, WFP; to assess the role of its income generating projects as far as poverty reduction is concerned in Kagiso. I will begin by giving a historical background of the organisation after which I will be looking at some other information on the organisation like administration and funding. It goes on to provide a detailed account of the income generating projects of the organisation whose purpose is to train beneficiaries to acquire skills that will economically empower them and make them self reliant. It also brings out the challenges faced by each project and then tries to make possible suggestions for each of them. It ends up by presenting the research findings related to WFP and its fight against poverty through its income generating projects. The areas of evaluation for these projects are

- a. **Employment creation:** To what extent has WFP contributed in job creation in Kagiso?
- b. **Income Levels:** What contribution has the organisation made in the lives of beneficiaries that can classify them as not falling below the Minimum Living Level (MLL) as discussed above as R1 871 for a household of 4.7 people as determined by the Bureau of Marketing Research in March 2003?

- c. **Education/ Capacity Building:** Poverty reduction entails empowering people by providing them with new skills. How has WFP contributed in creating new skills?

These have been chosen as areas of evaluation because of the fact that they were identified as some of the features of poverty in Kagiso.

6.2 Historical Background of WFP

As noted by Smillie (1995: 60), until about 1980, the most prominent NGOs operating in the developing countries were foreign rather than local. These international NGOs which were mostly concerned with emergency assistance rather than development assistance, had a great contribution to make in developing countries but their handicaps were also many. The NGO WFP is however, one of those local NGOs in South Africa, which started in the days of apartheid, way back in 1976. As such, I believe it has stood the test of time and there has been the opportunity to work originally with its local inhabitants. Therefore, looking at its evolution will permit me to see how much contribution its projects have made in improving the lives of its beneficiaries.

Considering the fact that there are so many NGOs in South Africa, I will be taking a case study of the organisation WFP Kagiso, a township in Johannesburg, South Africa. I came across the organisation and learnt of its projects as an Honours student in the University of the Western Cape. This was when as a class we had to do a situation assessment of any community or organisation around Cape Town. Doing a situation assessment of Mfuleni, a township in Cape Town, I came across this organisation WFP and learnt of its income generating projects and its involvement in communities, empowering communities through community projects. Moving over to the University of the Witwatersrand, Johannesburg, I thought it wise to do a case study of its income generating projects and see to what extent they contribute in poverty reduction.

The year 1976 marked a very important period in the history of South Africa. It was the year when there were riots by the South African black youths against the apartheid

authorities. This protest came up as a riot against the compulsory instruction in certain subjects through the medium of Afrikaans. The South African Minister of Bantu Education and Development, MC Botha, issued a decree in 1974 that made the use of Afrikaans as a medium of instruction in black schools compulsory from Standard 5 onward. The African Teachers Association (ATASA) launched a campaign against the policy, but the authorities implemented it anyway.

Following their disagreement on this decree, black students rallied to riot against the decree. The consequences were numerous, among which was the fact that there were quite a number of people killed. There were equally quite a number of buildings destroyed and others completely burnt down. School children during this time marched out in their uniforms to protest against this apartheid system of government. This played a very important role in the history of South Africa, with the ANC leading the struggle against black discrimination. Though things did not happen very quickly, there were people and organisations concerned about the situation in the country at the time. They thus saw a need for something to be done.

One of such people deeply troubled by the violence in 1976 was Mrs. Bridget Oppenheimer. She telephoned Mrs. Cecile Cilliers, who was then one of the leading members of the Afrikaans speaking community in Johannesburg, to tell her of her profound concern about the riot and expressed her feeling of a need to get women together so that they could do what they could to bring peace in their community (Paton, 1986: 9).

To see to it that this was accomplished, they invited women from different groups within the community to meet one another. Their first meeting was held on September 4th 1976 in the drawing room of the Oppenheimer home, Brenthurst in Parktown, Johannesburg with about one hundred and forty women present. They then decided on sending a delegation to the then Minister of Justice, Mr. Jimmy Kruger, to communicate their doubts and fears. The minister gave them audience and booked to see the delegation again. The delegation brought back report to a bigger group this time of two hundred

women gathered at a large Johannesburg hotel. It was there that it was decided that they form an organisation which they named “WFP”. It was to be an apolitical organisation and to remain an all-women organisation since women were not bound by politics as much as men are. (Paton, 1986: 10)

By November of the same year, there had not yet been a clearly stated out plan on how the organisation was to go about. This was a great issue raised by one of the women at one of the meetings. As such, the women decided to set up six practical projects which were to check different needs especially of the blacks. They included a transport committee, a committee to investigate the difficulties and cost of educating black children, a committee to investigate the problems faced by those living in townships as far as food items were concerned considering the high prices for these people and they were to inform the big stores of the demand for cheaper outlets in or near the townships and also a committee set to investigate the problems faced by disabled people during such times as when there are riots, their rehabilitation as well as their employment. By this time the aims of the organisation had been clearly spelt out including:

- To become aware of the needs and problems of all people living in South Africa
- To promote communication and understanding between all races
- To work towards equal opportunities for all racial groups
- To utilize the power of women to make the necessary representations and explore all avenues of seeking peaceful change
- Above all, to act. (Paton, 1986: 13-14)

Therefore, created in 1976, WFP was as a response to the education riots, leading Mrs Bridget Oppenheimer and Dr. Cecile Cilliers to gather women to see how they could help one another. It was thus a call to all women in outrage and despair, to work together for peaceful change. It brought together women in South Africa, across races and social background. As the years went by, the number of women who joined the organisation increased.

With the first democratic election in 1994 which brought Mandela to power, the organisation saw that it was on the tract of achieving its aim of establishing peace and fighting for equal opportunities for all. As seeing the need for people to become self reliant, they thought of diversifying their approach to development. They thus took a new direction of imparting skills and knowledge firstly, to help the people to help themselves at home and then to be able to start up their own businesses, which will help them to be able to meet their own needs. Originally founded to bring together women, it is now opening its doors to other members of the community, especially considering its new aims. It is a registered NGO and CBO under the Non Profit Act of 1997 (Reg. no. 000828).

6.3 Administration

Prior to 2007, WFP had a head office at King Luthuli Transformation Centre in the city of Johannesburg. It was however making attempts to move to Lenasia to the premises of the branch that holds there. This however did not come to fruition. It is made up of 15 committee members all representatives from the different projects. The committee is headed by a chairperson who was democratically elected and is to hold office for a period of three years. The current chairperson is Sylvia Nyathi who also heads the Early Childhood Development Project.

6.4 Funding

Funding is the life wire of every organisation. Before now, the organisation had as source of funding from the following: The Primates World Relief Fund, (being the Anglican Church of Canada's agency for sustainable development, relief, refugees, and global justice), National Lottery Trust Fund, each for a period of three years renewable each year. However, this was lost due to some mismanagement issues or lack of proper accountability measures of the organisation. Also within the organisation, management carries out fund raising activities. For example, there is the Handel Messiah Fund Raising Project that was started in 2007 and is to continue. This holds at the Sandton Convention Centre. This is coordinated by Wendy Simons. Funds also come from fees paid by parents whose children are part of the Pre school project but this is more or less used to

sustain the project. Some other projects generate income for which they sustain themselves especially now with the lack of funding.

6.5 Projects

In Gauteng, the organisation has centres in Kagiso, Alexandra, Etwatwa and a branch in Lenasia, all townships in Gauteng. Its projects include Arts and culture, peace and development, HIV/AIDS, science and technology, ECD and skills training, youth development as well as enterprise development. Its income generating projects amongst others include the production of ointment, detergents, chocolates, as well as sewing, food gardening and beadwork projects. In Kagiso, where I completed my case study, it runs income generating projects including the herbs and herbal first aid project, the Photography Project, the Early Childhood Development, the arts and craft comprising of the Imbali Visual Literacy Project and the Sewing Project. From these income generating projects, it is expected that with the transference of knowledge, skills and resources, the people will become economically active, being able to meet their own needs.

Are the strategies put in place bearing fruit and meeting up with the goals set up by the organisation; that of ensuring that its beneficiaries are economically active, and help in reducing poverty? This is what the paper seeks to examine about the organisation's income generating projects.

Since its commencement the Kagiso Centre has embarked on a series of projects to transform the living standards of the people in the community. These projects among others are its income generating projects which include the herbs and herbal first aid project, the Photography Project, the Early Childhood Development, as well as the arts and craft. In the following paragraphs, I will be examining each of these projects, looking at the aims and how it works in improving the lives of its beneficiaries. After that, I will look at some of the problems faced by each of them and then go on to provide possible recommendations for each of these projects. Examining each project will permit me to evaluate the contribution the organisation has made as far as contributing to the lives of beneficiaries in Kagiso.

6.5.1 The Herbs and Herbal First Aid

The herbs and herbal first aid project was started by an old member who after attending a training workshop in the Eastern Cape introduced the idea to WFP. The training workshop was aimed at training women in the Transkei in the Eastern Cape in using herbs to make some first aid products. They were to be attached to a clinic to sell their products. This project was then introduced to the organisation WFP and effectively started in 2002. Demonstrations were done on how to produce the different products after which Julie Henderson volunteered her garden. The herbs are grown and used to produce different first aid products. There is however a project of making sure the organisation gets its own piece of land from the government to facilitate the running of this project.

The aim of the project is to provide economically home based first aid for the sick people. This explains why the target group is the poor especially because they cannot afford the clinic and hospital prices. Women have been the target population of people who are trained because the organisation saw the need to train women to be responsible for the health of the family. Among the people trained are unemployed women, church members and health clinic workers.

The products available are herbal massage oils, herbal ointment, herbal mouth rinses, and cough mixtures. These are anticipated to take care of some minor HIV/AIDS complaints. There are equally herbal salts, herbal teas, and herbal fertilizers available from the gardens.

The project sustains itself through the income gotten from what is being sold. Also, since its target is the poor, the different products are sold at cost price to individuals who resell them in the township at a price to make a bit of profit. By so doing, this has given the opportunity for many to create small businesses. This serves as a source of employment to them and of course a source of income. Therefore the project serves as a link to the growth on socio-economic empowerment as well as improving health and fitness.

Challenges

- The first and major challenge this project faces is that of funding. Considering the fact that the project is not funded, they can hardly produce in large scale. As such, the project continues on a small scale.
- Also, running a garden is in season. When its winter when most of the plants dry up, the garden is down. This kind of project is kind of seasonal. However, to handle this, some of the plants are dried and stored during summer when the harvest is much so that production continues in winter. However, how much can be stored? Not quite much and as such, the production which is in a small scale is even made smaller.
- In addition, selling its products might in itself be challenging. This is the case considering the fact that they are medications that have not been approved by any authorizing body. How convincing is it for an individual to buy such products is a big question to ask.

Recommendations

Having looked at the challenges, the following can serve as recommendations.

- The project should speed up its process of acquiring land. This will make for a bigger garden which can produce more of what it is currently producing and even a variety of other vegetables. This can get many more people involved and as such, train many more who will lead to mass production and of course many more getting some form of income from the products if they are well marketed and sold. This will also help the project to sustain itself much more than the present situation.

6.5.2 The Video/Oral History Project

The video/oral history project is being run from the Kagiso multi-purpose centre. This project started in 1985 and is managed by Julie Henderson, a trained film maker and educator, who designs training manuals and the curriculum.

The main objective of the project is to train and create jobs for the unemployed youth in the West Rand. The training is expected to run for a period of one year. Admission into

the project is not based on any qualifications, that is, it is open to all who are interested. This is due to the fact that it is aimed at targeting disadvantaged youth in the community. If based therefore on merit, a number of these young people will not have a chance. There is no accreditation to the training and as such it only serves as a source of employment creation and empowerment at grassroots level. This prepares and serves as a background to those of the youths who intend to continue in the film industry. From the training, the youth are expected to perform tasks which will generate income for them. Once a student goes through the training, he or she is always free to go back to the studio to use the equipment to cover events from which they can get some income.

At present, there is no funding for the project. In the past, its funds came from the funds that came from the National Lottery Funds and National Archives. With no funds available, the project is expected to go on and sustain itself. It generates income from hiring out cameras, covering of events like weddings, funerals, and other such events. These are done by the youth and from these they get income for themselves and part is used to keep the project running.

As far as evaluation is concerned, it is worth noting that it is done internally by the project manager. She considers the project a good one considering the fact that it is able to keep running even in the absence of funds.

From the time of its commencement, there have been some major successes recorded. Amongst them are the following:

- One of the students from the project who was responsible for the daily operations of the editing studio has been accepted into the Film SETA course run by Big Fish Productions.
- An ex-student has set up a business which involves filming winter hunters who come to South Africa to hunt trophy animals.
- One of the major successes is the production of the feature film entitled “Darkness Hanging over me”. It is a video which talks about sexual abuse of young boys in the townships. This was produced by a former student Mzukisi Sulani, who is now in a

Film Seta course. This video was motivated by a lecture the youth received on sexual abuse. Shocked by what they heard, they decided to find a way through it. They thus decided to write a film script which was later turned into a video. This took a lot of hard work and after a period of about four years, it was finally produced. The nice part about it is that it is now used as an ice breaker by the Gender Advocacy Project in their community work in Cape Town.

Challenges

The challenges this project faces are quite numerous.

- The first and major challenge for this project is lack of funding. There is no permanent funder for this project and since the organisation as a whole is not getting funds, the project equally suffers. This is a great challenge considering the magnitude of the project and need involved, that is, in buying the equipment and maintaining them. In fact, it is expensive running such a project and what happens in the case where there are no funds and those who come for training do not pay for it.
- Another challenge is the fact that the project does not evolve with technological advancement. That is, old equipment is still in use in spite of the fact that there is technological advancement. This keeps them outdated and so reduces their ability to compete with others doing the same kind of work with more advanced technology. This again is due to the lack of funding.
- In addition, due to the elitist system that existed in the past, there was no film culture among the blacks. As such, many of the youths were not exposed to this industry. Because of this, many of the youths do not really identify themselves with the industry.
- Lastly, the project is not ongoing. That is to say that there are times when the project goes without any reasonable job to be done and so it stands still until there is something to be done. This is quite challenging because it leaves at stake the sustainability of the project. Presently, due to the inability to pay rents, the project has to move out of the present site to be accommodated by a staff. This is in itself a problem considering the lack of space.

Recommendations

Having looked at the project, it is worth noting that it is needed for some intervention to make the project work better and achieve its goal of poverty reduction by providing employment to the unemployed youth in the community. What possible suggestions can help? In the following paragraphs, I will try to see what can be recommended to ameliorate the situation in the project.

- The project should seek accreditations from related training institutions like SETA which offers learnership programs. In my opinion, this would be easier if the project manager seeks interventions to get a recognized curriculum. This would give a better ground for students wishing to continue in the film industry. In fact, there are many advantages when training is accredited. According to Humayun and Talukder (2006) accreditation can protect the quality of education, provide a guarantee of the qualification granted, and encourage improvements in the curriculum. This might even get more people involved in training and so create more jobs. Poverty reduction is not just about making income. It's also about providing skills and even much more important, recognized skills. This might also be a source of attraction for funding.
- In addition, there is a need for the project to be self-sustaining. This can be done by running it like any other business does.

6.5.3 The Early Childhood Development (ECD) Project

The ECD project started in 1994 and is headed by Sylvia Nyathi who is a qualified ECD teacher with NQF Level 4 Certificate. ECD is promoted in Kagiso through the running of a pre-school called Rutanang Pre-School.

The aim of the project is to help children and prepare them for school. This readiness is expected to be in totality, focussing on all aspects of life: intellectually, psychologically, physically and mentally. It involves children between the ages of 3-6.

From the start there were six people employed by the pre-school. However, due to some internal problems, the number was reduced and there currently three people employed by the pre-school, to take care of two classes and the number of intake reduced. The children pay a monthly fee of R150. From this amount, the staff is paid, the bills are paid as well as stationery bought for the children and their feeding taken care of. In fact, the project sustains itself from the fees which the children are expected to pay.

As far as evaluation is concerned, the staff headed by Sylvia Nyathi who is the coordinator designs an assessment form which is distributed to parents whose feedback is considered for further improvements as far as the running of the school is concerned. A health inspector from the Health Department also does an evaluation to make sure the facilities comply with health standards of the department.

Challenges

- The first and major challenge which this project faces is that of a lack of space. There is no permanent structure to host the school. As such, it runs from the limited space of Sylvia Nyathi's home in Kagiso. Putting up a structure is a problem in itself because of the lack of funds to do so. The fees the children pay is not going to serve enough for meeting up the present needs and the putting up a structure.
- Another challenge is the fact that even with the little amount charged, some parents do not pay the fees on time. This being the case, there is the need to work on a tight budget. The staff is not equally paid in time. This has been attributed to the high unemployment rate and so many do not have a source of income.
- Furthermore, there is the issue of staff who are not fully trained. They have received internal training from the coordinator, who is a trained ECD teacher. However, the training is not accredited.

Recommendations

- The first recommendation for this project is the need for funds which are to be used to construct or rent a structure. This will make for a better and more conducive study

environment for the children. This can equally lead to the intake of more children and so create more jobs as there will be the need for more teachers.

- In addition, the teachers should be encouraged to get formal training which is accredited. In my opinion this is necessary because just like recommended for the video project, accreditation can protect the quality of education, provide a guarantee of the qualification granted. As such, it will be understood that it is not just about employing teachers for the sake but employing qualified teachers.

6.5.4 The Arts And Crafts

This is made up of two projects which are Imbali Visual Literacy Project and the Sewing Project. Each of them will be examined in the paragraphs that follow.

6.5.4.1 The Imbali Visual Literacy Project

The Imbali Visual Literacy Project was created in 1988 as a project of WFP. It came as a response to the poor performance of children at the national art competition. In fact, there was a serious lack of art education in black schooling in South Africa at that time. It was discovered that children who had little or no access to art at school showed extremely poor perceptual skills. This was also as a result of the fact that there were not enough teachers who were trained in the art and those who were there felt ill-equipped in the field. As such there was the need to train, develop skills and also instil self confidence in the creative abilities of teachers, learners and youth. As time went on, Imabli developed its mission and extended its programs to target not only teachers and learners in school but also self employed crafts people, inner-city homeless children and more especially unemployed youths. This was a way of responding to some of the growing issues in the country like poverty. It therefore targets more especially young unemployed people in the townships who are drop outs. However, it encourages young people below the ages of 18 to go to school and so only admits youths of 18 years and above. The mission of Imbali clearly spelt out includes:

- To work towards social and personal development through art and culture education training.
- To enable learners to develop and communicate art and craft skill and knowledge

- To promote visual literacy and awareness of the arts and cultural heritage.

At the beginning of each year, students are taken into the programme. The training is to run for three years. At the end of each year, a certificate is however issued. At the end of the first year, students get a NQF 2 Certificate, at the end of the second year, they get a NQF 4 Certificate and at the end of the third year, they are issued a NQF Certificate with specialization in either of the fields being ceramics, weaving, silk-screening, pattern making, as well as other textile-design techniques. For Arts and Culture Teacher training, an Advanced Certificate of Education is obtained. Other programs offered are Educational Resource and Curriculum Development and Museum Education. Those who go through the training are expected to pay an amount of R30 each month for the training. In previous years, this was especially difficult because most of those who came in were interested in the different programs but then many dropped out due to inability to afford for the training and meet their own needs. For example, some had to pay transport to attend training sessions. This was an additional financial burden to them considering the fact that they had their own personal needs they were struggling to meet up with. However, in 2005, there was support from the Skills Education Training Authorities in South Africa, known by its acronym SETA. Students who came in from 2005 were privileged to get the stipend which could help them pay their month fees and be able to meet up with their individual needs. The learnership however lasts only two years and if the students must continue the third year, they must pay the fees on their own.

The facilitators are qualified in the different fields of specialization. They also acquire more skills as the training opportunities are made available.

As far as evaluation is concerned, it is done in different ways. The students are assessed based on training. For those who can neither read nor write, they are assisted orally. Also, the project prepares annual reports which it submits to its funders.

Challenges

Imbali can be considered as one of WFP most successful projects considering the fact that it is more consistent and organized than the others. However, it is not without challenges. The following are some of the challenges which Imbali faces.

- Firstly, there is inconsistency of funding. Funds are paid in bits and pieces and sometimes they do not come in time. This affects the running of the project. For example, the staff is not paid on time.
- Also, considering the fact that most students who come for the training are from poor, disadvantaged backgrounds they are not able to meet up with the minimal fee of R30 per month. Couple with inconsistency in funding, the project barely sustains itself. This has also been the case because the products were sold basically during exhibitions.

6.5.4.2 The Sewing Project

The sewing project holds at the church premises of the church of Jesus Christ of the Later Day Saints in Kagiso. This project was initiated earlier by the organisation but started running effectively in Kagiso in 2007.

The main aim of the project is to economically empower disadvantaged individuals through skills training and job creation. The target is primarily women but it is equally open to all persons who are interested.

This project in Kagiso is run by Imelda Phetoe. She is a trained designer with experience in sewing and designing. She gained most of her training during the days of apartheid when few blacks could study in South Africa. She was privileged to attend a Roman Catholic school where she learnt art and craft which she finally had a passion for. Through WFP, she is committed to train others to gain these skills so as to help them get

something doing which could serve as employment and eventually a source of income from the products which they make and are expected to sell.

Some of the products from this project include peg bags, table mats, oven gloves, duvet covers, pillow cases, bed sheets, curtains, bags, picnic duvets, and picnic bags. Training sessions hold once a week being on Tuesdays. Beneficiaries are however encouraged to work from their homes on other days, putting to practice that which they have learnt. During training sessions, beneficiaries are also trained on how to do the costing for the different items they produce. This is done by taking into account all the resources put in to produce whatever it is. After the cost list has been made, the selling price is then considered. This is done with awareness of the need to make a reasonable profit and yet sell at affordable prices considering the fact that the primary buyers are members of the community, most of whom are unemployed or have low incomes.

As far as evaluation is concerned, this is done by the group coordinated by the project manager. This is only based on feedback gotten from buyers. Also, the progress of the beneficiaries is evaluated by the entire group coordinated by the project manager still.

Challenges

At the time, there are some setbacks which are obvious. These include the following:

- The main challenge which this project like other WFP Projects is that of funding. At present, the project is not funded. As such, production is slow and cannot be on a large scale. Material used for production is free donations from textile factory shops or at other times some women come with material which is also put together to make different items. This in my opinion is a serious problem because there is no progress in work and training when there is lack of material to use for training. Therefore, the women are idle until there is available material.
- Another problem which is faced by this project is the fact that some beneficiaries have other commitments. This leads to absenteeism and instead of advancing with training, those absent will have to be taken on what has been taught already. This does not only slow down training but also production.

6.6 The Impact of WFP on the Inhabitants of Kagiso

After having looked at the various projects, it is worth noting that they have created an impact in the lives of beneficiaries. As mentioned earlier, the areas of evaluation for these projects are employment creation, income and literacy.

6.6.1 Education/Capacity Building

As far as income levels are concerned, each of the projects has a contribution made in this aspect. As discussed in chapter 5, there is a relationship between education and poverty. It has been considered as perhaps the best long-term solution to poverty in the developing world. In fact, poverty and low literacy form a cycle that is difficult to break. People from poor families as well as the long-term unemployed, seniors, native people, prisoners, people with disabilities, and racial and cultural minorities all have lower rates of literacy and higher rates of poverty. Also, Children from poor and disadvantaged families are at risk of low literacy. Low literacy, poverty and exclusion are all part of the same problem. Therefore, poverty reduction entails empowering people by providing them with new skills. This is the kind of situation WFP looks at. What exactly is the contribution made as far as this is concerned?

Talking about literacy and poverty is not just talking about formal education. It is about imparting skills which will contribute in improving the living conditions of the beneficiaries, making them become self reliant. In fact, the projects of WFP target mostly those who did not have the privilege of getting formal education or who are dropouts. Each of the projects is aimed at transference of skills and build capacity of individuals, enabling them to make choices and to transform those choices into desired actions and outcomes.

The Video/Oral History Project trains youths at grassroots level in the industry. It trains them to produce film, use the camera, as well as write scripts. This serves as a way of empowering them so become self reliant. This also prepares those who intend to continue in the video/oral history industry, that is, gives them a background so that they fit in when

they get into a bigger situation, allowing them to gain skills and confidence that will allow them go further.

The Sewing Project trains beneficiaries to acquire different skills and producing different products like peg bags, table mats, pillow cases, duvet covers, to name a few. Ongoing guidance and support is made available to these beneficiaries. Group assessments are done to make sure there is progress made as far as training and sales of individual products are concerned. Furthermore, beneficiaries are trained on costing and budgeting. This is to enable them know how much to invest in each item they produce and how they can profit from it, depending on where they sell it. This is important because it helps them not over tax or under tax their products which will either make them not sell their product or sell at a price lesser than the input. Also, during training sessions, participants acquire communication and leadership skills. This prepares them in cases where they have to set up their own businesses.

The Herbs and Herbal First Aid Project trains beneficiaries in acquiring skills in running their own garden from which they can produce herbs used for making herbal first aid products like the herbal mouth rinses to name some. They are also taught to market their products since there is no marketing structure for the products. Like the sewing project, there is ongoing guidance and support provided to beneficiaries. Also, there are follow up visits to different gardens to check progress, that is, do monitoring and evaluation. Means of training include work papers, posters and seminars.

The Early Childhood Development Project is a formal education project. It trains the children so as to prepare them for school. It is however worth noting that it is not only focused on the children but also on the staff. This explains why they are encouraged to take ECD training and other training available that can be of benefit to them.

Imbali Visual Literacy Project targets especially unemployed youths whether they are dropouts, others who did not have the opportunity to continue with higher education learning, or those who have never had any formal education. It provides the youths with

knowledge and skills to make an informed choice of where they want to be. They are trained to acquire skills in ceramics, weaving, silk-screening, pattern making, as well as other textile-design techniques. At the end of the first year, students get a NQF 2 Certificate, at the end of the second year, they get a NQF 4 Certificate and at the end of the third year, they are issued a NQF Certificate with specialization in one of the fields. They also have formal classes in where they acquire communication skills, where they learn talking skills, interview techniques as well as letter writing. They are also taught on how to do market research. In addition, they learn how to do budgeting, costing, and stock sheets. This prepares them to be able to run their own business after they finish their training or even as they make products which they sell. To also make their programme interesting, the youths decided to start a magazine whereby they are encouraged to express their different talents. They are also encouraged to identify issues in the community which they can report on in writing. As for those who cannot read and write, in order not to feel inferior or marginalised, they started up a cartoon magazine whereby they tell their stories by using images. Such students who can neither read nor write are encouraged to take Adult Basic Education and Training (ABET) classes which are offered at the Centre for Youth Development (CYD) in Kagiso. In fact, it gives many a chance to continue with formal higher education if they want to. It is worth noting that This project has been successful in training as each year about 30 are taken in for training. For example, in 2005, 21 students completed their training for an NQF 2 in Craft Production, while 14 completed their course in Craft Enterprise for an NQF 4 certificate. It is worth noting that Imbali is part of the South African Reflect Network (which uses an innovative approach to adult learning and social change which aims to strengthen people's capacity to communicate by whatever means that are most relevant to them. This explains why it can reach both those who have had previous formal education as well as those who have not.

However, it is worth noting that due to some challenges, some of the students drop out, leaving a handful that complete the learnership and skills programs. However, even if the youths did not complete the training, they have acquired skills which can be of help to them as far as generating income for themselves is concerned.

As seen above, each of these projects has contributed in transferring skills to beneficiaries, a way of getting them empowered so that they can be self-reliant. This for the organisation is a way of helping them come out of their poverty. It is worth mentioning that the absence of statistics makes it difficult to quantify the impact made.

6.6.2 Employment Creation

This is quite an important factor to look at considering the fact that one of the causes of poverty is unemployment where it is recorded that about 46% of the people are unemployed. With the change in government in 1994, the organisation thought it wise to diversify its approach to development. As such, they thus took a new direction of imparting skills and knowledge firstly, to help the people to help themselves at home and then to be able to start up their own businesses, which will help them to be able to meet their own needs. The organisation is thus dedicated to promoting self employment. That is, from the training received from the different projects, beneficiaries are expected to be able to start up businesses for themselves and yet a handful who are employed by the organisation to facilitate its activities. In Kagiso for example, many people have received and continue to receive training from the various projects. However here again, due to the absence of statistics from the different projects, the impact on employment cannot be evaluated.

Presently, the following are the numbers which the different projects have:

The Photography Project has three permanent staff; the Early Childhood Development has three permanent staff, Imbali has seven permanent staff and two part time staff as well as some people who come in on special cases to facilitate some modules. Also, Imbali recently started an incubator with nine graduates. This is aimed at getting selected graduates to continue to be mentored and supported in a space providing the necessary tools and equipment for them to start up their own small business. They equally have the opportunity to make their own products and sell through the recently opened shop intended to sell products from the project. From what they make they get a 40% of what is sold while Imbali gets the other 60%. As far as the sewing project is concerned, there is Imelda Phetoe who is running the training sessions. There are a couple of women who

are enrolled for the training who benefit from the training and from the skills acquired; they can make different things which they keep themselves busy with. They can then sell them to make some income. It is worth noting that there are quite many who are self employed, thanks to training received from WFP projects.

6.6.3 Income Levels

As far as income levels are concerned, the goal of training in the different projects is concerned is to create a source of employment for beneficiaries so that they can have a source of income. Each project has an impact created in the lives of beneficiaries. For those who are employed by the organisation, they have a steady source of income though the income does not always come in due time due to unavailability of funds at required time. Also, there a number who have been self employed. Identifying whether beneficiaries fall below or above the MLL of R1 871 for a household of 4.7 was equally difficult. This was the case because beneficiaries indicated that they did not have a stable income per month. This situation is due to the fact that their income is based on what they are able to sell. Some months are fertile and they make quite some money while other months are not the same. According to Zandile of Imbali though there no fixed income she gets at the end of the month, she believes that the impact is great in her life. She also thinks that making a good income depends on the individual, who decided to work hard not just in producing different products but also in making sure they are sold. For others, it served as an additional source of income. Mildred of the ECD who was unemployed before had to depend on the disability grant her husband had which could hardly sustain them. However, getting employed as a facilitator made a big difference in her life. Though she gets R1000 a month, she is contented with it because she was worse before now. This is was a source of additional income for yet others and so created a change in their previous income. This is the case of Joyce of the Sewing Project who is a cleaner at her church and who owned a small business in sewing. However, she was limited in her skills but because of training received, she can produce and sell better products which of course are an increase to what she earned previously. The same situation applied to Rose also of the Sewing Project who before now depended on pension to take car of herself and her grand children. This could hardly meet their needs. However, the training has

helped her and she can do something she is sure to make an income from. These are just examples of the different situations which the beneficiaries find themselves in.

6.7 Observations

The aim of the evaluation is to establish how far WFP has contributed to poverty reduction in Kagiso, looking at some of the challenges faced. It appears to be clear from the projects that they have each contributed differently, in training, employment and a source of income for beneficiaries.

As for beneficiaries, they find this quite useful considering the fact that there was a change brought to their lives. The fact that they can face the society with a head up means there is some positive change in their lives. They might have found jobs which could get them on the same income they get now but with a big difference because they acquire skills which they can further develop and make even more money. Zandisile for example said that he had a part time job before joining the Imbali. However, he had no skills. Getting the skills makes all the difference because he can now decide on how much to produce and work hard so as to sell his products. WFP has not only assisted in skills acquisition but also in job creation and also in income.

Most beneficiaries however indicated that though the projects make quite some impact in their lives, it is slow. This is the case because they do not have ready income to start up their own businesses. As such, they keep on working on the daily small scale with little income they get at the end of the day. The impact is very much felt by those who can afford after to start up their own businesses. The management is however seeking funds to assist beneficiaries to start up their own businesses. If this is successfully done, then the greater the impact would be felt.

6.8 Conclusion

As indicated, the aim of this chapter was to take a critical look at the income generating projects of the organisation in study, WFP. It is worth noting that these projects are significant to the organisation which sees it as a means of helping it meet its objective of poverty reduction by helping beneficiaries become self reliant. According to the organisation, the needs of the people of the community remain quite many which they cannot fully meet but then they consider their input worthwhile considering the fact that it takes people from no where to somewhere. The beneficiaries might not earn much at the start as it is the case but then, it is better than remaining in misery. This is the case because they believe that some people stay in poverty because of lack of awareness of their potential and not being able to put that potential in use. Becoming aware and finding a way out by putting the various potentials in use gives hope which the organisation is trying to instil in beneficiaries, making them believe that they can be what they want to be. Therefore, as far as their contribution to poverty reduction is concerned in Kagiso, WFP believes it is doing what it can to better the situation. However, the organisation believes that a lot depends on the beneficiaries and their interest and how far they themselves want to go. For example, set up their own businesses and become their own managers. They are however encouraged in their projects and keep in contact even in cases where their training period ends. For example, Imbali which started an incubator to ensure that the graduates did not sit idle for lack of income in starting their own businesses. As such, they could produce at their centre, receiving a certain percentage for themselves while the project gets the rest. Though some students do not consider the idea of getting less than half of what is sold (40%) a proper one, the project heads see it as a way of preparing the students to be able to raise some income to start up their own businesses. There is also the video project which allows students whom they have trained to use equipment for events which will generate income for them.

To ensure that they are able to actually meet the beneficiaries, the organisation makes sure that planning is participatory. As far as the different projects are concerned, the beneficiaries plan together with the project managers of the different projects to which they belong. As a follow up, there is internal evaluation that is done. This being the case,

beneficiaries can indicate their satisfaction as far as the running of the project is concerned. It is difficult putting all the different views in place, but since the organisation is there for the beneficiaries, they consider their opinions and then make a final decision to ensure that decision making is not dictatorial. By so doing, the beneficiaries feel a sense of belonging which is in itself contributing to achieving the organisation's objective of making its beneficiaries feel important and have this sense of belonging.

In fact, poverty reduction cannot be done in one day by a single organisation especially in such vulnerable communities. Neither can the state alone serve as the sole actor in fighting this. It takes a host of organisations working as a network with the government to be able to handle issues of poverty in the community. Also, combating poverty at grassroots levels requires the effort of the people in the community to put their efforts in improving their living conditions and not just wait on the state or NGOs to provide their needs.

CHAPTER 7: CONCLUSION AND RECOMMENDATION

7.1 CONCLUSION

Meeting basic needs in South Africa is a serious challenge especially considering the size of the population living in poverty. From the body of literature, it is clear that NGOs have made and continue to make a significant contribution to development. They have been classified as the “third sector” who identify gaps where needs are to be met. It has been argued that they have an advantage over the government as far as reaching the poor is concerned. This is the case because government policies are broad and mostly geared towards growth of the country. This being the case, there could be a high growth rate recorded yet, the masses are still in poverty. This is even the case in South Africa which has recorded an annual economic growth rate of 3.5% since between 1999 and 2005. This was prior to the less than 1% recorded before the democratic era. The period of economic growth was the period when the new government had a vision of fighting poverty. Yet, the country still has a high percentage of poverty of over 40% and is still one of the most unequal countries in the world. Therefore, the growth rate can be high and yet the population is still plagued by poverty. However, the approach of NGOs is different. More often than not they are development agents. Because of this, they function more at community or grassroots level. They become familiar with the situation of the people at this level, the poor. As such, there is a commitment to building capacity, empowerment and self reliance. This being the case, they train people to gain skills that will help them come out of their poverty.

From the case study, it will not be an overstatement to say that there are appreciable contributions made as far as promoting the cause of the poor is concerned in Kagiso as discussed in chapter 6. For example, people have been self employed and have a source of income, and others have had a betterment of their income, thanks to the income generating projects of Women for Peace, which trained them and they were able to start up small businesses. Therefore, they contribute to unemployment and subsequently income, which have been identified as causes of poverty in Kagiso.

In as much as there are strengths there are a handful of weaknesses identified. Some of them include lack of coordination, lack of funding and limited technical support. In the case of the organisation Women for Peace, I will try to look at some of the weaknesses particular about it. It is worth noting that this is not very different from the general trend of the weaknesses of NGOs.

Firstly, there is the lack of coordination. This is not just at the level of individual projects but with the organisation as a whole. Proper monitoring and evaluation strategies have not been put in place to check the progress of the different projects and even the running of the entire body. This in my opinion explains why after thirty years of existence, the organisation still depends heavily on funding and most projects are barely sustaining themselves and are still operating at small scale. This weakness leads to the next weakness, being the lack of adequate funding.

Because of the lack of coordination, there was mismanagement of funds. Because of this inability to give accounts, the organisation lost the contract with the funder which was funding it at the time. Because of this, the projects struggle to survive. This would not have been the case if there was proper coordination, ensuring there was monitoring and evaluation.

Looking at the body of literature on income generation, Morolong (2001: 115) is of the opinion that entrepreneur development and income generation programs are key components of poverty eradication. As such, they must be planned and implemented in order to achieve the defined long-term objectives, being to restore and increase household productive capacity and income by providing alternative income generating capacity to households. WFP is working hard at poverty reduction by building capacity and trying to ensure that there is an alternative income source for beneficiaries. However, it lacks the capacity to plan and coordinate. This being the case, its long term objective might not be actually met. In fact, one short coming of income generating projects discussed in chapter 6 is that they can fail if they are not well planned.

Furthermore, there is limited technical capacity. In as much as working on the field gives experience but then there is a need for technical capacity else there is a lot of unprofessionalism. For example, in the case of Women for Peace, there is a need for a development expert, a marketer who will assist in marketing products as well as the organisation. Such capacity will help to improve the coordination of the activities as well as projects to ensure that they meet up with goals and objectives.

In addition, there is the absence of data or better put a good record keeping system. This helps in planning and even monitoring and evaluation. Because of the unavailability of data, I could hardly evaluate how much contribution the organisation has made as far as poverty reduction is concerned in Kagiso, yet there is quite some work that has been done and that is still done.

Moreover, there is a problem of communication. A proper communication strategy has not been put in place. This explains why some committee members would not turn up for committee meetings. There is even the impression that projects run independently, which in my opinion should not be the case.

What are some other things that make income generation projects work? Before getting to recommendations, let's take a look at some of important points worth noting about income generating projects and how to make them work. This was the field experience of Sinikithemba Development Programme which runs income generation projects to support people with HIV/AIDS.

- **Sustainability:** What makes an income generating project successful is its ability to function as any other business does. It has to be able to sustain itself independently and yet cooperate with other stakeholders. There is a need to conceptualize methods in which the project could earn revenue/money. This being the case, the absence of funding will keep the project going. In fact, funding will be a bonus for those involved.

- **Networking:** This is necessary. There is a need the organisation to know what other similar organisations are doing and make known to them the type of service(s) that it provides.
- **Research:** the organisation has to do research to know the consumer's needs in order to establish what products to manufacture. Everything done has to be for a reason. Before producing an item there is need to know that there is a group of people who need it and will purchase it else, there is no point in training for the sake of training. There must be a goal which the organisation aims at reaching, who it aims at training and how they can benefit from the training. Trainees would not just finish training and be like they got in, without an income. In fact, there is a need for them to earn an income through their training. This must be researched and planned, to ensure their success and the success of the project.
- **Marketing:** when products are produced, there is need for the organisation to market itself and the products. This should take into consideration certain key aspects including appearance, displays/samples, pricing-competitive.
- **Commitment:** this is a serious aspect to consider in income generating projects. This is the case because it will determine the extent to which the organisation wants to go or which the members themselves want to go. If there is no commitment, convincing a sponsor becomes difficult. This will show from the work done. It can take one committed person to convince a group. It could take one group with a common goal/need. Commitment does not hold office hours. In fact, it is getting done what needs to be done, in spite of challenges. It is seeing the bigger picture, and embracing it. This is important because the outcome of what is expected depends a lot on the extent of commitment of the members of the organisation.
- **Sound Business Plan:** A business plan is a document that describes an organisation's current status and plans for a specified period, usually including a detailed listing and

analysis of risks and uncertainties. It involves the what, why, when, who and how of the project. Not much will be accomplished without this.

7.2 Recommendations

Based on the research findings and observations made by the researcher the following recommendations are given in terms of organisational aspects. This is because recommendations have been made already for the individual projects based on the findings.

Firstly, as far as the problem of coordination is concerned, there is a need to set up an organisational structure. This will include staff structure/number, name/roles as well as responsibilities of the staff involved in the project, organisation's capabilities, staff experience and expertise in context of programme/project, geographical area covered by the organisation, other projects undertaken by the Organisation. I think that if this is done, each person will take their responsibilities more seriously, in fact like a personal thing, knowing that the success or failure of the organisation lies in their hands.

Also, there is a need to understand that funders want to see their money in proper use. This being the case, there is a need to clearly state out the vision, mission, goals and objectives of the organisation and the each project which must be documented. In other words, there is a need to improve the record keeping system. This would facilitate planning and equally allow proper monitoring and evaluation. This in my opinion can be a way of attracting funds. The sector is faced by questions of accountability flowing from poor monitoring and evaluation systems, thus, hindering its ability to demonstrate impact. Without the establishment of thorough reporting systems and the establishment of associated procedures the NGO will continue to experience problems attracting financial support.

Furthermore, there is a need to hire experts in different fields. For example, a development expert, someone involved in marketing, just to name a few. If this will

however be a financial burden to the organisation, those who already share the vision can be sent for training in different fields. The skills acquired will then be ploughed back into the organisation. This will only help enable the proper and smooth functioning of the organisation.

Another recommendation is that there is high commercialization so as to guarantee self sustenance and making bigger impacts in the lives of the people. According to Ageways (2003) there are a number of things which income generation can do because of their small nature. They include the following: provide primary financial benefits, produce small, regular amounts of cash to meet some immediate needs including emergency food, schooling, hospital fees and wedding or funeral costs, lead to better nutrition and health, bring satisfaction and improve self-esteem, strengthen social networks and prevent isolation. As such, they are very unlikely to earn enough to totally support one person, let alone a family. However, Gibson, (1993: 184) argues that NGOs need to develop more business-like operations, focusing on the most practical forms of enterprise structure, and yet without losing their priority of seeking to benefit the poor and other disadvantaged groups. Though WFP is working hard at following its priority of meeting the poor and disadvantaged groups, it has not been able to actually go commercial. This is in my opinion explains why the projects are struggling to survive. Production still remains at small scale and most of what is sold is by means of word of mouth. If they can start up shops and the like through which they can sell the products, it will have greater impact. Since most of the people who receive the training do not really have the income to start up their own businesses, opening up shops to sell the products will assist them for a time after which the income they get can serve as a way for them starting their own little businesses. They will then be employed and have a source of income. It might not be easy at the start but then as time goes on and as they learn market strategies and the like, they will begin to excel.

Having looked at the secret for making income generation projects work; this can be followed by WFP and other income generating NGOs to plan for the future and change things to create more impact in the lives of beneficiaries.

In a nutshell, WFP has created positive impacts in the lives of beneficiaries either directly or indirectly. There is a display of great dynamism in reaching the needy in the communities. However, there is a need to scale-up so as to reach a wider number of poor people in the communities in which they operate. Their ability to grow beyond their present capacity will help them to be able to retain their uniqueness. Also there is a need to work on the weaknesses including poor coordination, ensuring a solid financial position, poor communication, proper records system to name some. If this is done, then their impact in communities would be better felt.

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The following were resourceful as far as information for the research was concerned.

- | | |
|--------------------|---|
| • Abiel | Video |
| • Ana-Paola Little | Imbali |
| • Bobby Wise | Committee Member |
| • Busi Majola | Imbali |
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| • Zandisile April | Imbali |
| • Zelda | Sewing |
| • Zodwa | ECD |

APPENDICES

APPENDIX 1

QUESTIONS TO MANAGEMENT

A. ORIGIN

1. When was the organisation formed?
2. What were the events that led to the formation of the organisation?
3. Who founded the organisation?
4. What is the mission of the organisation?

5. Has it changed from the time it was formed?
6. If yes, how and why?
7. What are the target groups of the organisation?
8. Have the target groups changed from the time the organisation was formed?
9. If yes, who are those who now consist of the target group?
10. How many branches does Women for Peace have?

B. ORGANISATIONAL STRUCTURE

11. Is the organisation governed by a board of directors?
12. If no, who runs the organisation?
13. What is the level of involvement of the staff? Full time.....
Part time....., Volunteers.....
14. Who are the main decision makers of the organisation?
15. What is the organisational structure like? (Organogram)
16. How are the responsibilities shared? Who does what? *

C. FUNDING

17. What are sources of funding for the organisation?
18. How consistent are the funders?
19. Does the organisation prepare reports for the funders?
20. How often does the organisation prepare report for funders?
21. What are some of the challenges faced with regards to receiving funds?
22. Do you get enough funds from these funders when needed?
23. If not, are the projects the organisation runs able to generate enough income to sustain the programme?
24. What financial systems are put in place to ensure proper management of funds?

D. PROJECTS

25. What are the projects the organisation runs?
26. What are the income generating projects the organisation runs?
27. What is the purpose for each of these projects? *

28. How many people are involved in each of these projects? *

29. What is the market for the products? *

a. Local people

- Is the organisation producing what they want?
- If they are poor, can they afford the products?
- Are there other such products sold in the community?
- Are the prices charged less than what you charge?
- If so, are you sure you have a secured market that can generate enough income?

b. Tourists

- Do many tourists come to the local area?
- Is the organisation producing what they want?

c. Other unfamiliar markets

- Are you aware of the risks including extra transportation cost, cost in packaging as well as quality control requirements?

30. How are the projects planned? Is it participatory or instructional?

31. What are the challenges faced in running and implementing the projects?

32. How often do you monitor and evaluate the projects?

33. Who are those involved in the monitoring and evaluation team?

34. What measures are taken to check projects which deviate from the original objective or which do not meet the organisation's objectives?

35. How have the projects been of impact to its beneficiaries?

36. How many people's lives have been impacted as a result of the projects the organisation has run from its creation?

37. Are there any particular problems which the individuals face?

38. How do you deal with such problems?

39. Are these individuals satisfied?

40. If not what plans do you have as far as dealing with these issues is concerned?

41. Do you think the strategies put in place are meeting the organisation's goal of poverty reduction?

- 42. If no, what is the problem faced?
- 43. Have you put strategies in place to handle these problems?

E. SKILLS/ TRAINING PROGRAMS

- 44. What the training programs you run?
- 45. Who runs the training programs?
- 46. What skills or qualifications do they have?
- 47. Are participants taken based on a qualification or are they allowed without any qualifications?

ADDITIONAL QUESTIONS FOR EACH PROJECT

- 48. When did this project begin?
- 49. How many people are involved in it?
- 50. What is the aim for the project?
- 51. Who are its target population?
- 52. How does the project receive funding?
- 53. How is the project planned? Is it participatory or instructional?
- 54. What are the challenges faced in running and implementing the project?
- 55. How often do you monitor the projects?
- 56. Who are those involved in the monitoring team?
- 57. How has the project been of impact to its beneficiaries?
- 58. How many people's lives have been impacted as a result of the projects the organisation has run from its creation?
- 59. Are there any particular problems which the individuals face?
- 60. How do you deal with such problems?
- 61. Are these individuals satisfied?
- 62. If not what plans do you have as far as dealing with these issues is concerned?
- 63. Do you think the strategies put in place are meeting the organisation's goal of poverty reduction?
- 64. If no, what is the problem faced?

65. Have you put strategies in place to handle these problems?
66. Do you think the goal of the project has been achieved so far?
67. What do you think can be done to improve the effectiveness of your project?

APPENDIX 2

QUESTIONS TO BENEFICIARIES

1. How long have you taken part in the organisation's projects?
2. How did you feel before you started working in the organisation's projects?
3. How do you feel now being a part of the organisation?
4. Do you think the time you spend on the income generating projects of the organisation is worth it?
5. Do you think the projects are appropriate in meeting the organisation's needs?
6. What significant contribution has the project made in your life?
7. How much money do you make?
8. How do you spend it?
9. Is there any thing you dislike about the organisation?
10. If yes, state them.
11. Is there anything you do not like about the organisation as far as its projects are concerned?
12. If yes, state it.
13. What do you think can be done to remedy the situation?
14. Do you have any particular obstacles you face as far as working with the organisation is concerned?
15. Are there any measures put in place to check this?
16. If yes, are you satisfied?
17. If no, what do you think can be done?
18. Do you think the organisation is meeting up with its goal of poverty reduction?
19. If no, what do you think are the problems the organisation faces in meeting its goals?
20. What do you think can be done?

