POVERTY ALLEVIATION BY LOCAL MUNICIPALITIES IN SOUTH AFRICA’S NORTH WEST PROVINCE WITH REFERENCE TO POTCHEFSTROOM

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ABSTRACT

The cause of poverty lies mainly in the long history of segregation and discrimination that has left a legacy of inequality and poverty in the South African society. In response to the high levels of poverty, the government, following the 1994 first national democratic elections, embarked on programmes of service delivery in an attempt to deliver quality, equitable and accessible services to the society. Its second term in office distinguished the fight against poverty as a major priority. In carrying this mandate out, greater autonomy was granted to local government than previously. Despite legislative obligations assigning municipalities to design new operational procedures and structures, they had to seriously carry out massive development projects to address social and economic inequities existing in their immediate communities.

The Local Government Municipal Systems Act guides the framework within which the Integrated Development Plans (IDPs) have to be implemented. According to the Act, the IDPs are intended to be multi-sectoral programmes, primarily in response to poverty issues at municipal levels. The Act further sees IDPs as aimed to reduce service delivery backlogs at local municipal levels of government. In an attempt to provide a holistic approach to local governance and poverty alleviation, this study takes cognisance of the multidimensional nature of poverty in South Africa. It further sees curbing existing inequalities in spatial development as positive moves in the fight against poverty. Furthermore, it emphasises an integrated strategy with participatory processes as a way towards achieving the anticipated development goal.

This discussion, and this research project, has made it evident that reducing poverty is a complex phenomenon that requires a multidimensional, co-operative, inter-institutional and integrated approach. Despite the need at local municipal level to bring into play participatory processes, they acquire a large degree of support from national and provincial departments of government. This support offered by the various specialised departments, has disappointingly spoilt many local municipalities, leading to confusion regarding the role they, local municipalities themselves, have to play within their own areas of jurisdiction. The main challenges facing these institutions are evident
in their inability to use their IDPs as service delivery machines that improve the quality of life of their communities.

Both internal and external environments of a municipality are interdependent on each other; should the municipality be internally weak, the chances of being able to deal with external and communal problems are bleak. The findings presented by this study highlight a larger proportion of households living below the poverty threshold in Potchefstroom. The dynamic is as a result of a high unemployment rate, reduced income generating activities and failing Small Micro and Medium Enterprises (SMME) development in specific municipal wards in the jurisdiction of Potchefstroom. There is also significance in the dependency over the informal sector and survival activities as a result of low educational status of households, as well as increased perceptions around the level of crime in general. In a nutshell, responses to social and economic conditions were sparsely distributed around all the wards of the municipality, with a ward level analysis locating the majority of the poor between wards 11 and 20. It is also where major backlogs in infrastructure development and poor provision of basic services were identified. Furthermore, it is also in these wards where the majority of households expressed lower levels of satisfaction regarding life scale and emotional well-being, as well as municipal service delivery and the City Council’s performance.

Although the findings present fairly distributed responses in terms of satisfaction with life and emotional wellness and satisfaction with municipal services and performance, evidence is that the majority of the households that displayed higher dissatisfaction levels could be located in the mentioned municipal wards. The dissatisfaction presented by the findings of the research included backlogs in basic infrastructure and the provision of social services. The findings of the research project present numerous challenges faced by the municipality with special reference to poverty reduction. The challenges could be classified into internal and external factors. Internal challenges include the following:

- Inadequate inter-sectoral, inter-departmental and multi-institutional approaches during the planning stages;
- Lack of capacity within the municipality to effectively plan, implement and
manage interventions;
  o Lack of performance tracking and management instruments;
  o The sectoral organisation of budgets that makes it difficult to fund integrated projects;
  o Limited transparency in funding development projects; and
  o Poor impact assessment and monitoring of development projects.

External factors in this research project are described as those factors external to the institutional arrangements of the municipality. However, their severity of these factors is linked to the failure or inability of internal arrangements, human capital, budgets, procedures and capacities of the municipality to effectively address them. The external factors include the following:

  o Inadequacies in spatial development;
  o High rate of unemployment;
  o Housing and infrastructure backlogs;
  o Lack of income generating activities and SMME development;
  o Low educational attainment in the community;
  o Poor consultation with relevant stakeholders (community participation);
  o Increased crime and dependency over survival activities; and
  o Poor quality of social and physical living conditions.

Despite the Municipal Council of Potchefstroom being the focus and the site of research activities, the findings presents the across-the-board internal and external challenges facing municipalities in their mandate of poverty alleviation. In other words, the findings are global in a sense that they can be utilised as a model in implementation of the IDPs as poverty alleviation tools at local municipal levels of government country-wide.
OPSOMMING
Die oorsaak van armoede lê in die lang geskiedenis van segregasie en diskriminasie wat 'n erfenis van ongelykheid en armoede in die Suid-Afrikaanse gemeenskap nagelaat het. In antwoord op die hoë vlak van armoede het die Regering na die eerste nasionale demokratiese verkiezing in 1994 diensverskaffingsprogramme in werking gestel ten einde kwaliteit, gelyke en toeganklike dienste aan die gemeenskap te verskaf. Sy tweede bewindstermyn word gekenmerk deur die stryd teen armoede as prioriteit. In die uitvoering van hierdie mandaat is groter autonomiteit aan plaaslike regerings gegee. Ten spyte van wetlike verpligtings wat munisipaliteite noopt om nuwe bedryfsprosedures en strukture te ontwerp, moes hulle ook groot ontwikkelingsprojekte in werking stel om die bestaande sosiale en ekonomiese ongelykhede in hul onmiddellijke gemeenskappe die hoof te bied.

Die Wet op Plaaslike Regering: Munisipale Stelsels maak voorsiening vir 'n raamwerk waarbinne Geïntegreerde Ontwikkelingsplan geïmplementeer moet word. Volgens hierdie Wet is die doel van Geïntegreerde Ontwikkelingsplan om multisektorale programme te wees, hoofsaaklik in antwoord op armoedevraagstukke op plaaslike regeringsvlak. Volgens dié Wet is die verdere doel van Geïntegreerde Ontwikkelingsplan om die agterstand in diensverskaffing op plaaslike regeringsvlak uit te wis. In 'n poging om 'n holistiese benadering tot plaaslike regering en armoedebekaming te verskaf, neem hierdie studie die multidimensionele aard van armoede in Suid-Afrika in ag. Die vermindering van bestaande ongelykhede in ruimtelike ontwikkeling word beskou as 'n positiewe stap in die stryd teen armoede. Die studie beklemtloon verder 'n geïntegreerde strategie met deelnemende prosesse as 'n manier om die verwagte ontwikkelingsdoel te bereik.

Hierdie navorsingstudie het dit duidelik gemaak dat die vermindering van armoede 'n komplekse saak is wat 'n multidimensionele, samewerkende, interinstitusionele en geïntegreerde benadering benodig. Behalwe die noodsaak om deelnemende prosesse op plaaslike regeringsvlak in werking te stel, benodig dié programme 'n hoë mate van ondersteuning vanaf nasionale en provinsiale regeingsdepartemente. Die ondersteuning vanaf die onderskeie gespesialiseerde departemente het egter daartoe
gelei dat baie plaaslike regeings bederf geraak het en daar verwarring bestaan betreffende die rol wat hulle self binne hul jurisdieksiegebied moet speel. Een van die hoofuitdaging wat dié instellings in die gesig staar, is hul onvermoë om hul Geintegreerde Ontwikkelingsplan as dienleweringsmeganismes te gebruik ten einde die lewenskwaliteit van hul gemeenskappe te verbeter.

Die interne en eksterne omgewings van 'n munisipaliteit is interafhanklik van mekaar – indien die munisipaliteit intern swak is, is die kans swak dat dit eksterne gemeenskaplike probleme die hoof sal kan bied. Die bevindings van hierdie studie bekleempo dat 'n groot aantal huishoudings in Potchefstroom onder die broodlyn leef. Dit is 'n gevolg van die hoë werkloosheidsyfer, verminderde inkomstegenererende aktiwiteite, en kwynende klein, medium en mikro ondernemings (KMMOs) in bepaalde munisipale wyke binne die jurisdieksie van Potchefstroom. Daar is ook 'n merkbare afhanklikheid van die informele sektor met oorlewingsaktiwiteite as gevolg van die lae opvoedkundige status van huishoudings, sowel as 'n persepsië rondom die misdaadvlak. Die response met betrekking tot die sosiale en ekonomiese omstandighede was dun verspreid oor die wyke, met die meerderheid armes wat in wyke 11 tot 20 woon. Hierdie is ook die wyke waar 'n groot agterstand in infrastruktuurontwikkeling en swak basiese diensverskaffing geïdentifiseer is. In hierdie wyke het die meerderheid huishoudings ook laer vlakke van lewensatisfaksie en emosionele welstand, sowel as munisipale diensverskaffing en die Stadsraad se prestasie aangetoon.

Hoewel die bevindings taamlike verspreide response opgelever het wat betref lewensatisfaksie en emosionele welstand en tevredenheid met munisipale dienste en prestasie, is daar aanduidings dat daar 'n meerderheid huishoudings was wat hoër vlakke van ontevredenheid getoon het in die genoemde wyke. Die ontevredenheid wat uit die bevindings van die navorsing blyk, sluit in 'n agterstand in basiese strukture en die verskaffing van sosiale dienste. Die bevindings bekleempo die talle uitdaging wat die munisipaliteit in die gesig staar, veral wat betref armoedeeverligting. Hierdie uitdaging kan ingedeel word in interne en eksterne faktore. Interne faktore sluit die volgende in:
Onvoldoende intersektorale, interdepartementele en multi-institusionele benaderings gedurende die beplanningsfases;

gebrek aan kapasiteit binne die munisipaliteit om intervensies doeltreffend te beplan, implementer en bestuur;

gebrek aan prestasie-opsporings- en bestuursmeganismes;

die sektorale organisasie van begrotings, wat dit moeilik maak om geïntegreerde projekte te finansier;

beperkte deursigtigheid in die finansiering van ontwikkelingsprojekte;

'n gebrek aan begrip vir die werklike koste om basiese dienste te verskaf; en

swak assessering en monitering van ontwikkelingsprojekte.

Die eksterne faktore word beskryf as daardie faktore wat ekstern is tot die institutionele reëlings van die munisipaliteit. Die erns van hierdie faktore hou egter verband met die onvermoë of mislukking van die munisipaliteit se interne reëlings, menslike bronne, begrotings, prosedures en kapasiteite om die faktore doeltreffend die hoof te bied. Eksterne faktore sluit die volgende in:

- Die hoë werkloosheidsvlak;
- behuisings- en infrastruktuuragterstande;
- gebrek aan inkomstegenererende aktiwiteite en KMMO-ontwikkeling;
- swak konsultasie met die toepaslike aandeelhouers (gemeenskapsdeelname);
- stygende misdaad en afhanklikheid van oorlewingsaktiwiteite; en
- die swak kwaliteit van sosiale en fisieke lewensomstandighede.

Die bevindings met betrekking tot die Stadsraad van Potchefstroom kan beskou word as toepaslik op die interne en eksterne uitdagings wat munisipaliteitse landwyd in die gesig staar in hul mandaat om armoede te bekamp. Met ander woorde, die bevindings is globaal in die sin dat dit gebruik kan word as 'n model vir die implementering van Geïntegreerde Ontwikkelingsplan as armoedebekampingsmeganisme op plaaslike regeringsvlak.
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CHAPTER 1
INTRODUCTION

1.1 ORIENTATION AND PROBLEM STATEMENT

South Africa is an upper-middle-income country with a per capita income similar to that of Botswana, Brazil, Malaysia and Mauritius and relatively wealthier than Nigeria, Kenya and Tanzania (Ngwane, 2001: 2; Nemasetoni, 2001: 14). Despite this relative wealth, the experience of the majority of South African households is either one of outright poverty, or of continued vulnerability to becoming poor (May, 2000: 2). The distribution of income and wealth are the most unequal\(^1\) in the world (Wilson et al. 2001: 306), and although considerable efforts have been taken (Simkins, 2000: 1), yet many South African households have inadequate access to clean water, health care services, educational facilities, recreational services and other basic services. The rising unemployment rate in the country worsens poverty and inequality among South Africans (Ming, 2004; SARPN, 2003; May & Govender, 1998; Graham, 2004; Jackson, 2004; Dias, 2004; Scott, 1994: 8).

The eradication of poverty and inequality and the meeting of basic needs are primary goals of the government, but are not the only ones that the government is trying to attain. Nevertheless, achieving a reduction in poverty and inequality is a fundamental challenge in South Africa without which, international experience suggests, the human development, economic and employment goals of the government may be hindered. The plethora of programmes identified by the Poverty and Inequality Report (PIR, 1998) shows that government is undeniably committed to poverty reduction and to a more egalitarian distribution of income and wealth, but the question of how best to achieve this remains unresolved (Mbeki, 2004; Daily News, 2004; May; Govender, 1998).

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\(^1\) South Africa follows Brazil in terms of income inequality with the second highest level amongst countries for which statistics are available (Wilson, Kanji & Braathen, 2001: 306).
The primary purpose of local government in South Africa is to provide essential and emergency services effectively and efficiently so as to improve the general welfare of their communities. Local government as a catalyst for poverty alleviation has an imperative role to play in sustainably meeting the basic needs of local communities (Mokate, 2003: 185, 194). In order to achieve this purpose effectively, in terms of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), greater autonomy has been granted to local government than previously (Ballard & Schwella, 2000: 739).

Municipalities are currently at a critical juncture in their development, with most of them, following the December 2000 local elections, attempting to draft some form of Local Economic Development (LED) strategies. This is largely due to legal obligations contained in the Constitution of the Republic of South Africa, 1996, Local Government Transition Act (LGTA) and its amendment in 1996, Development Facilitation Act and Local Government Municipal Systems Act. According to section 153a of the South African Constitution, municipalities have a mandate to promote local economic development. The Act states that "a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the communities and to promote the social and economic development of the communities" (Naudé, 2001 (d): 8; Atkinson, 2002: 4). All these legislative frameworks confirm autonomy granted to local government to improve the conditions within municipal areas of jurisdiction.

In fulfilling these functions all municipalities have embarked on Integrated Development Plans (IDPs). In March 2001, interim IDPs were completed with final IDPs due for completion in May 2002. These IDPs must be the primary instruments with which poverty can be alleviated. The IDPs are intended to be multi-sectoral programmes, including a wide variety of development, ranging from 'hard' services such as water, sanitation, electricity, housing, roads, to 'soft' or 'human development' issues such as land reform, poverty alleviation, tourism and local economic development (Atkinson, 2002: 4). The completion of IDPs in 2002 has required specialised expertise and capacity in the implementation of the plans. In many municipalities, the developmental challenge is much greater than was ever
envisaged. Not only must municipalities undertake a variety of infrastructural projects, but they must also define and implement complex social and economic development projects (Atkinson, 2002: 5).

The legal obligation to implement IDPs holds the leadership role of municipalities paramount. Contrary to this, many national and provincial departments, since 2002, have implemented rapid infrastructure roll-out programmes within municipal jurisdictions. Examples of these projects include the R85 Million Rand Rapid Anti Poverty (RAP) programme implemented by the National Department of Public Works (NDPW) in KwaZulu-Natal Province, Limpopo Province and Eastern Cape Province in 1997/98, National Department of Social Development and its provincial counterpart's Poverty Relief Programme of 1638 poverty relief projects in financial years 1999/2000 and 2001/2002. The lack of capacity at local municipal levels to deal with poverty was confirmed by the deployment of officials from provincial departments to local municipalities by the Presidency in 2004. Following the deployment intervention by the State President, the municipalities largely remained spectators in the process, with effective authority placed firmly within national and provincial department officials. This dynamic has been turned on its head. National and provincial departments were now required to tailor their programmes to the IDPs written by municipalities. Furthermore, such departments were required to assist municipalities to take the lead in project implementation. This dynamic made it practically impossible for any reasonable person to say that 'the dog is wagging the tail' but instead, the dynamic that Atkinson (2002: 4) refers to as 'the tail wagging the dog'.

In respect of the overview of the challenges faced by municipalities while implementing the Local government Municipal Systems Act (2000), the following research questions arise:

- Will municipalities, while implementing massive development programmes and projects, be able to effectively address service backlogs, improve the living conditions and restrain skewed patterns of underdevelopment characterising their localities?
What is the nature of poverty the municipalities are faced with?
Which spatial development challenges do municipalities face?
How can the IDPs as planning tools be used in addressing poverty and underdevelopment at municipal levels of government in the North West Province?
What is the current socio-economic and poverty profile of the North West Province in comparison to other provinces in general?
What are the current socio-economic and poverty profiles of the local municipalities of the North West Province?
What kind of impact do the development programmes and projects, in terms of the current satisfaction trends, have in respect of:
- life scale and emotional well-being of local communities?
- municipal service delivery and performance?
Which recommendations can be made as a guide for poverty alleviation at local municipal levels of government in the North West Province?

Although poverty is a national problem, the worst cases have been identified in the different localities of the North West Province. The North West Province in 1996 was amongst the provinces with the highest incidents of poverty (see Department of Welfare, 1997), with the major part of the province characterised as rural, and the height of the problems discernible in service delivery backlogs. According to Naudé and Serumage Zake (2002), based on standard poverty measures, the extent of poverty is worse in the North West Province than in South Africa on average. The poverty gap ratio, for instance, was in 2002 twice as high in the North West Province as the South African average, and the FGT index three times as high (Naudé & Serumage Zake, 2002). In conducting survey activities, Potchefstroom local municipality (City Council of Potchefstroom) will be used as a focus area in this research.

The City Council of Potchefstroom, in its IDP document (May 2002), highlights poverty alleviation as its first priority. The IDP acknowledges the mandate given to the City Council of Potchefstroom by an overwhelming majority of the people of Potchefstroom through the local government elections held in 5 December 2000.
The IDP identifies fighting poverty and addressing socio-economic backlogs as key strategies in providing the basic needs, especially of the destitute and poor. The document further sees investment in human capital as an absolute imperative for development. In its first attempt to carry out the mandate, the City Council hosted a Poverty Summit during 2001 which was attended by representatives of the public, private, NGOs, community and church sectors, that formed a point of departure for collective programmes and projects aimed at the challenge of poverty alleviation.

However, although the efforts, including the hosting of the Poverty Summit, had been carried out, a proportionate majority of the residents still live poverty, mainly as a result of the doubling of the unemployment rate between 1990 and 1999. This research recognises the fact that development is a process, however, it only becomes a progressive process if based on realistic and achievable plans.

### 1.2 OBJECTIVES

Based on the literature surveyed in the previous section, and the problems identified with regard to the role of local municipalities in poverty alleviation, the following objectives have been formulated:

- To determine the multidimensional nature of poverty and to identify the nature of relationship between the different dimensions of poverty and its measurement;

- To explore the determinants of poverty and spatial development with specific reference to:
  - The spatial implications of apartheid; and
  - The spatial context of poverty to both urban and rural areas

- To provide a discussion of the IDP and LED within the context of poverty alleviation instruments at local municipal levels of government;

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2 The main purpose of hosting the Poverty Summit, as noted in the IDP was to address poverty related issues such as the basic needs of the poor, and key challenges including the HIV/Aids pandemic, Tuberculosis, prevalent illiteracy amongst parts of the community and under-nourishment of children under the age of five years.
To compile a poverty profile and to provide an overview of infrastructure framework at provincial levels in South Africa;

To compile a poverty profile and to provide an overview of infrastructure framework at local municipal level of the North West;

To identify strategic interventions necessitated by the implementation of poverty alleviation strategies at local levels of government; and

To make recommendations with regard to changes in IDPs of local municipalities in the North West Province so as to lessen the extent of poverty.

1.3 METHOD OF INVESTIGATION

In this research study, both a literature survey and empirical methods were employed.

1.3.1 Literature study

The nature of poverty, and the role of the South African local government in alleviating poverty through economic development were analysed through the survey of recent literature. This literature review included books, periodicals, government reports and legislation on the efforts and actions of the government, the business sector, and their partnerships with the communities with regard to alleviating poverty. Other additional sources that were used for obtaining current insights and information were newspapers and journals.

1.3.2 Empirical study

1.3.2.1 Survey

As part of the study, a survey was conducted of 2000 households in the Potchefstroom local municipality of the North West Province. The purpose of the survey was to gauge the extent to which the Integrated Development Plans can be used in the provision of basic services and in poverty alleviation.
In carrying out the survey, enumerators had personal interviews with the heads of households selected through a stratified sampling procedure. In this way, the enumeration process assisted in gathering positive information that could be used as a control measure to the data punched in the questionnaires.

1.3.2.2 Questionnaires

For the purpose of the empirical part of this study, questionnaires designed to obtain data at household level were distributed (see Annexure A). Closed-ended questions were mainly used as a framework. The number of questionnaires distributed within specific wards was determined by the size of the ward. The different divisions of the questionnaire are discussed in chapter seven.

1.3.2.3 Data sets: PIMSS, Census, DRI WEFA and Survey 2004

Four sets of data have been used in this study. These include data sets of the Planning and Implementation Management Support System (PIMMS), Census 1996, 2001 and 2003, as well as data sets generated by DRI WEFA 2002, and the socio-economic survey conducted in Potchefstroom in 2004. The two sets, i.e. PIMMS and Census 2001 data, have been used in constructing the poverty profiles at both provincial and local municipal levels of the North West Province, whilst the 2004 survey data has been used in the presentation of survey findings. The study also makes a comparative analysis using the Census 2001 data and the findings of the 2004 survey. Since the report on poverty levels of the newly demarcated local municipalities has yet not been released, DRI WEFA data sets have mainly been used for the illustration of the levels of poverty in the magisterial districts of the North West.
1.4 LAYOUT OF THE STUDY

CHAPTER 1
The introductory chapter outlines the challenges and problems faced by the local municipalities in the North West Province in their role of poverty alleviation. It also highlights certain challenges experienced in complying with legislative requirements of the Local Government Municipal Systems Act, 2000 and other legal obligations of the role of local municipalities in poverty alleviation. This chapter gives an overview of the objectives of the research, as well as methodological approaches used in the study.

CHAPTER 2
The aim of the second chapter is two-fold. First, it provides an overview of the theoretical definitions of poverty as well as its multidimensional nature. The second part deals with the measurement of poverty. This chapter describes a number of poverty lines available to determine the levels of poverty, as well as other approaches to poverty measurement. Recent studies on the quality of life emphasises the need for poverty alleviation strategies that are able to identify the poor from the non-poor since the non-poor at times benefit from programmes intended for the poor.

CHAPTER 3
As in the case of chapter two, the aim of the third chapter is also two-fold. Firstly, the chapter endeavours to analyse the various forms of the determinants of poverty in South Africa, whilst the second part focuses on spatial development. The first part identifies poverty as an outcome of a set of mutually reinforcing determinants (i.e. the legacy of apartheid, unemployment, income inequality, occupational distribution among population groups, land and rural development, housing and urban development, poor infrastructure, poor health services, education, social security, economic performance and gender).
In the discussion of spatial development in South Africa, attention will be given to the discussion of the spatial implications of apartheid, and the spatial context of poverty in both urban and rural areas in South Africa.

**CHAPTER 4**
This chapter discusses the role of municipalities, and their operations in the light of existing new legislation. Incorporated into the discussion of transition at local municipal levels of government is the discussion of the different forms of municipalities and how the national budget enables them to deal effectively with their mandate of poverty alleviation. It is also in this chapter that the advantage local municipalities have over other government departments as catalysts in poverty alleviation is discussed. The chapter also goes into a discussion of Integrated Development Planning (IDP) and Local Economic Development (LED) at local municipal level.

**CHAPTER 5**
The fifth chapter provides a brief and spatially referenced overview of the profiles of poverty at the provincial level in South Africa. The discussion follows the structure of the provinces as stipulated in the Constitution of the Republic of South Africa. In constructing these poverty profiles, the purpose is to contribute to building an information base that would assist in comparing the levels of poverty at provincial level, particularly to the data relating to the socio-economic profiles, poverty profiles, infrastructure framework and the levels of human development.

**CHAPTER 6**
Key aspects of the socio-economic and poverty discussed in chapter five were also discussed in chapter six. Much of the focus in this chapter was directed to the district and local municipalities of the North West province. The levels of human development and infrastructure framework and local municipal level of the North West form an integral part of the discussions in
this chapter. As with chapter 5, this chapter endeavours to contribute to the information base of district and local municipalities of the North West Province.

CHAPTER 7
The seventh chapter presents an assessment of poverty alleviation in a specific local municipality in the North West Province, namely Potchefstroom. It starts with the presentation of the methodology that was used to obtain data and the entire research procedures, and secondly the chapter presents the findings after the data was processed. Except for data relating to the socio-economic indicators of the survey, data sets used in this chapter include those generated to determine the household levels of satisfaction in terms of life scale and emotional well-being and satisfaction with municipal services and performance.

CHAPTER 8
This chapter concludes the research. It firstly summarises the main findings of the study, which are followed by the discussion of the relevant municipal IDP strategy. The chapter suggests strategic interventions to guide future implementation of the IDPs at municipal levels of government in the North West. Furthermore, it provides recommendations on specific key areas of the Integrated Development Plans. Of particular importance, the recommendations focus on changes that should be introduced on IDPs at local municipal levels in the North West Province. Finally, the study presents a number of identified areas for further research.
CHAPTER 2
THE THEORY AND MEASUREMENT OF POVERTY

2.1 INTRODUCTION
As outlined in chapter one, it is apparent that poverty is a complex and complicated phenomenon (Fields, 1980: 1). The World Development Report (2000/2001: 1) points out that the poor are people living without the fundamental freedoms of action and choice that the rich take for granted. They often lack adequate food and shelter, education and health; deprivations that keep them from leading the kind of life that everyone values. Poor people also face extreme vulnerability to ill health, economic dislocation and natural disasters. They are also often exposed to ill treatment by institutions of the state and society and are powerless to influence key decisions affecting their lives. These are all the dimensions of poverty and it will be argued that all of these may be relevant for poverty in the North West Province of South Africa.

The aim of this chapter is two-fold. The first section provides an overview of the positions to form a theoretical framework for the investigation as well as the overview of the multidimensional nature of poverty. The rest of the chapter explores the various measurements of poverty. This section describes a number of poverty lines in determining the extent of poverty. The reason for incorporating the multi-dimensional nature of poverty as a critical element in this chapter is that the nature of poverty and its underlying determinants cannot be reduced to a single measure (Chowdhury, 1995: 74). Evidence in many development studies indicates (e.g., Van Rensburg, 2000: 2; May & Govender, 1998 & Khan, 2000: 26) poverty as a result of a multiple interlocking cluster of dimensions that act together. The following section provides the definitions and dimensions of poverty.
2.2 DEFINITIONS AND DIMENSIONS OF POVERTY

Poverty is a multifaceted phenomenon (Van Rensburg, 2000: 2; Mahlaule, 2001: 9 & Mamabolo, 2000: 18). Researchers and practitioners from various fields and disciplines put forth a variety of interpretations and the result has been an abundance of diverse definitions. However, many have called for the standardisation of the definitions. The reason for the contention, as van Rensburg (2000: 1) notes, is that the manner in which poverty is defined does not only affect the poor, but also the nature of policies and programmes that seek to reduce its extent and impact. It is the aim of this study to view poverty in a broader context than merely the extent of low income or low expenditure. The definitions follow in the next section. After an analysis of the definitions, the multidimensional nature of poverty will be explored.

2.2.1 Definition of poverty

The widening gap between developed and developing countries has become a cliché. There are also many indications, less well documented perhaps, that the situation of the very poor, especially in rural areas in underdeveloped countries, is becoming worse in absolute as well as in relative terms, mainly because distribution of wealth within countries is increasingly becoming unequal (Hayter, 1983: 16 & Olivier, 1994: 25).

Many people, including academics, politicians and leaders often talk about the problem of poverty, and underlying their discussion is the assumption that identifying the problem provides the basis for action upon which all will agree. However, as evidence reveals, people do not all agree on what the problem of poverty is, and thus, not surprisingly, the action they wish to encourage or to justify is not at all the same. As argued in Alcock (1997: 3), most people claim that their understanding of poverty is the correct one, based on logical argument or scientific research. As seen by Alcock (1997: 3), Dean JR (2002: 1) and Majola (1999: 11), supported by their exploration of the problems of
poverty, there is no one correct, scientific, agreed definition because poverty is inevitably a political concept — and thus inherently a contested one.

Alcock (1997: 3) insists that many commentators do possess a clear description of what they think should be done about poverty, and thus their description and definition of it provide a justification for this. In political debates, according to him, the ends and the means — and the terms — are always inextricably intertwined. Thus what commentators mean by poverty depends to some extent on what they intend or expect to do about it. Academic and political debate about poverty are not merely descriptive in nature, they are prescriptive. Poverty is not just a state of affairs, it is an unacceptable state of affairs — it implicitly contains the question, what can be done about it (Alcock, 1997: 4 & Von Broembsen, 2001: 6). Thus the implications of different positions of the meanings attached to the concept has informed a variety of anti-poverty strategies, with some having a reduced amount of impact in assisting poor people and some representing uncoordinated strategies that are unable to holistically deal with the problem.

Poverty has various manifestations that include lack of income and the absence of sufficient productive resources needed to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited access to basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments; and social discrimination and exclusion. It is also characterised by lack of participation in decision making and in civil, social and cultural life (DPLG, 2003: 54; Maduka, 2002: 13; Von Broembsen, 2001: 8 & Best, 2000: 4). This part of the chapter aims to provide the definitions of poverty. It stresses, however, that poverty can be defined using three approaches, namely physiological, basic human needs and social exclusion approaches. These approaches are discussed in the following section.

3 DPLG - Department of Provincial and Local Government in South Africa
2.2.1.1 The physiological approach

The physiological approach is prominent in two different models, namely income or consumption. The approach is used extensively in applied welfare economics according to the United Nations Department of Economic and Social Affairs (UNPRES, 1998). It combines two distinct elements i.e. well-being is conceived as preference fulfilment and represented in terms of "equivalent" income or consumption; and secondly, an income/consumption poverty line is drawn which represents an adequacy level. The poor are those households whose income or consumption falls below this poverty line (Motloung, 1999: 36). In identifying the two basic models of the physiological approach, Todaro (1994: 1) distinguishes between the different circumstances and conditions within which poor people live.

According to Todaro (1994: 1), the non-poor live in comfortable homes with many rooms, have more than enough to eat, are well clothed, in good health and can look forward to a reasonable degree of financial security. Other people, who according to him constitute a large number, have little or no shelter and inadequate food. Their health is poor, they cannot read or write, are unemployed and their prospects to of a better life are bleak or uncertain. According to this approach, poverty is seen in the context relating to the affordability of goods and services. The households whose consumption is less to a certain extent, are then considered poor.

2.2.1.2 Social exclusion approach

Social exclusion has been posited both as a definition and an explanation of poverty with a more sophisticated form of the exclusion approach couched in empowerment terminology. The argument is that poverty is defined in terms of disempowerment; politically, in that poor people lack clear political agenda and voice; socially, in terms of a lack of access to resources; and psychologically, referring to poor people's lack of self-esteem (Von Broembsen, 2001: 10 & Bhiman, 2001: 26).
The social exclusion approach refers to the denial or absence of social contact, which fundamentally distinguishes exclusion. The dignity of the individual derives from integration in a social network – or more precisely, into a system of exchange. Social exchange is what provides both a social context and autonomy, which are two essential social elements of the individual (Alcock, 1997: 96 & Mkhize, 2001: 11).

Lack of social exchange leads to a breakdown in the entire social fabric. As individual human beings, people live their lives in a social world; and this social world is based on the give and take of social relations, in which all individuals must take part. Society is based on reciprocity – in order to take, individuals must also be able to give. In this sense, social exclusion draws attention to an even broader conceptualisation of the problem of poverty (Alcock, 1997: 96).

Poverty is "the denial of opportunities and choices most basic to human beings to lead a long, healthy, creative life and enjoy a decent standard of living, freedom, dignity, self-esteem and respect from others (StatsSA⁴, 2000: 54). As a definition of poverty, the social exclusion approach comes very close to the relativity concept of poverty. The underlying idea is that poverty is best regarded as a lack of the resources required to participate in activities and enjoying the standards that are customary or widely accepted in society. The social exclusion approach connects poverty with issues of citizenship. It argues that an interactive process involving a participatory poverty assessment facilitator and local people engaged as participants in dialogue be followed (Narayan, 2000: 19; Anon, 1999 (a): 1 & Schiller, 1984: 29). Poor people are unable to take advantage of new opportunities because of corruption and lack of connections, assets (Khariseb, 2001: 10; Mkhize, 2001: 11; Motalung, 1999: 36 & Maduka, 2002: 14), finance, information and skills.

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⁴ StatsSA – Formerly known as CSS (Central Statistical Services) Statistics South Africa
Poverty is an inability to exercise control over one's life, an inability of power to do things one wants to do. This approach further sees poor people as often forced to make agonising choices; feed the family or send children to school; buy medicine for the sick family member; take advantage of a dangerous job or starve. According to this approach, there exists a relationship between power, control and well-being. People who are poor lack the power to influence and the inability to say no to a situation. In contrast to the basic human needs approach, which focuses on the required quantities of the basic necessities, the social exclusion sees poor people as being excluded from social, as well as political agenda. In this way poor people are unable to get access to information of what happens in their environment.

2.2.1.3 Basic human needs approach

The basic needs approach interprets poverty in terms of minimum specified quantities of necessities, such as food, clothing, shelter, water and sanitation which are necessary to prevent illness and malnutrition. The basic human needs approach also sees poverty as "an inability of individuals to meet their basic needs and to attain a minimal standard of living". The definition of poverty in terms of the basic needs further focuses on the resources required to meet these needs. Poverty consists of the presence of deprivation simultaneous to the lack of command over resources. Poverty is seen as "hunger, lack of shelter, being sick and not able to see a doctor. It is further discussed as being unable to go school, not knowing how to read, write and speak properly (Van Rensburg, 2000: 16; Clarke-McLeod, 1995: 17; May and Govender 1998: 3; Mandela, 1996: 1; Ndube, 2002; Majola, 1999: 12 & World Bank, 1992: 13).

All these definitions focus on different aspects, first the physiological aspect of poverty, which is prominent in two distinct elements of income or consumption and the construction of a poverty line to represent the adequacy level. Secondly, unlike the in the case of the physiological approach to poverty, the social exclusion approach emphasises the need for inclusion of poor people in
determining both political agenda and activities. It further, sees the establishment of social networks, in which the poor are able to exchange ideas and information as a major breakthrough, and thirdly, the basic human needs approach that focuses on the amount and quantities of the basic necessities that are required to satisfy them. The definition of poverty, as it can be deducted from the abovementioned statements, is complex and consists of multiple dimensions.

2.2.2 The multidimensional nature of poverty
In the attempt to synthesise and consolidate the definition of poverty, the various approaches were described and deconstructed. The discussion also integrated the idea of poverty as a multifaceted phenomenon. Poverty is not a state of existence, but a process with many dimensions and complexities (Budlender, 1997: 517; Motloung, 1999; Khan, 2000: 26; Mkhize, 2001: 11). It is has social and psychological effects that prevent people from realising their potential (Mkhize, 2001: 11). The World Bank, as stated in Narayan (2000: 18) conducted a research study the primary goal of which was to put forward strategies that could be implemented in attacking poverty. An additional goal of the study was to bring together the experiences of over 60,000 poor women and men from 60 countries around the world. According to her the study was aimed at facilitating the understanding of poverty from the perspective of poor people and to illuminate the human experience behind poverty statistics. The findings of the study concluded that poverty is a complex and multidimensional in nature, that has political, social and economic dimensions. The discussion of the different dimensions of poverty follows in the next section.

2.2.2.1 Geographic and demographic dimensions of poverty
The relationship between geography and poverty is an outstanding one that attempts to answer the question of why are some countries stupendously rich and others horrendously poor. Most economists today have downplayed or neglected the role that physical geography plays in economic performance;
instead they implicitly assume that all areas of the world have the same prospects for economic development. According to Jeffrey et al. 2001, the findings, based on newly available data and analyses using geographic information systems, suggest otherwise. Geography plays an important role in shaping the distribution of world income and economic growth.

At a local level, many poor people are disadvantaged and endangered by the places and physical conditions in which they live and work. They often experience problems with water that is scarce, or having to travel for long distances to fetch water, which is inaccessible and unsafe; they experience isolation with underdeveloped roads and inadequate transport; precarious shelter (e.g. shacks); scarcities of energy for cooking and heating; and poor sanitation. Poor communities tend to be neglected, lacking the infrastructure and services provided for those that are better off. Access to services often costs poor people more than they can afford. Poor people from many communities emphasise how the politics that underpin the provision of infrastructure and public services often reinforce inequities. Those in communities with improved amenities acknowledge the excellence of their quality of life.

Furthermore, the places where poor people live often present multiple disadvantages that include, unfavourable geography, vulnerability to environmental shocks and seasonal exposure. Often these disadvantages combine in ways that endanger or impoverish those who live there. Poor peoples’ places in congested urban areas are especially risk-ridden from pollution, sewerage and crime. Various places tend to be steep, low lying, too close to water-ways, or drought prone. Many of the worst deprivations that come with living in these places are seasonal in nature, including property damage by rain, wind, floods and landslides, and unsanitary conditions from flood water mixed with sewerage. Those who live in the poor communities are frequently endangered, in person and property.
Poor people's priorities and experiences are different in communities. Their priorities depend largely on the demographic characteristics that include gender, age, marital status and ethnicity. For example, the needs of the widows are different from those of other social groups (Narayan, 2000: 19). As part of the ongoing deliberations, the relationship between gender and poverty will form an integral part of this chapter. The demographic characteristic of poverty is highlighted by the impoverishment of children who are unable to attend formal schooling due to the matters of affordability, as parents are often unemployed.

Marital status, due to gender-skewed distribution of resources is another important determinant of poverty. Often women who are not married tend to be trapped in poverty than those who are married. Lastly, the relationship between poverty and ethnicity is highlighted by the prevalence of the incidence of poverty in rural areas of the country. Majority of the country's rural areas experience high levels of poverty than in the urban areas, where government tends to be more focussed. Despite both the implications of geographic and demographic dimensions, poor people, due to their weak and disconnected organisations, tend to be powerless to circumstance that faces them.

2.2.2.2 Power dimensions of poverty

Defining the experiences of the poor people involves taking into account highly limited choices and the inability to make themselves heard or to control what happens to them (Anon, 1999 (a): 1, Dickson, 1993: 1, Narayan 2000: 19 & World Development Report, 2000/01: 1). Powerlessness results from multiple, interlocking disadvantages that in turn make it difficult for poor people to escape poverty. As mention was made in chapter 1, most poor people are experiencing insecurity in their lives and are unable to take advantage of new opportunities because of corruption and lack of connections, assets, finance, information and skills.
According to Narayan (2000: 19), poverty is an inability to exercise control over one's life. As she notes, limited resources force people to think in terms of very limited horizons, particularly with regard to time. Poor people cannot think too far into the future because they can only see how to survive in the present. Poor people cannot fulfil their wishes or develop their capacities, and do not see themselves as important when they compare themselves with others. They have very lower levels of self-confidence, which is the result of poverty, which increases powerlessness and isolation from opportunities. In her discussions of the power dimensions of poverty, Narayan (2000: 20) presents the relationships that exist between the different dimensions of powerlessness. Figure 2.1 illustrates the interconnectedness of the dimensions of powerlessness. This presentation is inclusive of all the dimensions of poverty, namely geographic, relational, vulnerability, gender, crime and nutritional dimensions of poverty.
In short it depicts assets of poor people as precarious, seasonal and inadequate. Furthermore, poor people have lack of adequate income to or assets to generate income:

- They live in isolation, usually places in the outskirts of major cities and towns, usually associated with high risk, not fully serviced by local municipalities and also stigmatised. Poor people are excluded from communication, which is a problem in both the rural and peripheral urban ghettos (Atfaye, 2001);
- Physical weakness due to under-nutrition, sickness or disability (Atfaye, 2001: 9);
- Gender relations are usually troubled and unequal;
- They are being discriminated against, and taken for-granted by other existing social groups which are better off;
- Poor people also suffer disregard, exploitation and abuse by the more powerful;
- They do not have physical nor social security - they live for the moment;
- Their institutions are dis-empowering and excluding;
- Due to financial constraints and other necessary resources, poor people's organisations are weak and disconnected; and

They also have lack of information, education, skills and confidence. The poor are also powerless within existing social, economic, political and cultural structures (Woolard & Liebbrandt, 2001: 41 & Atfaye, 2001).

As shown in figure 2.1, poor people often experience quite a broad range of injuries and illness: broken limbs, burns, poisoning from chemicals and pollution, diarrhoea, diabetes, pneumonia, bronchitis, tuberculosis, HIV/AIDS, asthma, typhoid, malaria, parasites from contaminated water, skin infections and other debilitating diseases. Mental health problems are often raised jointly with concerns about sickness and injury. Poor people also frequently experience hardships associated with drug and alcohol abuse. Mental health problems – stress, anxiety, depression, lack of self-esteem and suicide – are among the more commonly identified effects of poverty and ill-being (Narayan et al, 2000 & Woolard and Liebbrandt, 2001: 41).

According to Narayan, Patel, Schaft & Schulte (2000), death to poor people is present in different ways: sickness, accidents, physical aggression related to crime, or family mishap and suicide. A common theme is the stress of not being able to provide for one’s family. The problem of the orphans is serious and becoming worse. The problem of the growing number orphans due to the Aids pandemic will force more people into poverty in the near future (Narayan et al. 2000 & Woolard and Liebbrandt 2001: 41).
2.2.2.3 Relational dimensions of poverty

Poor people's powerlessness and voicelessness are most evident in the quality of their interactions with the formal and informal institutions on which they depend for their survival. Institutions mediate their access to resources and opportunities and they are often exposed to ill treatment by the institutions they depend on. Individuals with which they interact in the private sector, state, and to a lesser extent, civil society are often exclusionary, rude and uncaring, as well as corrupt and exploitative. Poor people end up depending on their own informal networks of kin and friends for survival and solace (Narayan, 2000: 19 & Von Broembsen, 2001: 9).

According to Narayan (2000: 19), most poor people survive in the informal sector through a patchwork of low-paying temporary, seasonal and often backbreaking jobs with little security and guarantee of payment. No formal communication networks exist between them and their employers. Their incomes are often insufficient to sustain a meaningful life. They are not entitled to negotiate reasonable salaries. Issues that fuel these kinds of acts include the fact that they are desperate and in need of the resources provided by the employers for a living. The poor are subjected to abuse, discrimination and isolation.

2.2.2.4 Vulnerability dimension of poverty

Due to poor people's inability to influence and to relate well with others and institutions in which they have to seek assistance from, they tend to be more vulnerable than the non-poor. Policy-makers need to understand which groups are particularly at risk of falling ill and/or have special problems getting access to basic infrastructure such as health care, education, and employment. The definition of vulnerable groups varies between countries, but amongst the most important defining characteristics are age, sex, ethnicity and residence in remote locations. In areas facing war or civil conflicts displaced people and refugees form an important vulnerable group (DFID, no
Poor people are defenceless, susceptible and weak. According to Posel (1997: 51) the poverty statistics mask those questions that are crucial for understanding and developing responses to it. Complementing poverty statistics with an analysis of "vulnerability" would enable a better capturing of the process of poverty (Posel, 1997: 51). Vulnerability in poor people manifests itself in various ways that are always not easy to observe.

Vulnerability means identifying both the threat and risk of poverty and the resistance to poverty. It also means the probability of being exposed to a number of other risks (e.g. violence, crime, natural disasters and being pulled out of school). It raises questions about the extent to which people are able to recover from negative changes in the economic environment and to exploit new opportunities. Rural households are perceived as having the greatest reliance on remittances for subsistence and amongst the worst vulnerable to poverty in many countries (World Development Report, 2001/2002: 18 & Atfaye, 2001: 9).

An analysis of vulnerability also raises questions about whether a household may be able to respond positively to economic expansion and new economic opportunities. According to the World Development Report (2001/2002: 18), due to other responsibilities and obligations, some household members are not able to participate in income-generating activities or to take advantage of economic initiatives. Some household members may be more vulnerable than others, depending on the work that they do, their access to resources and their susceptibility to ill health. However, in order to understand the circumstances under which households are able to effectively turn assets (like labour, human capital, health status, land and housing) into income, food and other basic necessities, there is a need for more information on what happens inside households, since vulnerability cannot be measured by merely observing the households once (Posel, 1997: 52).
In measuring vulnerability, the household panel data is necessary – that is, household surveys that follow the same households over several years – can the basic information be gathered to capture and quantify the volatility and vulnerability that poor households say are important. Moreover, people’s movements in and out of poverty are informative about vulnerability only after the fact. The challenge is to find indicators of vulnerability that can identify at-risk households and populations beforehand (World Development Report (2000/2001: 19). While vulnerability is difficult to identify and measure, gender, discussed below, is easier to measure and identify.

2.2.2.5 Gender dimensions of poverty
An important dimension of poverty is that it affects a disproportionate number of women than men. According to Adam (2000: 44) and Nemasetoni (2001: 16), there is an increasing incidence of poverty in households headed by women\(^5\), and these households are amongst the poorest in society. Poverty lays heavy burdens on women because of their dual roles in the economy. They often work inside and outside the home. At home, they are usually responsible for housework, food preparation and child-care, the gathering of firewood; carrying water; weeding; sowing; harvesting food crops and caring for animals are other responsibilities of women (Todaro, 1994: 159, Benjamin, 2001: 69; Best, 2000: 5; Hamid, 1995: 133 & Mamabolo, 2000: 27).

Poor women also tend to have more children, which adds considerably to their chores. The poverty of households headed by women and the poverty of women in general is directly related to their general status. They are often not well represented, less educated, discriminated against, have fewer employment opportunities, and receive lower wages than men (Myers, 1999: 2; Whiteford & Posel, 1995: 12). Posel (1997: 49) and Mpanza (1996: 23) argue that women’s income and the control over that income in the household have important implications for changing patterns of poverty. The burden of

\(^5\) feminisation of poverty – a situation where women make up the majority of the poor.

The spatial and economic marginalisation of rural women is the most severe and according to May et al. (1999: 14, 17, and 18) the new gender roles have not solidified. Women depend on fluid social relationships (meaning simple, unstructured relations based on mutual understanding) amongst neighbours and extended family members, friends and relatives (Matjeke (2001: 63). They are often insecure, cheated, exploited and trapped in abusive relationships because of their economic dependence on men. The traditional roles ascribed to women, as noted earlier, prevent women from sustaining independent economic livelihoods. Customary law in South Africa, for example, did not only prevent women from owning houses or land, it has left a legacy that will take some years to heal. Because of their low level of skills and education, they often work in the most exploitative categories of labour such as farm work, temporary or domestic service. The subservient sexual status of women also means that they are more susceptible to HIV/Aids infection than men (Anon, 2000: 6; Atfaye, 2001: 13; Adams, 1999: 10 & Cross, 1999: 14, 17, 18).

2.2.2.6 Crime and violence as dimensions of poverty
A form of hardship disproportionately experienced by the poor is the threat – or even the fear – of being a victim of crime. Having property damaged or stolen, or worse still, being a victim of assault is a severe depletion of the quality of life, and the threat of this recurring provides a nagging sense of insecurity (Alcock, 1997: 93 & Maduka, 2002: 17). The rate of crime in any society is measured against the level of poverty and state of development. South Africa has an escalating level of crime perpetuated by various social problems (Dlamini, 2001: 21).

Crime is a matter that does not only concern the victim or the perpetrator thereof. It is in legal theory a matter that directly or indirectly affects all
members of the society (Kruger, 1975: 157). Crime and violence are perceived to be endemic, and South Africa's crime rate is amongst the highest in the world (May & Govender, 1998: 21). According to the report of the HSRC (1997) crime is a tremendous strain on the society, it is draining the country's resources, tainting the country's image, discouraging to foreign investors and precipitates high rate of emigration by the country's skilled workforce (Cawthra & Kraak, 1999: 34). Poor people are more at risk from personal crime than the affluent. Violent crime is one of the more severe shocks that can cause vulnerable households to become impoverished (Eedes & Bidoli, 2001: 20).

Some Poverty Participatory Assessments (PPAs), and various studies according to Rodd (2000: 23), have revealed and stressed the existence of a connection between poverty, unemployment and illegal activities, such as child prostitution, drugs and domestic violence in households. Since a large number of poor people move to the urban areas from rural areas, they become even more frustrated because of not possessing the necessary qualities required by the urban market. They experience frustration since they have poor access to opportunities, which would enable social mobility. This in itself exacerbates crime in their areas since they have to feed their families and to survive on a daily basis (Mthombothi 2000: 16; Van Zyl Slabblert, 2000: 24; Mkhize, 1998: 816; Wilhelm, 2001: 38 Bethlehem, 1996: 29; Matjeke, 2001: 65 & Kruger, 1975: 157). Residential segregation, wide gaps in income, drugs and alcohol are seen as contributing factors to crime (Dlamini, 2001: 21).

It is also envisaged that economic and social conditions play a substantial, if not the largest role, in promoting criminality. Population growth, urbanisation, education, poverty, rising unemployment, and inadequate services all have profound effect on the crime problem (Anon, 1999 (c): 9; Mahlaule, 2001: 10; Khariseb, 2001: 60; Atfaye; 2001: 14 & Msomi, 2002: 13).
The fear of crime has distinct consequences for many of the most vulnerable groups in society. For instance, older people, women and children may be unwilling to venture outside in certain neighbourhoods at certain times of the day (or at night) for fear of being attacked and robbed; this effectively excludes them from a significant part of their potential social activity. However, such fear is not only experienced in the outside environment; violence in the home is also widespread and is largely directed at women. Domestic violence and harassment in public are also frequently experienced by women for whom it provides a sharp accentuation of the broader deprivations (Alcock, 1997: 94; Cawthra & Kraak, 1999: 78; Kinyua, 1999: 110; Matjeke, 2001: 65).

Citing an example to the above-mentioned statement are the statistics released by the Ministry of Safety and Security in South Africa, which showed an increase in the incidents of car hijacking, armed robbery, violence, theft and burglary overtime. Evidence is that other forms of serious crimes such as murder, rape, bank robberies and cash-in-transit heists have declined since the South African government embarked on the efforts to reduce poverty to minimum and started to improve the Criminal Justice System (CJS) immediately when it came into power in 1994.

2.2.2.7 Nutritional dimensions of poverty

To be free of hunger and malnutrition is one of the most basic human needs. According to this dimension, poverty is evident when the absolute minimum level of living is below the level which the very maintenance of physical health is impaired. Figure 2.1 illustrates that poor people often starve, are exhausted and sick. This is the problem in most developing countries. Below this level of living, physical manifestation of hunger and starvation become evident (Chowdhrury, 1995: 74; Dlamini, 2001: 26 & Motloung, 1999: 3).

May and Govender (1998) regarded malnutrition as a phenomenon that cannot be simply equated, or seen as a medical problem. Malnutrition is
regarded as an outcome of complex inter-related social, economic, political and other processes. Malnutrition leads to death. It impacts on the quality of life and opportunities of those who are affected, and on their ability to earn adequate income. The risk of death increases with the severity of malnutrition. The report further states that the problem of malnutrition is caused by inadequate dietary intake and diseases, household food insecurity, inadequate maternal and child care, lack of access to adequate basic health services and an unhealthy environment. Poverty is thus seen as a basic cause of malnutrition. The multi-dimensional nature of poverty is also discussed in the DPLG; (2003: 53). A detailed discussion of the dimensions and characteristics of poverty is provided in Matjeke (2001). The discussion of the measurement of poverty follows in the next section.

2.3 MEASUREMENT OF POVERTY

Policy makers, economists, researchers and practitioners have long been locked in debates about the measurement of poverty. The reason underlying their actions are based on the notion that anti-poverty strategies need to be informed of the nature and extent of poverty, in order to be effective. This, as a result, has led to the development of standard basic steps in the measurement of poverty. Firstly, household or individuals are ranked on the basis of welfare indicator – usually income or consumption expenditures. Secondly, a poverty line is selected which separates the poor from the non-poor. Finally, the poor identified in this way, are examined more closely through the construction of a poverty profile (Woolard & Leibbrandt, 2001: 41; Higgs, 2004).

Measuring poverty in its multiple dimensions permits an overview of poverty that goes beyond individual experiences. According to the World Development Report, poverty measures aid the formulation and testing of hypotheses on the causes of poverty and presents an aggregate view of poverty, and enables the government and the international community to set

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Although there have been measures used to eradicate poverty, some have proved to be successful in informing anti-poverty strategies, while others remained obsolete. Van Rensburg (2000: 18), Scott (1994: 82), Woolard and Leibbrandt (2001: 41), Ngwane et al. (2001: 202) and the United Nations' Report (1998: 3) identify the preliminary phase of any strategy aimed poverty alleviation identifying those persons or groups of people deemed as "poor", and categorise them accordingly. According to these authors, their needs should be determined and prioritised. These authors further see two distinct problems in the measurement of poverty, i.e. the identification of the poor among the population and constructing an index of poverty using available information on the poor. The problems, according to them, involve the choice of a criterion of poverty (e.g. the selection of the 'poverty line' in terms household income per capita) and the identification of who satisfy that criterion (e.g. fall below the poverty line) and those who do not. This chapter identifies basic approaches in the measurement of poverty.

2.3.1 The income or expenditure approach

Using this approach, a person (or household) is defined as 'poor' if his or her income or expenditure is below a particular value or level, called poverty line. As argued in Klasen (2000: 38), there are two ways of presenting the income or expenditure approach to poverty measurement. The first is calculating the percentage gap to the poverty line of the average poor individual (e.g. by what percentage must the average expenditure of a poor person increase to reach the poverty line), thereby directly measuring the depth of poverty among individuals of that group. The second is determining the share of the total national poverty gap that is made up of people with certain characteristics (e.g. what share of the total poverty gap is accounted for by the poverty gap among persons). According to Bhorat (2000: 791) and Ngwane et al. (2001:
the income or expenditure approach consists of three types of poverty lines. These poverty lines are discussed below.

2.3.1.1 Absolute poverty line

Sometimes referred to as subsistence, primary or physiological and extreme poverty, an absolute poverty line is fixed at a value of income or expenditure that is necessary to acquire goods and services regarded as essential for a minimum standard of living (Mamabolo, 2000: 19; Ngwane, Yadavalli & Steffens 2001: 202; Matjeke, 2001: 10, Nemasetoni, 2001: 13; World Development Report 2000/1). The absolute poverty line is objective (i.e. it relates to some externally set standard) and scientific (Crothers, 1997: 505 & Alcock, 1997: 68). The criteria that can be used to derive the poverty lines are the proportion of expenditure taken up by specified essential items, basic needs (Abbas, 1999: 114) such as of food, the cost of balanced diet, clothing and footwear, rent, fuel and power, transportation, communication, health-care, education and recreation. These necessities include the cost of essentials for a tolerable human existence. Despite the fact that the minimum living wage in many countries does not correspond to the minimum living cost of a worker, which also varies according to local determinants, the minimum wage, or a multiple of it, has often been used for establishing poverty lines.

According to Alcock (1997: 68) and Nemasetoni (2001: 13), the definition of absolute poverty is associated with attempts to define subsistence. As insisted, there is a need to work out what people need to have in order to survive; then if assurance is made that their needs are catered for, the problem of poverty would then be removed. Judgement is required because a relative definition of poverty is based on a comparison between the standard of living of the poor and the standard of living of other members of the society who are not poor, usually involving some measure of the standard of the whole society in which poverty is being studied (Alcock, 1997: 69; Shabangu, 2000: 14 & Mamabolo, 2000: 19). Absolute poverty is contrasted with relative poverty, which becomes a more subjective or social standard in that it
explicitly recognises that some element of judgement is involved in determining poverty levels, although the question of whose judgement this should be is a controversial one.

2.3.1.2 Relative poverty line
Relative poverty is sometimes referred to as secondary or social. According to the relative poverty approach, a household is defined as 'poor' relative to others in the same society or economy (Ngwane, Yadavalli & Steffens, 2001: 202; Shabangu, 2000: 16, Abbas, 1999: 114). Poverty in relative terms reflects an aspect of inequality, wherein a certain part of the population lacks resources which fully identifies it with the given society (Matjeke, 2001: 10). The relative poverty approach postulates that a group whose mean income is less than another is being defined as being in relative poverty. As stated in Van Rensburg (2000: 7), a relative poverty line will move with the standard of living. The poor are then taken to be the persons that are suffering the relative deprivation. Relative poverty refers to relative well-being measured against that of certain individuals or groups of people who do not qualify for similar category (Van Rensburg, 2000: 7; Majola, 1999: 12; Mamabolo, 2000: 19; Motloung, 1999: 37; Nemasetoni, 2001: 14).

The relative definition of poverty is associated with the Fabian critics of the postwar achievements of the welfare state in eliminating poverty in Britain, most notably the work of Townsend (1954, 1979) and Abel Smith and Townsend (1965). According to the discussions in Alcock (1997: 69), Abel Smith and Townsend's argument was that although state benefits had provided enough to prevent subsistence poverty for most, in terms of their position relative to the average standard of living in the society, the poorest people were not better off in the 1950s and the 1960s than they had been in the 1940s. Thus in a society growing in affluence, as was post-war Britain, remaining as far behind the average as before constituted poverty (Alcock, 1997: 70).
2.3.1.3 Subjective poverty line

The subjective poverty line is subjective in nature, and is based on households' or respondents' perceptions of their own needs. Although the subjective poverty line uses income as a monetary indicator of the standard of living, it has an advantage over the objective standards in that it does not require the use of an equivalent scale, as the household itself takes size into account when providing the information on income. This measurement can be related to relative poverty in the sense that those who are defined as poor in terms of the set standard will automatically feel poor (Ngwane, Yadavalli & Steffens, 2001: 202; Shabangu, 2000: 17; Crothers, 1997: 505). Since the subjective poverty line is based on subjective thoughts, it raises a question as to how it is measured, and which standard is it measured against with.

2.3.2 The Unmet Basic Needs (UBN) method

There have been other attempts to define poverty that incorporate in different degrees both absolute and relative measures. According to Alcock (1997: 73), these were developed in Britain and a range of other countries, in particular the United States. They include the Unmet Basic Needs (UBN), sometimes referred to as budget standards. The UBN or budget standards approaches to defining poverty are based on attempts to determine a list of necessities, the absence of which can be used as a poverty line below which, presumably, people should not be permitted to fall (Alcock, 1997: 74).

While the income or expenditure method identifies poor households as those without the capacity of acquiring all goods and services needed to satisfy basic needs, the UBN approach inquires whether the household is actually satisfying the needs by asking about the products actually consumed. The UBN is an alternative approach to measuring the incidence and intensity of poverty to conventional income (or expenditure) method. A unit is regarded as poor if the thresholds for all or some of the different basic needs are not reached (Ngwane, Yadavalli & Steffens, 2001: 203). The UBN method focuses not only on food and non-food (subsistence) items, but also on lack of
access to basic aspects such as safe drinking water, health and education. According to (Van Rensburg (2000, 8) and Von Broebsen (2001: 8), the dimensions that are measured by the UBN method include the following:

- Housing: the quality of the building materials as well as overcrowding;
- Land tenure: given the history of distortions in the provision of land in the sub-Saharan region;
- Basic services: access to portable water and sanitation facilities (toilets);
- Energy sources: environmental degradation (and time poverty);
- Educational attainment: primary school attendance by children and school age children currently not a school.

From the previous discussion, it can be summed that the significance of the UBN method rests on the fact that it combines both extreme and relative poverty measures, and determines the incidence and intensity of poverty. Furthermore, the UBN approach to poverty measurement sums all the necessities required by individuals and households in order to lead a long and healthy life.

2.3.3 Capability approach

The view of poverty as ‘capability deprivation’ stands in opposition to the view of poverty which regards poverty simply as low income, and which is the traditional indicator of identifying poverty. It is an alternative approach to the measurement of welfare and poverty that focuses on the lack of basic capabilities to function adequately. As stated in Ngwane, Yadavalli and Steffens (2001: 203), the United Nations Development Programme introduced the concept of the Capability Poverty Measure (CPM). The Capability Poverty Measure directly observes the capabilities of individuals and households i.e. what these individuals are able to be or do. Poverty is, then, within this context, defined as the inability of individuals to achieve a minimum level of capabilities to function (such as the inability to be healthy, well-fed, clothed, sheltered)(of Klasen, 2000: 35).
The main advantage of the capability approach is that it focuses directly on achievements. It thereby go beyond many of the difficulties encountered with financial resource-based approaches to welfare measurement, including the inherent heterogeneity of people (in their ability to translate consumption into welfare), the impact of public goods on welfare (e.g., public health, education, and environmental protection) which is inadequately captured by expenditures, as well as difficulties inherent in the utilitarian metric (Klasen, 2000: 35). The capability approach is composed of indicators that reflect the percentage of the population with capability shortfalls in three dimensions. These three dimensions include living a healthy and well-nourished life, having the capability of safe and healthy reproduction, and being literate and knowledgeable. The formula C1, C2 and C3 has been used to categorise the three dimensions as follows:

- C1 refers to the proportion of children under five years old who are underweight;
- C2 referring to the proportion of births unattended by trained by health personnel (the maternal mortality rate is also used as a proxy for this variable); and
- C3 refers to female illiteracy. The CPM index is obtained by the simple arithmetic mean of the three indices.

The implications of the capability approach in measuring poverty, with special focus on extending opportunities to a larger proportion of the sectors that were affected by the apartheid regime, has recently been adopted in South Africa. These sectors include the elderly, people with disabilities, and women. Due to the likelihood of these sectors to function adequately, for certain reasons, the condition renders them incapable to access many opportunities. The identification of incapacities of these sectors represents a major breakthrough for the South African policy makers.
2.3.4 The Gini coefficient

The Gini coefficient is the most commonly quoted statistic for the measuring of monetary inequality (Van Rensburg, 2000: 4; Whiteford & Seventer, 2000: 16). Recent poverty analysis as stated in the report of Statistics South Africa (2000: 83), have increasingly focussed on broader conceptions of poverty, which measure the ability of individuals and households to command the resources necessary for a decent standard of living.

As Whiteford and Posel (1995: 19) notes, the Gini-coefficient is confined to monetary income. A further distinction is made with specific reference to earned income i.e. the money that the individual within households earn as salaries and wages, and the money that they earn in self-employment, whether as employers or working alone. An example cited by the report of Statistics South Africa (2000: 83), is that poor South African households obtain 40 per cent of their income from wages and a further 5 per cent from self-employment. Non-poor households, on the other hand, obtain 72 per cent of their income from wages and 6 per cent from self-employment. These figures implicitly point to the role of the state in its lack of support for poor people. The report also indicates that poor households receive 26 per cent of their income in state transfers such as old age pensions, while non-poor households receive only 3 per cent of their income from this source. Focussing on earned income thus provides an approximate measure as to what the inequality situation would be without such state assistance (Statistics South Africa, 2000: 83; Khariseb, 2001: 11).

The procedure involves ranking all the income units (individuals in the analysis, households elsewhere) in ascending order of magnitude of income, and then graphing the cumulative income of the units against the cumulative percentage of units. In an equal society where each unit receives the same income the, Gini-coefficient is zero (Whiteford & Posel, 1995: 19). In a perfectly unequal society, where one individual or household has all the income and all the others have nothing, the Gini-coefficient is equal to one.
The nearer the Gini-coefficient is to one, the more unequal the society (Statistics South Africa, 2000: 87). Historical inconsistencies as a result of apartheid policy have led to a focus on income disparities existing between the four major population sectors in South Africa. Although major progress to address this shortfall has been recorded by various government policies since 1994, income disparities still renders the South African society as unequal and serves as a constraint to the growth of the economy. The discussion of the Human Development Index in measuring poverty follows in the next section.

2.3.5 The Human Development (HDI) Index
The HDI is a relative measure that gives a comparative analysis of the level of human development in a country relative to other countries. The HDI measures quality of life on a scale of 0 to 1. Countries ranging at levels between 0.8 and 1.0 have high human development; 0.51 to 0.79 implies medium development while 0.0 to 0.50 indicates low human development (Central Bank of Lesotho, 2002). It is about creating an environment in which people can develop their full potential and lead productive, creative lives in accord with their needs and interests. People are the real wealth of nations. Development is thus about expanding the choices people have to lead lives that they value. And it is thus about much more than economic growth, which is only a means —if a very important one —of enlarging people 's choices (UNDP, 2004; World Conservation Union, 2001).

According to the Human Development Programme (UNDP, 2004), fundamental to enlarging these choices is building human capabilities —the range of things that people can do or be in life. The most basic capabilities for human development are to lead long and healthy lives, to be knowledgeable, to have access to the resources needed for a decent standard of living and to be able to participate in the life of the community. Without these, many choices are simply not available, and many opportunities in life remain inaccessible (UNDP, 2004).
Human development shares a common vision with human rights since its goal is human freedom. And in pursuing capabilities and realizing rights, this freedom is vital. According to the UNDP (2004), people must be free to exercise their choices and to participate in decision-making that affects their lives. Human development and human rights are mutually reinforcing, helping to secure the well-being and dignity of all people, building self-respect and the respect of others.

Van Rensburg (2000: 16), O’ Donovan (1995: 91) and Prinsloo (1995: 18) posit that in developing the Human Development Index (HDI), the United Nations Development Programme (UNDP) followed the principle that the goal of development should be to enable people to live long, informed and comfortable lives. According to them, the Index is a composite of three factors that include the following:

- Longevity: as measured by life expectancy at birth;
- Educational attainment: as measured by a combination of adult literacy and school enrolment rates; and
- Standard of living as measured by the real GDP per capita.

Although it focuses on the three factors mentioned above, the index include indicators freedom, governance, peace, order, communication infrastructure and basic services to give a much better yardstick of human wellbeing, as well. It is best seen as a measure of people’s ability to live long and healthy lives, to communicate, to participate in community activities and to have sufficient means to be able to afford a decent living. The HDI uses existing demographic data and affords governments the opportunity to better understand the social conditions of their communities. The HDI can also be used in determining the funding of development. The Index was designed to reflect on a comparative scale, using readily available information how the nations compare in terms of human development when only the three factors, mentioned above, are taken into consideration (O’ Donovan 1995: 91). The
components of the Index are then combined in such a way that the most highly developed countries have an HDI value of one and the least developed have a value that is approaching zero.

2.4 SUMMARY
The purpose of this chapter was two-fold. Firstly, it aimed to provide the definition of poverty and its dimensions and secondly, to provide the discussion of the measurement of poverty. Through the discussions in the first part, it became evident that poverty is a multifaceted and complex phenomenon to which various researchers, practitioners, and politicians put forth a variety of interpretations to which the result has been an abundance of diverse definitions.

Under the discussion of the measurement of poverty, five different models to poverty measurement were discussed. The discussion of the measurement of poverty was based on the fact that, in order to respond positively to the plight of the poor, government needs to be informed of the nature and intensity of the problems that development initiatives have to face. The measurement of poverty allows for proper planning and can be a useful tool in the formulation of anti-poverty strategies. While chapter 2 has summed up the discussion of the multi-dimensional nature of poverty, chapter 3 explores the determinants of poverty in South Africa.
CHAPTER 3
POVERTY AND SPATIAL DEVELOPMENT
IN SOUTH AFRICA

3.1 INTRODUCTION
South Africa is the most southern country in Africa and occupies the larger part of Africa south of the Tropic of Capricorn. It has two capital cities of Cape Town, the legislative capital and Pretoria, the administrative capital. Other major cities include Johannesburg, Durban and Bloemfontein. The country consists of 11 official languages distributed throughout the provinces (UN Library Congress (no date). Its economy is largely based on the abundant mineral and energy resources. Mining forms the basis for much of the manufacturing sector, and gold and diamonds dominate the export industry. As it was indicated in chapter 1, the country is a middle-income country with good infrastructure and developed transport, water and electricity networks. There are also well developed professional services and one of the largest stock exchanges in the world. However, despite this advanced development, one of the problems that hamper sustained economic growth in the country is the rate of unemployment.

This chapter focuses on poverty and spatial development in South Africa. In the first instance it gives an analysis of the determinants of poverty, and secondly, spatial development within the South African context. In her address at the New Delhi Summit on Sustainable Development, the Deputy Minister of Environmental Affairs and Tourism, Mabudafhasi (2002), describes the experiences of most structures of government as having poorly co-ordinated institutional arrangements and lacking effective actions to deal with the causes of poverty in South Africa. Municipalities are of no exception to the problem. There is a need for information about the causes and contributing

7 The most widely spoken of South Africa's eleven official languages in the mid-1990s are Zulu (isiZulu), Xhosa (isiXhosa), Afrikaans, and English. The others--isiNdebele, sePedi (seSotho sa Leboa), seSotho, seTswana, siSwati, tshiVenda (also referred to as luVenda), and xiTsonga--are spoken in large areas of the country. Each of the eleven includes a number of regional dialects and variants.
factors to the problems of poverty, so as to inform the programmes of action that are currently under scrutiny (Good, 2001: 45). This chapter intends to contribute to the development of such an information base. The discussion of the determinants of poverty in South Africa follows in the next section.

3.2 THE DETERMINANTS OF POVERTY IN SOUTH AFRICA

This section identifies various factors that work together to cause sustained poverty in South Africa. They include unemployment, land and rural under-development, shortage of housing and urban development, health, education, social security, gender and crime. These factors will be discussed in the following sections. The inter-connectedness also exists in various determinants of poverty in South Africa. They do not exist as independent entities; they are interdependent in nature. The various determinants of poverty in South Africa and their interconnectedness can be represented in a model. This is demonstrated by figure 3.1 below. It indicates the relationship between variables and their contribution to the problem of poverty in South Africa.

Figure 3.1: A diagrammatic representation of the interconnectedness of contributing factors to poverty in South Africa

Diagrammatic presentation prepared by author
Apart from showing the relationship between the determinants of poverty, Figure 3.1 also demonstrates, and stresses the multi-dimensional nature of poverty discussed in the previous chapter. The model highlights poverty as a phenomenon consisting of economic, social, political sources that do not act in isolation. The adjoined circles illustrate the interconnectedness of the different variables, and the arrow pointing down indicates the result or outcome of the interconnectedness of the different variables, which is poverty.

3.2.1 The legacy of apartheid and poverty in South Africa

Poverty exists within a dynamic and changing social order; and to some extent, it is created or at least recreated by, the social and economic policies that have developed over time to respond to or control it. The history of poverty is also a history the policies directed at or developed for the poor. The interrelation between poverty and policy has consistently shaped the position of the poor people within all aspects of the broader social structure (Alcock, 1997: 9).

The extreme poverty of many of South Africa's people is a direct legacy of apartheid. Apartheid has neglected lives and basic needs of many South Africans (RDP, 1995: 4; Mandela, 1998: 3; Kasrils, 2002; Nemasetoni, 2001: 16; Mamabolo, 2000: 22) and still manifests itself in racialised economic inequality years after it was dismantled. As argued in Temanie (2001: 53) and Dlamini (2001: 23), apartheid policy was not only intended to have political consequences, i.e. separation and development of different racial groups, but also to have serious economic effects for many black people. In-fact, there is still a strong belief in many respects that the policy of apartheid had been primarily economic in nature.

The South African experience of apartheid and poverty can be summarised to what President Mbeki termed in his speech, the division into poor and rich racial groups in South Africa. Poverty can be placed in context most easily by

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RDP: Reconstruction and Development Programme in South Africa, 1995
focusing on the bipolar nature of the South African economy – a bipolarity that was maintained until recently by the legal regime of apartheid. It manifests itself in a basic split between the high living standard enjoyed overwhelmingly by the white minority and the condition of poverty in which the majority of the black population lives (Dlamini, 2001: 23; Weimers, 2000: 4; McGrath, 1991; Lachman & Bercuson, 1992: 3).

Apart from accelerating the rate of unemployment, the apartheid policy has manifested itself in a number of factors that are responsible for the deprivation of a larger part of the South African society (Cosatu, 2000: 1, 2). The determinants, causes or contributing factors to poverty which fall under the umbrella of the apartheid regime in South Africa, are discussed in the next section.

3.2.2 Unemployment

One of the principal manifestations of, and factors contributing to, the low levels of living in developing nations is their relatively inadequate or inefficient utilisation of labour in comparison with the developed nations. According to Todaro (1992: 89), under utilisation of labour is manifested in two ways. First, it occurs as underemployment – those people, both rural and urban, who are working less than they would like, daily, weekly or seasonally. Underemployment also includes those who are nominally working on a full-time basis, but whose productivity is lower than a reduction in hours would have a negligible impact on total output. The second form is open unemployment – those people who are able and often eager to work but for whom no suitable jobs are available (Todaro, 1992: 89).

Unemployment afflicts a large segment of the labour force and is a significant contributor, and closely correlated to poverty in South Africa. It is one of South Africa’s significant development challenges and has come to be recognised as one of the outstanding hazards in the society as a whole. Unemployment is a cause and a result of poverty in South Africa and many other countries.
As illustrated by figure 3.2, it become evident that the rate of unemployment has increased since 1993 and that the worst affected population groups were Africans. Despite the racial element of unemployment in South Africa, the
status of unemployment differed by gender and urban-rural place of residence. Poor households are characterised by a lack of wage income, either as a result of unemployment, low-paying jobs. Other racial groups suffering from the problems of unemployment, as presented in figure 3.2 were the coloured and Indian population, respectively. The correlation between income and level of occupation are discussed later in the chapter.

As projected by Clarke-McLeod (1995: 17) unemployment will exist for some time. Based on this projection, more people will suffer the consequences of unemployment by the year 2005. The feature of the South African poverty and unemployment scenario is that the racial groups disadvantaged by apartheid will suffer most. Unemployment is said to have worsened the poverty levels amongst the poor, even though the economy has experienced growth since the political transition to democracy of the early 1990s. The problem has manifested in the low employment financial and information technology sectors, and since the early 1990s, half a million jobs have been lost (Cawthra & Kraak, 1999: 73). Unemployment and poverty are particularly high in rural areas. Large-scale retrenchments, which have been taking place in the unskilled labour sector in the last few years, e.g. have adversely affected the already poor black population, and thereby increasing the levels of poverty (Statistics South Africa, 1995; Nattrass, 2000: 747).

Large numbers of people eke out an existence in informal economic activity, and most of these activities are limited, inappropriate and not sustainable. People tend to market goods to their own impoverished communities, with little prospect of a significant financial yield. The lack of affordable public transport, particularly in rural areas, means that people seldom travel to more lucrative areas to sell their products. Characterising this condition is limited government or private sector initiatives to stimulate this sector. A particular glaring omission is the absence of credit facilities for poor people (Williams, 1998: 67), either through a state-funded loan scheme or through private banks (Cawthra & Kraak, 1999: 73, 74).
The macroeconomic policy adopted by government bears the blame for the increasing figures in unemployment and poverty. In order to implement GEAR, the government has set itself targets. In order to reach these targets the government needs to downsize/restructure the public service, privatise most of its services and government owned entities, amongst other processes. This however, has negative implications for the poor as an increase in the price of basic services and retrenchments will worsen their already poverty stricken backgrounds (Cosatu, 2000: 3, 4). Income inequalities as another determinants of poverty in South Africa will be discussed in the next section.

3.2.3 Income inequality

Income inequality and poverty, according to Ngwane (2001), are some of the challenges facing many African and South Africa in particular. The study of poverty, as he further argues, needs to pay special attention to unemployment, inequality in the distribution of income and occupational levels of the poor. The three are inter-related variables. South Africa is one of the countries in which the distribution of income is unevenly distributed by race. Income inequality is one of the key challenges facing the South African labour market (Bhorat, 2001: 12; Orkin, 1997: 9; Vosloo, 1998: 37). South Africa's per capita income level gives it the lower middle-income country, and measures of well being that have been adjusted for income distribution rank the country at a much lower international level (Whiteford & Seventer, 2000: 7). The extreme inequality in the society is clearly illustrated in the uneven distribution of income amongst races and households (White & Posel, 1995: 17; Vosloo, 1998: 37).

Income disparities do not only fuel the social tension, but also serve as a constraint on the growth of the economy. Whiteford and Seventer (2000: 7),

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\(^9\) The apartheid-based racial classification of South Africans as African, coloured, Indians and white is retained in this study as a classification variable to the monitoring of change in the life circumstances of those who were disadvantaged in the apartheid era.
and Vosloo (1998: 37) stress that there was a negligible change in the racial shares of income over the period 1917 to 1970 in South Africa. According to these authors white labour earned in the region of 70 per cent of the total income while comprising less than 20 per cent of the population, whilst on the other hand the African share of income remained fairly constant at about 20 per cent over the same period. The remaining 10 per cent was shared among Asians and coloureds. Table 3.1 shows the racial income and population shares over the period 1970 to 1996, which was characterised by a shift in the income profile of the various racial groups due to domestic political changes, and international concerns in the economic affairs of South Africa.

Table 3.1: Racial income and population shares: 1970-1996.

<table>
<thead>
<tr>
<th></th>
<th>Share of total income</th>
<th>Share of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>19.8%</td>
<td>24.9%</td>
</tr>
<tr>
<td>White</td>
<td>71.2%</td>
<td>65.0%</td>
</tr>
<tr>
<td>Coloured</td>
<td>6.7%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Asian</td>
<td>2.4%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Whiteford and Seventer (2000); Vosloo (1998)

As illustrated in Table 3.1, the historical constancy was broken between 1970 and 1975 when the white share of income decreased significantly. Within this period the coloured and Asian shares were relatively unchanged, whilst the African share increased mainly as a result of international pressures and sanctions on the South African government. These trends continued through to 1991, albeit very slowly, with the white share continuing to diminish to the benefit of the other three population groups.

The re-distributive process accelerated considerably between 1991 and 1996 due to domestic political changes. As shown in Table 3.1 illustrates that the African share of income has increased from less than 30 per cent in 1991 to more than 35 per cent in 1996. The coloured and Asian shares of income showed similar increases while the white share of income declined. The
African share of income increased at approximately 0.5 percentage points each year between 1970 and 1991 and this speeded up to 1.2 percentage between 1991 and 1996. This was accompanied by the white share of income declining by 0.6 percentage points over the 1970-1980 period, by 0.5 points between 1980 and 1991 and by 1.5 percentage points to 1996 (Whiteford & Seventer, 2000: 12). Income inequality was one of the major causes of poverty, although it was not the only cause. Occupational distribution amongst the population groups discussed in the next section, also accounted for the persistent levels of poverty among other population groups.

3.2.4 Occupational distribution among population groups

The occupations of the racial groups had a considerable influence on their income disparities and inequalities. According to Moll (2000: 92), Africans, taking into consideration their low education status (e.g. qualifications and experience) in the workplace, were not permitted to gain experience in tasks that would lead to more complex tasks, so that their productivity growth was hindered. This contributed to them facing slow promotion in the workplace. The African labourers were in most cases, led by white managers who held beliefs that they were inferior and untrustworthy. This consequently had a negative impact and led to low morale and low productivity of the African labourers.

Contrary to this, whites of low ability and skills, who would ordinarily have been labourers or semi-skilled workers, were appointed to higher positions (e.g. management positions). In some industries notably, the mining industry, the white unions had engineered a protective environment which kept non-whites out of certain occupations (e.g. supervisory and management) and to which only a limited number of Africans could be hired. In all the sectors (i.e. financial, corporate, mining, etc) and occupations, whites were promoted more quickly than other population groups (Moll, 2000: 93). This environment, which worked in the favour of white labour, has had long-term effects, as it is
impossible to separate the consequences of labour division from the abject poverty that seems to be entrenched in the society.

Table 3.2 below illustrates the occupational distribution of whites and Africans for 1980 and 1993. It illustrates that inequality in the distribution of income largely a result of occupations held by the two racial groups.

Table 3.2: Occupational distribution of whites and Africans, 1980 & 1993 (%)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional and Technical</td>
<td>2.6</td>
<td>5.7</td>
<td>20.4</td>
<td>29.1</td>
</tr>
<tr>
<td>Management and admin</td>
<td>0.2</td>
<td>0.9</td>
<td>11.6</td>
<td>20.1</td>
</tr>
<tr>
<td>Clerical and sales</td>
<td>6.8</td>
<td>10.6</td>
<td>19.6</td>
<td>12.1</td>
</tr>
<tr>
<td>Transport occupations</td>
<td>2.0</td>
<td>13.5</td>
<td>2.5</td>
<td>4.9</td>
</tr>
<tr>
<td>Service occupations</td>
<td>15.3</td>
<td>12.8</td>
<td>8.8</td>
<td>7.5</td>
</tr>
<tr>
<td>Farming occupations</td>
<td>0</td>
<td>2.0</td>
<td>0</td>
<td>0.5</td>
</tr>
<tr>
<td>Artisans</td>
<td>8.0</td>
<td>11.1</td>
<td>13.1</td>
<td>15.8</td>
</tr>
<tr>
<td>Formen and supervisors</td>
<td>3.0</td>
<td>5.1</td>
<td>6.3</td>
<td>5.1</td>
</tr>
<tr>
<td>Semiskilled workers</td>
<td>20.2</td>
<td>13.8</td>
<td>16.4</td>
<td>3.2</td>
</tr>
<tr>
<td>Labourers</td>
<td>37.0</td>
<td>24.4</td>
<td>14</td>
<td>0.5</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Moll, 2000: 97

As illustrated in Table 3.2, the occupational distribution of Africans in this period indicated an increase in professional and technical categories. This is represented by a 2.6 per cent in 1980 of professional and technical labour to 5.7 per cent in 1993. The white labour, for the mentioned period, had outstripped the African with 20.4 per cent in 1980 and 29.1 per cent in 1993. Table 3.2 also presents a skewed distribution of occupations between the two South African racial groups. White labour, in its majority has enjoyed the benefits brought by executive, managerial, professional, and other higher positions in South African organisations, whilst the African majority occupied lower echelons of within the organisations.
By 1993, whites were pessimistic about their prospects. Unions kept pushing for better salaries and wages. The educated Africans were settling into previously white occupations, however, due to the white ownership of most South African corporations, a larger proportion of the economy was still in their hands. Even though some companies employed more Africans, adjustments in salaries did not increase simultaneously, which accounted for the discrepancies in the skewed occupational distribution and income disparities (Moll, 2000: 97). The distribution of land, which also has various implications in income generating activities, is discussed in the next section.

3.2.5 Land and rural development

Together with the skewed distribution of employment, income and occupations, the issue of land has been a burning issue for most African countries. The problem still continues to be one of the major problems demanding urgent attention in South Africa. Landlessness or skewed patterns of land ownership in South Africa have been a critical determinant of poverty (NLC10, 2000; Bonki-Ankoma, 2001: 76; Mashaba, 2000: 13; Mkhize, 2000; Mamabolo, 2000: 25). The distribution of land was also based on race (Wickins, 1983: 11). The NLC indicates the need for a people-centred land reform. Among a list of other issues related to the land reform process, it has called for the investigations of the conditions leading to illegal occupations, beginning with the exceptionally slow rate of land reform. As Cawthra and Kraak (1999: 74) and Mkhize (2001: 15) note, most of the people living in rural areas have access to land, but it is often environmentally degraded due to overcrowding and over-use. This land, therefore, cannot sustain the people living on it since it makes farming and other agricultural activities difficult.

Rural poverty accounts for nearly 63 per cent of poverty worldwide. The households in the rural areas are either completely landless or lack secure access to farmland (Augustine, 1999: 1). In almost all the third world countries, the conditions - in terms of personal consumption and access to

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10 The NLC is an NGO network of land and development affiliated organisations working for land and agrarian reform with rural communities across South Africa.
education, health care, portable water and sanitation, housing, transport and communications – faced by rural poor, are far worse than those faced by the urban poor. The rural poor depend largely on agriculture and small-scale industries and services. According to Augustine (1999: 1), they are not a homogeneous group, which by using a specific criterion can be classified. The first classification is of the cultivators, those that have access to, and who own land. The second criterion consists of the non-cultivators who are landless unskilled workers (Khan, 2001: 27).

Khan (2001: 27) further sees much functional overlap between the two criteria. According to him, the cultivators are directly engaged in producing and managing crops and livestock. Non-cultivators are the poorest among the rural poor. They depend on seasonal demand for labour in agriculture and in informal small-scale industries and services. The landless rural workers are vulnerable to fluctuations in the demand for labour, wage rate and food prices. They find it even more difficult than land-owners to get access to public infrastructure and services (Mashaba, 2000). They also do not have ownership of important properties and assets (Dockel, 2002: 33; Mkhize, 2001: 13), and are often excluded from public safety nets (Khan, 2002: 27). Closely related to the issue of land and rural development is the question of housing and urban development. They both address the concern of security and appear to be important assets in the reduction of poverty. The following discussion explores the challenges in housing and urban development in South Africa.

3.2.6 Housing and urban development
Housing is a highly visible dimension of poverty and has historically been a tool of separate development (Luiz, 1993: 127). According to Gilbert and Gugler (1992: 114), housing has become a tremendously emotive and politicised subject, and being able to demonstrate the effects of poverty on housing is an easy task. Housing does not only offer homes to the poor, but also contributes to the establishment of an economic environment within
which stable and productive communities can grow and prosper (Mutshinyali, 2001: 1 & Augustine, 1999: 10).

Problems relating to poverty in South Africa have taken various forms to include the quality of the houses and service provision in the areas where such housing structures are located. Adequate housing is a problem experienced by a larger part of the South African society since most people had to rent the houses that were largely owned by the state (Swilling & Boya, 1997: 168; Mutshinyali, 2001: 1).

Table 3.3 indicates poverty by type of dwelling. It indicates the high incidence of poverty amongst both shack dwellers and those living in traditional dwellings. It also shows that the type of dwelling is an important indicator of poverty and may be a useful way of targeting those households that are at risk. The households that are squatting are particularly vulnerable (Crothers, 1997: 510).

Table 3.3: Poverty by type of dwelling

<table>
<thead>
<tr>
<th>Dwelling type</th>
<th>House</th>
<th>Flat</th>
<th>Town house</th>
<th>Traditional housing</th>
<th>Shack</th>
<th>Shack/ house</th>
<th>Hostel</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwellings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>30,0</td>
<td>19,7</td>
<td>32,3</td>
<td>60,1</td>
<td>60,9</td>
<td>60,6</td>
<td>26,1</td>
<td>55,0</td>
</tr>
<tr>
<td>Dwelling type</td>
<td>Formal</td>
<td>Other</td>
<td>Squatter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Crothers (1997: 510)

In the discussion of development and service delivery, particularly housing, Maduka (2002: 11) identifies existing relationship between people living in the urban and rural areas. According to him, it is a relationship of winners (usually urban dwellers) and losers (usually rural dwellers). The rural dwellers are usually people who usually see themselves as inferior to urban dwellers, in that cities are associated with development. Though people in the cities enjoy certain benefits usually not enjoyed by those in the rural areas, they are face
numerous problems. In the urban areas taxation affects many people who have no space for private practice to supplement the fixed monthly income. Urban areas also remain the centres of political, social and economic activities. Politicians and institutions pay greater attention to the cities as areas where major activities happen and for that reason the rural communities are neglected.

As further argued by Majola (1999: 14), modern South African cities are designed for the middle and working class. According to him, South Africa follows the American system of distributing food and other goods, which favours those with large incomes. Poor people are subjected to a continual barrage of advertisements directed at the rich who cannot help but intensify class feelings of envy and inadequacy. The consequence is that the rural youth leave for urban centres to live out their dreams and follow the lure of urban life, leaving rural areas further impoverished by the exodus of human resources (Majola, 1999: 14). The youth take on a set of characteristics from this rural environment and migrate to local or industrial cities, carrying with them attributes taken on in the poor rural areas. According to Majola (1999: 14), they encounter a new environment that they have difficulty in coping with, which presents few opportunities and additional problems. The result of this interaction is continued poverty in an urban poverty setting. Migration thus forms an integral link between the two poverty systems and leads to similarities between the two (Majola, 1999: 14). High levels of rural poverty have contributed to rapid population growth and migration to urban areas, and much poverty is created by the rural poor's efforts to get out of poverty by moving to the cities (Khan, 2000: 27).

The South African government has put much effort in implementing a capital housing subsidy model, and it has gained much acceptance of most local and international observers. The new system had been approved because it is better than that which preceded it, there is certainly no going back to the public housing policies of the past. But there are problems nonetheless. Most
of these problems stem from the central dilemma that the resources are always too limited, which has forced each government into making difficult decisions about the size and the number of subsidies to be offered. Dependent on those decisions, a series of implementation problems has come with regard to the quality of construction, the location of the new housing solutions, the use of credit and how to allocate subsidies between so many petitioners. Capital housing subsidies have reduced housing problems in South Africa, but whether it is worth tackling housing problems in this way in conditions of high unemployment, huge income inequality and widespread poverty, is another question (Mentjies, 2000; Mutshinyali, 2001; Alan, 2004). Although housing has been discussed separately from the bulk of infrastructure services rendered at local levels of government, the provision of housing infrastructure to the poor remains an important anti-poverty strategy. The effects of poor infrastructure have various consequences on the poor.

3.2.7 Poor infrastructure services
Poor shelter and housing, limited access to water, inadequate or lack of sanitation and waste disposal facilities are directly related to high prevalence of diseases, such as tuberculosis, cholera, and other respiratory disease (Matchaba, 2001: 22). They are important determinants of household well-being (Africa et al. 2001: 34). Environmentally related afflictions, such as diarrhoea among infants and children, are also ascribed to inadequate basic services. Infrastructure services such as communications, power, transportation, the provision of water and sanitation are central to both the activities of households and a nation's economic production. In order to ensure that growth is consistent with poverty alleviation, infrastructure development needs to be extended to all sectors of the population (Augustine, 1999: 10 & Motloung, 1999: 1).

The link between poverty and infrastructure services in South Africa is not always easy to define because lack of access to one utility does not necessarily mean a lack of access to the other. Moreover, the different
infrastructure sectors have different effects on improving the quality of life and reducing poverty. For example, access to reliable energy, clean water and sanitation helps reduce mortality and morbidity and saves time for productive tasks; transport enhances access to goods, services and empowerment; communication allows access to services, and information on economic activities (May & Govender, 1998: 22; Malefane, 2001: 70). Figure 3.3 illustrates that many poor households are still battling for access to basic services – electricity, flush toilets and water.

**Figure 3.3:** The percentage of households with access to basic services, 1998

[Bar chart showing percentage of households with access to basic services: electricity, toilets, and water for ultra poor, poor, and non-poor households.]

National Population Unit, 2000: 30

As shown in Figure 3.3 household access to basic services was measured using the three population categories that consists of the ultra poor, the poor and the non-poor. Access to three main basic services, namely electricity, toilets and water, were incorporated to represent the most basic services rendered at local municipal level. Lack of access to basic services largely affects the majority of the ultra-poor. Only 10 per cent of the ultra-poor households had access to basic services, with the least poor between 15 per cent and 20 per cent, and the non-poor with access of between 70 per cent
and 80 per cent to basic services in 1998. One other differential contention as weighed against the population groups is that by 1996 (as quoted in Vosloo (1998: 38), 27.4 per cent of the black population against 98.4 per cent of whites had internal piped water. A third of the black families used wood as their main energy source for cooking (40 per cent for heating); 45 per cent of black families used pit latrines while 99.9 per cent of whites had flush or chemical toilets. Figure 3.3 also shows stark contrast with regard to the living conditions and the quality of life. These development backlogs are the result of the apartheid policy that confined development on a racial basis. Closely linked to access to infrastructure is the access to, and the availability of health services for the poor.

3.2.8 Health facilities and services
Access to and availability of health care are included amongst issues to address as part of the government’s poverty agenda in South Africa. According to Chalabesa (2002: 6), apart from being inaccessible to a larger share of the population in South Africa, health services are regarded to be the most basic services for the society. The constitution requires local municipalities, as local development agents, to cater for the health needs of their communities to prevent unhygienic conditions, the spreading of contagious diseases, provide health inspection services and family planning services. Report commissioned by the RDP office in 1996 claims that health services as still inaccessible to a large number of poor people due to distance, inappropriate facilities and the cost of these services. These factors are discussed below.

- Lack of local facilities, in relation to the lack of transport to reach primary health care facilities. If people have no means of transport except for walking, the services have to be very local if they are to be reached; accordingly transport improvements may play a major role in making health services accessible;
- Barriers at the facility itself, which may include restricted opening hours, long queues and provision of services in ways which are not appropriate (e.g. the use of wrong language, or services provided by people who are not sympathetic to the community they serve);

- In terms of cost, South Africa has numerous private free charging doctors whose services are beyond the reach of the poor majority of the population either by direct payment or through the services of a medical benefit scheme.

Although the factors might not be all evident within the jurisdiction of certain localities, they often occur in combination, particularly in the rural areas. Hence the rate of unemployment in the rural areas, this places serious implications for members of the community.

The provision for health service needs of the poor and vulnerable groups such as the rural, peri-urban and urban poor, women and children are still inadequately provided for (Clark & Drimie, 2002: 7; Malefane, 2001: 31; Fortuin, 1995: 21; Falkingham, 2004; Lachaud, 2004). As far as the roles of municipalities are concerned, there is still more work to be done in order to redress the inequalities created by the past. Although the government has, through various policy interventions, the introduction of primary health care services, and the construction of health facilities countrywide, there is often insufficient funding, human resources, and the necessary technology that affects the competence of the South African health system. The HIV/AIDS pandemic, which has implications for both society and the health system, is discussed next.
3.2.9 The HIV/AIDS pandemic

Naudé (2002) argues that there is no discussion of socio-economic characteristics that would be complete without specific reference to the impact of HIV/AIDS. According to the ABSA Group of Economic Research (2000: 30), the government and business in South Africa had previously been slow to implement interventions to start dealing with the AIDS epidemic. One of the reasons may be that the impact of AIDS will not be distributed evenly across South African production activities and employers will therefore display a variable attitude to the problem. Despite the time that has been wasted, it is no longer a matter of choice whether or not to be involved since the pandemic places an increasing strain on South Africa’s health system (Tshabalala-Msimang, 2001: 25 & Miller, 2001: 24).

The trends and tendencies related to HIV/AIDS prevalence have been escalating in the past few years and the situation is worse in the rural areas (Riffe & Becker, 2001: 20; Laurence, 2001: 34; Skweyiya, 2001: 1; May & Govender 1998: 18). The Report on Population, Poverty and Vulnerability (2000: 62), and Hardley (2000: 22) regards the epidemic as the battle that government still has to fight for the next coming years. The issues surrounding HIV/AIDS are bound up with many others including issues of poverty, community, development and gender (Dlamini, 2001: 22; Morgan, 2001: 20; Kelly et al. 2004). The reason for the escalation of the disease, especially in rural areas, are mainly due to lack of supporting facilities and infrastructure such as health services, access to clean water and information centres.

1) HIV stands for Human Immuno-deficiency Virus and Aids for Acquired Immune Deficiency Syndrome. It is said that HIV cause AIDS. HIV attacks people’s immune systems, leaving them vulnerable for AIDS virus (Singer, 1997: 5).
The HIV/AIDS pandemic, as seen by many authors and practitioners, is the biggest cause of death and an attack to vulnerable sectors of the society (Halperin, 2001: 12; Galloy, 2001: 18). As discussed by Handley (2000: 22), communities in South Africa and social organisations cannot help the hundreds of the poor and the sick due to financial constraints. South Africa, in particular, and the entire Sub-Saharan region, has lost countless lives to the AIDS pandemic. In relation to the dimensions of poverty discussed earlier in this chapter, poverty is facilitated by a combination of natural disasters, violence, social chaos and the dis-empowered status of women (Kelly et al. 2004).

In its relation poverty, the pandemic has dramatic effects to both the communities as well as the health system. As presented in figure 3.4 below, the effects of HIV/AIDS on communities are that it will kill many breadwinners and in this way, family income will be diverted to medical and funeral costs. The social welfare net will be stretched to the limit by the break-up of families, the increase in the number of orphans and street children and drop-outs from schools. Which are the consequences of HIV/AIDS related deaths and illnesses.

Furthermore, due to lower levels of education emanating from children being unable to attend school as a result of drop-out at an early age, many would in future face the failure to access higher income employment opportunities and possible future employment opportunities. In this way, the number of poor households will continue to increase (SAMDI, 2000). Figure 3.4 below illustrates the effects of HIV/AIDS on both communities and the health care system.
As shown on figure 3.4 above, the HIV/AIDS pandemic has direct implications on the health care system of the country because it is parallel to other diseases such as TB and cholera. Whilst the progress of TB and cholera in HIV negative patients is sufficiently slow for it to be identified and cured, this is not the case in HIV positive victims. The two diseases can kill the victim in four months.

SAMDI (2000) predicted that, with AIDS triggering other opportunistic diseases besides TB/cholera, the hospitals in South Africa were going to be overloaded, which is currently what is happening. This in turn, creates competition for the facilities between AIDS victims and the victims of other all diseases. Health care workers’ morale have declined since they are being expected to work even longer hours. Some, especially those involved in invasive surgery, do run the risk of catching HIV. This could lead to a general exodus overseas, and on account of a long stay in hospitals, which many AIDS victims will be forced to have, health costs could go up astronomically.
All these are current practical experiences in the South African health system.

The expression of the levels of HIV/AIDS infection in South Africa has varied to a great extent with Kwa Zulu-Natal Province having the highest infection rate among other provinces (Matchaba, 2001: 16). The prevalence of HIV/AIDS by province is discussed in Figure 3.5 below.

**Figure 3.5: HIV Prevalence by Province**

![Bar chart showing HIV prevalence by province.](chart.png)


As it can be deducted from figure 3.5, the prevalence of HIV in total has remained relatively unchanged over the period 1998 – 1999. For Kwa Zulu Natal the levels of prevalence were the same for 1998 and 1999 at 32.5 per cent. The next province with high prevalence of the HIV was Mpumalanga Province. The rate of infection has decreased with around 2.7 per cent, indicating 2.7 per cent of the deaths caused by the prevalence of HIV occurred within the period 1998 to 1999. The figure also advocates that for other provinces, except for Northern Province, now known as Limpopo Province, the prevalence of HIV has increased over the time period. The
North West Province had the fifth highest rank among all the provinces, showing an increase from 21.3 per cent in 1998 to 23 per cent in 1999. The prevalence of HIV in Limpopo Province only decreased with half a percentage from 1998 11.5 per cent to 11.4 in 1999. Although the levels of prevalence of the HIV in the provinces, Western Cape Province was the only province where the rate remained low with 5.2 per cent in 1998 to 7.1 per cent in 1999.

The impact of HIV prevalence according to various age groups is depicted in Table 3.4. This figure clearly indicates the high levels of HIV infection in the population category between 20 and 29 years of age accounting for more than 50 per cent of the statistics. This is the age category that is likely to play an important role in the economic activities and development in the next 15 to 20 years and the high levels of infection will thus clearly negatively impact in this regard (Naudé, 2002; IDS\textsuperscript{12}, 2004). Table 3.4 also illustrates an overall increase in the rate of HIV/AIDS by age except for the age group 45-49. This is shown by a decrease from 10.2 per cent in 1998 to only 7.5 per cent in 1999.

<table>
<thead>
<tr>
<th>AGE GROUP</th>
<th>1998 (%)</th>
<th>1999 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;20</td>
<td>21.0</td>
<td>16.5</td>
</tr>
<tr>
<td>20-24</td>
<td>26.1</td>
<td>25.6</td>
</tr>
<tr>
<td>25-29</td>
<td>26.9</td>
<td>26.4</td>
</tr>
<tr>
<td>30-34</td>
<td>19.1</td>
<td>21.7</td>
</tr>
<tr>
<td>35-39</td>
<td>13.4</td>
<td>16.2</td>
</tr>
<tr>
<td>40-44</td>
<td>10.8</td>
<td>12.0</td>
</tr>
<tr>
<td>45-49</td>
<td>10.2</td>
<td>7.5</td>
</tr>
</tbody>
</table>


As Naudé (2002) notes, one of the most detrimental consequences of the HIV/AIDS is that a large number of children are orphaned when their parents die from AIDS. It is projected that by the year 2005, a million children under the age of 15 will have lost their mothers and fathers to AIDS. Currently the

\textsuperscript{12} Incomes Data Services (IDS) is an independent research organisation that focuses on the provision of employment-related issues.
extent of the impact of HIV/AIDS might not have been comprehensively documented, but the numbers of children born with HIV, the number of households headed by children, as a result of the loss of parents, are increasing and becoming common, particularly in the rural areas (Cadre\textsuperscript{13}, 2000). An equally significant factor in the spread of HIV/AIDS is education, and its impact on poverty is discussed next.

### 3.2.10 Educational dimension of poverty

In today’s society that places heavy emphasis on educational attainment for entrance into higher-level occupations, education becomes a crucial dimension. In addition to its economic role, educational experience affects the way individuals are treated by other people and by organisations and bureaucracies. An individual with inadequate education is an outsider, less able to take advantage of the opportunities which exist, and is treated less well than those with the same income but a higher education (Townsend, 1971: 136; Chabalasa, 2002: 62). Education helps individuals fulfill and apply their abilities and talents, it enhances productivity, improves health and nutrition, and promotes self-reliance and confidence (Dlamini, 2001: 20).

Like other determinants of poverty that were discussed in the previous sections, during the period of apartheid, the education system in South Africa had been a direct image of the political philosophy. It was the product of an educational policy based on a political philosophy of apartheid and a policy of segregation. According to Kotzé, 1994: 20; Jansen, 1998: 56; Malefane, 2000: 4; Mamabolo, 2000: 23; Sibaya, 1999: 75; Africa, et, al, 2001: 3, education in South Africa has been characterised by statutory enforced economic, political and social inequalities with a high correlation between race, political and social deprivation. According to them, there is a strong correlation between the level of education and the standard of living. The rate of poverty among people with no education has been escalating for the previous years. These inequalities in the South African education system led to a situation where

\textsuperscript{13}The Centre for AIDS Development, Research and Evaluation (Cadre), a South African non-profit organisation with offices in Johannesburg and Grahamstown.
non-white education was characterised by the inequitable allocation of resources, equipment and facilities; inadequate and poorly qualified personnel; and a high dropout rate and low education standards (Pillay 1984: 270; Kotzé, 1994: 20; Adam, 1999: 21; Atfaye, 2001: 14; Adam, 2000: 4; Hlatshwayo, 2000).

The apartheid policy has had a direct influence on the educational qualifications of the South African labour force. This, as a result, left the non-white labour, particularly the blacks and coloureds, with a large backlog in training, education and development. The South African education system had been historically based on the British model of schooling. It had been characterised by a rather rigid curriculum, and until the end of apartheid in 1994, separate school systems were maintained for whites, Asians, coloureds, and blacks. The quality of the educational systems was vastly different. This proposal also cites an example in which it states that, normally it was not unusual for the poorer schools to be without electricity or running water, and in many cases there were schools without buildings at all. Textbooks were often dreadfully out of date, often filled with factual errors, and generally there were not enough textbooks for each student to have their own. Teachers were often poorly trained, and because of enormous teacher shortages, incompetent teachers were often allowed to continue teaching under the assumption that a poor teacher was better than no teacher. With the abolishment of apartheid after 1994, all schools are technically now open to all races, but, in fact, most schools remain predominantly one race due to residential patterns, amongst other factors (Kotzé, 1994: 20; Adam, 1999: 21; Hlatshwayo, 2000).

While great progress has been made in the last ten years, there is still a huge disparity in the quality of education given to suburban (mostly white) schools as opposed to those who live in townships and rural areas. The average student from other population groups (black, coloured mostly) is often several years behind his/her suburban peers academically. A further disadvantage
for these students is that the majority of students are being taught through the medium of English, which is hardly ever the students' first language (there are eleven official languages in South Africa). The teachers are more often than not hardly conversant in English themselves, yet are required to teach in English and nearly all South African tertiary institutions use English as a medium of instruction. These inequities, combined with the legacy of inadequate schools in the past, result in only a small percentage of black and coloured students qualifying for admission to South Africa's universities (Gaede, 2000: 2).

The high level of poverty has a negative impact on the eradication of illiteracy in South Africa. Poverty is seen as the main reason for the high dropout rate among black pupils, and there is a relationship between school attendance and poverty-related issues such as health and nutrition, which affect children and their performance negatively (Kotzé, 1994: 22; Chalabesa, 2002: 62). Figure 3.6 below, illustrates the levels of education in South Africa, with specific relation to poverty.

**Figure 3.6: Education levels and the incidence of poverty**

![Education levels and the incidence of poverty](image)

*Whiteford et al. (1995: 8(b))*
Figure 3.6 above shows an existing relationship between the levels of education of households, particularly household heads, and the incidence of poverty. The illustration maintains that the incidence of poverty is often higher amongst households no formal schooling and those who had achieved basic education (Std 7). Defiantly, the incidence of poverty tends to be less significant in households were household heads have achieved higher educational levels (i.e. tertiary education). This is represented by the higher incidence of poverty amongst households with no education (25%), those who had Std 2 to Std 4 education (20%) and Std 5 to Std 7 education (15%). On the other side, the households were household heads had achieved some tertiary education were less affected by the incidence of poverty. Only 1 percent of both households that had achieved Std 10 and diploma, as well as those that had completed some tertiary education were poor (Whiteford, 1995: 8).

Much the same as compared with the individuals who are educated to a certain level, they earn significantly more than those who are less or not educated. This is to say that an education level of the individual plays a critical role in the determination of the income in South Africa (Bhorat, 2001: 12). The attainment of education, and therefore academic and professional qualifications not only heightens chances of employment, and therefore income, but also almost guarantees that one will have access to income on reaching pensionable age. For those without, social security structures exist to provide for them.

Even though the incidence of jobless graduates is increasing, educated job seekers will get jobs easier than uneducated job seekers, which will reduce the risk of individuals with higher levels of education being trapped in poverty. The organisation, structure and delivery of social security services are discussed in the next section.
3.2.11 Social security services

Social security comprises the cash benefits paid to individuals such as old-age pensions, disability grants, child grants, war veterans parent allowance, foster care and care dependency. The total number of beneficiaries of these grants in 1997 was 2 899 524 according to the report of the Department of Welfare (1997: 120). The bulk of the social security budget was spent on grants for the aged, followed by grants for the disabled. The number are certain to have increased since then, as government has attempted to get all qualifying for registry, which has swelled the numbers.

Social security is defined in Hattingh (1992) as programmes established by government statutes which ensure that individuals are guarded against interruption or loss of earning power, and for certain special expenditures arising from marriage, birth and death. It is an allowance to families for maintenance of children, the elderly and disabled. The concept of interruption or loss of earning power according to Hattingh (1992), arises from or is inherited from illness, accidents, disability, staff reduction, lack of job opportunities, age and other causes. Social security forms part of an integral part of the national finance policy. It is a safety net aimed at improving the living conditions of the people, ensuring that their basic needs are being met, as well as to improve their quality of life.

Apartheid policy as a cause of poverty in South Africa has manifested itself in numerous ways. In addition to low wages poor people earn for their services, many did not have access to important benefits like the UIF, pension funds, recourse for occupational injuries and medical aid. Social security forms an integral part of the government's strategy for responding to poverty, and the primary focus of the Department of Welfare is poverty (May & Govender, 1998: 20). The provision of welfare services still bear the marks of apartheid inequalities, with a larger part of the population, particularly the people living in rural areas, with limited access to welfare services.
Luiz (1993: 38) states that the provision of social services in South Africa since the Union in reflected the paradox of colossal achievement and tragic failure. Between 1910 and 1948, the South African government paid increasing attention to the problem of white poverty while ignoring the problems experienced by other sectors of the population. The welfare system became an apartheid tool. Soon after taking power in 1948, the National party put in operation a three-pronged programme conceived to promote Afrikaner interests. It enacted new discriminatory laws shielding whites from competition on all fronts, the civil service was expanded to promote Afrikaner employment opportunities, and an assortment of social programmes were established to redistribute wealth and strengthen the poor white population. The government's commitment in actively assisting the white population is also discussed in Luiz (1993: 40).

According to Terblanche (1991: 4) alleviating the consequences of poverty requires a concerted effort by welfare experts. This will also help to adequately address some of its tangible and treatable causes. Weekes (1999: 366) states that an infrastructure exists in the public as well the private sector through which all state welfare departments and private sector organisations could make a financial contribution, and/or deliver the provision of social relief in the form of food and building material for shelter. However, it is stated that after the elections in 1994, social security services were extended and became fully operational. During the period 1994 to 1996, as posited by a report of the Department of Social Welfare (1997: 7), the number of beneficiaries expanded and the amount paid was equalised among races. In this period, as the report contends, the amount spend on social security increased substantially. It is stated that in 1997, social security grants absorbed 88 per cent of the total welfare budget reaching almost 3 million beneficiaries in South Africa.
Social pensions have been a source of household security for these beneficiaries, most of whom were marginalized through racially discriminatory legislation into poverty. The Department of welfare sees social security services as those that can be used as guarantee to infuse cash in rural areas and are gender-sensitive since. Old income, which constitutes the bulk of social security spending, was found by the department of Welfare to be well targeted at alleviating poverty and inequality in the country (Department of Welfare, 1997: 7). Through policy interventions that were brought by the government since 1994, remarkable progress on the provision of social security services, by local municipalities as agents of service delivery, has been a major breakthrough. However, the extent of success of the reform in social security services has yet to be measured as well as its impact on rural households.

3.2.12 Macro-economic performance and poverty
The dominant themes of South Africa's economic history are inequality and exclusion (Leibbrandt, Wollard & Bhorat, 2001: 21). Like other dimensions discussed in the previous discussions, the South African apartheid economic policies has contributed extensively to poverty and underdevelopment (Amin, 2001: 3). According to Luiz (1993: 148), the decline in the economic growth around 1970 and the growth in the population (Meyer, 1997: 78; Sunter, 1987: 85) were the most important factors underlying the rising unemployment rate. Since 1994, economic development has been far below its potential level. The real GDP increased at an annual average rate of 0.7 per cent during the 1980s, even with the stronger economic performance of 1994. With the annual population growth at some 2.4 per cent, real per capita output declined significantly. While this is of great importance, the major economic impact of apartheid is not illustrated by aggregate measures, but by the concentration of wealth in white hands and consequent extreme disparities in income distribution.
The economic decline has affected almost all sectors of the economy. In 1994, real output in both the primary and the secondary sectors were below that achieved five years ago. Only the tertiary sectors have consistently expanded in recent years, reflecting the growing importance of domestic consumption in driving the economy.

The economic stagnation of the 1980s was accompanied by falling productivity, high and rising unemployment and low as well as declining investment rates. Capital productivity declined markedly in the 10 years to 1983 and the mid-1980s gross investment was barely above replacement levels. According to the report commissioned by the RDP office, by 1994, the gross domestic investment had fallen to 16 per cent of the GDP from close to 28 per cent at the beginning of the 1980s. The decline in the investment caused by the uprisings in Soweto 1976, was exacerbated by the impact of trade sanctions and the strategic need to invest heavily in chemicals. In turn, financial sanctions, declining confidence in the apartheid government and recession took a heavy toll on private investment, which also fell in the mid-1980s. By the year 1994 private business investment had fallen to 11 per cent of the GDP.

The decline in the economy was accompanied by increased government spending and much of this increase reflected inefficiencies and wasteful expenditure such as overstaffing in the civil service. The manufacturing sector had been a major casualty of the economic recession with negative growth since 1980. Agriculture played a passive role in the economy, but has provided foreign exchange revenue from net exports to facilitate growth in other sectors of the economy. Agriculture was also characterised by highly capital-intensive techniques, low capital output ratios and poor productivity. State support by the former government for white farming political constituency, coupled with regulation and protection behind high tariff barriers, encouraged high capital investment and low efficiency (Townsend & Van Zyl, 1998: 204; Economic Review of South Africa, 1997/1998).
The trade and industrial policy pursued by the government was based on import substituting industrialisation centred on the important minerals, chemicals and energy industrial complexes. Parastatals and large conglomerates were the major beneficiaries of this process which led to a highly concentrated industrial sector. One consequence is that gold remained by far the most important export accounting for 22 per cent of exports of goods and services in 1994 (Economic Review of South Africa, 1997/1998).

Also characterising the South African economic performance was the misallocation of resources both by region and sector. Policies such as influx controls, the creation of homelands and industrial decentralisation prevented the South African economy from realising its full potential. The structural misallocation of resources resulting from apartheid policies is most clearly reflected in the extreme inequalities found in South Africa society, both socially and economically.

The apartheid system also imposed further direct and indirect costs inherent in maintaining the ideology of separate development. The direct costs include the funding of government structures in the homelands, a swollen bureaucracy and administrative duplication (e.g. in different, racially defined, education departments), and the costs of administering and enforcing apartheid laws (Preece, 1992: 45; Mohr, 1994: 41).

However, since 1994, the economic sectors, as discussed in Bhorat (2002:40) have been faced with a number of developments that deserve mention. Economic growth, as discussed in the Werksman Business Guide (2003), has been shown by a growth of 3,4 per cent during 2000, and 2,2 per cent during 2002, and 3,3 during 2003. The real GDP growth rate during June 2002 was 3,1 per cent (Werksman Business Guide, 2003). The national debt dropped from 48 per cent of GDP in March 1997 to 42,9 per cent for 2001/2002. Table 3.5 below, illustrates the share of employment by sector for 1995 and 1999. It
is evident that there had been changes and major improvements in the economy of the country since the democratic elections in 1994. Table 3.5 below illustrates the share of employment by different sectors of the economy.

Table 3.5: Share of employment by sector, 1995 and 1999

<table>
<thead>
<tr>
<th>Sector</th>
<th>1995</th>
<th>1999</th>
<th>Change in share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unspecified</td>
<td>1.99</td>
<td>1.52</td>
<td>-0.48</td>
</tr>
<tr>
<td>Agriculture</td>
<td>12.6</td>
<td>10.88</td>
<td>-1.73</td>
</tr>
<tr>
<td>Mining</td>
<td>4.61</td>
<td>4.54</td>
<td>-0.07</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>15.12</td>
<td>14.39</td>
<td>-0.73</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.69</td>
<td>0.75</td>
<td>-0.15</td>
</tr>
<tr>
<td>Construction</td>
<td>4.61</td>
<td>5.41</td>
<td>0.80</td>
</tr>
<tr>
<td>Trade</td>
<td>17.56</td>
<td>20.03</td>
<td>2.47</td>
</tr>
<tr>
<td>Transport</td>
<td>4.99</td>
<td>5.16</td>
<td>0.17</td>
</tr>
<tr>
<td>Financial</td>
<td>6.20</td>
<td>8.93</td>
<td>2.73</td>
</tr>
<tr>
<td>Services</td>
<td>31.42</td>
<td>28.39</td>
<td>-3.03</td>
</tr>
</tbody>
</table>

Bhorat (2002: 40)

As illustrated in Table 3.5, the major economic sectors of the South African economy had shown a decline in the contribution towards the creation of employment from 1995 to 1999. This decline is presented by the decrease in the share of agricultural, mining, manufacturing, utilities and services sectors in the creation of employment opportunities in the country. The only sectors, within the above-mentioned period, which presented an increase were construction, with an increase of 0.80 per cent, transport, with 0.7 per cent increase and the financial sector with an increase of 2.73 per cent.

3.2.13 Gender and poverty

According to Adam (2000: 35) and Myers (1999: 7), South African women's lives have not been unaffected by historical and political forces that sought racial, cultural and economic dominance. The historical forces also caused inequalities on the basis of gender. Women, in particular, did not have equal access to education, health and housing and were effectively marginalized from participation in the management of their societies (Kinyua, 1999: 147). Adam (2000: 35) argues that their silence and invisibility from the media and
documentation resulted in their perpetuation of myths about their passivity and lack of political power.

The introduction of urbanisation and the migrant labour system reinforced the assumption of male authority that was central to both the indigenous and settler gender systems. As discussed earlier in this chapter, employment, income inequalities, occupational distribution, land and rural development, health conditions, educational status, housing and urban development, social and economic status of women of all racial groups in South Africa were by far the worst conditions than their counterparts. This means that women in their majority were the most affected by the conditions mentioned above, and still continue to suffer the conditions. The conditions were analysed by their lack of access to better employment opportunities, their occupational levels in organisations, lack of access to proper housing in rural areas, lower social, educational and economic status as compared to men (Adams, 1999: 16). As discussed in chapter 2, women still depend on their spouses economically and many of them are being left at their homes to take care of the children, which is the major factor that often precludes them from participating in real economic activities.

As viewed against the history of South Africa and Africa in general, the colonial policy makers also reinterpreted customary law and accorded women lesser status than men (Adam, 2000: 37; Khariseb, 2001: 60). One of the strategies to prevent female migration to the cities was instituting direct prohibitions on the mobility of women by enforcing pass laws and restricting access to transport (Adam, 2000: 37). Women’s access to land also depended on their relationship to men, even though the women tended the land and maintained the family unit in the absence of the men, legally women remained minors (Adam, 2000: 37; Khariseb, 2001: 60; May, 2000: 34; Myers, 1999).
In the 1930s African women began to move into the urban areas in search of work. The most common forms of wage earning for women were domestic work, hawking and beer brewing. The rapidly escalating movement of women threatened not only the migrant labour system but also law and order in the locations. Stringent laws and punitive action were instituted and forced women into living illegally with their spouses. This situation reinforced poverty amongst women in all the population groups of South Africa. Figure 3.7 illustrates the percentage of men and women living in poverty in South Africa (1995).

Figure 3.7: The percentage of men and women living in poverty

![Percentage of men and women living in poverty](image)

Whiteford *et al.* 1995 (b)

As illustrated in figure 3.7, there were more women or households that were headed by women, that were victims to poverty in South Africa. Approximately 48.5 per cent of women were victims of poverty in 1995 than men at 43.5 per cent. Women also form a larger proportion of the South African society, and this in turn results in them having limited access to take advantage of
economic opportunities, to have access to infrastructure and participate in income generating economic mainstreams.

3.3 SPATIAL DEVELOPMENT IN SOUTH AFRICA
The South African economy as a whole, as discussed in the earlier parts of this chapter, reflects huge spatial inequalities, largely as a result of historical reasons, geographical factors as well as the spatial implications of the apartheid policy. These spatial inequalities, through, amongst others the homeland regime, had a detrimental effect on equality of access to resources and infrastructure. Large sections of the land belonged to the Homeland Transkei, Bohuthatswana, Venda and Ciskei (TBVC). Crush and Rogerson (2001: 85) see the apartheid regime as having implemented a programme to reconfigure spatial patterns of manufacturing and investment to promote decentralisation. This programme, according to them, has been in existence for a period of over thirty years from the late 1950s to 1994. This exercise was aimed at shifting geographical patterns of investment away from the country’s metropolitan areas into several designated peripheral growth centres situated in the former homelands. The programme was promoted and justified in terms of the discourse that framed apartheid vision of separate development (Crush & Rogerson, 2001: 85; Phalatse, 2001: 167). The discussion of the spatial implications of apartheid in South Africa follows in the next section.

3.3.1 THE SPATIAL IMPLICATIONS OF APARTHEID
The legacy of apartheid was discussed in chapter 2 as having had a major contributory factor to poverty in South Africa. Furthermore, one of its legacies has been to grossly distort the South African spatial economy. Weimers (2000: 7), and Lachman and Bercuson (1992: 3) note that a feature of South African poverty is that it follows the traditional urban/rural split. They further contend that absolute poverty is concentrated in regions created by administrative fiat – namely, the homelands, which were largely the repository of women, children and the aged who could not engage in the formal sector of the economy. According to them, the so-called “homeland policy” of apartheid
impacted heavily on regions and re-enforced the historical regional development patterns induced by the emerging mineral-energy complex of the 19th century. On a local level the notorious Group Areas Act created segregated cities. These two influences then created a spatial economy characterised by inefficient land use, excessive transport costs, under-investment in transport, infrastructure, telecommunications and electricity; it also resulted in segmented labour and consumption markets and created artificial internal barriers to trade.

One of the most significant long-term challenges facing the democratic government is to ensure that South Africa's spatial economy supports its competitive advantages and facilitates the convergence of regions (Naudé, 2002). As from 1994 there has been a significant increase in concerns about spatial economic development (Bloch, 1999:1). Much of this has been given impetus by the creation of nine new "provinces" in terms of the new Constitution, and the demarcation of new municipalities that was only completed in early 2000. The creation of local municipalities was accompanied by significant new legislation for local governments such as the Development Facilitation Act (1995), Municipal Systems Bill (1999), the Municipal Structures Act (1998) and the new White Paper on Development Planning. These acts of legislation have brought to the fore the concept of "Developmental Local Government" in South Africa, and places a legal obligation on local government to underpin their by-laws, budgetary allocations and even structures, with an Integrated Development Plan (IDP).

The recent emphasis in South Africa on local development, and the imperative on local government to formulate realisable IDPs, can be recognised as a new phase of spatial economic planning and design in South Africa. There have been a number of insightful critical analyses of spatial economic development in pre-1994 South Africa: for example, the evaluation of the Regional Industrial Development Programme (RIDP) by National Economic Development and Labour Council (Nedlac, 2001) and the
evaluations by Drewes (1995). These evaluations are on the one hand critical about past approaches to spatial economic development in South Africa and point to the fact that political and economic distortions created artificial internal trade barriers that divided the South African market. There is also the recognition that the historical distribution of economic activity followed the country’s growing mineral-energy complex since the late 19th century, and that this has caused a significant path-dependency in the spatial distribution of economic activity in South Africa that persisted despite interference by apartheid planners. In other words, even though apartheid had been official policy only for somewhat more than 40 years, its effects may persist for long after the dismantling of the system.

Since 1994, two phases in an evolving spatial economic development approach can be distinguished. The first, from the inception of the new government in 1994 to the demarcation of municipalities (local governments) in 1999/2000, can be characterised by macro-economic/free-trade approach and is dominated by the philosophy of the Growth, Employment and Redistribution (GEAR) strategy (RSA, 1996). The demarcation of new municipalities in 1999/2000 can be seen as a second phase. This phase may require a more interventionist approach to overcome the historical patterns of regional development. This in turn may only be possible if a more expansionist fiscal policy is adopted by the national government and the spatial (or regional) bias implicit in the GEAR strategy is recognised (Naudé, 2002).

The GEAR macro-economic strategy is characterised by outward-oriented trade policy and an apparent abandonment of industrial policy (which was in the past synonymous with the regional policy of apartheid that largely failed). It is argued that this has particular implications for spatial development in South Africa; moreover, it may re-enforce the current patterns of agglomeration (Naudé & Krugel, 2002).
This phase was dominated by various features. The first feature was the re-integration of the former so-called homeland areas into South Africa and the elimination of special incentive schemes for industries located in these areas. This led to a drastic reduction in manufacturing in certain non-urban areas, particularly around Brits/Ga-Rankuwa in North West Province, Bisho in the Eastern Cape Province, Uiundi in KwaZulu-Natal, KwaNdebele in Mpumalanga Province, Thaba’Nchu and Witsieshoek in the Free State Province (Naudé & Krugel, 2002).

The second feature emphasised on the achievement and maintenance of fiscal discipline with the result that the provinces became mere spending agents and had to achieve spatial development objectives simultaneously such as cutting real expenditure and reducing staff. Krugell (1999) argues that the application of uniform standards in provincial expenditure takes away the allocation benefits of fiscal decentralisation.

The third feature was an emphasis on trade liberalisation following the signing of the Uruguay Round of the GATT with an increase in the competitiveness requirements of local manufacturing firms that led to the closure of firms in locations where the unit costs of production rendered them less competitive. South Africa’s (anecdotal) experience since 1994 with globalisation has been that globalisation tends to co-exist with localisation. Firms tend to agglomerate strongly in the six metropolitan areas (Krugell, 1999).

In addition, spatial development has seen the adoption of a selective and arbitrary approach towards identifying so-called Spatial Development Initiatives (SDIs) as an attempt to increase the attractiveness of certain locations for economic activity through the provision of public infrastructure. There are ambiguities in empirical estimates of the effects of investment spending by government, as well as the experience of the EU where new infrastructure investments have not had a large impact on employment or growth, but merely lead to a relocation of economic activity. Recently SDIs
have been complemented by support measures (such as tax reductions) for firms in certain areas, based on existing industrial clusters and existing international transport infrastructure, as so-called Industrial Development Zones (IDZs). The currently identified IDZs predominate around current industrial clusters, such as those near Johannesburg International Airport and Durban/Richards Bay in KwaZulu-Natal Province. The IDZ policy is a weak imitation of Export Processing Zones (EPZs) but without some of the real advantages of EPZs (Rogerson, 1998: 183).

According to Rogerson (1998:189) "The implicit spatial bias contained in GEAR is towards an increasing significance of investment at coastal locations and, correspondingly, of reducing the advantaged position enjoyed by the Gauteng area under the former regimes of import-substituting industrialisation". Since 1994 cities such as Durban and Cape Town has been the fastest growing cities in South Africa, and the economic growth rates of their provinces, KwaZulu-Natal and Western Cape, the highest in South Africa. In 1999 Durban was identified as South Africa's "most competitive city".

Naudé et al. (2002) argues that the above trends and the implied abandonment of regional and industrial development by the South African government suggest that regional inequalities in the country will widen. Traditionally, the economic growth theory had predicted convergence between poor and richer regions, based on assuming decreasing returns to capital. Also, location theory had emphasised centrifugal and centripetal forces spreading the concentration of economic activity in an optimal manner. However, the recent experience of various countries and regions, the new economic geography and supporting empirical findings, have begun to cast

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14 In South Africa, convergence may be important if the legacy of apartheid on the spatial economy is to be eradicated. It is also important if the extension of democracy, through decentralisation and strong local government, is to be economically sustainable.

15 The "new economic geography" recognises that in a global marketplace, with the increased mobility of factors of production, the importance of external economies for development is likely to be accentuated. In fact, the idea of "cumulative causation" suggests that spatial inequality between localities could increase in a cycle whereby localities where these factors are already in place attract sufficient critical masses of economic activity so as to
doubt on the existence of any automatic process of convergence. The discussion of the spatial context of poverty in South Africa follows in the next section.

3.3.2 The Spatial Context of Poverty in South Africa
As noted by DPLG (2003: 28), urban poverty in South Africa is located within a particular context — that of the apartheid city and the urban system that characterises it. Characteristics of the apartheid city cut across urban areas from large metros to secondary cities to small towns. There are also distinctions that can be drawn between cities and towns of different sizes and to recognise that the depth and severity of poverty is unambiguously highest in South Africa’s small towns (DPLG, 2003: 28).

There are different ways of analysing the spatial distribution of economic activity and poverty in South Africa, for example, one can make a rural-urban divide, or compare activity across the nine new provinces, or one can use data from a local municipal level. Recently there have been a number of analyses of poverty on a provincial level (see e.g. Leibbrandt & Woolard, 1999).

3.3.2.1 The spatial context of poverty in the urban areas
Under apartheid the poor were shifted to the margins of urban areas and more importantly to the margins of the country, thus focusing the core of South Africa’s poverty in the rural areas. However, due to urbanisation and the breakdown of discriminatory controls on access to the cities, more than half (55%) of the population of South Africa now lives in urban areas, and so the urban policy context is of vital significance for addressing poverty and inequality. The incidence, depth and severity of poverty are highest in South

provide agglomeration advantages and economies of scale to firms locating there. Conversely, in localities where these factors are not present, a “big push” may be needed to create the kind of clustering/snowball effect required for growth and development. In a globally integrated economy where the firms that adds most value tend to be “footloose” this pose a significant challenge for localities to become internationally competitive.

16 All analyses find that the observed differences between the poverty levels of South Africa’s nine provinces (whether the headcount ratio, poverty gap ratio, Watts measure or Clark et al measure of poverty is used), are statistically significant.
Africa’s small towns, followed by secondary cities, and lowest in the country’s six metropolitan areas. Overall, the poverty rate (i.e. percentage of households classified as poor) for all urban households is 24.4 per cent, while for metropolitan areas it is 15.4 per cent, for secondary cities 26.7 per cent, and for small towns 35.1 per cent. Hence, while the absolute number of the urban poor is greatest in the metropolitan areas, in relative terms the poverty burden is most severe in South Africa’s small towns and secondary cities (May, 1998).

Due to the decline in agriculture or lack of a substantial economic base, more than two-thirds of small towns recorded real economic decline during the early 1990s. The situation in secondary cities is more variable because of their different economic bases and regional contexts for growth. While some secondary cities (such as Nelspruit or Witbank-Middelburg) have considerable economic growth potential, many such as in the Free State Province goldfields and the Eastern Cape Province face very serious challenges of urban poverty due to a decline in particular economic sectors. For example, the downturn in gold mining has caused a major local employment crisis in Welkom (May, 1998).

As far as the metropolitan areas are concerned, while the largest concentration of urban poor occurs in the Gauteng region, metropolitan Durban and Nelson Mandela Metropolitan Municipality carry a weighty poverty share relative to their population size as a whole. The areas of informal or shack settlements in urban areas are major local concentrations of urban poverty, but certain significant differences are evident in terms of the different levels of urban settlement. There is an alarming poverty problem located in the shack settlements of secondary cities and small towns.
3.3.2.2 The spatial context of poverty in the rural areas

The rural areas of South Africa suffer from a legacy of inappropriate production and investment decisions by government and the rural population. For many rural people in the former homeland areas, economic and social decisions remain conditioned by their unequal and distorted access to markets, services and opportunities. In contrast, the non-homeland rural areas are characterised by an over-capitalised, over-mechanised, job-shedding commercial agriculture. Asset ownership and distribution patterns remain those formed by apartheid; in particular, landlessness and overcrowding persist in the former homeland areas. A huge backlog in rural infrastructure persists, and urbanisation runs the risk of simply relocating rural poverty into urban slums (May, 1998; Augustine, 1999: 10).

The high cost of delivering services to rural communities with limited economic potential results in tension between goals of fiscal discipline and those of decreasing poverty and inequality. The rural areas of South Africa have a population of about 16.9 million people, 45 per cent of the country’s total population. While poverty is not primarily a rural issue, the risk of becoming and remaining poor remains significantly higher in rural than in urban areas. Using income-based or calorie-based poverty lines, half of the households and two thirds of the people in rural areas can be classified as poor. Over 70 per cent of rural African households live in conditions that are inadequate or intolerable in terms of their access to shelter, energy, water and sanitation, and rural women are a particularly vulnerable group (May, 1998; Augustine, 1999: 10).

With the discussions of the spatial context of urban and rural areas of South Africa, it is evident that reducing spatial inequality in an economy will not be an easy task, particularly since “South Africa has no navigable rivers, has long distances in land between raw material sources, manufacturing facilities, and
harbours, and there are long distances between the harbours and airports and the places of consumption overseas. Inappropriate past policies of decentralisation have exacerbated the problem" (Dehlen, 1993).

As in the United States, most of South Africa’s cities and towns produce very little. This is most apparent in the rural-urban divide and the concentration of more than 80 per cent of the economy’s manufacturing in six urban metropolitan regions (Naudé et al. 2002). Overall, only 20 per cent of places (towns and cities) produced 82 per cent of South Africa’s GDP. The richest 20 per cent of places had an average per capita income in 2000 of R25277 compared to an average per capita income of R5452 of the poorest 20 per cent of places.  

Figure 3.8 shows the relationship between per capita income and the percentage of the households with incomes below the minimum living level (MLL) across 354 South African magisterial districts in 2000. What is clear, apart from the strong inverse relationship, is the high concentration of cities and towns with extreme high incidences of poverty.

Figure 3.8: Percentage of Households Living Below the Minimum Level across South African Cities and Towns, 2000

Model adapted from Naudé (2002)

17 Naudé’s own calculations based on the PIMSS database.
As illustrated by figure 3.8 above, of the 354 cities and towns in 2000, the average percentage of households living below the minimum living level (R1500 per month per household) was 66 per cent, with a standard deviation of 17 per cent. Only 5 cities/towns had poverty rates of less than 20 per cent, namely Bellville (19.6%), Cape Town (16.2%), Germiston (16.5%), Pretoria (18.7%), and Simonstown (13.2%). In contrast 86 cities/towns had poverty rates in excess of 80 per cent.

Thus whilst most of the places in South Africa produce very little, and are very poor, the transformation of South Africa's system of local government have resulted in 283 local authorities that are constitutionally responsible for local economic development of their areas (Naudé, & Krugel, 2002, May, 1998; Vosloo, 1998; Naudé, 2001a; 2001b; and Naudé & Jansen van Rensburg, 2002).

3.4 SUMMARY
A summary of the determinants of poverty in South Africa was presented in this chapter. It was also argued that regardless of their social or economic nature, the determinants are connected and are interdependent in their action. The basic argument underlying the discussion of the determinants of poverty in this chapter, is that the author recognises the need to inform municipal strategies aimed at poverty alleviation about the framework within which actions need to be taken. Poverty is a complex and multidimensional phenomenon that cannot simply be reduced to insufficient income. Deep in its emergence in South Africa, are also more fundamental problems brought by the inheritance of the distorted economic structure. Although the apartheid government has been dismantled, it will still have long-term effects on the broader South African society. One of the more prominent challenges faced by municipalities would be to 'repair' the huge spatial inequalities that are still evident.
The chapter was concluded with the discussion of spatial development in South Africa. From this discussion, it can be summarised that huge spatial inequalities, largely as a result of historical reasons, geographical factors as well as the spatial implications of apartheid policy exists. Through the creation of homelands (TBVC), the apartheid policy had a detrimental effect on equality of access to resources and infrastructure. Evidence to this effect was provided in the discussion of spatial development, the spatial implications of apartheid and spatial context of poverty – both the spatial context of poverty in rural and urban areas.

In view of the discussions in this chapter, it can be summarised that local governments in South Africa are placed favourably to respond to the dimensions indicated in this chapter. Through their mandate to implement relevant legislation (i.e. IDPs), local municipalities are more advantaged to respond positively to the needs of their communities. In order to deal with spatial inequalities at local municipal level, they have an abundance of legislation to guide the process. An example of these legislative guidelines forms the heart of the Local Government Municipal Systems Act of 2000. While chapter 3 discussed with special emphasis on its determinants and spatial development within the context of South Africa, chapter 4 explores the poverty alleviation programs in the integrated development plans.
CHAPTER 4
POVERTY ALLEVIATION PROGRAMMES IN THE INTEGRATED DEVELOPMENT PLANS

4.1 INTRODUCTION
As indicated in both chapters 1 and 3, municipalities are burgerly regarded as catalysts in poverty alleviation and the overall improvement of the conditions in which their communities live. The role that municipalities have to play are supported by their constitutional mandate, i.e. the Constitution of South Africa and other policy documents grant them greater autonomy to play a significant role within their municipal jurisdictions. The role and constitutional mandate to local municipalities were acknowledged by the discussion in chapter 1.

In order to deal with issues and backlogs in service delivery at local municipal level, the strategies are sought to be the primary instruments with which poverty can be alleviated. This study is designed to help provide a structured discussion of the role of municipalities in the alleviation of poverty. In doing so, it seeks to highlight the importance of the implementation of IDP and LED. The key development instruments are discussed in this chapter are linked to the transformation process that is taking place at municipal levels of government in South Africa.

Local municipalities, following the recent demarcation process - post 2000 - have challenging tasks to carry out in dealing with the burden of poverty and underdevelopment in their respective communities. As mention was made in chapter 3, the levels of poverty have sharply increased since the 1980s, and this has resulted in many households becoming vulnerable to being poorer. An underlying question is whether municipalities will be able to generate LED that will lead to major reductions in poverty, and positively impact on entrenched living conditions of their communities. The question, as articulated
by the State President, Thabo Mbeki (in his state of the Nations Address, 2004) and Mufamadi (2002: 30), is whether the government, through its efforts, will help in curbing the intolerable burden of poverty and underdevelopment.

This chapter takes cognisance of the transformation process the local municipalities are going through. In response to this transition, it makes provision of the discussion of their role in poverty alleviation, their advantage over other government departments to deal with issues emanating from their communities, production and delivery efficiencies, their role in the maintenance of infrastructure and sustainability of services, and lastly greater resource mobilisation at their level of competence. The discussion of municipalities in transitional local governance is elaborated with the different forms of municipalities in South Africa and the national budget to enable them in delivering their mandate. Furthermore, the chapter makes provision for an intensive discussion of the Integrated Development Planning and Local Economic Development.

4.2 TRANSITION AT LOCAL GOVERNMENT LEVEL IN SOUTH AFRICA

It became evident that the African National Congress (ANC), when it came into power in 1994, immediately focussed on its mandate to deliver 'a better life for all' in the spirit if democracy and accountability. The new government developed a style that focuses strongly on data, indicators and performance. In other words, there is new emphasis on measurable evidence in fields as diverse as local government performance, environmental effects, poverty and developmental goals. Evidence of the performance culture is has gained emphasis from passing the Local Government Municipal Systems Act of 2000 as a rule of law by parliament.

The transition at local government level has also affected the structural organisations and operations of local government. These local government institutions were granted more powers and functions, which they have to
exercise in a way that has a maximum impact on the economic and social development of communities. In particular the Constitution of South Africa 1996, obliges local governments to adhere to the basic needs of the poor and to ensure that economic growth takes place at local municipal levels of government (Strydom, 2001: 100; Olivier, 1994: 29; Gray, 1997: 363). In fulfilling with the mandate, municipalities are assigned with job creation, community empowerment, facilitation of the formation of small business and the provision of equitable services for their communities (Letsebe, 1998: 5; Midgely, 1995: 25 & Neilson & Gray, 1997: 17). Local municipalities in South Africa are obliged by law to strive to achieve within their financial and administrative capacity, the following objectives (cf, Malefane, 2001: 8; Mokate 2003):

- The promotion of democratic and accountable government;
- The provision of services to citizens in a sustainable manner;
- The provision of social and economic development;
- The promotion of a safe and healthy environment; and
- The encouragement of citizen participation in local government matters.

Municipalities are now enjoying their right of existence, as the statutory bodies through which local residents voice their concerns. This evidence is presented in figure 4.1 indicating a move towards a more people-focused system at municipal level. As noted in figure 4.1, local municipalities have moved towards open systems of operation. This is indicated by the requirement for transparency and to receive inputs from their immediate communities and to process these inputs into outcomes. In his description of the transforming local government, Matovu (2001: 9) sees municipalities as chimneys through which people participate in the decision-making processes of government. He further recognises the importance of good governance as one of the factors that should not be overlooked when dealing with government at a local level. The role of local government in South Africa, and in most parts of Africa, is supported by its significance in reducing poverty and creating employment,
and to attract investment. Figure 4.1 below represents a diagrammatic illustration of transition at local government level:

**Figure 4.1 The transforming local government**

**Drivers**
- Decentralization
- Democratization
- Streamlining Local Governance
- Reviewing Local Government legislation
- Promoting efficiency and sustainability

**Processes**
- Introducing systems that increase openness of government
- Strategic planning and resource mobilization
- Consultation, partnerships & community control
- Basic inventory of functions
- Matching needs and realities on ground
- Eliminate single agency, top-down approaches
- Redefining roles e.g. elected leaders vs. traditional
- Developing innovative management practices, and documenting and disseminating good practices
- Learning new skills and competencies
- Managing political interference
- Financial Reviews
- Advisory services
- Exchange experiences through visits

**Deliverables**
- Employment Creation
- Poverty Reduction
- Access to Socio-Services
- Secure Land Tenure
- Access to Capital
- Access to Markets
- Access to Participation
- Access to Law and Justice
- Safe and Clean Environment

**Outcomes**
- Good Governance
- City Growth and Competitiveness
- Access to Basic Services
- Infrastructure Provision
- Maintenance

**Challenges**
- Policy Development
- Institutional Development
- Financing Systems

**Policy challenges**
- Data and Information
- Decentralization Policies
- Financing Mechanisms
- Local Government financial Management
- Human Resource Management and Development
- Urbanisation and Poverty

**Institutional challenges**
- Administrative Implementation Capacities
- Central/Local Relationships
- Role of Traditional Local Authorities
- Legislative Frameworks
- Partnerships and Decentralized Co-operation
- Conflict Management

**Finance challenges**
- Revenue Sharing between various levels of government
- Intergovernmental Fiscal Relations
- Resource Mobilization Capacity
- Integrity and accountability

Matovu (2002)
Figure 4.1 above represents a systems approach in the operation of local government. It comprises of the drivers of change, that exerts environmental pressure on the functioning of the local municipality, internal process that are informed of the external environment, and expected outcomes as a result of the combination of external pressures and internal processes. Decentralisation, democratisation, streamlining local governance and the critical reviewing of laws pertaining to local governments and the promotion of efficiency and sustainability are the drivers of transformation.

Its deliverables, forming part of the external expectations on local governments, are the creation of job opportunities, poverty reduction and access to social services, capital, markets, participation, law and justice and a safer environment for communities. Since local municipalities manage a disproportional size of land, they are expected to make land access to enhance major economic activities within their municipal jurisdictions.

Despite the challenges that the local governments are faced with, i.e. policy, institutional and financial, with their internal capacity and processes, they are expected to deliver a set of outcomes, namely good governance, growth and competitiveness, access to basic services and infrastructure, as well as the maintenance thereof.

As indicated in figure 4.1, Matovu (2001: 9) identifies certain policy challenges facing the role players in local spheres of government. The ability to capture data and to use it in a way that benefits their communities is one. Decentralisation of responsibility is of the utmost importance. The failure to of most decentralisation attempts in many African countries has resulted from institutional and policy gaps in the implementation of the decentralisation programmes. This requires, according to him, the design of policy options for both decentralisation and good governance that would enhance sustainable and equitable local economic development.
With respect to the need to promote partnerships, Matovu (2001: 9) points out that in the light of rapid urbanisation, increasing levels of poverty and the deterioration of existing infrastructure, local governments identify the causes as insufficient resources, as well as the absence of right human capacity to meet the local economic development of their areas. The kind of reasoning then calls for close collaboration with all other local actors such as private business and communities soliciting their input in development strategies.

To pursue good governance and local economic development, local governments should ensure the participation of local citizens in development projects. Community participation is the process of resident involvement in community activities aimed at improving the physical, economic and social fabric of the local community (Tsoinyane, 2001: 31; Leboea, 2003).

What can be deducted from Matovu’s model of the transforming local government is that more emphasis on the operation of the local governments, emphasises participatory processes in meeting development needs. This means that local governments have become constitutionally autonomous institutions, as independent spheres of government with a clearly stipulated mandate for community development. They also have to carry out massive infrastructure development activities to socially and economically empower their communities. Experience emanating from Matovu’s theory of the transforming local government suggests that through the various activities taking place at these levels of government, local governments are faced with a similar challenge, their mandate of improved service delivery and poverty alleviation within their municipal areas of jurisdiction.

4.2.1 POVERTY ALLEVIATION AT LOCAL MUNICIPAL LEVEL

This chapter maintains that in order to deal effectively with poverty at municipal level, local municipalities need to take into cognisance its complexity. Two basic theories highlighting the roles of municipalities in poverty alleviation will be discussed in this section. This section further provides a framework within which anti poverty strategies can be integrated at
municipal level. According to the two theories, given the divergence of poverty in specific areas, the particular strategies adopted by different municipalities will vary. Theories identified to highlight the role of municipalities in poverty alleviation include that of the United Nations Capital Development Fund¹⁸ (UNCDF) advantage theory and Rogerson's theory. The UNCDF's advantage theory is discussed in the next section.

4.2.1.1 The UNCDF's advantage theory

The UNCDF advantage theory distinguishes local government as having comparative advantage in the provision of local services in comparison to other spheres of government i.e. national and provincial. This advantage, according to the United Nations Capital Development Fund (UNCDF, 2002: 17), derives from two aspects. Firstly, the pressure is on decision-makers at local municipal levels of government to be responsive to the needs of their communities, and for the decision-makers to have greater familiarity with their community's problems. Secondly, these institutions enjoy relative permanence and legal backing. These advantages offer the potential of more effective, efficient and sustainable service delivery for poverty alleviation. Table 4.1 below illustrates the role of municipalities in poverty alleviation.

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¹⁸ UNCDF is a member of the United Nations Development Programme (UNDP) group, and works in close partnership with UNDP in areas ranging from joint programming to administrative and logistical support. The Fund derives its resources from voluntary contributions made by member states, and from co-financing by governments, international organizations and the private sector.
Table 4.1: A strategy, governance and framework

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<tr>
<td>Improved income &amp; livelihood opportunities (to promote Economic capabilities)</td>
<td>Economic Development, to break the downward spiral of poverty and move towards a more sustained life, filled with attainable potential</td>
<td>1. Improved delivery of local public economic infrastructure, either directly or through an economic development service – by local government.</td>
</tr>
<tr>
<td>Improved access to basic social services (to promote Human Capacities)</td>
<td></td>
<td>2. Improved collective management of natural resources – by community use groups</td>
</tr>
<tr>
<td>Opportunities for participation &amp; empowerment (to promote Political Capabilities)</td>
<td>Political development, to break the top-down mode of thinking and move to a more balanced debate among equals; the essential notion of empowerment.</td>
<td>3. Improved delivery of local public social facilities &amp; services – by local government</td>
</tr>
<tr>
<td>Protection and security (to promote Protective Capabilities)</td>
<td></td>
<td>4. Improved informal dispute resolution – by traditional or community authorities</td>
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<td></td>
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<td>5. Improved procedures &amp; institutional space for interaction between the public and the local government</td>
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UNCDF (2002)
Table 4.1 provides a systematic outline of the most important aspects of local government-led initiatives in poverty alleviation, namely the anti-poverty strategies, the dimensions of governance that are the major functionaries, as well as areas of public or collective action. Part 1 outlines the component poverty reduction strategies, namely economic, human, and protective capabilities that are pivotal for local municipalities in their role as development agents. Also commendable is the fact that these diverse strategies foster a multi-faceted approach in dealing with poverty, since they foster the creation of earning opportunities, access to basic services, opportunities for participation and empowerment, as well as protection and security (UNCDP, 2002: 17).

Part 2 focuses on the major governmental dimensions in combating poverty, namely economic and political development. While only two dimensions of governance have been singled out, other relevant departments will inevitably be drawn in at the necessary stages in the process. Although the strategy appears to be limiting, it is in actual fact, inclusive and comprehensive (UNCDP, 2002: 17).

Part 3 of the UNCDF advantage theory highlights the areas of public or collective action. Summarily it presents the deliverables that are expected at local municipal levels of government. The areas of collective action are quite comprehensive since they cater for a continued and sustained relationship between government and the public. Furthermore, it can be summarised that each of these areas that are mentioned above, looking first at the significance of alleviating poverty, can lead to improved conditions and improved quality of lives in communities (UNCDP, 2002: 18). That is, the anti-poverty significance of economic, human and protective capabilities can lead to:
- Improved access to basic economic infrastructure (roads, electricity, economic development support, etc) is necessary for improved productivity and livelihoods, especially in the rural areas;

- Improved access to basic social facilities and services (primary health care, education, water, sanitation, etc) is necessary both for improving human welfare and reducing misery and also for enhancing livelihood prospects through enhanced human capital (as discussed in chapter 3), access to basic social and physical services are important for poverty alleviation.

- Improved access to justice administration and dispute resolution mechanisms is necessary to protect the poor and vulnerable against crime, violence and abuse. It was further discussed in the dimensions of powerlessness that poor people also suffer disregard, exploitation and abuse by the more powerful. Improved access to justice administration and dispute resolution would help in providing social security for the poor. Additional poverty alleviation advantages enjoyed by municipalities according to the UNCDF’s advantage theory are discussed in the following section. These concepts include allocative efficiencies, production and delivery efficiencies, the maintenance of infrastructure and sustainability of services, and local resource mobilisation, discussed in the following section.

4.2.1.1 Allocated efficiencies

The concept of allocative efficiencies for municipalities refers to the overall resources that are allocated to better match priorities and requirements of the poor. According to the UNCDF’s concept of “quantity responsiveness”, municipalities face greater incentives and pressure to allocate resources to the basic services/infrastructure needs to benefit the poor. That is, when municipalities are compared to other levels of government, they face democratic pressure from councillors and their constituencies for a larger volume of modest, small-scale, widely spread “primary” facilities - feeder roads, health posts, primary school classrooms – which tends to be to the
advantage of the poor (and against large scale investments – trunk roads, referral hospitals, etc. – which would relatively be to the advantage and benefit of the non-poor).

On the other hand the concept of "quality responsiveness" – through more institutionalised linkages with beneficiary communities, better information, and the incentive to use this information, local governments are better placed to respond to local variations in conditions, tastes, standards, affordability, location requirements, etc., for services or infrastructure speedily. Consequently they are also better placed to avoid planning mistakes which may constrain access, especially by the poor or "marginal" segments of society. These hypotheses assume that (i) elected officials are indeed responsive to constituents, (ii) those planning and budgeting procedures allow for public involvement, and, (iii) that local bodies do indeed have discretion in making resource allocation decisions (UNDCF, 2002) the production and delivery efficiencies are discussed in the next section.

4.2.1.1.2 Production and delivery efficiencies

The production and delivery efficiency concept means that once the resources are allocated, they are more efficiently used to benefit the poor. There is "tighter oversight of local service staff" – local governments are able to ensure more efficient service delivery, through better information and closer oversight and control service staff: teachers, health workers, roads crews, etc., where absenteeism can be significantly cut. There is "more efficient use of private contractors" – similarly, through better information, and closer oversight and control, municipalities are better able to ensure, firstly, more competitive tendering, and, secondly, better performances and contract-compliance from private firms under contract to implement infrastructure investment (UNDCF, 2002).

Additionally, there is "greater co-ordination of service activities". Municipalities can better ensure horizontal co-ordination of line department staff, budgets,
and activities at the local level, and thus to increase the scope for mutually reinforcing activities and more effective overall service delivery performance. These hypotheses presuppose that (i) elected officials are indeed responsive to constituencies, (ii) local government bodies can exercise control over local line department staff, and (iii) that there are procedures to ensure transparent procurement and contract management. The maintenance of infrastructure and sustainability of municipal services forms an integral part in the municipalities' role of poverty alleviation and is discussed in the following section.

4.2.1.1.3 Maintenance of infrastructure and sustainability of services

When planning and provision responsibility is decentralised, infrastructure and services are more effectively operated and maintained to benefit the poor in the longer term. There is increased local pressure – generally, and in contrast to other levels of government, municipalities face greater incentives and daily nagging pressure from local constituents to ensure proper operation and maintenance of local facilities. Furthermore, they are also better aware of the specific sustainability problems of different local services. There are “recurrent budget commitments” – the greater scope for planning and budget integration at municipal level, as required by the Integrated Development Planning (IDP) better ensures that the longer term recurrent and staff planning of line departments matches the local infrastructure investment programme – and so works in favour of sustainability (UNCDF, 2002).

In addition, there is the prospect of "co-opting communities" – municipalities are usually better placed to negotiate with local community groups to ensure that respective maintenance responsibilities are clearly defined, and to monitor and backstop this. There is a chance of "institutional permanence" – as infrastructure/service providers, statutory local municipalities enjoy much greater permanence than other local institutions such as NGOs, often dependent on the vagaries of donor funding. These hypothesis accept that (i) elected officials indeed are responsive to their constituent, (ii) municipalities
can exercise control over local line department staff, and (iii) local budget availability and discretion. The role of municipalities in the mobilisation of resources follows in the next section.

4.2.1.4 Greater local resource mobilisation

Despite the role of municipalities in the allocation of resources, the production and delivery of services and the overall maintenance of infrastructure and other related services, they are also responsible for the mobilisation of local resources in responding to the needs of their communities. The UNCDF considers it relatively easy for municipalities to leverage increased local resources to augment infrastructure and service delivery for the poor. User mobilisation – Service levies and schedules of user fees, needed to ensure long term sustainability of services, but which may also need to embody some flexibility, can be better negotiated and determined by local municipalities in consultation with user groups. Tax mobilisation – taxes are more willingly paid when these funds are seen to be kept at the local level, for re-use on local activities local community contributions to investments; local self-help or matching contributions for infrastructure investment can be more effectively determined and negotiated. Public-private partnerships – local government bodies are better able to negotiate agreements with private entities for joint investments in economic infrastructure. These hypotheses are firstly conditioned by local fiscal powers, and secondly, by transparency and accountability in local revenue management (UNCDF, 2002). The discussion of the different forms of municipalities follows in the next section.

4.3 DIFFERENT FORMS OF MUNICIPALITIES IN SOUTH AFRICA

The legislative requirements on local municipalities role in the provision of basic services and poverty alleviation were highlighted in chapter 1. The chapter also gave special recognition of the local government system being exposed to change in the form of better service delivery and the overall improvement of the living conditions of all members of the society. The mandate for municipalities is vested in the Constitution of the country, and
these bodies are assigned to deal with poverty and underdevelopment in their areas of jurisdiction. According to the Constitution, municipalities have a mandate to govern, to provide services and to promote social and economic development. Several pieces of legislation enhance the developmental role of local government, such as the Development Facilitation Act (DFA) empowering municipalities to establish statutory land development objectives setting out a clear approach to land development for each locality. Several provinces have passed regulations requiring that these land development objectives also cover economic development goals. The Department of Constitutional Development is promoting the use of Integrated Development Planning (IDP) by municipalities, and this is likely to shape the actions of local government in implementing policies intended to reduce poverty and inequality (May, 1998).

The recognition of local government in the Constitution as a sphere of government has enhanced the status of local government as a whole and of municipalities in particular, and has given them a new dynamic role as instruments of delivery. The relationship between the three spheres of government is outlined in chapter 3 of the Constitution, which, among other things, requires Parliament to establish structures and institutions to promote and facilitate intergovernmental relations. According to the Constitution and the Organised Local Government Act, 1997 (Act 52 of 1997), (which formally recognises the South African Local Government Association (SALGA) and the nine provincial local government associations), organised local government may designate up to 10 part-time representatives to represent the

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19 SALGA is mandated by the new South African Constitution to assist in the wholesale transformation of local government from the pre-1994 regime to the new dispensation under the country's first democratically elected government. It plays a core role in a variety of areas related to local government transformation and as a national representative of the local government sector and its employees.
different categories of municipalities and participate in proceedings of the National Council of Provinces (NCOP).

As judged against this assignment, there is no doubt that municipalities are described as the ‘hands and feet’ of reconstruction and development in South Africa, and it is true that in the absence of effective local delivery government, is powerless to implement its policies and provide services. However, many local municipalities have encountered problems, including lack of economic viability due to a rent boycott culture, inadequate private sector investment and insolvency of former black authorities; absence of local administration in some areas; poor service provision in townships; and community suspicion of the government due to past experience of apartheid structures. On the positive side, local authorities have generally recognised the need to change existing mindsets and institutional arrangements in order that development goals might be met. Many of the suggestions put forward by local authorities in terms of change management strategies have centred on the improvement of incentives and information (May, 1998).

The Constitution provides for three categories of municipalities. As directed by the Constitution, the Local Government: Municipal Structures Act, 1998, contains criteria for determining when an area must have a Category A municipality (metropolitan municipalities) and when its municipalities fall into categories B (local municipalities) or C (district areas or municipalities). It also determines that Category A municipalities can only be established in metropolitan areas. The Municipal Demarcation Board determined that Johannesburg, Durban, Cape Town, Pretoria, East Rand and Port Elizabeth be declared metropolitan areas. Metropolitan councils have a single metropolitan budget, common property rating and service tariffs systems, and a single employer body. South Africa has six metropolitan municipalities, namely Tshwane, Johannesburg, Ekurhuleni, Ethekwini, Cape Town and Nelson Mandela, 231 local municipalities and 47 district municipalities.
Metropolitan councils may decentralise powers and functions. However, all original municipal, legislative and executive powers are vested in the metro council. In metropolitan areas there is a choice of two types of executive systems: the mayoral executive system where legislative and executive authority is vested in the mayor, and the collective executive committee where these powers are vested in the executive committee.

Non-metropolitan areas consist of district councils and local councils. District councils are primarily responsible for capacity-building and district-wide planning. The North West Province consists of four district municipalities, i.e., Bojanala, Bophirima, Southern and Central district municipalities. These district municipalities, as provided for by the Constitution, consist of a number of category B municipalities. A brief discussion of the national budget for municipalities in order to cope with their mandate to alleviate poverty is outlined in the following section.

4.4 NATIONAL BUDGET FOR MUNICIPALITIES IN SOUTH AFRICA

In order to assist municipalities to cope with their mandate of poverty alleviation, the national government has prioritised funding, through the budget, to boost financially the many developmental projects at the municipal levels of government. The largest increases in the national government's 2002 Budget were in transfers to the local sphere, rising by 18,3 per cent a year from 2001/02 to 2004/05. The total allocations rose from R6, 6 billion in 2001/02 to R8, 6 billion in 2002/03, and were expected to increase to R10, 2 billion in 2003/04, and R10, 9 billion in 2004/05 (Manuel, 2003).

Allocations for local government infrastructure transfers rose from R2, 2 billion in 2001 to R3, 3 billion in 2002 and to R3, 9 billion in 2003/04 and R4 billion in 2004/05. This represents an annual increase of 21,3 per cent in infrastructure funding between 2001/02 and 2004/05.
The government’s commitment to assisting municipalities with poverty relief, primarily through the provision of free basic services to poor households, is made clear by substantial increases in the equitable share grant, from R2.6 billion in 2001 to R3.9 billion in 2002, with a further increase to R5 billion in 2003 and R5.5 billion in 2004 (South African government online).

The prioritisation of poverty alleviation through national funding sources, in actual fact took place in many forms. The Minister of Finance, since assumption of parliamentary duties, has devoted the efforts of his office to the plight of the poor. While delivering a budget speech for the financial year 2000/2001, he called for the extension of government’s poverty relief programmes, the lowering of the tax burden and the commitment of the government to eradicate poverty through sustainable economic growth.

In 2001, Finance Minister Trevor Manuel, again highlighted the government’s commitment with regard to adopting more efficient and collective strategies for overcoming the scourge of poverty and underdevelopment. During this financial year, R120 million was set aside for short-term poverty relief measures, R300 million in 2002/03 and R313.5 million in 2003/04 for targeted HIV/AIDS interventions. A further R3.75 billion was reserved for provincial infrastructure spending for road construction and maintenance, school building, hospitals and clinics and rural development.

The prioritisation of funding poverty relief programmes was further highlighted in Trevor Manuel’s budget speeches of the financial years 2001/2002 and 2003/2004. According to him, the 2003 budget gave priority to reducing poverty and vulnerability. This would be done by extending the child support grant and increasing spending on the primary school nutrition programme, increasing spending on social grants and enhancing the fight against the scourge of HIV/AIDS. Further efforts aimed at poverty alleviation were also contained in the campaigning strategy of the ANC – ‘A people’s contract to
create work and fight poverty' and the in Minister of Finance, Trevor Manuel whilst delivering the budget speech for the financial year 2004/5.

4.5 INTEGRATED DEVELOPMENT PLANNING AT MUNICIPAL LEVEL
The discussion of Integrated Development Planning at municipal levels of government, discussed in the following section, focuses on a number of discussion points. The discussion points as presented in this chapter provide guidelines for municipalities in their implementation of the IDPs.

4.5.1 The need for an integrated planning approach
The new political dispensation in South Africa has ushered in an era of transformation. The local government system of the transitional phase is maturing into a new system of local governance, which is characterised by an array of institutional and political interventions. These interventions are aimed at realising the vision, goals and objectives of the new democracy in South Africa. These interventions include amongst others (SALGA, 2003):

- Experimentation with institutional models in an attempt to 'right-size' local government and redistribute resources;
- The revision of the demarcation of institutional boundaries in an attempt to conform with a series of criteria that will facilitate functional, efficient and effective governance;
- The development of legislation and policies in an attempt to provide a clear ideological framework for development;
- The transformation of government as an institution in an attempt to nurture democracy;
- Transforming old, and developing new processes and procedures in order to facilitate and promote rapid delivery and to improve the efficiency of government in general;
- Fostering co-operative governance and public-private partnerships in an attempt to ease the burden on the limited resources, skills and capacity of local government;
- Facilitating the process of democratisation through entrenching public participation in planning and decision-making, empowering role-players and constituencies through training and capacity-building and implementing extensive communication processes;
- Institutionalising performance management in order to ensure meaningful, effective and efficient delivery;
- Promoting local economic development and job creation in the context of a strong poverty-alleviation focus;
- Emphasising global competitiveness and the exploitation of strategic advantage and potential through strategic spatial development initiatives.

The emergence of the new dispensation has brought with it a belief in the inherent ability of people to take responsibility for changing their own destiny. This belief translates into the practice of thinking globally and acting locally. National government plays an important role in leading and directing the course of change, but local government is perceived to be the agent of change and the vehicle for development. The constitution and various pieces of legislation devolve a variety of new competencies and functions to local government, in an attempt to bring government closer to the people. Local governments are thus not only inundated by the daily demands of their constituencies, but also burdened by the mandates, responsibilities and functions bestowed upon them by legislation (SALGA, 2003).

Often poorly resourced local government bodies need to contend with a severe lack of skills and capacity in fulfilling their new role as the agent for growth and development. Newly elected councillors are unfamiliar with the operations of local government and have limited experience in meeting the demands of their constituencies. Experienced officials are confronted with new challenges, systems, processes and tasks for which they lack the appropriate skills.
In addition, the vast majority of local government bodies are in dire straits with regard to their financial situation, largely due to the inheritance of a culture of non-payment for services and inadequate financial management. Under the new constitution, local government has a new and expanded role to play. In addition to providing many of the traditional municipal services, municipalities must now lead, manage and plan for development.

According to the Department of Constitutional Development (DCD), Integrated Development Planning is an important way in which municipalities can start to develop strategic policy capacity, to mobilise resources and to target their own activities. It is a planning process through which a municipality can establish a development plan for the short, medium and long term. The discussion of the theory of Integrated Development Planning follows in the next section.

4.5.2 Theory of Integrated Development Planning

The theory of Integrated Development Planning relates to the transformation process that is taking place at local levels of government, and assigns municipalities to work closely with local citizens and communities to facilitate equitable and sustainable service delivery and socio-economic development. Local government is seen as a key role player in the development process of South Africa. The transformation process to establish non-racial and viable municipalities is a crucial strategic move towards enabling local government to fulfil its developmental role. According to SALGA (2003) the major steps of this transformation process were:

- Providing a clear and motivating policy framework through the White paper on Local Government;
- The re-demarcation process which resulted in more viable municipalities; and
- Providing a new legal framework for local government by launching the Municipal Structures Act and the Municipal Systems Act.
Embraced within the restructuring of the roles municipalities play, is the need to consider the dynamics of their people-centred mission (Pretorius, 2001: 11; Kasrils, 2001: 7; Sekhesa, 2001: 35). The Local Government Municipal Systems Act and the Local Government Transition Act, after its amendment of 1996, enjoins local municipalities not only to seek to provide services to all, but to be fundamental in orientation. It further states that the fundamental aspect of the new local government system is the active engagement of communities in the affairs of municipalities and in particular planning, service delivery and performance management (Gumede, 2001b: 20; Kroukamp, 2001: 22; Makgetla, 2001: 16; Ahmed, 1999: 80; Khuzwayo: 3).

Integrated Development Planning is one of the key tools for local government to cope with its new developmental role. In contrast to the role which planning has played in the past, Integrated Development Planning is now seen as a function of municipal management, as part of an integrated system of planning and delivery. The IDP process is meant to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner. Integrated Development Plans, however, will not only inform the municipal management; they are also supposed to guide the activities of any agency from the other spheres of government, corporate service providers, NGOs and the private sector within the municipal area (SALGA, no date).

As discussed by Mega-Tech (2002), Integrated Development Planning is the process through which municipalities prepare a strategic development plan covering a five-year period. This plan has a legal status and supersedes all other plans that guide local development. The Integrated Development Planning is the principle strategic planning instrument that guides and informs all municipal planning, management and development activities. It endeavours to integrate economic, social, institutional and financial dimensions in order to
support the optimal allocation of resources between sectors and geographic areas in a manner that provides sustainable growth, equity and empowerment of the poor. It is "a process through which a municipality establishes its vision for the future and designs a development plan towards the attainment of that vision" (Khuzwayo, 1999: 56).

It is a general framework under which all planning for key social, economic and environmental sectors fall. Such sectors include housing, transport, land use and the natural environment, amongst others. The IDP ensures that planning for each sector is done in co-operation with other sectors to meet the overall needs of the community (IRI20, 1998: 4).

Integrated Development Planning is regarded as a conceptual framework that seeks to provide the basis for the new physical and socio-economic landscape to reflect changing political circumstances in South Africa. At a practical level, it provides the catalogue for direct intervention to mitigate some of the problems associated with previous planning. This involves the extension of housing services and basic infrastructure to areas of past neglect. The goal of IDP is therefore to overcome the physical and spatial patterns of past inequalities. Apart from being a legal requirement, it is seen by many social actors as a useful management tool for the transformation process (Khuzwayo, 1999: 4).

The concept of Integrated Development Planning came to being after the establishment of the new local municipalities in South Africa. IDPs have catapulted into prominence among developmental practitioners in a significant way and there has been a renewed interest in strategic spatial planning (Khuzwayo, 1999: 2). The main theme of this concept is to obtain maximum input into the decision-making processes, and to ensure that the development of services happens in a co-ordinated manner. The IDP concept

20 IRI – International Republican Institute
was originally developed and controlled by the Development Facilitation Act (Louw, 2001; Anon, 2001 (a): 41).

The Municipal Systems Act is a statutory requirement that builds on the Development Facilitation Act to construct a new planning framework for developmental local government. Control from the Development Facilitation Act was then switched over to the Municipal Systems Act since Chapter 5 of this Act came into operation in July 2001. The IDP has become the pivotal point around which the whole of local government operates. It is the main pillar of the budget and the main interface with the community. It was introduced to make municipalities more proactive and sensitive in the way they deliver services and manage their responsibilities. It is a comprehensive and sophisticated planning tool for assessing municipal service delivery and infrastructure development.

The Municipal Systems Act challenges municipalities in South Africa to provide for the following (cf Fowler, 1999: 2):

- Mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities;
- Ensure universal access to essential services that are affordable and cost effective;
- The establishment of working partnerships with the communities within the municipal areas;
- Resource mobilisation and organisational change which underpin the notion of developmental local government;
- To empower the poor and ensure that municipalities put in place the service tariffs and credit control policies that take their needs into account;
To establish a framework for support, monitoring and standard setting by other spheres of government in order to progressively build local government into an efficient, front-line development agency capable of integrating the activities of all spheres of government for the overall social and economic development of communities.

The core principle of the IDP is the involvement of the communities in all the developmental processes of the municipality. Secondly, it ensures that services are rendered in an organised, co-ordinated way and hence forms the base of all the budgets (Louw, 2001: 2).

The IDP is not only controlling the development of a single municipality. It has to align with that of the neighbouring municipalities. To effect this, the district municipalities are tasked to ensure that the IDPs of neighbouring municipalities are aligned, while the provinces are tasked to align the IDPs of District Municipalities and Metropolitan areas within their boundaries. For this reason the MEC of Local Government is tasked with the approval of all the IDPs within that particular province.

4.5.3 IDP: who should participate and why?
As mentioned in the previous sections, the Integrated Development Planning is participatory in nature and requires input from various role-players. These role players, and the reasons why they are entitled to participate in the planning process are discussed in this section.

- **The Officials**
Integrated Development Planning is not the function of the municipality’s planning department. Everything that all the departments do, including treasury and human resources, has to be guided by the municipality’s management tool, which is the IDP. As a result all the departments have to get directly involved in the integrated development planning process. The benefits of officials in the IDP process will be discussed in the next section.
• The Councillors
Councillors have to play a leading role in the IDP process. As noted by SALGA, the IDP is not the only mechanism through which councillors have to make decisions, it also contain the councillors constituency' needs and aspirations. Councillors have to participate to ensure that their communities' issues are well reflected and addressed (cf SALGA, 2003).

• The municipal Stakeholders
The IDP is about determining the stakeholder and community needs and priorities that need to be addressed in order to contribute to the improvement of the quality of life. Community and stakeholder participation in determining those needs is therefore at the heart of the IDP process. The Constitution and the Municipal Systems Act clearly stipulates that the municipality must mobilise the involvement and commitment of its stakeholders by establishing an effective participatory process. The municipality should, in particular, ensure participation of previously disadvantaged groups e.g. women, the disabled, etc. so that their voices can be heard (cf SALGA, 2003).

In the case of the stakeholder groups that are not organised, e.g. the NGOs or other resource persons play a critical role in advocating the interests of those groups. The nature of the IDP process is therefore such that it allows all stakeholders who reside or conduct business within a municipal area to contribute to the preparation and implementation of the development plan. By abstaining from participating, stakeholders empower other people to make decisions on their behalf, which might result in decisions not being in their interest (cf SALGA, 2003).
• Provincial and National Sector Departments
The IDP should guide where sector departments allocate their resources at
the local government level. At the same time, the municipality should take into
consideration the sector department’s policies and programmes when
developing its own policies and strategies. It is in the interest of the sector
departments, therefore, to participate in the integrated development planning
process to ensure that there is alignment between its programmes and that of
municipalities. The benefits brought by the participation of each stakeholder in
the IDP process are discussed in the next section.

4.5.4 The benefits provided by the IDPs to specific target groups
The IDP distributes benefits to all the stakeholders within a specific municipal
jurisdiction, namely the municipal council, councillors, municipal officials,
communities, the national and provincial sector departments, as well as the
private sector. According to the South African Local Government Association
(SALGA, 2003), despite the benefits to communities and the private sector,
municipalities, through the IDP, are able to obtain access to development
resources and outside investment.

The IDP also provides clear and accountable leadership and development
direction, co-ordination between various sectors, and through its requirement
of an institutionalisation of a performance management system, ensures that
the set goals are met in time. Table 4.2 below, depicts the benefits brought by
the IDP to specific target groups.
Table 4.2: The benefits of IDPs to specific target groups

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Benefits</th>
</tr>
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</table>
| **Municipal council**                | Enables the municipality to:  
|                                      | • Obtain access to development resources and outside investment;  
|                                      | • Provide clear and accountable leadership and development direction;  
|                                      | • Develop co-operative and relationship with its stakeholders and communities; and  
|                                      | • Monitor performance of officials                                                                                                                                  |
| **Councillors**                      | • Provides councillors with a mechanism of communicating with their constituencies;  
|                                      | • Enables councillors to represent their constituencies effectively by making informed decisions; and  
|                                      | • Enables councillors to measure their own performance                                                                                                       |
| **Municipal officials**              | • Provides officials with a mechanism to communicate with the councillors;  
|                                      | • Enables the officials to contribute to the municipality’s vision; and  
|                                      | • Enables officials to be part of the decision making process                                                                                               |
| **Communities and other stakeholders** | • Gives an opportunity to inform the council what their development needs are;  
|                                      | • Gives them an opportunity to determine the municipality’s development direction;  
|                                      | • Provides a mechanism through which to communicate with their councillors and governing body; and  
|                                      | • Provides a mechanism through which they can measure the performance of councillors and the municipality as a whole.                                                                                       |
| **National and Provincial sector departments** | • A significant amount of financial resources for the implementation of projects lie with the sector departments. The availability of the IDP provides guidance to the departments as to where their services are required and hence where to allocate their resources |
| **Private sector**                   | • The IDP serves as a guide to the private sector in making decisions with regard to areas and sectors to invest in.                                                                                      |

SALGA, 2003
However, what needs to be noted from the presentation above is that there is a need to inform the planning process by encouraging an inter-play of different stakeholders within the boundaries of a municipal area. The result of which would reduce the probabilities of conflict between local role players, which was evident apartheid era.

Presenting the IDP process as an outstanding management tool is that, due to its participatory aspects, it stands out to be the most effective, particularly for South African localities. Elaborating the discussions as presented in the table above, SALGA (2003) further notes that in the absence of an IDP, a municipality would act in an *ad hoc*, uninformed and uncoordinated manner which would lead to duplication and wastage of limited resources. Furthermore, the lack of a municipal tool to guide development would result in other spheres of government imposing their development programmes, which might not be the priorities for certain municipal areas.

4.5.5 THE ESSENCE OF INTEGRATED DEVELOPMENT PLANNING

The preparation of IDPs by municipalities is a legal requirement in terms of the Municipal Systems Act of 2000. However, that is not the only reason why municipalities must prepare the plans. Under the new Constitution, municipalities have been awarded major developmental responsibilities to ensure that the quality of life of citizens is improved. The new role for local government includes the provision of basic services, creation of jobs, promoting democracy and accountability, and eradicating poverty. Preparing and having the IDP, therefore, enables the municipality to be able to manage the process of fulfilling its developmental responsibilities. In a nutshell, the importance of IDP, as a policy instrument at local municipal level manifest itself in a number of ways. This is highlighted by the discussion in the following section.
Effective use of scarce resources

Integrated Development Planning presents a range of challenges and opportunities to the new system of local government. IDPs will assist municipalities to find a focus within an increasingly complex and diverse set of demands, and will also help them to direct resource allocations and manage institutional systems around a new set of developmental priorities. It helps municipalities to focus on the most urgent and important needs of local communities and it takes into consideration the resources that are available at local level. During the planning process, a local community must find the most cost-effective ways of providing services, and financial expenditure must be directed to the causes of problems existing in local areas. For example, a municipality may decide to allocate resources to build a canal that will prevent buildings from being damaged during flood seasons. This will reduce the financial risk placed on the municipality’s emergency services (Anon, 2003). Furthermore, the IDPs enable municipalities to align and direct their financial and institutional resources toward agreed policy objectives and programmes.

Speeding up service delivery

The IDP identifies the least serviced and most impoverished areas and points where considerable efforts should be directed. Implementation then becomes easier because it is inclusive of all local stakeholders. The IDP also provides deadlock-breaking mechanisms to ensure that projects and programmes are effectively implemented. It helps to develop realistic project proposals based on the availability of resources. The IDP further seeks for more cost-effective solutions and addresses the root causes, rather than just allocating capital expenditure for dealing with symptoms. The essence of municipalities with regard to speeding-up delivery is also discussed in SALGA (2003).
- **Attracting additional funds**
  Government departments and private investors are willing to invest where municipalities have clear development plans. In advising proper planning by municipalities, Rauch (2003), states that plans and proposals should satisfy the requirements of the funding agencies, and this way the latter could lead to the delivery of services being speeded up.

- **The strengthening of democracy**
  Through active participation of all local stakeholders, decisions are made in a democratic and transparent manner, than by few influential individuals (SALGA, 2003).

- **Overcome the legacy of apartheid**
  Municipal resources are used to integrate rural and urban areas and to extend services to the poor. As stated by SALGA (2003), the IDPs help to overcome the legacy of apartheid by promoting the integration of rural and urban areas, different socio-economic groups, places where people live and work. The IDPs also facilitates the redistribution of resources in a consultative process.

- **The promotion of co-ordination between municipal, provincial and national government**
  Lastly, the different spheres of government are encouraged to work in a co-ordinated manner to tackle the development needs in a local area. Integrated Development Plans are vital tools to ensure the integration of local government activities with other spheres of development planning at provincial, national and international levels, by serving as a basis for communication and interaction. For example, of the Department of Health plans to build a clinic in an area, it has to check that the municipality can provide services such as water and sanitation for the effective functioning of the clinic (Anon, 2003).
IDPs serve as a basis for engagement between local government and citizens at local level, and with various stakeholders and interest groups. Participatory and accountable government only has meaning if it is related to concrete issues, plans and resource allocations. The IDPs enable municipalities to weigh up their obligations and systematically prioritise programmes and resource allocations. In a context of great inequalities, IDPs serve as a framework for municipalities to prioritise their actions around meeting urgent needs, while maintaining the overall economic, municipal and social infrastructure already in place.

IDPs assist local governments to focus on the environmental sustainability of their delivery and development strategies. Sustainable development is development that delivers basic social and economic services to all, without threatening the viability of the ecological and community systems upon which these services depend. All in all, Integrated Development Planning also assists local municipalities to develop a holistic strategy for poverty alleviation (DPLG, 2004).

4.5.6 THE LEGISLATIVE FRAMEWORK FOR IDP IN SOUTH AFRICA
The implementation of Integrated Development Planning in South Africa by municipalities is backed by various acts of legislation. The policy context obliging municipalities to implement IDPs is illustrated in Table 4.3 below. These policy documents include the municipal Systems Act. The Act ushers municipalities to draft and implement IDPs in their areas of jurisdiction.

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21 DPLG – Department of Provincial and Local Government of South Africa
Table 4.3: Legislative framework for Integrated Development Planning

<table>
<thead>
<tr>
<th>Act/White Paper</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Local Government Municipal Systems Act, 2000</td>
<td>The Municipal Systems Act sanctions municipalities to draft and implement the Integrated Development Plans. It also requires that community participation be of the utmost importance in delivering equitable and sustainable service delivery.</td>
</tr>
<tr>
<td>The Constitution of RSA, 1996</td>
<td>The Constitution of requires that municipalities engage in the draft and implement the IDPs to promote and manage its administration, budgeting and planning processes to give priority to the basic needs of the communities.</td>
</tr>
<tr>
<td>The Development Facilitation Act 1995</td>
<td>The Development Facilitation Act was switched to the concept of Integrated Development Planning. It requires that municipalities draft and implement the IDPs for their areas of jurisdiction. It sees the IDP as the pivotal point and the main pillar of the budget and the main interface with the community.</td>
</tr>
<tr>
<td>The Local Government White Paper, 1998</td>
<td>The Local Government White Paper, despite the engagement of local governments in South Africa to implement LEDs, also sends a clear sanction for these structures of government to do their planning with their communities. It requires that local governments engage people in development planning and implementation.</td>
</tr>
<tr>
<td>Local Government Transition Act, 1993 &amp; its second amendment, 1996</td>
<td>These Acts ushers municipalities to implement IDPs. According to them, municipalities should centre on the key development challenges of finding ways in which citizens, including other role players share space and time.</td>
</tr>
</tbody>
</table>

Municipal Systems Act; Constitution of SA, 1996 & Khuzwayo, 1999: 1
The implementation of IDPs is further supported by the Constitution of South Africa (Act 108) of 1996, and the Development Facilitation Act that gives primacy to local government as the vehicle for the reconstruction and development of the new society. The Acts mentioned above mandate municipalities to have a developmental focus in their areas of jurisdiction as opposed to sheer provision of services.

The White Paper (1998) on Local Government further emphasises the significance of this developmental approach. According to the White Paper on Local Government, municipalities have to encourage active participation of their communities. The Act further encourages municipalities to engage communities in the implementation of strategies. Further policies requiring municipalities to engage in IDP are both Local Government Transition Acts, 1993 and its second amendment in 1996. The Act contends that local government, through the implementation of IDPs, concentrates on key challenges facing their immediate communities.

4.5.7 THE DEVELOPMENT OF INTEGRATED DEVELOPMENT PLANNING IN SOUTH AFRICA

Local municipalities in South Africa use Integrated Development Planning as a method to plan future development in their areas. The implementation of IDP came as a result of Apartheid planning that left South African cities and towns characterised by:

- Racially divided business and residential areas;
- Bad spatially planned areas to cater for the poor – with long travelling distances to work; and poor access to business and other services;
- Vast differences in the levels of services between rich and poor areas; and
- Sprawling informal settlements and spread out residential areas that make service delivery difficult.
Rural areas were left underdeveloped and largely under-serviced. For these reasons, the new approach at municipal level was developed to overcome the development backlogs created by the apartheid policy. The development of the Integrated Development Planning process in South Africa is categorised into five main periods, and these periods, according to Khuzwayo (1999: 37) follows a uni-linear process that fits neatly into the historical periods.

**The launching of separate development: The pre 1948 period**

According to Khuzwayo (1999: 38), the pre 1948 period dates back to the negative relations between white and black communities in 1652. The period was characterised by constant wars for territorial domination that ended up with a legal system that created settlement patterns based on racial grounds. The Union of South Africa, 1910, amalgamated the provinces into Transvaal, Natal, Orange Free State and the Cape Colony to form the Republic of South Africa. The Republic of South Africa around that period fell under the jurisdiction of the whites only parliament.

During this period, certain Acts of government (e.g. Land Act of 1913) were passed which enabled the establishment of a spatial framework in terms of which 87 per cent of the land belonged to the white community, whilst the remaining 13 per cent for the exclusive use of the black communities. The Land Act was an important legal instrument that was utilised in driving black people out of the agrarian economy to work in the mining sector. This signalled the consolidation of the gold-based capital accumulation process in South Africa and signalled the beginning of what Khuzwayo (1999: 38) termed *de jure* racial character of the spatial framework.

A spatial framework had to operate within the context of this national legislation. Various provincial ordinances, in line with the national constitution, made provision for the formulation of town planning schemes in white, Indian, and coloured areas, while creating residential dormitories in African areas. These dormitories had weak or no economic base (Khuzwayo, 1999: 39). The
situation resulted in the dual economy characterised by, on the one hand, centres of economic activity and affluence, while on the other, poverty and underprivilege. The dual economy was reflected in the spatial framework. The racial and the dual economy mutually reinforced each other (cf Naudé and Krugell, 2002: 2).

Khuzwayo (1997: 39) further adds that the inequalities regarding the issuing of land were also evident at local government levels. According to him, planning schemes had to be imported from Britain and the United States without adaptation to local conditions, and as a result led to South African cities being divided along racial land use and institutional fragmentation. The distortions in the distribution of land and rural development were also discussed in chapter 3.

The consolidation of separate development: The post 1948 period

Following the discussion of the period in which separate developments were launched in South Africa, came the period within which the aforementioned developments were consolidated. This is said to have been the period within which the National Party (NP) came into power. Following its assumption of power, its major intention was to deepen separate development with its attendant racial land use and institutional fragmentation. A barrage of legislation was again during this period passed to maintain the racial character of the South African society. The Group Areas Act of 1950 was a major example of this intent with the support it had from the Reservation Amenities Act of 1953 which provided for segregation of public facilities (Khuzwayo, 1997: 40).

Town planning duly responded to the promotion of physical planning that was informed by this legal framework. The dual economy and the resultant spatial configuration reinforced each other in a vicious cycle. The concept of Apartheid city took shape, as poor people were located on the urban periphery, while the affluent enjoyed prime location in the pristine land close to
the city (Khuzwayo, 1997: 40). The notion of land use separation was maintained at the local government level and new institutional mechanisms were further designed to sustain the spatial arrangements. Examples of these designs include the Bantu Authorities Act of 1968 and Homeland Consolidation Act. As stated in Khuzwayo (1997: 41) and Ndlela (1992: 103), the apartheid city model looked like it was going to stand the test of time. High economic growth in the 1960s meant that the state had enough resources to impose its ideology on the spatial framework.

- **The signs of instability: The turbulent period of the 1970s**

The period is expressed to have been brief and one in which much of South Africa's history is significant. This period was characterised by violence and humiliation. A multiplication of political forces, coupled with an increasing number of out-going prominent businesses, government sanctions and serious opposition to the repressive laws provided the impetus for sustained efforts to challenge the status quo. The situation gave birth to an urgent need for a new political and socio-economic dispensation in South Africa. The Soweto uprising of 1976 brought about the urgency to revisit the constitutional framework. Major international businesses pulled out of South Africa, and sanctions were imposed on the South African government, precipitating an economic crisis. The government, through all the pressures, was forced to make certain constitutional adjustment to stabilise the situation (Khuzwayo, 1997: 42). These constitutional adjustments are discussed in the next section.

- **Some constitutional adjustments: A reformist period of the 1980s**

The turbulent period around the 1970s paved the way for some constitutional adjustments focused on reviewing the burdens brought by apartheid policy. During this period, attempts to decrease the weight of sanctions came to the fore. A number of changes were, for the first time, introduced to the constitution of South Africa. Attempts to reform separate development involved the consolidation of the homeland system, accommodation of Indians and coloureds in the tri-cameral parliament and the passing of Black Local
Authorities Act, 1982 (Act 110 of 1982). The morale behind these acts of government, as Khuzwayo (1997: 42) quotes from Ismail, et al. (1997), was that the government planners were more concerned with making political adjustments to reconstitute separate development than about fundamental social and spatial restructuring. The spatial implications of apartheid, particularly, spatial inequality in South Africa, were discussed in chapter 3. It is against these disparities that constitutional adjustments had to be done.

Increasing evidence cleared the vision for a transforming society and it became clear that the notion of separate development that was conceived by the Nationalist government was becoming unsustainable and, and the government was increasingly ostracised. Both the Houses of Representatives made serious attempts to improve the quality of life among coloureds and Indians respectively. The notion became evident in the improvement of the quality of education and housing and some notable failures in the areas of community participation and political legitimacy (Khuzwayo, 1997: 42; Leboea, 2003). However, political and economic aspirations of a larger section of the society could not be wished away. Various institutional mechanisms to bolster the fragmented spatial pattern were proving to be inherently inadequate. Economic necessity and sustained political pressures forced the political parties to a negotiating table. The discussion of the period of transformation that paved the way for the Integrated Development Planning in SA follows in the next section.

Towards Integrated Development Planning: Transformation of the 1990s

The Local Government Transition Act 1993 (Act 209 of 1993) was the outcome of the negotiations from all key players during the CODESA (Congress of Democratic South Africa) talks in Kempton Park. This piece of legislation imposed the necessity for the local government to be part of the planning. It was also expected that local governments would create a framework that would deal with the new spatial arrangements that would
distribute the benefits of growth and resources to all the race groups. The Interim Constitution was born, soon followed by a newly fledged constitution for the whole nation. The Constitution of South Africa 1996, including several policy documents, makes provision for municipalities to outline frameworks that would be implemented in dealing with spatial arrangement of the past. The legal framework indicating a number of policy documents supporting the assignment to municipalities to implement Integrated Development Planning was discussed in the previous section. The discussion of IDP processes follows in the next section.

4.5.8 THE INTEGRATED DEVELOPMENT PLANNING PROCESSES
This part of the chapter highlights a number of guidelines for municipalities to implement the Integrated Development Planning successfully. However, it starts with Louw’s (2002) IDP cycle. The discussion of the IDP processes is concluded with the discussion of Khuzwayo and Buthelezi’s models.

4.5.8.1 Louw’s model of the IDP process cycle
The South African system of Integrated Development Planning (IDP) is a process by which municipalities prepare 5-year strategic plans that are reviewed annually in consultation with communities and stakeholders. These plans seek to promote integration by balancing the social, economic and ecological pillars of sustainability without compromising the institutional capacity required in the implementation, and by coordinating actions across the various spheres of government (Chauvet, at al, 2003). According to Louw (2002), the IDP process is based on a number of sequential steps that need to be followed by municipalities. Louw’s IDP process cycle is presented in the figure 4.2 below.
Louw, 2002

According to Louw (2002), the IDP process cycle, as presented in figure 4.2, starts with the election of a new municipal council. During the first year after the election the IDP is established and work-shopped with all the role players of which the community is the most important. The long-term goals are established for the municipality. After the long terms are established, objectives on how to achieve the goals are set out. After the IDP has been drawn up and accepted by all the role players, the budget is drawn.

During the second to fifth years, the IDP is annually reviewed and the long-term goals are readjusted, with the budget reflected in the goals of the IDP. With every election, this process begins anew. A new Council may, however, decide to accept the previous council's IDP or it might be rejected. The discussion of Khuzwayo's model of IDP process follows in the next section.
4.5.8.2 **Khuzwayo’s model of the IDP process**

Khuzwayo’s (1999) model, as opposed to Louw (2002) focuses on what the IDP planning process entails. It gives some guidelines as to the sequential steps that should be followed by the planners at local levels of government. Louw’s (2002) model, as discussed in the previous section focuses on the timeframes spanning from the time at which the new Council is elected, and its duration in office.

According to Khuzwayo (1999: 11), municipalities, in effectively implementing the Integrated Development Planning process, follow a chronological sequence of steps. According to Khuzwayo’s (1999) model, the steps need strict adherence during the planning process. It is argued that this process is a modern way of addressing people’s needs as it takes into cognisance their involvement throughout the planning and the implementation of decisions. The IDP planning process commences with the assessment of the current situation, and the planners identify the real issues that require planning and begin with an information gathering process. The second step is to prioritise the needs accordingly, which helps in identifying those needs that are seen as urgent by members of the community (cf Malefane, 2001 (a)).

The third step involves setting goals that will enable the attainment of prioritised needs of the community. After the goals on how to satisfy the needs of community have been set, strategies to meet these needs are devised. According to Khuzwayo (1999: 12) the fifth step is to develop and implement the strategies. With regard to the fifth step, that is the development and implementation of projects, there are varying views as to whether implementation comes before or after the budget has been allocated. Since the implementation of development project depends solely on the allocated funding this research study considers budgeting as an important element of the planning process that should be carried before the implementation process takes place. During the implementation process, it is important that stakeholder performance is monitored, as it will ensure the achievement of the
set main goals. The planning process, according to Khuzwayo (1999: 12), is concluded with the monitoring of community members to guide and ensure best practices. Another important criticism that arises from Khuzwayo's (1999) model of the IDP process, might be that although the need for an institutionalisation of a performance management system at local municipal level is emphasised, it is also of critical importance, that the development impact arising from the implementation, is continually assessed since the municipalities need to be informed of the impact of development projects on their communities.

An assessment of the impact of development can also serve as an important instrument during the annual IDP reviewing process. Khuzwayo (1999) like many other researchers have omitted the importance of the assessment of development impact on the target groups. Khuzwayo's model of the Integrated Development Planning is presented in Table 4.4 below.
Table 4.4: The Integrated Development Planning sequential process.

<table>
<thead>
<tr>
<th>STEPS</th>
<th>DIFFERENT ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>During the first step, the municipality has to assess its current situation. During this step a number of facts have to be considered, i.e. its current profile, the size of its communities, community needs and its capacity to serve and address such needs. Shortly, municipalities have to consider both its internal operations and its immediate and extended environment.</td>
</tr>
<tr>
<td>Step 2</td>
<td>After the assessment of the current reality, the municipality has to prioritise these needs according to rank of importance and the urgency with which it has to comply in adhering to these needs.</td>
</tr>
<tr>
<td>Step 3</td>
<td>The third step entails municipalities setting the goals, within a five-year period, how certain activities will have to be conducted. This is done through the establishment of goals that will enable the overall achievement of the main objectives.</td>
</tr>
<tr>
<td>Step 4</td>
<td>After the goals have been set, there is a need for municipalities to set strategies with which the goals will be achieved. These include the setting of roles and activities and preparing its manpower on how specific projects are going to be rolled out. Manpower planning and structural adjustment also fit neatly within this activity.</td>
</tr>
<tr>
<td>Step 5</td>
<td>After the preparation of all the activities and assigning clearly defined roles to different stakeholders, there is a need to get to the actual work. This step entails the development and implementation of projects and programmes. It is also important to consider an inter-play of all the stakeholders during this phase.</td>
</tr>
<tr>
<td>Step 6</td>
<td>Implementation is a costly activity, therefore there is a need to organise the necessary financial resources. The budgetary process forms an integral part of the implementation of the IDP process. Without a complementing budget, the IDP process cannot unfold.</td>
</tr>
<tr>
<td>Step 7</td>
<td>During the implementation of projects the need for the assessment of stakeholders performance is necessary. This aspect will enable the overall achievement of the main goals that were set at the initiation of the process. Performance assessment will also motivate and bridge the gaps that are identified during the implementation of the projects. However, the performance of stakeholders is a control measure that must be done in an objective manner.</td>
</tr>
<tr>
<td>Step 8</td>
<td>Participatory projects, which include members of community needs to be regularly monitored in order to guide and ensure best practices. This, as a result, will assist in achieving the intended goals that were set at the initial stages of the process.</td>
</tr>
</tbody>
</table>

Model adapted from Khuzwayo (1999: 11)
Khuzwayo's (1999:11) model suggests that in order to guide the success of planning and implementation processes of the integrated development planning, there is a need to follow the steps as set out in the model. Khuzwayo's (1999) model also provides for the revision every five years as Louw's (2000) model. Both the models identify the importance of regular and constant reviews. Khuzwayo's' (1998) model of the IDP process offers similar guidelines, but places emphasis on different aspects in the process than Louw (2000) and Buthelezi (1998) model.

Buthelezi's model of the Integrated Development Planning process follows in the next section. The model is also presented in a diagrammatic format.

4.5.8.3 Buthelezi's model of the IDP process

According to Buthelezi (1998), the IDP process by its nature requires that the planning profession categorically disband its former constraining and socially unresponsive role of being “value neutral”, apolitical and bureaucratic. The planning professional, according to her, begins to recognise the political context of planning and attempts to represent a more socially responsive planning approach. Apart from meeting a range of developmental objectives, the IDP process seeks to promote the objectives of developmental local government and facilitates local processes of democratisation, empowerment and social transformation (Buthelezi, 1998: 36). The IDP process also seeks to support the main objectives of the RDP\textsuperscript{22} are to “mobilise all the country’s people and its resources towards the final eradication of apartheid planning”.

Buthelezi (1998) further regards the planning process as focussed on two pillars. The first pillar is the strategic pillar; this entails an assessment of the current reality, identification of needs, an audit of available resources, prioritisation of needs, development of frameworks and goals to meet needs and the formulation of strategies to achieve the goals. The second pillar, according to her is operational and includes a financial plan, an annual budget plan, a programme of project implementation and time frames. The second

\textsuperscript{22} Reconstruction and Development Programme.
pillar, according to her, recognises the needs for monitoring the need for monitoring performance so as to enable municipalities to measure the impact of the planning process. Buthelezi's model of the IDP process is illustrated in figure 4.3 below.

Figure 4.3: Integrated Development Planning (IDP) methodology

Buthelezi, 1998:37

By incorporating the communication plan to the IDP process, an important aspect that distinguishes Buthelezi's model from that of Khuzwayo, the author emphasises that a communication plan seeks to ensure that all stakeholders are informed about the process. The communication plan details how planners will report back to their communities and other stakeholders. Devising and maintaining communication plans is a problem area identified for
most South African municipalities since the birth of democracy at local government level. There is a need to devise strategies in which communities are being informed of the progress made by planned activities.

When taking a closer look at the presentation of the IDP models illustrated above, one would be led into a conclusion that all the researchers are in accord. All of the models do reflect the core components of the IDP, as required by the Local Municipal Systems Act. That is, they incorporate with special emphasis the importance of the current reality within which planning takes place, the process of reviewing the plans, enhancing participatory processes, the communication of the plans, as well as the important of designing a supportive budget for the implementation stages. Although reference in terms of terminology, as well as the chronological presentation of aspects differs, the core components of the IDP are reflected. However, one of the criticisms that can be posed would be that the three models do not incorporate an assessment of the impact of development projects over the life of the intended beneficiaries. This is an important aspect, since an assessment of the impact would serve as an important feedback to inform the reviewing process. The discussion of Local Economic Development (LED) follows in the next section.

4.6 LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA

An important aspect of the IDP process, as Buthelezi (1998: 39) notes, is the development of a plan for raising revenue to support planning strategies. This aspect, according to her, includes the formulation of a coherent infrastructure or capital investment plan which sets out to achieve infrastructure targets, mobilise public and private funding sources in order to promote LED. The IDP process identifies LED as a cross cutting and inter-disciplinary issue, aspects that is part of operational planning. Local Economic Development has assumed major importance as a policy in many developed countries of Europe, North America and Australia (Rogerson, 2003). Increasingly, the potential for LED is acknowledged as a critical sphere for policy development in the developing world, not least in South Africa. In several policy documents
and statements, the national government in South Africa has placed great importance on the role of LED as a way of reaching the objectives of reconstruction and development in post-apartheid South Africa. In particular, the White Paper on Local Government emphasises the vital need to foster a culture of developmental local government in South Africa, including the promotion of local economic development. The discussion of the theory of LED follows in the next section.

4.6.1 Theory of Local Economic Development

The Municipal Systems Act of 2000 challenges South African municipalities to move progressively towards economic upliftment of local communities. It is for this reason that the discussion of LED forms an integral part of the role of municipalities in poverty alleviation. The major importance of LED as a policy resulted in enormous research activities being conducted worldwide. Although the concept is still new for South African municipalities, it is not a new phenomenon. The ‘first wave’ of local economic development in the developed countries of the USA, the UK and Canada and some developing countries began in the nineteenth century and lasted until the 1940s. The key function of this first wave, as Mosiane (1999: 5) insists, was municipal boosterism. A ‘second wave’ of local economic development has been linked with the global economic and political changes since the 1970s. Specific approaches to local economic development have been applied during each of these periods of LED occurrences. Local Economic Development is a local level development process that involves the mobilisation and development of local resources stimulated by the need to tackle local economic and social problems or manage processes of economic restructuring (Mosiane, 1999: 5).

In his opening address to parliament, 7 February 1997, the former president, Nelson Mandela indicated the urgency for the need of training of councillors on Local Economic Development (LED). Their ability to raise funds and manage them, to play their role in multi-billion rand housing and infrastructure programs, to attract investments, to deal with the distortions of
the apartheid era and to work with communities in partnerships for
development are skills that should be built more intensively.

Municipalities in South Africa are becoming more entrepreneurial in all their
activities (Rogerson, 1993: 32). Entrepreneurial activities at municipal levels of
government are expressed by the need to facilitate and initiate the
establishment of supporting Small, Medium and Micro Enterprises (SMMEs).
They are expected to generate their own revenues, draft their own budgets,
and manage assets and to empower local citizens (Anon, 2001 (b): 12;
Leitch, 2001: 11; Mabotja, 2002: 69; Anon, 2001(a): 19; Gumede, 2001(a):
35).

In the provision of the fundamental theory of LED, Vosloo (1998: 7) sees the
necessity to distinguish between Ad Hoc LED and LED as a discipline in
defining projects. This, according to her, will help in avoiding confusion over
the concept. Ad Hoc LED projects do not have to be based on LED principles
(that would have involved a holistic determination of how to address
development in an optimum way in a specific area). Ad Hoc LED projects
could still reach some of the same objectives of LED by contributing to the
economic development of a specific locality. LED as a discipline could be
described as a process where responsible parties formulate and implement
LED strategies, plans and projects within a given framework, with the broad
objectives of creating employment opportunities and of stimulating economic

The LED process is managed by municipalities in accordance with the
economic component of their constitutional mandate to promote social and
economic development. LED does not differ from any other economic
development processes. It is a process driven by local stakeholders and
contains economic, spatial and social dimensions. LED includes “initiatives
designed both to promote growing local economies and to address poverty
Local Economic Development refers to sub-national action, usually sub-state and sub-regional, taking place within the context of a labour market. It is an endogenous process where local communities are active shapers of their own destiny' (Davis, 1997: 7). The process involves identifying and using local resources, plans laws, programmes and projects, involving all stakeholders in a local community, catering for a number of initiatives aimed at improving the quality of life of the people under municipal jurisdiction. It is both part of the objectives and larger development process for which municipalities are established, and is one of the mechanisms available to achieve the goals of a better life for all, job creation, poverty alleviation and the redistribution of resources for the benefit of all residents of that municipality (Anon, 1999 (d): 2; Haffajee, 2002: 24; Mears, 1999: 178).

Naudé (2001: 3) and Blakely (1990: 743) define Local Economic Development as the development of the economic basis of a community, and the promotion of the competitiveness of the enterprises. According to them, local economic development is a narrow concept, but the manner in which is to be achieved can be described as broad in nature. LED is not something separate from the daily work of the municipality. It does not require a department of its own. Rather, all the activities of local government need to promote economic growth. Its focus is on job creation from an economic perspective.

LED is defined as "a process by which local governments and or community based groups manage their existing resources and enter into new partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity (Naudé: 2001(a): 2; Naudé, 2001(b): 2; Blakely, 1990: 58; Helmsing, 2000: 58; Radebe, 2003)."
According to the International Republican Institute (1998: 2) Local Economic Development (LED) is not just a buzzword that has been adopted by politicians, nor a complex plan that can only be deciphered by technical experts. Quite simply, it is about local people taking control and responsibility for job growth and the economic well-being of their community.

Local Economic Development (LED) is a locally-driven process designed to identify, harness and utilise resources to stimulate the economy and create new job opportunities. It is not about one specific action or programme, rather it is the sum total of the individual contributions of a broad spectrum of the community. LED occurs when the local authority, business, labour NGOs and – most importantly – individuals strive to improve their economic status by combining skills, resources and ideas (IRI, 1998: 2).

As discussed in Blakely (1989: 743), (cf, also Nel & Hill, 1996: 882), the purpose of LED is to provide the neighbourhood, locality or region with greater capacity to contribute in determining its own economic destiny. It further aims to stimulate or maintain business activity and employment. It is further emphasised that the process should be initiated at the local level to represent an institution-building process. Similar to the discussion on IDP in the previous section, LED can materialise when local people take the initiative and engage in actions that unify communities, business and relevant authorities in their local area. By implication, LED appears to be a cost effective and a community empowering process which has a defined role to play, and can yield benefits to participatory communities. As cited in Nel and Hill (1996: 862) the LED process consists of the following components:

- Identification and recognition of an economic crisis;
- Local actors must have a clear vision of what needs to be done;
- Community involvement must be encouraged and the communities need to take ownership and responsibility for all the activities (Tsoinyane, 2001: 31);
Community members should have capable and respected local leaders;
Their plan must be practical and realistic;
There must be a shared vision and commitment by all local actors;
In order to get things done, communities need to organise themselves in a professional way;
Local actors such as local entrepreneurs development support, and advice centres within a locality should be given priority, but in cases where there are no key people for such position, they can utilise outside skills and resources;
They need to have an entrepreneurial approach and use opportunities as they arise; and
Sustainability of the projects should be the overriding objective.

The legislative framework for the implementation of LED in South Africa follows in the next section.

4.6.2 The legislative framework of Local Economic Development in South Africa

In South Africa, there already exists a growing and varied literature on LED (Ruhiga, 2001: 58). In-depth research centred on the overall policy context of the strategy, and its place in the new South Africa includes projects which were conducted by Nel (1996), Isserow (1995), Sapsford (1994), Davis (1997), and Teixeira (1995). Backing this strong research base are several policy documents in South Africa that provide a clear sanction for municipalities to engage in LED (Rogerson, 1999: 32). More important is the Constitution of the Republic of South Africa, 1996, and a range of laws and policy papers. According to sections 152(c) and 153(a) of the Constitution, municipalities must ‘promote and manage their administration, budgeting and planning processes to give priority to the basic needs of the communities’. The Act further requires the promotion of social and economic development of the communities. The constitutional foundation for South African municipalities to implement local economic development is further discussed in Mosiane...
The Local Government Transition Act of 1993 and its 1996 Amendment (RSA, 1993; 1996b) are major post-apartheid local government enactments, and both refer to LED in requiring municipalities to promote economic and social development. Other policy documents supporting the implementation of LED by South African municipalities include the Reconstruction and Development Programme (RDP), the macro-economic strategy (GEAR), White Paper on Local Government, Development Facilitation Act (DFA) of 1993 and Municipal Infrastructure Investment Framework (MIIF) (cf. Nel and Humphrys, 1999:282; Zuern, 2001: 5; Anon, 2001 (c): 35). All these policy documents entail that municipalities initiate, facilitate and co-ordinate LED activities as channels for the support provided by higher levels of government. These policy documents also encourage partnerships with the private sector, community groups, non-governmental organisations (NGOs), local government agencies, churches and other institutions present in a local area, to access unique skills and resources for successfully undertaking LED (Nel and Humphrys, 1999: 280). Table 4.5 below, illustrates the legislative framework for the implementation of LED by South African municipalities. The legal framework for LED is also discussed in the International Republican Institute (1998: 52).
Table 4.5: Legislative framework for Local Economic Development in South Africa

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Legal framework within which LED is supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>The RDP document</td>
<td>The Reconstruction and Development Programme has a section specifically devoted to the implementation of LED by municipalities in South Africa. The document also discusses LED in conjunction with Developmental Local Government.</td>
</tr>
<tr>
<td>The macro-economic strategy (GEAR)</td>
<td>The Growth Employment and Redistribution (GEAE) or the economic strategy emphasises and suggests initiatives to enhance private sector involvement in the operations of local municipalities.</td>
</tr>
<tr>
<td>The Local Government Transition Act 1993</td>
<td>The Local Government Transition Act states that local governments should be open to review by concerned residents and other stakeholders within their municipal jurisdiction.</td>
</tr>
<tr>
<td>Municipal Infrastructure Investment Framework (MIIF)</td>
<td>The Municipal Infrastructure Investment Framework emphasises that local authorities deliver appropriate level of services, improve them and to structure infrastructural investment to promote economic development.</td>
</tr>
<tr>
<td>National Line Departments- including Water Affairs and Forestry, Transport, Environmental Affairs and Tourism, Trade and Industry and Housing departments through legislation, require that the municipalities satisfy certain planning requirements.</td>
<td></td>
</tr>
<tr>
<td>The Constitution of SA, 1996</td>
<td>The Constitution of South Africa requires that local governments promote and manage their administration, budgeting and planning processes to give priority to the basic needs of the communities, and to promote the social and economic development of the communities.</td>
</tr>
<tr>
<td>Local Government Municipal Systems Act, 2000</td>
<td>The Local Government Municipal Systems Act of 2000, further requires municipalities in South Africa to create and promote economic development in their areas of jurisdiction to respond to economic needs arising in their communities.</td>
</tr>
</tbody>
</table>

4.6.3 The necessity of local economic development in South Africa
Emerging LED practices in South Africa have not risen in a vacuum. Instead, they have been initiated in response to the inadequacies and failure of previous policies to effectively facilitate equitable economic growth and social development. As indicated in chapter 3 of this study, South Africa has a long history of racial segregation and as a result created a legacy of racial and economic distortion (Isserow, 1995: 70).

It is not possible to explore what the impact that LED strategies might hold for future development without examining the processes that gave rise to the current socio-economic climate (Isserow, 1995: 70). This section answers the question "why LED is necessary for South African municipalities". This part of the chapter outlines the basis on which the problems of poverty can be addressed through economic growth and development at local municipal levels of government.

The necessity for LED, as well as for IDP, arose in response to the need to address the characteristic features of planning in South Africa. According to Dass (1995: 14) and Ndabula (1997: 10), the features of planning had been a disjunction between the forces determining the location of industry and other employment creating activities, and those underlying the location of the majority of the people. Local Economic Development emerged in response to the reduction of economic vulnerability by promoting a diversification of the local economic base. Its necessity is also represented in the production of new, competitive goods and services, job creation and the creation of a new capacity for change in the form of new investment resources or local structures.

Rodwin and Sazanami (1989: 15) as quoted in Sapsford (1994: 17) argue that due to the legacy of apartheid policies, localities in South Africa have had to deal with plant closures, declining tax bases, declining infrastructure and services, and rising structural unemployment. These issues form the basis for
which LED becomes necessary for South African municipalities. The legacy of apartheid, in particularly the economic history of South Africa, formed the basis of the discussions in chapter 3. It is against this backlog that LED in South African municipalities became a necessity.

According to the International Republican Institute\(^ {23} \) (1998: 2), many local authorities, from the largest metropolitan area to the smallest village, are confronted with enormous service backlogs and other economic challenges. These challenges also include dealing with cities that have decaying central business districts, rural areas that are lacking basic infrastructure, and neighbourhoods and townships with few economic opportunities. In all of these cases, economic growth and job creation are of critical essentiality.

Economic restructuring and changing patterns of production have resulted in a mismatch between workers/skills and employment opportunities in terms of regions and cities, and thus placed new stress on South African cities to attempt to control investment within their boundaries (Sapsford, 1994: 17; Ndabula, 1997: 10). Furthermore, South African municipalities are required to consider their positions within the regional, national and international economy with new urgency. It is within this framework where new investment patterns, production systems and new forms of global competition that LED strategies become necessary (Sapsford, 1994: 17). As stated in Ndabula (1997: 10), in the era of global economic restructuring, where localities are increasingly being affected by social forces beyond their borders, there is a desire for them to become active protagonists rather than passive recipients of external change. South African municipalities have therefore fallen victim to economic restructuring.

Following the necessity of municipalities as global role players is the fact that government programmes have gained insubstantial support from members of the society. LED strategies are therefore argued to be able to succeed where

\(^ {23} \) International Republican Institute - IRI
national strategies have failed. They are a good way of exposing economic development to democratic pressures that in turn are crucial for sustainability.

Lastly, the necessity of LED is expressed by drawing on local ideas and knowledge, and because local ownership may lead to commitment and enthusiasm which national government strategies in South Africa often do not achieve (Dass, 1995: 15). The discussion of LED and national anti-poverty strategy follows in the next section. The next section provides the discussion of local economic development and national anti-poverty strategy.

4.7 LOCAL ECONOMIC DEVELOPMENT AND NATIONAL ANTI-POVERTY STRATEGY

As in the case of the UNCDF advantage theory, the integration of local economic development and poverty alleviation strategy acknowledges, firstly, the multidimensional nature of poverty. However, in doing so, this strategy, according to Mokate (2003), also takes into cognisance essential roles played by each sphere of government. Secondly, the strategy recognises the need for the transformation of state organs and to create an environment in which decentralisation becomes possible. The essence of decentralisation of authority for municipalities also formed an essential part in the discussion of the transforming local government in the earlier sections of this chapter. And thirdly, like the UNCDF, this integrated strategy contends that in the context of poverty alleviation, there is a need to ensure that safety and security of communities is treated with equal importance. According Mokate (2003), a number of policies have been formulated and implemented over the past years. These policies have different implications for different actors and spheres of government. The policies further have different elements, some require action by national government, while others require sub-national government action. Municipalities are set to play an important role in the growth and development of South Africa and by implication in the alleviation of poverty.
Mokate (2003) further makes reference to the census statistics of 1996 which indicate the majority of South Africans living in urban areas, and a significant component living in metropolitan areas. The spatial distribution of poverty, as he maintains, is such that the majority of the poor live in rural areas. Within the urban sector, there are significant concentrations of poor people in small towns and large inequalities in the level and quality of life within major metropolitan areas in the economy. Given these realities, as well as the role of local urban and rural areas in the economy, and municipalities' mandate reflected in the Constitution and other legislative frameworks such as the White Paper on Local Government, municipalities cannot escape a role in poverty alleviation.

Table 4.6 shows the spatial, and thus potential local economic development impact of a sample of different types of public policies.
### Table 4.6: Policy approach to poverty alleviation

<table>
<thead>
<tr>
<th>Policy</th>
<th>Nature of influence</th>
<th>Local Economic Development indicators</th>
<th>Strategic anti-poverty issues</th>
</tr>
</thead>
</table>
| **Macro-economic policy**| - Determine the physical envelope available for spending  
                        - Determines the nature of economic growth and hence what the sectors investment is likely to occur | - Local sectors identified or favoured by macroeconomic policy initiatives, particularly taxes, subsidies and interest rates  
                        - Size of fiscal envelope  
                        - Budget priorities and allocations, particularly human and physical investment plans | - Analysis of the socio-economic characteristics of local poverty population  
                        - Effective targeting local human and physical investment plans (skills training and education, and municipal infrastructure) to build capabilities with macroeconomic policy initiatives population |
| **Sectoral policies**     |                                                                                                           |                                                                                                          |                                                                                               |
| **Labour market policy**  | - Spatial movements of labour and increased need for labour and infrastructure  
                        - Impacts on wages, level of employment and the affordability of services (certain localities may gain while others may loose)  
                        - Wages and levels of employment affect the tax base of localities and revenue for infrastructure spending | - Trends in employment  
                        - Trends in wage levels  
                        - Occupational trends  
                        - Spatial allocation of employment trends by sector and occupation  
                        - Socio-economic characteristics of labour by locality and region (age, race, gender & education)  
                        - Internal migration patterns  
                        - Impact of international migration patterns | - Alignment of regulatory framework and land development framework to mitigate against internal spatial mismatches between the location of poor neighbourhoods and nodes of economic growth |

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<table>
<thead>
<tr>
<th>Industrial policy</th>
<th>Education policy</th>
<th>Health policy</th>
<th>Municipal infrastructure policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Impacts on the levels, nature and location of investment activity and hence infrastructure needs – economic infrastructure to support production and distribution of goods and services, and social infrastructure to support communities</td>
<td>• Medium to long term quality of human resource of a locality • Attraction of high calibre human resources</td>
<td>• Medium long term quality of human resources • Quality of life • Attraction of high calibre human resources</td>
<td>• Quality of life • Cost of production and distribution of goods and services • Transaction costs of participating in SDI related infrastructure investment and level of government spending</td>
</tr>
<tr>
<td></td>
<td>• Spatial and sectoral distribution of new private sector investment • SDI related infrastructure investment and level of government spending • Spatial impact of enterprise incentives, particularly those related to SMME • Sectoral impact of enterprise incentives, particularly those related to SMME</td>
<td>• Level and location of spending on health infrastructure • Quality of local primary health care services</td>
<td>• Quality and extent of social and economic municipal infrastructure</td>
</tr>
<tr>
<td></td>
<td>• Alignment of regulatory framework and land development framework to mitigate against internal spatial mismatches between the location of poor neighbourhoods and nodes of local economic growth • Complementary programmes to encourage local labour intensive and high value SMME</td>
<td></td>
<td>• Equitable access and affordability of services</td>
</tr>
<tr>
<td>Land policy</td>
<td>Transport policy</td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>-----------------</td>
<td>-------</td>
<td></td>
</tr>
</tbody>
</table>
| • Identifies development needs, the nature of rural development support required and hence infrastructure needed | • Community transport systems  
• Access to social infrastructure  
• Access to employment  
• Rural roads built  
• Urban reticulation roads  
• Inter urban roads  
• Inter urban-rural roads  
• Transport corridors | • Equitable access to land with particular emphasis on meeting the needs of the poor communities  
• Supporting policies and programmes to enhance land utilisation and access to markets for small farmers and SMMEs |
| • Facilities and access to land and easies framework for land development | | |
| • Defines the nature of urban development and hence growth trends and development needs | | |
| • Defines nature of rural development and hence growth trends and development and spending needs | | |
| | | |
| | | Equitable distribution of transport infrastructure  
Effective public transportation system, particularly linkages between poor residential areas and economic growth nodes |
| Telecommunications | • Determines what types of infrastructure, where, how and financed by whom for development needs  
• Inputs on the cost of production and distribution  
• Quality of life | • Level of service and number of households serviced  
• Location of public telephones  
• Access to information technology infrastructure  
• Households with computers and their location | • Equitable access to ICT infrastructure |
|---|---|---|---|
| Housing policy | • Where housing will be located, how much housing and what supporting infrastructure will be allocated  
• Tenure arrangements  
• Housing finance  
• Funding allocated  
• Number and quality of houses built  
• Where they have been built  
• Profile of community which has benefited and location | • Equitable access to housing  
• Effective utilisation of housing subsidies  
• Rental housing stock in poor neighbourhood | Location of households with access to the minimum required amounts of water |
| Water and sanitation | • Determines priorities, levels of service, how, by whom and with what funding | • Level of service and number of households serviced | |
As illustrated by Table 4.6 above, the purpose of implementing LED as a national anti-poverty strategy attempts to provide a linkage between what happens at the local sphere and the policies being formulated at other spheres, as well as possibilities for synergy and collaboration. This discussion can also be linked to the role of leadership at municipal level in lobbying policies and programmes that can best be implemented in favour of certain municipalities. However, the lobbying aspect of the role of the leadership at municipal level is discussed as part of the role of municipalities in local economic development.

In the construction of his policy approach to poverty alleviation, Mokate (2003) highlights the key issue of municipalities as ensuring that their own service provision priorities are in line with those of the national government. This does not mean, according to him, that there will be uniformity in what they do, given the different conditions faced by different municipalities. However, it does mean that municipalities cannot ignore national priorities, norms and standards.

For example, within the framework of meeting basic needs, national government has identified primary health care, basic education, housing, social security, water and sanitation as important programmes. Thus, local service delivery programmes should support this endeavour. Municipal strategy alone will not be sufficient. It should be aligned to national and provincial policies to create an organic process where different initiatives can reinforce and complement one another. Hence, for a municipal-driven poverty alleviation strategy to be effective, there should be close collaboration and coordination between the three spheres of government in addressing poverty. The effective integration of local economic development and poverty alleviation therefore requires the following (Mokate, 2003):

- Municipalities must ensure effective alignment between macro and local level policies;
The impact of macroeconomic and sectoral policies on the local economy and on vulnerable groups must be well understood; An early warning system for identifying sectors in decline in particular areas and developing appropriate measures has to be implemented; and monitoring and evaluation system to assess the impact of national, provincial and municipal policies on poverty and inequality has to be developed and implemented.

The discussion of the approaches to LED follows in the next section.

4.8 APPROACHES TO LOCAL ECONOMIC DEVELOPMENT

South Africa’s recent political transition has encouraged an awareness of current international development endeavours in general and LED applications. In response to the economic issues discussed in the previous section of the chapter, the need came to the fore as to how the problems could be resolved. A number of specific and occasionally overlapping approaches were identified to deal with the problems arising at community levels. These approaches include the traditional approach, urban efficiency, entrepreneurial and sectoral, progressive competitive, progressive community based approaches. A brief discussion of each approach follows in the next section.

4.8.1 Traditional approach

The purpose of adopting the traditional approach to LED, according to Mosiane (1999: 26), was to attract inward investment in a strategic manner. The strategy, according to him, was based on the premise that capital is mobile and needs to be clinched. As he insists, through the utilisation of the traditional approach it became pertinent to reconceptualise and limit the essence the definition of local economic development to inward investment which overtime proved to be incomplete. The underlying assumption behind the traditional approach is that growth is stimulated through capital relocation
and decline prevented through capital retention. It is also aimed at expanding the tax base of localities and emphasises place marketing (Davis, 1997: 10). In other words, due to the mobility of private capital, local governments have to use investment incentives and subsidies aggressively in order to compete with other localities for investment (Dass, 1995: 18).

From this approach most localities are faced with the pressures to reduce local production costs through concessions such as tax breaks, cheap land, reduced rates and even direct financial rewards in return for locating in the area. The inward investment approach faced criticism due to the fact that most believed it to be beneficial to most private sector companies at the cost of the poor. A further criticism of the traditional approach is that when many localities are competing for investment by offering concessions, they blur the real advantages of alternative locations (Dass, 1995: 18).

The key to prosperity in attracting inward investment is that redistribution will provide essential social services. Harvey (1989: 10) quoted in Mosiane (1999: 27), claims that examples of these social services include health, education, pensions, water, low cost housing, electricity and roads construction. In addition, central government redistribution includes competition among localities to attract government departments and agencies to locate in their localities.

4.8.2 Urban-efficiency approach
The urban efficiency approach is favoured by sections of the political right. The approach focuses on the market, but without the public spending favoured in the urban entrepreneurial model. Its focus is also on private entrepreneurial and market forces. According to Dass (1995: 19), the urban efficiency approach is advocated by the World Bank and focused on promoting urban productivity and urban poverty alleviation (cf Davis, 1997: 10; Sapsford, 1994: 40; Mosiane, 1999: 28). Davis (1997: 10) claims that the
Urban efficiency approach arises from the notion that even if localities have few benefits to offer outside investors, they could still improve and utilise the uniqueness of their areas and the efficiency with which they are managed. Interventions to improve efficiency within the urban environment include the following:

- investment in urban maintenance;
- improving the spatial organisation of economic activity within the local area;
- improving urban infrastructure;
- strengthening the institutional framework through improving financial and technical capacity; and
- strengthening the financial agencies for urban development.

The urban efficiency approach also utilises economic and social processes to act as safety nets for relieving urban poverty. The outcomes of using the urban-efficiency approach, according to Mosiane (1999: 28), Sapsford (1994: 40), and Dass (1995: 20) include:

- encouraging labour intensive production;
- supporting community and governmental initiatives; and
- the provision of food assistance and health care.

This approach represents a move away from community-based interventions and is based on a pessimistic of the management of localities by municipalities and communities (Davis, 1997: 11).

### 4.8.3 Entrepreneurial and sectoral approach

This approach has been widely discussed and reviewed by researchers and practitioners in the field, with a resultant abundance of reference terms. This approach is referred to in Mosiane (1999: 27) as local "entrepreneurial approach" while Dass (1995: 200) uses "urban entrepreneurialism" to refer to it. The approach allows local municipalities to facilitate business formation in order to provide indigenous economic development, as well as to attract or
compete for outside investment (Davis, 1997: 11). It is also seen as a result of increasing globalisation that has caused local municipalities to intervene in the market-led approaches to ensure the redistribution of resources. The major contention of this approach is that local governments should guide the private sector investment decisions so that the desired economic development results are generated.

This approach comprises three key areas. The first entails the act of identifying actual or potential growth sectors by local municipalities and adopting different intervention styles to support them. Such support strategies, according to Mosiane (1999: 27), may include grants, loans, research, technical infrastructure and provision of premises. In addition, new small business formations (e.g. SMMEs) are encouraged.

The second area is that of a local authority intervening in the promotion of labour availability and quality and the creation of a sound local tax system. With regard to the third area, the local authority encourages entrepreneurial public roles and non-governmental market forces to seek new growth opportunities by marketing themselves in the global economy. As Mosiane (1999: 27) posits, this includes the development of information infrastructure, i.e. the World Wide Web (www) and e-mail facilities in public and city halls to provide information relating to education and job opportunities for local and international firms.

4.8.4 Progressive competitive approach

The progressive competitive approach to local economic development emphasises the linkage between profitable growth and redistribution. As with the entrepreneurial and sectoral approach, this approach comprises three key areas (Mosiane, 1999: 28). First, municipalities are committed to the reduction of production costs. The progressive competitive approach is closely associated with the setting of Free Trade Zones (FTZs) and Export Processing Zones (EPZs). Second, the progressive competitive approach
places emphasis on the service economy. Third, the local economy’s competitive capacity is identified in order to reinforce the capacity for new products and opportunities. In this context, the community and the public sector attempt to work with the private sector, which is done with a balanced distribution of power (Mosiane, 1999: 28).

According to Sapsford (1994: 39), the progressive competitive approach favours the reduction of production costs of a firm by reducing, for example taxes, labour costs and unionisation. It also emphasises that the right kind of jobs should be created for the poorest people. The progressive competitive approach further emphasises the importance of sectoral research and supporting the formation of SMMEs, research and development. It recommends focussed training and placement for the poor. The progressive competitive approach enlists, as one of its cores, the importance for partnerships between public, private and community actors at local levels. As in the case of LED approaches discussed above, an illustration of the progressive competitive approach is also illustrated in Table 4.7.

4.8.5 Progressive community-based approach
Despite the elements of the progressive competitive approach to LED that has its emphasis on generating profit, the progressive community-based approach is more people-centred approach to economic development. Nel (1996: 54) sees the progressive community-based approach as fundamentally concerned with the improvement of the social and economic conditions within communities. He refers to the concept as ‘community-based economic development’. Despite Nel’s conceptualisation of the concept, it also had attracted focus from a variety of researchers. It is an alternative approach (Davis, 1997: 10), a progressive/growth redistribution approach to local economic development (Dass, 1995: 23). According to the progressive community approach, economic development needs to be pursued to empower communities, to allow them to take charge of the process of development to reinvest within themselves. The community-based approach
shifts the relative emphasis to economic benefits for clearly defined target groups. The target groups usually identified as beneficiaries of the community-based approach are the largely affected members of the specific community.

It is also more concerned with process issues – the process advocates being a participatory one where communities are involved in decision making and where mass action is used to mobilise opinion behind specific strategies. Community organisations, wherever possible, are used as vehicles for implementing strategies (Dass, 1995: 23).

Furthermore, the progressive community-based approach focuses on the redistribution of investment as opposed to income. This means that scarce state resources must be utilised to induce appropriate investment patterns. Mosiane (1999: 28) notes that this approach is a community-based approach that focuses on a more diversified growth built on local initiative and indigenous assets. It also focuses on selected intervention in the market by encouraging new and existing small businesses that would provide greater local benefits from economic development. It attempts to promote local ownership, job quality and economic diversification. This is seen to enhance local self-reliance through local benefits from local ownership of investments and the attraction of inward investment. The progressive community-based approach to LED links profits to development, supports community-based institutions, and also endeavours to ensure that the benefits of growth are evenly distributed among members of the community. Table 4.6 below, illustrates the diverse approaches to LED.
Table 4.7: Approaches to Local Economic Development

<table>
<thead>
<tr>
<th>Approach</th>
<th>Industrial recruitment</th>
<th>The key to prosperity is attracting inward investment to build the local tax base; tax base will be used to provide services through the welfare state</th>
<th>Marketing, cheap land, cheap loans, cheap loans, direct cash payments</th>
<th>Port Elizabeth 1937, and most US cities in 50s &amp; 60s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional</td>
<td>Industrial recruitment</td>
<td>The key to prosperity is attracting inward investment to build the local tax base; tax base will be used to provide services through the welfare state</td>
<td>Marketing, cheap land, cheap loans, cheap loans, direct cash payments</td>
<td>Port Elizabeth 1937, and most US cities in 50s &amp; 60s</td>
</tr>
<tr>
<td>Urban Efficiency</td>
<td>Increase urban productivity and lower costs</td>
<td>Private investment creates jobs and wealth and require cheap inputs; hence reduce costs by lowering taxes and improving business services</td>
<td>Tax breaks, transport infrastructure</td>
<td>Most US cities in 80s</td>
</tr>
<tr>
<td>Entrepreneurial and Sectoral approach</td>
<td>Pick winners (&quot;sunrise sectors&quot;)</td>
<td>Traditional industries are declining, whilst high tech sectors and services are growing; a municipality can only win in the new world economy by nurturing their industries</td>
<td>Sectoral research and targeting; SME support; research and development; training, public private partnerships (PPPs)</td>
<td>Italy's industrial districts Silicon Valley, Welsh development Agency</td>
</tr>
<tr>
<td>Progressive-Competitive approach</td>
<td>Pick winners with maximum local social benefits</td>
<td>Whilst accepting that new industries are eclipsing old ones, strategies should build sectors which create the right kind of jobs for the poorest people</td>
<td>Sectoral research and targeting; SME support; research and development; focused training and placement for poor; public private community partnerships</td>
<td>Sheffield, Greater London Council</td>
</tr>
<tr>
<td>Progressive Community-based</td>
<td>Link profits to development, support community based institutions</td>
<td>New industries may worsen inequality; we need to ensure that the benefits are more evenly distributed</td>
<td>Construction linkage; support for community development corporations; &quot;living wage&quot; policies, developed with both business and labour</td>
<td>Boston, Chicago, San Francisco (linkage) &amp; Many US cities (living wage)</td>
</tr>
</tbody>
</table>

Matovu (2002)
4.9 The role of Municipalities

The role of municipalities was emphasised in the previous discussions in this chapter. Experience gained from the discussions is that municipalities can play a central role in economic development by virtue of their power and functions. By ensuring that these powers and functions are harnessed strategically to promote economic growth and job creation requires local municipalities to understand the specific roles they play. The different aspects of the roles of municipalities in LED are discussed in the next section. They includes amongst others, the significance of leaderships in securing proper economic development and growth at municipal levels of government.

4.9.1 Leadership

Individuals can achieve great success on their own. However, when acting in co-operation with others, great success can be achieved, both for one's personal gain and that of the community at large. This co-operation can include everyone from the chamber of commerce to the smallest community organisation. It takes strong leadership to mobilise the commitment and participation of these stakeholders in pursuing efforts to support economic growth. As the elected representatives for the entire community, municipalities can demonstrate their leadership by serving as champions for economic growth and development (IRI, 1998: 3).

In addition to providing leadership, other important roles for municipalities in LED include the following:

- **Policy maker** – Through the competence of policy making at local levels of government, municipalities can help ensure that small business have access to the tendering process, prevent regulations and by-laws from becoming barriers to growth and investment, that they create streamlined approval processes for investment and development projects and assist the training and capacity-building projects of local NGOs (IRI, 1998: 4).
Entrepreneur – As owners of land and buildings, municipalities can explore the commercial potential of these assets. Often these assets are left vacant or under-utilised without calculations of the cost to the local economy. Municipalities can act as entrepreneurs to maximise the commercial potential of its land and buildings, parkades, open public spaces, beaches, caravan parks roads, reserves and pavements. Municipalities can explore this potential by involving the private sector and other stakeholders (IRI, 1998: 4).

Promoter – municipalities can promote economic development by creating a positive image of their localities. An effective way to achieve this, according to IRI (1998: 4), is to establish a team of key councillors and officials to meet with investors, business, trade delegations and others to highlight the strengths and opportunities of their localities (IRI, 1998: 4).

Catalyst – Municipalities can take actions that catalyse new development initiatives. For example, by releasing land and planning infrastructure programmes, they can encourage developments in deteriorating and under-developed areas. New business location and expansion can be catalysed by providing serviced sites. In addition, municipalities can creatively utilise their facilities for major sporting and cultural events to maximise and increase the locality’s visibility and image (IRI, 1998: 4).

Lobbyist – Municipalities can also lobby national and provincial government for policies and programmes that benefit their localities. These lobby activities can often be conducted through local government associations (IRI, 1998: 4).

4.10 SUMMARY

It was shown in this chapter that the emphasis on the structure and roles of local governments in South Africa has vastly changed. These changes were brought by the major transformation process that took place after the 1994 democratic elections in South Africa, and as a result, brought by new policies
on municipal levels of government. The Local Government Municipal Systems Act, 2000 and other policies applicable to municipalities serve as evidence to this transformation. Accompanying these policies were new strategies for planning purposes with which municipalities were supposed to implement in their areas of jurisdiction.

The Integrated Development Planning is seen in a macro context with emphasis on co-ordination of various spheres of government and different departments. As discussed in this chapter, it is not a uni-linear process, but rather a complex, multi-faceted process that responds to South Africa’s idiosyncratic history. It is aimed at facilitating new planning arrangements to deal with those inherited from apartheid planning at local government level. Overall, the implementation of the policy is expected to reduce persistent levels of poverty in South African communities. Under the discussions of the Integrated Development Planning, essential aspects that were highlighted include its practice in South Africa, the legal guiding and the development of the IDP in South Africa. The section dealing with the discussion of Integrated Development Planning was concluded with a number of theoretical and sequential processes guiding its implementation.

The chapter also provided the discussion of Local Economic Development (LED) by municipalities in South Africa. LED was also discussed within the context of the IDP process was discussed. This means that LED was also seen as a complex process with which municipalities strengthen the economic basis of their communities. It is aimed at creating jobs for local communities, empowerment, capacity building, and the overall alleviation of poverty at the local levels. In the discussion of LED, aspects that were discussed included its theory, legislative framework, and importance as an anti-poverty strategy with a view to certain policy approaches on South Africa. This chapter was concluded with the discussion of diverse approaches to LED.

In concluding this chapter, it is imperative to note that, in order for municipalities to be successful in their mandate to deliver a better life, a
number of issues need to be considered. Firstly, it must be recognised that poverty alleviation challenges that face municipalities are not homogeneous. Secondly, municipalities' efforts have to be actualised in the context of South Africa's system of intergovernmental relations – this has implications for resource allocation and the way in which equity and efficiency issues are balanced within the overall system of governance. Finally, in South Africa, as in many societies, poverty is fundamentally a national problem, thus municipalities' attempts at poverty alleviation always have to be viewed within the national context.
CHAPTER 5
THE PROFILES OF POVERTY OF THE PROVINCES IN SOUTH AFRICA

5.1 INTRODUCTION
Governments require data to monitor the progress of the policies that reflect their ideologies. As indicated in chapter 3, South Africa's apartheid model was of a 'white-controlled' core society and independent or semi-autonomous reserves or "Bantustans" in the less developed areas of subsistence economy. With the policy of apartheid, the official statistics produced were often of unknown representation and made it difficult to draw broader conclusions from their findings. Data were collected and manipulated to reinforce and persuade international onlookers to a particular view of the country rather than to inform or provide feedback about the living conditions of the majority of the country's citizens. The state reflected a predilection for 'surveillance' information and also invested in "information" as a propaganda tool.

Since the inception of a new government of National Unity, during the 1990s there have been several large scale, representative survey of poverty and livelihoods. In 1993 the project for Statistics on Living Standards and Development (PSLSD) surveyed 9 000 households. The results of the survey provided policy makers with valuable information in identifying the vulnerable as well as the obstacles poor people face in constructing sustainable livelihoods. In the same year, the Central Statistical Service (CSS) initiated its annual October household Survey. For each year since 1993, the CSS has undertaken a large-scale survey, in October, on housing, employment, services, health and infrastructure. These efforts incorporated the research activities conducted by the Income and Expenditure Survey.
This chapter sets out to provide the poverty profiles of the provinces of South Africa. Its main contention is that in order to develop strategies aimed at alleviating poverty, there is a need to inform them about the extent of the problem they have to face exists. Poverty profiles continue to be seen as important instruments in advancing the efforts of government institutions to effectively deal with poverty. The subsequent sections in this chapter provide a brief overview of the profiles of poverty on the provincial levels. The discussion follows the demarcation of provinces as stipulated in the Constitution of South Africa. These provinces are Limpopo (formerly, Northern Province), Mpumalanga, Gauteng, North West, Kwa Zulu-Natal, Free State, Northern Cape, Eastern Cape and Western Cape. In constructing these poverty profiles, key socio economic aspects and macro economic performance for each province will be discussed.

5.2 POPULATION DEMOGRAPHICS AND DYNAMICS

5.2.1 Population distribution
According to the Department of Welfare (1997: 2), South Africa spans an area of 1.2 million square kilometers. Its population was estimated to be 40.6 million of various races in 1996, and has experienced growth of up-to 4.4 million persons, as noted by the census 2001 (StatsSA, 2003). As presented in figure 5.1, in 2001, Kwa Zulu-Natal Province constituted the highest number of people in the country. About 9 426017 (21%) persons lived within the province's jurisdiction. The province constituting the second highest majority was Gauteng Province, with about 8 837 178 (20%) persons. The Eastern Cape Province, being the largest in terms of area of coverage, constituted the third highest majority of people in its area of jurisdiction. There were approximately 6 436 763 (14%) persons within the provinces’ jurisdiction. According to the data generated through Census 2001, Limpopo Province (formerly known as Northern Province) had the fourth highest population. In 2001, approximately 5 273 642 (12%) people lived in this province. Following Limpopo Province was Western Cape Province with 4 524 335 (10%), North West Province – 3 669 349 (8%), Mpumalanga Province – 9 426 017 (7%),
Free State Province – 2 706 775 (6%) and Northern Cape Province – 822 727 (2%) people, respectively. Figure 5.1 below presents the population distribution by provinces in 2001.

Figure 5.1: Population by province, 2001

Statistics South Africa, 2003

The significance and implications in the provinces where the rate of population is high, is that the incidence of poverty also tends to affect a larger proportion of the population. Population growth has direct negative implications for the state's budget. The country's population groups are discussed in the next section.

5.2.2 Population groups
The country's population structure consists of four major population groups, namely: blacks, coloured, white and Indian. Its population is dominated by the blacks across all the nine provinces. According to Statistics South Africa (2003), there were approximately 3,541,6166 (79%) blacks in the country. The second highest population group was those of the whites, with approximately 4,293,3640 (10%) people. The coloured population constituted approximately 3,994,505 (9%) people. The Indian population was the minority group with approximately 1,115,467 (2%) people. Figure 5.2 below, illustrates the country's population groups.
5.2.3 Population density and urban classification

Urbanisation in South Africa is accompanied by the concentration of industry and wealth in few major cities, which have infrastructure. Gauteng Province constituted the highest majority of people classified as urban in 2001. According to Statistics South Africa (2003) Gauteng Province constituted a 100 per cent urban population. The province was also indicated to constitute the second highest majority of people after Kwa Zulu-Natal Province. The map in Figure 5.3 illustrates population density and urban classification of the different provinces in South Africa. The map shows main places and subplaces that have a population density of more than 500 people per square kilometre as well as the areas classified as urban according to EA type. As illustrated by the map, there are areas that are urban according to both the density classification and EA type classification, such as Cape Town, Umtata, Kimberley, Botshabelo, Durban, Mabopane, Johannesburg, Barberton, and Belebele. There are settlements that are formally structured in character, and are classified as urban according to EA type, but that does not meet the density criterion, are for example, Atlantis, King William's Town, De Aar, Kroonstad, Nongoma, Vryburg, Vereeniging, Witbank and Tzaneen. On the other hand, there are high-density areas that are not classified as urban according to EA type. These occur predominantly in the tribal areas, such as...
Skobeni in the former Transkei, Ga-Mohana in Northern Cape Province, almost all of Witsieshoek in former QwaQwa, Nkwanazi in former KwaZulu, Ga-Raphalane in former Bophuthatswana, KwaMahlanga in former KwaNdebele and Nesengani in former Venda (Statistics South Africa, 2003).

In Gauteng Province, there are areas which are urban according to both the density classification and EA type classification, such as Soshanguve, Johannesburg, Evaton, Centurion, Tsakane, Soweto, Khutsong, Etwatwa and Pretoria. There are also settlements that are formally structured in character, and are classified as urban according to EA type. These settlements, however, do not meet the density criterion. They include Springs, Midrand, Randfontein, Cullinan, Vereeniging, Magaliesburg and Muldersdrift. Notably the high-density areas in Gauteng Province were all classified as urban according to EA type (Statistics South Africa, 2003).

Western Cape Province was projected to constitute approximately 89 per cent of its population living in urban areas, whilst 11 per cent per cent in the rural for 2001 (Pimss, 2001). Like in the case of Gauteng Province, there were areas that could be classified as urban according to both the density classification and EA type classification, such as Pacaltsdorp, Thembalethu, Barrydale, Cape Town, Montagu, Robertson, Wellington, Piketberg and Paarl. These settlements include the metro areas as well some of the smaller settlements in the Western Cape Province. Settlements that are more formally structured in character, and therefore classified as urban according to EA type, but that do not meet the density criterion, are, for example, Atlantis, Knysna, Genadendal, Ceres and Bonnievale (StatsSA, 2003).

After the Western Cape Province, Free State Province was projected to constitute the third highest majority of people living in the urban areas. About 72 per cent of this province's population resided in urban areas in 2001. See figure 5.3 below for the density of population and urban classification of this province. The province also has main places and sub-places that have a population density of more than 500 people per square kilometer, and the areas classified as urban according to EA type. There are areas which are
urban according to both the density classification and EA type classification, namely Tikwana, Steyrsrus, Bethlehem, Kutlwanong, Phuthaditjaba, Botshabelo and Ntha. Almost all these settlements are townships (StatsSA, 2003).

There are also settlements that are more formally structured in character, and are classified as urban according to EA type though they do not meet the density criterion. Typical examples were Winburg, Kroonstad, Ficksburg, Virginia, Senekal, Thaba Nchu and Bloemfontein. High-density areas in the Free State Province that are not classified as urban, according to EA type, occur predominantly in the former QwaQwa area. These settlements lack formal urban characteristics though they are within the population density criterion of more than 500 people per square kilometer. Examples of these settlements are Monontsha and Namahadi (Statistics South Africa, 2003).

With the highest population size in the country, KwaZulu Natal was projected as the fourth urbanized province in 2001 (Pimss, 2001). Figure 5.3 shows the entire province of KwaZulu-Natal with main places and sub-places that have a population density of more than 500 people per square kilometer. It also shows areas classified as urban according to EA type. There are areas which are urban according to both the density classification and EA type classification; they include areas such as Vryheid, Empangeni, Greytown, Mooi Rivier, Wembesi, Pietermaritzburg, Durban and Umzinto. Settlements that are more formally structured in character, and are classified as urban according to EA type, though they do not meet the density criterion, are mainly small towns such as Nongoma, Hluhluwe, Melmoth, Underberg, Harding, Port Edward and Nqutu (Statistics South Africa, 2003).

The former Kwa Zulu area of Kwa Zulu-Natal Province has high-density tribal areas, which are not classified as urban according to EA type because they lack formal urban characteristics. Examples of such areas are Nkwazani, Vumindaba and Zungu/Madlebe. Figure 5.3 below illustrates population density and urban classification in South Africa.
Figure 5.3: Population density and urban classification in South Africa, 2001

South Africa: Population Density (> 500 people / km²) and Urban areas as classified in 2001

Legend
- Main Place
- Sub Place
- Urban Areas, 2001
- Province

Source: Statistics South Africa, Census 2001
Map Produced: Geography Division, Statistics South Africa, 2003

As illustrated in figure 5.3 above, the level of urbanisation for both Mpumalanga Province and Northern Cape Province was 39 per cent, and a further 61 per cent of the both the province's population living in the rural areas. As shown in figure 5.3, Mpumalanga Province also has main places and sub-places that have a population density of more than 500 people per square kilometer, as well as the areas classified as urban according to EA type. Like in the case of the provincial population density and urban classification, there were in 2001 areas which are urban according to both the density classification and EA type classification. They include areas such as Siyabuswa, Wesselton, Mpuluzi, Barberton, Kanyamazane, Graskop and Mashishing (Statistics South Africa, 2003).

Settlements that are formally structured in character, and are classified as urban according to EA type, but that do not meet the density criterion, are also present in Mpumalanga Province. Examples of these are Marble Hall, Bethal, Witbank, Ngema, Malelane, Hazyview, Burgersfort and Carolina. High-density areas not classified as urban according to EA type occur predominantly in the former KaNgwane and Ndebele areas. These tribal settlements lack formal urban characteristics but are within the population density criterion of more than 500 people per square kilometer. Examples are KwaMhlanga and Embhuleni (Statistics South Africa, 2003).

On the other hand, the province of the Western Cape also consisted areas which could be classified as urban according to both the density classification and EA type classification. These areas included Pacaltsdorp, Thembalethu, Barrydale, Cape Town, Montagu, Robertson, Wellington, Piketberg and Paarl. It should be noted that these include the metro areas as well some of the smaller settlements in the Western Cape Province. Settlements that are more formally structured in character, and therefore classified as urban according to EA type, but that do not meet the density criterion, Atlantis, Knysna, Genadendal, Ceres and Bonnievale (Statistics South Africa, 2003).
The Eastern Cape Province also had settlements that were more formally structured in character, and were classified as urban according to EA type, but that did not meet the density criterion, for example, Willowmore, Hankey, Cathcart, King William's Town, Kentani, Lusikisiki, Dordrecht and Libode (Statistics South Africa, 2003).

High-density areas in the Eastern Cape Province that are not classified as urban according to EA type occur predominantly in the former Transkei and Ciskei. They include Skobeni, Rietvlei 3 and Area 1925. It was projected in 2001 that the larger part of this province consists of rural areas (Statistics South Africa, 2003).

The North West Province in 2001 was rated the second highest rural settlement after Limpopo Province. The North West Province is largely characterized by rural areas that formed part of the former Bophuthatswana regime. Figure 5.3 shows the density of population and urban classification in the North West Province. There are areas which are urban according to both the density classification and EA type classification, such as Pomfret, Itsoseng, Derby, Mooinooi, Mogwase, Mabopane and Hartebeesfontein (Statistics South Africa, 2003).

There are also settlements that are more formally structured in character, and are classified as urban according to EA type. They include Vryburg, Mahobieskraal, Swartruggens, Lichtenburg and Dinokaneng. These settlements lack formal urban characteristics but are within the population density criterion. Examples are Ga-Raphalane, Bakwena Ba Ga Molopyane and Mokgautsi. Limpopo Province was also noted as the least urbanised province in the country. However, as illustrated in figure 5.3, the main and sub-places that could be classified as urban according to EA type were Smersha Block, Warmbaths, Vaalwater, Mankweng, Belabela and Naboomspruit (Statistics South Africa, 2003).
Settlements that were formally structured in character, and that could be classified as urban according to EA type, but that did not meet the density criterion, are also present in the Northern Province. Examples of these were Mokerong, Northam, Penge, Tshikota, Tzaneen, Ellisras and Thabazimbi. A large number of high-density areas not classified as urban according to EA type occur in Limpopo Province, predominantly in the tribal areas. These settlements lack formal urban characteristics but are within the population density criterion of more than 500 people per square kilometer. Examples are Mudimeli, Mphambo, Mukhoni, Nesegani and Gijana.

The major reason for incorporating the discussion of population density as an important element in the construction of a poverty profile is that, poverty tends to be specific to a geographical area. As highlighted in the geographical dimension of poverty in chapter 3, it became evident that the rural parts of South Africa, as compared to the urban areas, were most affected by poverty. Although poverty consists of many other dimensions, population density, as well the level of urbanisation, nor rural setting, has impact on the development of localities, as well as on the living conditions of the communities. The discussion of structure of the South African population follows in the next section.

5.2.4 AGE AND GENDER STRUCTURE

The age and gender structure of South Africa will be discussed in the next section. This discussion has been identified as the most important aspect in the construction of a poverty profile.

5.2.4.1 Age groups

In classifying the age groups in South Africa, Statistics South Africa (2003) distinguished between seven (7) categories to include those between age groups of 0-14 yrs; 5-14 yrs; 15-19 yrs; 20-29 yrs; 30-44 yrs; 45-65 yrs and those 65 and above. The majority of the country's population consisted of those between the age group of 5-14 yrs (23%), followed by the 30-44 year
group (20%), the third being the 20-29 year group (18%), and lastly, the 15-19 year group (11%). Figure 5.4 below illustrates the age group in the country in 2001.

Figure 5.4: Age groups in South Africa, 2001

![Age groups in SA, 2001](image)

Statistics South Africa, 2003

5.2.4.2 Gender structure at provincial level

Following the discussions in chapter 3, gender dimensions cannot be omitted whenever reference is made to poverty in South Africa. Women and children had been identified as the most vulnerable groups to poverty in South Africa and in most developing countries. Chapter 3 also posited, based on empirical data from leading articles, that the majority of the households living in poverty are to be found in female-headed households, rather than those were males are household heads. Hence this chapter addresses gender structure analysis as a crucial aspect in the construction of poverty profiles.

The female population outnumbers the male population in South Africa, which in its majority live in the rural areas. Figure 5.5 indicates that the female population outstrips the male population across all the provinces, with their highest proportion in Kwa Zulu-Natal Province and Gauteng Province respectively. Kwa Zulu-Natal Province had 18 per cent of both male and female population in 2001. However, it should be noted that even though the
two provinces constitute the highest proportion of female population, Gauteng Province had in 2001, more male population than female. The female population was estimated to 14 per cent, whilst the male was estimated to 17 per cent. This is a distinct condition that makes Gauteng Province unique in comparison to other provinces. The province seems to attract more male population than female.

Similarly, the Eastern Cape Province also constituted 14 per cent of South Africa's male and female population. Following is Limpopo Province with 10 per cent male population and 11 per cent female, Western Cape Province 1 per cent male and 8 per cent female. The North West Province was estimated to have constituted 8 per cent male population while the female population accounted for 7 per cent. Figure 5.5 illustrates the estimated gender structure per province, for 2001.

Figure 5.5: Gender structure of the population per province, 2001

Statistics South Africa, 2003
Despite the projections presented by Pimms (2001), the gender structure at provincial level experienced no significant or major changes. Along the population structure presented in the earlier discussions of this chapter, it can be deduced that there were no major differences identified for the data sets provided Census 2001. Two provinces, namely - Kwa Zulu-Natal and Gauteng, still continued to be the home to South Africa's majority. Gauteng Province's population was dominated by the male population, mainly due to the location of mining industry which attracts more male than female population. Both were followed by Eastern Cape Province constituting a higher proportion of female population than male. It was also noted in this chapter that these female majorities in the Eastern Cape Province were also living in the rural areas, where the soaring rate of poverty was also evident.

The basis of incorporating the discussion of the composition of male and female population in the construction of a poverty profile, is that women tends to be more vulnerable to poverty that men. This is as a result of discriminatory practices of the apartheid regime that denied women access to education, health, housing, health and that marginalized them from participating in major economic activities in their communities. This chapter further identifies the levels of education and literacy as important aspects in the construction of a poverty profile.

5.2.5 Levels of education and literacy
The discussions in chapter 3 also noted the levels of education as an important determinant of poverty in South Africa. It was then concluded that people with low levels of education and literacy were most affected by poverty than those who have higher levels of education. It would thus be necessary to apply some indicators to measure the levels of education and functional literacy as part of this investigation. Figure 5.6: below illustrates the levels of education per province in South Africa.
A more detailed breakdown of the levels of education at provincial level indicates the following:

- **Kwa Zulu-Natal Province** constituted the highest majority of people who had no formal schooling (25%), followed by Eastern Cape Province and Limpopo Province (16%), Gauteng Province (12%), Mpumalanga Province and North West Province (9%), Free State Province (6%), Western Cape Province (5%) and Northern Cape Province (2%);

- **Kwa Zulu-Natal Province** also constituted the highest majority of those who had completed primary schooling (20%), followed by Gauteng Province (17%), Eastern Cape Province (15%), Western Cape Province and Limpopo Province (12%).
The highest percentage of those who had completed Grade 12 were in Gauteng Province (32%), followed by Kwa Zulu-Natal Province (19%), Western Cape Province (13%), Eastern Cape Province (9%), North West Province and Limpopo Province (7%), and Mpumalanga Province (6%); and

Forming part of the minorities were those who had completed higher or tertiary education. Similar to those who had completed Grade 12, the majority of people who had completed higher or tertiary education were in their majorities in Gauteng Province (35%), followed by Kwa Zulu-Natal Province (16%), Western Cape Province (15%), Eastern Cape Province (9%), Limpopo Province (8%) and North West Province (5%).

The implications of the low levels of education are highlighted by a proportional majority of the unemployed. For instance, the incidence of poverty in Kwa Zulu-Natal Province is perpetuated by low educational status of the province's majority. Even though educational status of households is not the only determinant of poverty, it has major implications for the poor.

5.3 SOCIO-ECONOMIC PROFILES
The discussion of the socio-economic indicators focuses on four major aspects, namely economically active population, the rate of employment and unemployment, income and poverty and provincial level in South Africa.

5.3.1 Economically active population
The term 'economically active' refers to all those people who are available for work, including both the unemployed and the employed. Of those who are unemployed, some work in the formal sector and others in the informal sector of the economy. People who are not available for work (i.e. those under the age of 15 years, students and scholars, housewives or house-makers, retired people, pensioners, disabled people and others who are permanently unable
to work) are excluded from the definition of the economically active population. In keeping with the international norms, those not economically active are generally regarded as being outside the labour market.

Gauteng Province had the highest proportion of people classified as economically active in 2000. As it was projected for 2000, approximately 26 per cent of South Africa’s economically active population lived in Gauteng Province. Kwa Zulu-Natal Province (19%) was the second highest after Gauteng Province. The Western Cape Province constituted 12 per cent of people in this category, varying slightly with the Eastern Cape Province’s 11 per cent.

As projected for 2000 (Pimms, 2001), the North West Province constituted 8 per cent of people classified as not economically active in 2000. At the national level, the provinces with the smallest proportion of the economically active were Limpopo Province (8%), Free State Province (7%), Mpumalanga Province (6%) and Northern Cape Province (2%).

However, according to Census 2001, majority of the people classified as economically inactive lived in the Kwa Zulu-Natal Province (23%), Eastern Cape Province (17%), Gauteng Province (15%), and Limpopo Province (13%). These provinces recorded percentages that exceeded 10 per cent of the people not economically active. Those with the lowest categories were Western Cape Province (9%), North West Province (8%), Mpumalanga Province (7%) and Northern Cape Province (2%). A description of people not economically active was given in the beginning of this discussion. Figure 5.7 below illustrates the percentage of people who were not economically active in 2001.
The highest majority of the African population was classified as economically not active in all the provinces, except for Western and Northern Cape Provinces. Since both the provinces were home for the coloured majority, the African population became the second largest. In real figures there were approximately 576 665 in the Western Cape Province and 114 522 in the Northern Cape Province. Figure 5.8 below depicts the population groups not economically active at provincial level in South Africa.
As shown in figure 5.8, the majority of the white population group that were classified as not economically active could be found in Gauteng Province and Western Cape Province respectively. The Indian population formed the minority group in the country, with most in the province of Kwa Zulu-Natal. Consequently the highest proportion of Indians could be classified as not economically active in this province. In general, at provincial level, the African population group formed the majority of persons who could be classified as economically active in 2001. High rates of people who are economically not active have negative implications for state resources, since they do not participate in economic activities of the country, and are therefore a burden to state resources.
5.3.2 Employment and Unemployment per province

As discussed in chapter 3, the rate of unemployment in South Africa is very high and an urgent area of concern. It is obvious in the data from the 1996 census that unemployment afflicts various racial sectors of the population in the country. Gauteng Province, Kwa Zulu-Natal Province, Western Cape Province, Eastern Cape Province and North West Province respectively constituted the majority of the country's unemployed in 2001.

Due to the dominance of rural areas, particularly Eastern Cape Province and North West Province, the rate of unemployment affects a larger proportion of people, as compared to Gauteng Province and Northern Cape Province. Although the number of unemployed was high in Gauteng Province, increased urbanisation and population density, exist to undermine efforts aimed at creating job opportunities. There were a higher proportion of people whose status could not be identified either as employed or unemployed in 2001. Most of these people's (un)employment status was recorded as not applicable.

Figure 5.9 below illustrates employment and unemployment rate per province in South Africa.

Figure 5.9: Employment and Unemployment per province, 2001

![Employment and Unemployment rate, 2001](image)

Statistics South Africa, 2003
What can be deducted from figure 5.9 above is that, poor infrastructure (e.g. lack of access to telephones, internet, improved transport infrastructure), the level of literacy of households, can lead to or limit the probability and prospects of finding jobs and, consequently, unemployment denies households opportunities to secure stable sources of income, and exacerbates household dependency over either informal or survival activities of the economy. Often the result of unemployment is closely related to lack of income of which the implication might stimulate crime in the society. The discussion of income and poverty levels at provincial level in South Africa follows next.

5.3.3 INCOME AND POVERTY LEVELS

The rate of unemployment and lack of sufficient income are important determinants of poverty, and therefore, any strategy that aims for major reductions in poverty, should focus on creating sustainable jobs that are able to offer reliable sources of income. It is for this reason that income is incorporated as an essential aspect in the construction of a poverty profile. Firstly, the levels of income at provincial level will be analysed, and thereafter it focuses on the levels of poverty.

5.3.3.1 Income at provincial level

Figure 5.10 below illustrates income categories by province following the Census conducted in 2001. It shows that as a result of high level of unemployment in the country, the majority of the population had no sources of income over the specified period of time. The two provinces that constituted the largest majority of households with no income sources were Kwa Zulu-Natal Province and Gauteng Province respectively (see figure 5.8), with the third highest majority in the Eastern Cape Province. North West Province constituted the fifth highest of people in this category after Limpopo Province. For all the provinces, it was found that people in higher income categories were small in number as compared to those without income. However, in their majority, people who earned higher categories of income were located in
Gauteng Province, Kwa Zulu-Natal Province, Western Cape Province and Eastern Cape Province respectively. Figure 5.10 below illustrates income categories by province in South Africa in 2001.

Figure 5.10: Income categories by province in South Africa, 2001

Statistics South Africa, 2003

The implications of lack of income as shown Figure 5.10, are that the incidence of poverty tends to be more intense in the provinces that have the inability to secure income generating activities. Lack of income for households is determined by multiple or combination of aspects such as low educational status, unemployment, and the inability of households to participate in the mainstream economic opportunities. As a result people become trapped in poverty. Although the generation of income income has been identified as a potential anti-poverty strategy, it needs to be integrated with other aspects such as the creation of the right kind of jobs, improving the levels of education of communities, making the provision of basic infrastructure available through co-ordinated and participatory strategies to improve the quality of life of affected communities.
5.3.3.2 Poverty at provincial level

In the analysis of income and poverty levels, a number of indicators and variables need to be considered. According to Naudé (2002) these indicators include household income patterns, per capita income, poverty rate and gap. A brief discussion of each concept follows below.

- **Household income patterns**: The household income pattern reflects the total monthly or annual income earned by all breadwinners within a household. This indicator is important as it is used as the basis for determining levels of qualification for government assistance in the form of subsidies for housing and other supportive services.

- **Per capita income**: This indicator inter-relates the total extent of the population in a given geographical area with the total personal income generated within that area. This is an important variable for comparisons at a district, provincial, national and international level.

- **Poverty rate**: The poverty rate identifies a proportion/percentage of people living in households with an income less than the poverty line. This poverty income varies according to household size. The census data provides geographically detailed information in that it is possible to estimate poverty rates for each province. There is however a shortcoming in this data in that the respondents to the census tends to understate the income and thus poverty levels based on census data are likely to be overestimated. The second data source offers little geographical detail, but provides a much more accurate picture of the distribution of income across households and the extent of poverty at the national level than does the census.

- **Poverty gap**: This is a measure of the level of destitution of people. It is unlike a head count ratio, which calculates the number of people below the poverty line. In this instance the poverty gap measures the extent
to which individuals are below this poverty line and is therefore an overall measure of the extent of money required to bring these poor persons income up to the poverty line. It is thus a measure of depth of the poverty of poor households.

The levels of poverty in South Africa are widely spread. A breakdown of these levels with provincial level comparison is provided in figure 5.11. According to the report of the Department of Welfare (2001: 1) and DPLG (2003: 56), half of South Africa’s people were living in poverty in 1997, with various implications for the residents of the rural areas, for example, the Eastern Cape Province. Majority of the province’s population, in 1997, were living in absolute poverty (70%).

The Free State Province was the second highest after Eastern Cape Province, with about 63.4 per cent of its people living in poverty. The North West Province was the third highest province constituting 62.1 per cent of its population living in poverty. Majority of the population for the North West Province was also estimated as living in the rural areas (66%). Limpopo Province (59.1%) and Mpumalanga Province (57.3%) respectively, were seen as constituting the fourth majority of people living in poverty. Both the provinces have had at least three-quarters of their populations living in normal conditions and circumstances. Limpopo Province, constituting the largest population of rural people in South Africa, was said to constitute at least about 59.1 per cent of its population living in poverty. About 49.1 per cent of the population of Kwa Zulu-Natal Province enjoyed improved life circumstances, while 51.9 per cent was regarded as poor. Figure 5.11 below shows the percentage of people living in poverty per province in South Africa in 1997.
5.3.4 SECTORAL ANALYSIS OF THE PROVINCIAL ECONOMY

The importance of an analysis of the different sectors of the economy in constructing a poverty profiles for developing anti-poverty strategies, is incontestable. In responding to the high levels of poverty, the government needs to measure the impact and contribution of various economic sectors. The economic sector contribution also need to be closely monitored since they are the indicators of the overall government's performance over a specific period of time. This section focuses on major provincial sectors of the economy.

Except for the usage of data generated by Pimms (2001), use will also be of the data generated by Statistics South Africa, particularly a comparison of the annual estimates of 1993 to 2002, and those generated for the third quarter of 2003. Summarily, preliminary estimates indicated that the highest real annual economic growth rate per region as measured by the Gross Domestic Product Per Region (GDPR) for 2002 compared with 2001, was recorded in Gauteng Province (5.3%), followed by Western Cape Province with 3.6 per cent and Free State Province with 3.4 per cent (Statistics South Africa, 2003).

The economic performance of Gauteng Province was attributed to growth in the finance, real estate and business services, which was 9.7 per cent, and the manufacturing industry, which was 6.2 per cent. The Eastern Cape Province recorded the lowest growth rate (0.8%) of the nine provinces in 2002. In comparison, the real annual economic growth rate for South Africa increased by 3.6 per cent in 2002. Figure 5.12 below illustrates the average annual economic growth within the period 1996 – 2002.
As shown in figure 5.12, only three provinces, namely Gauteng Province, Mpumalanga Province and Limpopo Province's average annual economic growth were higher than the average real economic growth of South Africa between 1996 and 2002. Although Gauteng Province, despite its economic performance over the specified period, has major competitive advantages over other provinces, Limpopo Province has shown prospects as a growing and promising economic entity in the country. An analysis of the average annual economic growth per province follows in the next section.

5.3.4.1 Eastern Cape Province

The Eastern Cape Province was the poorest province in South Africa in 1997, with the majority of the population living in rural areas. With reference to the discussion of the links between poverty and rural areas, the notion of mass poverty in this province testifies an existing relationship between the two. The domination of the rural areas, a larger proportion of female population, lower educational status among households, and sustained poor access to infrastructure networks in the Eastern Cape Province, testifies the evidence of
high levels of poverty among the households in the province. However, its real economic contribution to the country's economy was higher than that of North West Province and Free State Province in 2000 (Pimms, 2001).

The Eastern Cape Province's real economic contribution to the country's economic growth was estimated at 7 per cent in 2000. Community services were the dominant sectors of the economy (36%). Other major sectors included the manufacturing (20%), Trade (14%) finance (13%), transport sector (8%), agriculture (5%), construction (3%) and electricity (1%) sectors had weaker real economic contribution. Mining had no real economic contribution to the GDP of the province in 2000.

However, since 2000, the province has experienced real economic growth. According to Statistics South Africa (2003), Eastern Cape Province recorded an economic growth rate of 0.8 per cent during 2002. This followed a growth rate of 3.3 per cent in 2001. The growth in 2002 was mainly due to the contributions from the transport and communication sectors (0.6%) and the manufacturing sector (0.4%). The agriculture, forestry and fishing, construction and finance, real estate and business services sectors each contributed 0.3 per cent to the growth in 2002 (Statistics South Africa, 2003).

In 2002 the largest sectors in the economy were general government services sector (19.6%), the finance, real estate and business services sector (18.5%) and the manufacturing sector (17.1%) in terms of their contribution to the GDP of Eastern Cape Province. The mining and quarrying sectors had the lowest contribution (0.1%) to the GDP. However, the average real economic growth rate of Eastern Cape Province over the period 1996 to 2002 was 2.1 per cent. This was lower than the average real economic growth rate of South Africa over the same period of 2.8 per cent (see figure 5.12).
5.3.4.2 Free State Province

Free State Province was projected as the second lowest economic entity after Limpopo Province, and similarly had the majority of its population living in rural areas, with most living in poverty. According to the Pimms projections (2001), the province contributed approximately 5 per cent to the country's economic growth. The dominant economic sector in this province was community services, with an estimated 29 per cent real economic output.

The second highest economic sector for this province was the manufacturing sector (17%), and third mining and finance sectors (11%). However, trade was only projected to have an output of about 10 per cent. Other economic sectors, i.e. transport (8%), agriculture (7%) and electricity (5%) did not have a significant effect on the growth of the province's economy.

The Free State Province recorded an economic growth rate of 3.4 per cent during 2002. This followed a growth rate of 1.2 per cent in 2001. The growth in 2002 was mainly due to contributions from the mining and quarrying sectors (0.7%). In 2002, the largest sectors in the economy were finance, real estate and business sectors (14.4%), the mining and quarrying sector (12.6%) and the general government services sector (12.4%) in terms of their contribution to the GDP of Free State Province. The construction sector had the lowest contribution (1.5%) to the GDP of Free State Province. The average real economic growth rate of the Free State Province over the period 1996 to 2002 was 2.0 per cent. As shown in figure 5.12, the average real economic growth rate of Free State Province was lower than that of South Africa.

5.3.4.3 Gauteng Province

Gauteng Province, commonly known as the hub of the country's economic activity, contributed about 36 per cent to the country's economic growth in 2000. This, in real monetary figures, translated to approximately R28 billion. The financial sector generated 29 per cent of the total economic output of the
province. In comparison, it is the second highest after the financial sector of the Western Cape Province. Due to the highest proportion of urbanization, the province's skilled labour force is able to benefit from employment opportunities generated by this sector (Pimms, 2001).

Unlike for the Eastern Cape Province and the Free State Province, the community services sector in Gauteng Province was projected as the second major economic sector (19%), followed by the manufacturing sector (18%), trade (14%) and transport (12%) respectively. Due to its urbanization, the province's output in the form of agricultural output was the lowest as compared to those of all other eight provinces in the country. Since it was completely urban, the province was projected to have had no agricultural output. Although Johannesburg (city of gold) is well known for its attraction of the mine workforce, in most African countries, the province's mineral output was projected lesser than that of the North West Province. Gauteng Province's mining sector contributed only 3 per cent to the GDP of the province (Pimms, 2001).

Gauteng Province recorded an economic growth rate of 5.3 per cent during 2002. This followed a growth rate of 2.4 per cent in 2001. According to Statistics South Africa (2003), the growth in 2002 was mainly due to the contributions from the finance, real estates and business services sector (1.9%) and the manufacturing sector (1.3%). In 2002, the largest sectors in the economy were the manufacturing sector (21.1%) and the finance, real estate and business services sector (20.6%) with regard to their contribution to the GDP of Gauteng Province. Similar to Pimms projections for 2000, the agriculture, forestry and fishing sectors had the lowest contributions (0.6%) to the GDP of Gauteng Province. The average real economic growth rate of Gauteng Province over the period 1996 to 2002 was 3.1 per cent. This was higher than the average real economic growth rate of South Africa over the same period of 2.8 per cent (Statistics South Africa, 2003).
Deductions that can be made with regard to the economic growth of Gauteng Province is that it is better placed geographically, as having major links with the international community, through the location of the Johannesburg international airport. The province attracts major business corporations internationally, and has advanced infrastructure networks. Together with the likelihood of Gauteng Province to attract and invest in professional labour, this places the province in a much competitive edge in dealing with the problem of poverty.

5.3.4.4 Kwa Zulu Natal Province

Kwa Zulu-Natal Province was said to have contributed 13 per cent of its economic output into the overall South African economy. The province's economic sectors were dominated by the manufacturing sector with approximately 36 per cent of real economic output to the country's GDP. The province also had a strong financial sector as compared to other province, contributed approximately 19 per cent to the South African economy in 2000. Kwa Zulu-Natal Province's trade and transport sectors also had significant contribution province's economic growth since they both contributed 15 per cent in 2000 (Pimms, 2001). Other sectors included construction (4%) electricity and community services (3%). The province had a low mineral output (1%), due to the lack of mines in the area.

Despite the projections presented by Pimms (2001) KwaZulu-Natal recorded an economic growth rate of 2,6 per cent during 2002. This followed a growth rate of 4,6 per cent in 2001. Economic growth in KZN for 2002 was mainly due to contributions from the manufacturing sector (1,2%) and the transport and communication sectors (0,9%). The growth in 2002 was counteracted by the construction sector with a contribution of 0,7 per cent of a percentage point (Statistics South Africa, 2003).

In 2002, the largest industries in the economy were the manufacturing (23,4%) and the finance, real estate and business services sector (15,0%) in
terms of their contribution to the GDP of Kwa Zulu-Natal Province. Similar to the Pimms projections (2001) for 2000, the mining and quarrying sectors had the lowest contribution (1.1%) to the GDP of Kwa Zulu-Natal Province (Statistics South Africa, 2003). The average real economic growth rate of Kwa Zulu-Natal Province over the period 1996 to 2002 was 2.6 per cent. This was lower than the average real economic growth rate of South Africa over the same period of 2.8 per cent. However, despite positive growth in the economy of Kwa Zulu-Natal Province, 2.6 per cent in 2000, majority of its population often represents the country’s poor.

5.3.4.5 Mpumalanga Province

According to Statistics South Africa (2003), Mpumalanga Province’s GGP was about four times smaller than that of Gauteng Province in 2001. The province was projected in 2000 to contribute 8 per cent to the overall growth of the country’s economy in 2000. The manufacturing sector, being the dominant sector, as in the case of KZN, was projected to have contributed about 26 per cent to the provincial economy. Other major contributing sectors were mining (20%), community services (16%) and electricity (12%), while those that contributed less than 10 per cent included trade (8%), agriculture (6%), finance (5%), transport (5%) and construction sector with only 2 per cent contribution to the province’s economy (Pimms, 2001).

Mpumalanga Province recorded an economic growth rate of 3.3 per cent during 2002. This followed a growth rate of 1.3 per cent in 2001. The growth in 2002 was mainly due to contributions brought by the manufacturing sector (1.4%) and the agriculture, forestry and fishing sector (0.9%). In 2002, the largest sectors in the economy were the mining and quarrying sector (19.5%) and the manufacturing sector (18.7%) in terms of their contribution to the GDP of Mpumalanga Province. The construction sector had the lowest contribution (1.7%).
The real economic growth rate of Mpumalanga Province over the period 1996 to 2002 was 3.1 per cent and as in the case of Gauteng Province, this was higher than the average real economic growth rate of South Africa over the same period of 2.8 per cent (see figure 5.12).

5.3.4.6 Northern Cape Province
With the least number of people in the country, the lowest levels of education in 2001, least active population and one the poorest provinces in 1996, Northern Cape Province recorded the lowest economic contribution to the total economy of the country in 2000 (Pimms, 2001). It was estimated for 2000 that, only 2 per cent of the total economy came forward as contribution from this province. The province is also among the least urbanised and had among others, the highest levels of unemployment rate in the country. However, similar to most other provinces, the dominant economic sector in this province was community services in 2000. This sector contributed about 26 per cent to the total economy of the province. The second highest sector, after community services was trade (15%). Mining and transport sectors generated only 13 per cent of the province’s economy (Pimms, 2001).

Northern Cape Province recorded an economic growth rate of 1.3 per cent during 2002. This follows a growth rate of 0.6 per cent in 2001. The growth in 2002 was mainly due to a contribution of 0.7 of a percentage point from the transport and communication sector. The construction sector with a contribution of -0.3 of a percentage point counteracted the growth in 2002.

In 2002, the largest industries in the economy were the mining and quarrying sector (21.1%), general government services sector (13.4%) and finance, real estate and business services sector (13.2%) in terms of their contribution to GDP at market prices of Northern Cape Province. The construction sector had the lowest contribution (1.5%) to the GDP at market prices of Northern Cape Province. The average real economic growth rate of Northern Cape Province over the period 1996 to 2002 was 1.4 per cent. This is lower than the average
real economic growth rate of South Africa over the same period of 2.8 per cent (see figure 5.12).

5.3.4.7 Limpopo Province

The second weakest, in terms of real economic output, after the Northern Cape Province, Limpopo Province generated only 4 per cent economic output, 2 per cent higher than that of the Northern Cape Province in 2000. The province was also noted as one of the least urbanised, its agricultural sector constituted only 5 per cent real economic output. Community services accounted for 38 per cent, and the mining sector an output of 16 per cent. Trade accounted for 14 per cent, finance 8 per cent and transport 6 per cent to the country’s GDP.

Limpopo Province recorded an economic growth rate of 2.9 per cent during 2002. This follows a growth rate of 6.1 per cent in 2001. The growth in 2002 was mainly due to contributions from the transport and communication sector (1.1 percentage points) and the mining and quarrying industry (0.6 of a percentage point).

In 2002, the largest industries in the economy were the mining and quarrying sector (21.8%) and the general government services sector (18.2%) in terms of their contribution to GDP at market prices of Limpopo Province. The construction sector had the lowest contribution (2.1%) to the GDP at market prices of Limpopo Province.

The average real economic growth rate of Limpopo Province over the period 1996 to 2002 was 4.0 per cent. This is higher (also the highest) than the average real economic growth rate of South Africa over the same period of 2.8 per cent (see figure 5.12).
5.3.4.8 North West Province

Projected to constitute an annual Gross Geographic Product of more than R48 billion, the North West Province was in 2000, the third lowest economic entity in South Africa. According to the Pimms (2001) projections, the province after Limpopo Province (4%) and Northern Cape Province (2%), accounted for 6 per cent real economic output (Pimms, 2001).

The province's economy is largely dependent on platinum mining. As Naudé (2001(c) notes, growth has been mainly driven by the platinum mining sector, whilst the gold sector, which is more important to the KOSH (Klerksdorp, Orkney, Stilfontein & Hartebeesfontein) region, has been under pressure. The mining sector generated 38 per cent of the province's economic output. The second highest economic sector for the North West Province was community services (23%). Although the province was projected to constitute a higher proportion of rural setting, the agricultural sector does not stimulate growth to create job opportunities for its inhabitants. The agricultural sector accounted for only 5 per cent of the province's economy. Trade and transport did not have significant contributions to the economy of the North West Province. As projected for 2000, they contributed about 10 per cent and 6 per cent respectively (Pimms, 2001).

The North West Province recorded an economic growth rate of 2.0 per cent during 2002. This follows a growth rate of -0.1 per cent in 2001. The growth in 2002 was mainly due to contributions from the agriculture, forestry and fishing sectors (0.7 of a percentage point) and the transport and communication sector (0.6 of a percentage point).

As shown in figure 5.12, the growth in 2002 was counteracted by the mining and quarrying sector with a contribution of -2.1 percentage points. In 2002, the largest industries in the economy were the mining and quarrying sector (25.6%) and the general government services sector (12.0%) in terms of their contribution to GDP at market prices of North West Province. The electricity
and water sector had the lowest contribution (0.9%) to GDP at market prices of North West Province. The average real economic growth rate of the North West Province over the period 1996 to 2002 was 1.7 per cent. This is lower than the average real economic growth rate of South Africa over the same period of 2.8 per cent.

5.3.4.9 Western Cape Province
After Gauteng Province, Western Cape Province was estimated to be the second economic giant in South Africa. The province accounted for about 19 per cent of the total economic output of the country. In real monetary terms, its contribution to the economy was approximately R15 billion. The major sectors that contributed to the Western Cape Province’s economy were finance (34%), and the manufacturing sector (23%). These were followed by the trade (18%) and transport sectors (13%). Because of its higher proportion of urban population, literacy levels, the majorities of people in this province are able to benefit from the jobs created from these sectors, particularly finance and manufacturing sectors (Pimms, 2001).

The Western Cape Province recorded an economic growth rate of 3.6 per cent during 2002. This follows a growth rate of 3.0 per cent in 2001. The growth in 2002 was mainly due to contributions from the construction sector (1.0 percentage point), the manufacturing sector (0.6 of a percentage point) and the transport and communication sector (0.5 of a percentage point).

In 2002, the largest sectors in the economy were the finance, real estate and business services sector (25.5%) and the manufacturing sector (18.3%) in terms of their contribution to GDP at market prices of Western Cape Province. The mining and quarrying sector had the lowest contribution (0.2%) to GDP at market prices of Western Cape Province.

The average real economic growth rate of Western Cape Province over the period 1996 to 2002 was 3.0 per cent. This is higher than the average real
economic growth rate of South Africa over the same period of 2.8 per cent (see figure 5.12).

5.4 INFRASTRUCTURE FRAMEWORK AT PROVINCIAL LEVEL

Housing and poor infrastructure, health facilities and services were identified as determinants of poverty in South Africa in chapter 3. The discussion was further elaborated with a graphical illustration that depicted the majority of poor households not having access to basic services when compared to those from non-poor households (see figure 3.2). In improving service delivery provision to the poor, the government, not only through policy interventions, but also through structural organisation of local municipalities emphasises the need for a people-centred governance. One of the legislative obligations that municipalities are faced with, as entrenched in the Constitution of the Republic of South Africa, is that they have to deliver basic local municipal services to deal with the level of underdevelopment and poverty in their municipal jurisdictions. This discussion was also highlighted in chapter 1, where reference was made to specific legislative requirement at district and local municipal levels of government. Local municipalities are charged with the mandate to deliver local level services in dealing with poverty within their areas of jurisdiction. In addition to the legislative requirement at both district and local municipal levels of government, the treasury has provided various kinds of support for improved public infrastructure for municipalities in terms of support for Integrated Development Plans (IDPs) and Water Plans as well as through the Department of Provincial and Local Government (Hemson, 2004).

In his position paper 'Beating the backlog: Meeting targets and providing free basic services' Hemson (2004), sees the quest for a better life by the poor as putting human development in the minds of planners and those responsible for drawing budgets. According to him, increasing anti-poverty programmes are being associated with accessing services which will not only sustain life, but assist in improving livelihoods. Poverty is one of countering the deprivation
of poor people who are unable to access the rights accorded to them in the Constitution.

As discussed in Hemson (2004), although each province has experienced a decline in the backlog from 1,8 million to 1,7 million over the period 1996 to 2001, there are substantial backlogs that are associated with the increase in number of households over the period.

Table 5.1: Backlog of access to infrastructure (households), 1996 - 2001

<table>
<thead>
<tr>
<th>Province</th>
<th>Backlog 2001</th>
<th>Backlog 1996</th>
<th>Change in backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Cape</td>
<td>533,681</td>
<td>619,783</td>
<td>-86,102</td>
</tr>
<tr>
<td>Free State</td>
<td>30,572</td>
<td>37,254</td>
<td>-6,682</td>
</tr>
<tr>
<td>Gauteng</td>
<td>63,213</td>
<td>78,305</td>
<td>-15,092</td>
</tr>
<tr>
<td>Kwa Zulu-Natal</td>
<td>543,694</td>
<td>560,518</td>
<td>16,824</td>
</tr>
<tr>
<td>Limpopo</td>
<td>256,731</td>
<td>240,848</td>
<td>15,883</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>93,448</td>
<td>107,350</td>
<td>-13,902</td>
</tr>
<tr>
<td>North West</td>
<td>125,203</td>
<td>133,888</td>
<td>-8,685</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>6,761</td>
<td>16,497</td>
<td>-9,736</td>
</tr>
<tr>
<td>Western Cape</td>
<td>18,347</td>
<td>31,098</td>
<td>-12,751</td>
</tr>
<tr>
<td>Grand Total</td>
<td>1,671,660</td>
<td>1,825,541</td>
<td>-153,891</td>
</tr>
</tbody>
</table>

Hemson, 2004

As depicted in table 5.1, the backlog access to infrastructure has declined in all the nine provinces over the period 1996 - 2001. The indication is that the government has prioritised areas where poverty had been rife. This is illustrated by a proportionate decline in backlog of access to infrastructure for the Eastern Cape Province and Kwa Zulu-Natal Province. However, for other provinces, particularly those that were classified as constituting the majority of households living in the rural areas have experienced the worst cases in the rise of infrastructure backlog. According to Hemson (2004) what has been significant in rural delivery is the geographical spread of deprivation defined as access to life sustaining services. Poor capacity to spend and manage spending in the rural areas has led to under-spending and the reallocation of
funding to other provinces. Under-capacity in these areas has led to under-delivery and has denied rural residents the urgently needed services to end poverty and destitution (Hemson, 2004).

In other instances, as Hemson (2004) notes, there were other major constraints in the provision of infrastructure than capacity related ones. In a recent study of the sustainability of water projects in Kwa Zulu-Natal Province, an analysis was made of 23 completed projects to assess their sustainability and it was found that of the 23 projects, 78 per cent were not sustainable, whilst only 22 per cent of the projects were sustainable. The reasons associated with the problem being minimal intervention and support from the district municipalities.

As Hemson (2004) notes, another major concern that increases the backlog to access infrastructure is the evidence of social exclusion with other sections of the communities that are poor. These sectors of the community are unable to access the infrastructure because they are too poor and cannot afford to pay for these services. In turn the people who benefit from these services are those who are able to pay for the costs associated with them. Although the backlog to infrastructure has decreased within the specified period of time, many South African households are still battling with access to infrastructure services, and the implications of slow and lack of capacity to delivery by the government, has detrimental effects on the rural poor. The household access to different components of infrastructure networks follows in the next section.

5.4.1 Access to water and sanitation at provincial level
The levels of household accessibility to water at provincial level are depicted in figure 5.13 below. Like in the discussion of household access to water at local municipal level, the levels of accessibility to water infrastructure had been divided into eleven categories that included the following:

- Piped water to the dwelling;
- Piped water inside the yard;
- Piped water to community stand > 200m;
- Piped water to community stand < 200m;
- Dam/ pool/ stagnant water;
- Rain water tank;
- River stream;
- Water vendor;
- Borehole;
- Spring; and
- Other

According to Statistics South Africa (2003), Gauteng Province in 2001 constituted the highest majority of households with access to both piped water to the dwelling and piped water inside the yard (1251570 and 965349 of households respectively), with the second majority of households in the Western Cape Province (791698) – households had access to piped water in the dwelling. In general, the highest concentration of households with access to piped water was located in and around provinces that were characterized as urban nodes. And bulk water infrastructure networks were generally available in these urban nodes. Earlier in this chapter, Gauteng Province and Western Cape Province were identified as major urban nodes in the country.

Despite the high levels of household access to water in major urban nodes, majority of the households in provinces that were identified as largely rural had in most cases, poor access to advanced\(^{24}\) sources of water. This was demonstrated by household accessibility to water in the Eastern Cape Province, Free State Province and North West Province. Higher proportions of households within these provinces had access to other sources of water than advanced sources specified for Gauteng Province and Western Cape Province. Based on the statistics, a significant proportions of households in these provinces widely used water from sources such as water from community stands, both >200m and <200m away from their homes.

\(^{24}\) Advanced sources of water such as piped water to the dwelling and piped water in the dwelling.
boreholes, river streams, rain water, dam/pool or stagnant water. These provinces, due to these sources of untreated water, face high levels of risk of health outbreaks (example TB and cholera). Figure 5.13 below illustrates household accessibility to water at provincial level.

Figure 5.13: Household access to water at provincial level, 2001

Statistics South Africa, 2003

In addition of the discussion of household access to water at provincial level, there was significant number of households that received water as a free basic service from the municipality in each province. Table 5.2 below shows the proportion of households that receive water as a free basic service, with Gauteng Province being the highest (96.4%), followed by North West (91.2%) and Kwa Zulu-Natal Province (79.2%). The lowest provider of water as a basic free service from local municipalities was the Eastern Cape Province, with (30.4%) of the households receiving water as a free basic service. This information is illustrated in Table 5.2 below.
Table 5.2: Households receiving water as a free basic service, 2002

<table>
<thead>
<tr>
<th>Province</th>
<th>Number of households</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Cape</td>
<td>531 016</td>
<td>49.8</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>209 495</td>
<td>30.4</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>121 658</td>
<td>65.2</td>
</tr>
<tr>
<td>Free State</td>
<td>237 652</td>
<td>62.0</td>
</tr>
<tr>
<td>Kwa Zulu-Natal</td>
<td>969 542</td>
<td>79.2</td>
</tr>
<tr>
<td>North West</td>
<td>368 417</td>
<td>91.2</td>
</tr>
<tr>
<td>Gauteng</td>
<td>1 499 529</td>
<td>96.4</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>256 937</td>
<td>56.5</td>
</tr>
<tr>
<td>Limpopo</td>
<td>99 241</td>
<td>35.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4 329 487</strong></td>
<td><strong>68.7</strong></td>
</tr>
</tbody>
</table>

Statistics South Africa, 2003

The level of accessibility to sanitation infrastructure is depicted in figure 5.14 below. The figure distinguishes between seven categories of sanitation infrastructure available in the provinces. Like in the case of the levels of accessibility to water infrastructure, Gauteng Province and the Western Cape Province respectively constituted the majority of households with access to advanced flush toilet facilities. The widely used toilet facilities except for toilet facilities connected to sewerage were pit-latrines without ventilation, with the highest household accessibility in Kwa Zulu-Natal, Limpopo and North West provinces. There were also higher levels of households with no access to any form of sanitation facilities in the Eastern Cape Province, Kwa Zulu-Natal Province, Limpopo Province and the North West Province respectively.

Comparative to the levels of household access to pit-latrine without ventilation was a higher proportion of household accessibility to the bucket system in the Free State Province. The level of household accessibility to sanitation infrastructure in the Free State Province was the poorest in comparison to other eight provinces, with high levels of reliance on the bucket system. This form of sanitation facility carries very high risks of spreading disease. Figure
5.14 illustrates the levels of household accessibility to sanitation at provincial level.

Figure 5.14: Household access to sanitation at provincial level, 2001

Statistics South Africa, 2003

It can be summarised that the provision of both water services and sanitation represents the government’s focus on urban areas rather than the rural areas. In the case of the provision of free water, the government has concentrated largely on Gauteng Province (96.4%), with disregard to the mainly rural and poor provinces in the country, i.e. the Eastern Cape and Kwa Zulu Natal. Both the provinces, had access to free water, and also have serious backlogs in access to sanitation.
5.4.2 Provision of electricity at provincial level

According to the findings of the survey conducted by Statistics South Africa (2003), within all the nine provinces, there were two hundred and eighty four (284) municipalities, of which electricity was provided by one hundred and eighty two (182). The highest number of municipalities that provided electricity services within the mentioned period of time were in the Western Cape Province (29), followed by both the Eastern Cape Province and Kwa Zulu-Natal Province (27) and Northern Cape Province (26). Gauteng Province had (12) municipalities that provided electricity services within its area of jurisdiction. Complementing the provision of electricity by such a lower number of municipalities, it should be borne in mind that Gauteng Province constituted the highest number of households that received electricity as a basic service from municipalities.

Kwa Zulu-Natal Province and the Western Cape Province respectively also constituted the highest number of household with access to electricity. Only 0.3 per cent of the households in Kwa Zulu-Natal Province received electricity as a free basic service, with approximately 40.8 per cent of households in Western Cape Province receiving electricity as a free basic service. Figure 5.15 below shows household accessibility to electricity and access to other sources for energy.
Like in the case of the discussion of household accessibility to water infrastructure at provincial level, there was significant number of households that received electricity as a free basic service from their respective local municipalities. Table 5.3 below illustrates the number of households that received electricity as a free basic service in each province.

Table 5.3: Households receiving electricity as a free basic service, 2002

<table>
<thead>
<tr>
<th>Province</th>
<th>Free electricity services</th>
<th>Number of households</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Cape</td>
<td>Free, Other</td>
<td>338 056</td>
<td>40.8</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>Free, Other</td>
<td>143 831</td>
<td>34.4</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>Free, Other</td>
<td>17 352</td>
<td>18.2</td>
</tr>
<tr>
<td>Free State</td>
<td>Gas, Other</td>
<td>177 945</td>
<td>49.8</td>
</tr>
<tr>
<td>Kwa Zulu-Natal</td>
<td>Coal, Other</td>
<td>2 500</td>
<td>0.3</td>
</tr>
</tbody>
</table>
As shown in table 5.3 Gauteng Province had the highest number of households that received electricity as a free basic service (86.2%), followed by Free State Province (49.8%) and Western Cape Province (40.8%). Kwa Zulu-Natal Province had the lowest percentage (0.34%) of households that received electricity as a free basic service (Statistics South Africa, 2003). The discussion of the provision of telecommunication infrastructure at provincial level follows in the next section.

<table>
<thead>
<tr>
<th>Province</th>
<th>Households</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>North West</td>
<td>19 383</td>
<td>13.0</td>
</tr>
<tr>
<td>Gauteng</td>
<td>890 162</td>
<td>86.2</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>32 446</td>
<td>14.0</td>
</tr>
<tr>
<td>Limpopo</td>
<td>19 877</td>
<td>23.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1 641 552</strong></td>
<td><strong>41.8</strong></td>
</tr>
</tbody>
</table>

Statistics South Africa, 2003

As shown in table 5.3 Gauteng Province had the highest number of households that received electricity as a free basic service (86.2%), followed by Free State Province (49.8%) and Western Cape Province (40.8%). Kwa Zulu-Natal Province had the lowest percentage (0.34%) of households that received electricity as a free basic service (Statistics South Africa, 2003). The discussion of the provision of telecommunication infrastructure at provincial level follows in the next section.

5.4.3 Provision of telecommunication services at provincial level

Household access to telephone infrastructure was identified as impacting on major economic activities. For example, the speed at which households can access emergency services in times of need, depend largely on the availability of telephone infrastructure available to households. The provision of telephone infrastructure doest only make life easy, but also connects households with government institutions such as hospitals, emergency services and doctors. Similarly, business activities require advanced modes of telecommunication in order to react to the needs of customers. Examples of advanced telecommunication infrastructure include faxes, e-mails and the internet.

Since the introduction of mobile and telephone shops at a cheaper price (e.g. Voda shops, MTN and Cell C), coupled with increasing competition among these providers household access to telephone infrastructure has shifted from the monopolistic point of TELKOM as the only source of telephone infrastructure in the country. Across all the nine provinces, public phones in the vicinity of households are widely used as a mode of communication. Also
brought by newer packages such as voicemails, sms, and “Please call me service”, flexibility, and latest cell-phone technology, the use of cell phones tended to be a favourable mode of communication. Cell phones were recorded as the second highest widely used mode of communication. Figure 5.16 below illustrates household access to telephones at provincial level.

Figure 5.16: Household access to telephones at provincial level, 2001

Statistics South Africa, 2003

Telephones in a dwelling and a cell phone were recorded as the third highest mode of communication, also with the highest majority of household in Gauteng Province. Followed by the fourth highest number of households making use of telephones in the dwelling. Mainly TELKOM provides for the telephone services in the dwelling. However, there was a majority of the households that did not have access to any form of telephone. Majority of those households were in Kwa Zulu-Natal Province, Eastern Cape Province and the North West Province respectively. A higher proportion of households in the three provinces were characterized as predominantly rural earlier in this
chapter, and as a result of the government's focus on service delivery improvements, mainly in urban areas, this has negative implications for the households in these provinces, since they are disconnected from the major service delivery institutions.

4.4.1 Provision of refuse removal services at provincial level

The provision of refuse removal services was classified to consist of five categories of refuse removal services. Figure 5.17 shows Gauteng Province as having the highest majority of households that had access to refuse removal services carried out by the local municipalities. The highest number of households that had access to household refuse removal services from the municipalities after Gauteng Province was the Western Cape Province and Kwa Zulu-Natal Province respectively, with the lowest refuse removal services rendered by the local municipalities in the Northern Cape Province and Limpopo Province respectively. Figure 5.17 below shows household access to refuse removal services at provincial level.

Figure 5.17: Household access to refuse removal services at provincial level, 2001

![Household access to refuse removal services at provincial level, 2001](image)

Statistics South Africa, 2003
The second highest number of households did not have such services provided by municipalities and instead relied on their own refuse dumps. Majority of these households could be reached within the jurisdictions of both the provinces of Kwa Zulu-Natal and Limpopo. The discussion of the dwelling types of households at provincial level follows in the next section.

5.4.5 Number of households in each dwelling type at provincial level

The dwelling types were classified into four categories that included formal, informal, traditional and other unspecified types of dwelling households. A similar format was also used at local municipalities and reference in this regard can be made to the discussion of household dwelling types at local municipalities in the North West Province (chapter 6).

An observation was that the number of households in formal dwelling types outstripped other categories of dwelling types, with the highest majority in the provinces of Gauteng, Kwa Zulu-Natal, Western Cape, Limpopo, Eastern Cape and North West respectively. However, there were also significant numbers of households living in informal dwelling types, particularly in Gauteng Province, Kwa Zulu-Natal Province and the North West Province. Due to an escalating rate of urbanization brought by developments and other economic opportunities, these provinces attract quite a number of traditional dwelling types were identified as largely concentrated in the Eastern Cape Province and Kwa Zulu-Natal Province. Both the provinces were identified as characterized mainly by rural nodes. Figure 5.18 below illustrates the dwelling types at provincial level.
In addition to the information presented above, Statistics South Africa conducted for the first time the census of non-financial information on the newly structured municipalities. This statistical release, as opposed to the Census conducted in 2001, covered the financial year that ended 30 June 2002 and included specific information in relation to the types of dwelling (e.g. number of households living in shacks) at provincial level. The findings of this census are presented in Table 5.4 below.
Table 5.4 above illustrates the high percentages of households living in shacks, with the highest majority in Free State Province (26.14%) and North West Province (21.87%). Both Free State Province and North West Province also constituted a large proportion of households with low levels of accessibility to sanitation infrastructure. They both had a high proportion of households with access to the bucket system of toilet facilities. Certain variations between data sets presented by data collected for census 2001 and those conducted at local municipal level-2002 were evident. As opposed to data derived from census 2001, Limpopo Province (29.38%) constituted the highest proportion of household in traditional dwelling types than Kwa Zulu-Natal Province (26.61%). The variations represents a major shift based on the period within which the two data sets were collected. The level of infrastructure development is closely related to the level of human development. It is within this context that the Human Development Index (HDI) was identified as an important aspect in this chapter.
5.5 HUMAN DEVELOPMENT INDEX (HDI) IN SOUTH AFRICA

An analysis of the demographic profile i.e. population distribution and composition, rural and urban patterns, the age and gender structure, and the levels of education and literacy and macro economic profile, i.e. economically active sectors of the population, unemployment levels, incomes and the overall conditions in which people live, all form important aspects of the HDI.

As it was discussed in chapter 2, the HDI is a measure of the level of Human Development.

An analysis of both the demographic and economic, as well as the infrastructure framework of provinces in the previous sections indicates that the levels of human development vary to a great extent. Although the Department of Trade and Industry (2000) contends that the rate of human development in South Africa has shown an increase over time, the majority of South Africans are still exposed to high levels of human deprivation and underdevelopment. Most of these people live below the breadline, and are exposed to unbearable living conditions. In this section, the levels of human development in the provinces will be discussed. The key findings of the Human Development Index (1996) as summarised by the Department of Trade and Industry (2000) form the basis for the discussion.

As seen by the Department of Trade and Industry (DTI, 2000), the HDI for South Africa in 1996 was 0.69. According to the DTI it was a slight increase compared to the index of 0.68 as was calculated for 1991, but a significant increase, compared with the index of 0.5557 calculated for 1980. The South African HDI falls within the range of countries with medium human development indices such as China (0.71 for 1998) Indonesia (0.67) Algeria (0.68) and Swaziland (0.66). It is considerably higher than those countries with a low index such as Niger (0.29) and Mozambique (0.34), but considerably lower than the index for highly industrialised countries such as
Canada (0.94) (DTI, 2000). Various aspects of the HDI are discussed in the following section.

5.5.1 The Human Development Index by province

The overall increase in the HDI was relatively large between 1980 and 1991 in South Africa. As noted in the above cases, the country only experienced a slight increase between 1991 and 1996. According to the report of the DTI (2000), the change over time varied not only by province and population group, but also by the index's components (longevity, educational attainment and income). Figure 5.19 below indicates the HDI by province for 1980, 1991 and 1996. Evidence is that the changes in the overall human development, as measured by the HDI, have generally been positive. Such changes have varied in each province over the period 1980, 1991 and 1996 with all the provinces showing an increase in human development between 1980 and 1991. However, some showed a decrease within the period 1991 and 1996. Western Cape Province, Northern Cape Province and Mpumalanga Province, are examples in the case of the decreases in the mentioned period.

Figure 5.19: Human Development Index by province 1980, 1991, and 1996

![Human Development Index by Province for 1980, 1991 and 1996](image)

Department of Trade and Industry (2000)
As shown in figure 5.19, an example of an overall increase in human development is Limpopo Province, formerly Northern Province. Its HDI increased from 0.37 to 0.47 between 1980 and 1991, and then 0.63 in 1996. The index of North West Province increased less steeply over this time period, from 0.48 through 0.54 to 0.61, while Mpumalanga Province initially increased from 0.51 to 0.69 and then decreased to 0.66. As indicated above, Gauteng Province, Western Cape Province and Northern Cape Province and Mpumalanga Province shown a decrease in the HDI between 1991 and 1996, while Free State Province, Kwa Zulu-Natal Province and Eastern Cape Province has shown an increase within a said period. In summary, it can be deduced that the HDI across provinces ranged from 0.61 to 0.77 in 1996, as against 0.37 to 0.64 in 1980 and 0.47 to 0.83 in 1991. The differences in development thus have become steep in 1996, compared to the years earlier.

5.5.2 Differences in the components of the index by population group

The level of human development is an important aspect in the construction of a poverty profile since it sums up different components of the profile. Furthermore, it reflects multiple dimensions and conditions within which communities live. The discussion of the differences in the components of the index follows in the next section.

- Life expectancy at birth (years) by province for 1980, 1991 and 1996

Figure 5.20 below indicates that for the whole country, life expectancy at birth has shown an increase from 58.77 years in 1980 to 62.77 years in 1991. However, for 1996, it indicated a decrease to 57.04 in years the result making life expectancy at birth even lower than that of 1980. The figure also shows that the changes in this indicator varied over time in each province. In Kwa Zulu-Natal Province for example, it rose from 59.93 years in 1980 to 61.55 years in 1991. It then decreased steeply to 52.98 years in 1996. In the Eastern Cape Province, on the other hand, it rose from 54.41 years in 1980 to 60.65 years in 1991, and then remained approximately the same, at 60.41
years in 1996. Figure 5.20 below indicates life expectancy at birth for the period for the period, 1980 to 1996.

Figure 5. 20: Life expectancy at birth by province for 1980, 1991 and 1996

![Life expectancy at birth (years) by province for 1980, 1991 and 1996](image)

Measured against the speed at which the HIV/Aids pandemic is spreading, amongst other causes of death, it can be deduced that, life expectancy across all the provinces in South Africa will continue to decline. The spread of the HIV/Aids pandemic has a detrimental effect on life expectancy, particularly at birth (DTI, 2000).

- **Life expectancy by population group**

Figure 5.21 below indicates that life expectancy at birth has decreased between 1991 and 1996. This decrease of life expectancy has affected all the population groups after an initial increase between 1980 and 1991. Major reasons underlying the decrease in life expectancy include amongst others, the HIV/Aids pandemic and other deadly diseases.
Figure 5.21: Life expectancy by population group

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>56.23</td>
<td>60.3</td>
<td>58.49</td>
</tr>
<tr>
<td>Coloured</td>
<td>58.51</td>
<td>66.46</td>
<td>58.84</td>
</tr>
<tr>
<td>Indian</td>
<td>65.35</td>
<td>68.89</td>
<td>61.51</td>
</tr>
<tr>
<td>White</td>
<td>70.43</td>
<td>73.11</td>
<td>65.51</td>
</tr>
<tr>
<td>Total</td>
<td>58.77</td>
<td>62.77</td>
<td>57.04</td>
</tr>
</tbody>
</table>

Department of Trade and Industry (2000)

It can be deducted that, although life expectancy of both the white and Indian population groups has shown a decrease in 1996, they were higher than that of the other population groups in the country, namely Africans and coloureds. The discussion of the HDI by population group follows in the next section.

- **The Human Development Index by population group**

The Human Development Index indicated an increase in all the population groups from the period 1980, 1991 and 1996. The increase in the level of human development was represented by a move from 0.56 in 1980, to an increase of 0.12 for 1991 and 0.01 for 1996. The figure also indicates that the changes in the overall human development varied by population group over a period 1980, 1991 and 1996. All population groups show an increase between 1980 and 1991. This is indicated by a sharp increase in the levels of development for Africans and coloureds over the period.

However, the HDI for Indians and whites have shown a decrease from the period 1991 to 1996. The HDI by population groups, according to the experience of the author had duly been affected by political and other
changes in South Africa, during the period towards the democratic elections in the country. The level of Human Development by population group in South Africa is further discussed in South African Statistics (2001: 1.16). Figure 5.22 below presents the HDI by population group.

Figure 5.22: HDI by population group

As simplified by this illustration, indication is that total life expectancy birth by population group has increased from 1980 to 1991 and 1996. Life expectancy in years had declined sharply from 62.77 to 57.04. Africans in their majority are the most affected by the matter. The next section focuses on the discussion of the HDI by type of region.

5.5.3 The Human Development Index by type of region

According to Bhorat et al. (2001:59) an analysis of the human development index by type of region answers the question of where poor people are located. Every type of geographical location possesses its own unique level of development. In the discussion of the type of sets of regions as associated to
human development, Bhorat et al. (2001:59) sees existing disparities between rural and urban area South Africa. Urban settlement types are described as consisting of small towns, secondary cities and metropolitan areas. 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 (Bhorat, et al. 2000:59).

5.6 SUMMARY
The purpose of this chapter was to contribute to the building of an information base on poverty profiles at provincial level in South Africa. The main contention for incorporating the discussion of poverty profiles as part of this research emanates from the fact that, in order to deal effectively with the problems of poverty in South Africa, the government requires information that will enable it to make informed decisions. The role of the former Central Statistical Services (CSS), now known as Statistics South Africa (StatsSA), Human Science Research Council (HSRC), National Research Foundation (NRF) and other small scale organisations had emerged to bridge this information gap. Population demographics and dynamics (i.e. population distribution, population groups, and population density and urban classification) and age and gender structure were discussed in the initial sections of the chapter. The discussion was then followed by the discussion of the levels of education and literacy at provincial level.

The discussion of the socio-economic profiles (i.e. economically and not economically active population, employment and unemployment at provincial level) and income and poverty levels, followed by the discussion of the infrastructure framework at provincial level were also seen as important elements in the construction of a poverty profile at provincial levels of South Africa. The discussion of the Human Development Index at provincial level concluded the chapter. Through the discussion of these component parts of the socio-economic profile, it became evident that poverty is a major challenge facing the South African government. Although it has formed central
issue of debate in political and development agenda in South Africa, the problem seems to be persistent.

Through these discussions, it can be summarised that poverty in the provinces of South Africa is aggravated by a number of dimensions, and of these dimensions, poor people tend to be found among those who live in highly dense geographical areas, particularly characterised by high rates of rural setting, in most female headed households, possessing lower levels of education and skills. On a macro economic perspective, the poor are not economically active in their majorities, unemployed, no wage or monthly income to fend for their families, rely on government assistance programmes and in most instances have no access to basic services.

The discussion of the infrastructure framework at provincial level shows poor levels of infrastructure services in most of the provinces that recorded high proportions of households that are poor. In certain instances, the government programmes aimed at providing free basic services seem to target areas that are already rich at the expense of those that are poor. Evidence to the latter is shown in the comparison of infrastructure levels in Gauteng Province and Western Cape Province, as compared to other provinces in the country. In addition to the prioritisation of government programmes to the poor, there is a need to develop rural development strategies that will help in improving the living conditions of the rural poor.

This chapter also displayed different levels of human development on different aspects of the HDI. The level of human development differs from one province to the next, and the differences are also evident in the life expectancy by province, different population groups, and the type of region. Another correlating aspect was that in areas where the levels of poverty were high, the Human Development Index tended to be low (examples – Eastern Cape Province, Kwa Zulu-Natal Province, and Limpopo Province).
CHAPTER 6
THE PROFILE OF POVERTY AT THE LOCAL MUNICIPAL LEVEL IN THE NORTH WEST PROVINCE

6.1 INTRODUCTION
Against the background of the introductory remarks that made in chapter 4, local government, pre-1994 in South Africa was also characterised by a strongly ‘top-down’ approach. There was little perceived need for gathering information or for directly involving the community in the process of governance. Local authorities had almost unchecked autonomy in the way in which they allocated their budgets. Information about the living conditions or opinions of the majority of the citizens was not required to inform policy directions, thus the apartheid state left behind a desert of official data or information about the living conditions in many communities. The regime is also said to have left no legacy of monitoring the effectiveness of local governments (Scott, 2002: 484).

In the light of the discussions of the determinants of poverty in South Africa (chapter 3) and the profiles of poverty on provincial level in South Africa (chapter 4), this chapter also intends to contribute to the information base of the district and local municipalities in the North West Province. As stated in chapter 1, although poverty is a national problem for the major part of the South African society, it tends to be worse for those living in the North West Province. The North West Province in 1996 was amongst the poorest provinces (see Department of Welfare, 1997), with the major part of the province characterised as rural. The situation even became worse in 2002. Based on standard poverty measures the extent of poverty is worse in the North West Province than in South Africa on average. The poverty gap ratio for instance, was in 2002 twice as high in North West Province as the South African average, and the FGT index three times as high.
It is expected that the information will contribute in informing planning and decision-making processes at district and local municipal levels, particularly in the North West Province. The pattern within which the profiles of the district and local municipalities are presented follows the new demarcation of the province. In the first discussion, focus will be devoted to the demarcation of the district and local municipal boundaries of the North West Province. This discussion is followed by a presentation of the population demographics.

6.2 DISTRICT MUNICIPAL DEMARCATION IN THE NORTH WEST PROVINCE

The North West Province is situated at the center of the northern border of South Africa and covers approximately 10 per cent of the country’s surface. The province has been described as ‘the Gateway of Africa’ as its position and railway infrastructure constitute South Africa’s springboard to the countries to the North. The province consists of 4 district municipalities and 1 metropolitan area, the City of Tshwane. The district municipalities of the North West Province include Bojanala Platinum, Central, Bophirima and Southern District Municipalities. Each of the district municipalities consists of a number of local municipalities. According to the Municipal Demarcation Board (2003), both Bojanala Platinum and Bophirima district municipalities have six local municipalities within their boundaries, while the Central district has five and the Southern District only four local municipalities. An overview of each local municipality will also be given in this chapter.

6.2.1 LOCAL MUNICIPAL DEMARCATION IN THE NORTH WEST PROVINCE

Municipal government has undergone a difficult transition since 1999. In terms of the new demarcation, the original 843 municipalities have been reduced to 284. As stated in Atkinson (2002: 8), several principles informed the demarcation process. They include:
The amalgamation of several urban areas and their rural hinterlands;
- The combination of several urban areas within single municipalities, thus reducing the duplication of senior staff;
- The consolidation of municipalities into spatial areas that make sense from an economic, topographical and infrastructural point of view; and
- The inclusion of richer and poorer areas, thus making some redistribution possible.

In the whole process, the North West Province was left with 22 local municipalities and 4 district municipalities. Municipal boundaries of the Province will be shown and discussed in this section. However, of major importance will be the composition of the local level municipalities as opposed to the districts shown above. The municipal boundaries of Bojanala Platinum district municipality are discussed and shown by means of a district map in the next sections.

6.2.1.1 Bojanala Platinum District Municipality

Bojanala Platinum District Municipality has six local municipalities within its boundaries, namely Moses Kotane, Rustenburg, Madibeng, Moretele, Kgetleng Rivier and Madibeng local municipalities. The map also indicates where major industrial areas, commercial areas, main-roads, tons, rivers, and protected areas are situated in the district. The location of the Head Office is in Rustenburg, 121 north of Johannesburg and 117 km west of Pretoria.

The municipal area for Bojanala Platinum Municipality covers about 18 331.79 square kilometers, with a population of about 1 064 614. Africans, as discussed in the previous sections are in the majority in all of the district municipalities of the North West Province. The total number of Africans in the municipality was said to have risen 981 244, whilst the coloured population was 4 999, Indian 4 234, and white 68 049. The municipality is said to have had in 2002/3 an amount of R79 376 903 operating budget and a capital budget of about R103 744 500 in the same period. The discussion of the
municipal demarcation of Bophirima District Municipality follows in the next section.

6.2.1.2. **Bophirima District Municipality**

Bophirima District Municipality covers an area of about 47 403.83 kilometers square with its Head Office in Vryburg, 158 kilometers south of Mafikeng. The district municipality had in 2002/3 an operating budget of R49 467 943 with a capital budget of approximately R1 382 500 within the same period. The total population in 2002/3 was projected to be about 425 318 people in this district, and similar to that of Bojanala Platinum District Municipality, the majority of the population in this district is the African population with approximately 389 966 people. The coloured population is the second highest with about 13 793, the third, Indians at 831, and whites at approximately 18 942. There are 1786 people in this district whose population groups could not be specified.

As in the case of Bojanala Platinum District, Bophirima District Municipality has six local municipalities in its municipal jurisdiction, namely – Greater Taung, Kagisano, Lekwa-Teemane, Mamusa, Molopo, and Naledi local municipalities.

6.2.1.3 **Central District Municipality**

The central district municipality covers an area of approximately 27 816.85 kilometer square. Its head office is located in Mafikeng, 158 kilometers north of Vryburg. The district municipality for the financial year 2002/3 had an operating budget of R38 350 745 with a capital budget of R377 000. There are approximately 137 889 households within the boundaries of the district municipality and a total population of 691 000. As in the case of the other district municipalities discussed above, the majority of the population in this district municipality is the African population.
There are approximately 651 000 Africans, 8 344 coloured people, 2 348 Indians and 26 209 whites within the boundaries of the Central District municipality. A detailed discussion of the population distribution per local municipality follows later in this chapter. The District municipality consists of 5 local municipalities that include the following: Ditsobotla, Mafikeng, Setla-Kgobi, Tswaing and Zeerust.

6.2.1.4. Southern District Municipality

The Southern District Municipality covers an area of approximately 14 644.45 kilometer square. Its head office is located in Klerksdorp, 161 kilometers south west of Johannesburg and 47 kilometers west of Potchefstroom. The district had in 2002/3 financial year, an operating budget of 26 743 454 and a capital budget of 47 973 000. The total population within the specified period was 552 456, with the African population in its majority.

The second highest population group was that of the coloured with 17 689, third Indian 2 511 and white at around 101 591 people. Figure 6.5 below indicates the municipal demarcation of the Southern District municipality. The figure also highlights municipal boundaries post 2000. The district municipality consists of a number of local municipalities that include the City Council of Klerksdorp, Maquass Hills, Potchefstroom and Ventersdorp local municipalities.

The previous section focused on the municipal demarcation of the district municipalities. More focus with regard to the next section will be directed to the population dynamics and socio-economic profiles of the districts. The section will furthermore provide a discussion of the infrastructure framework within different local municipalities in the province.
6.3 POPULATION DISTRIBUTION AND DYNAMICS

The discussion of the population distribution and dynamics in this chapter is divided into four major components, namely, population at district municipal level, as well as at local municipal level, and population groups at district, as well as at local municipal levels of the North West Province. These components are discussed in the following section.

6.3.1 Population at district municipal level

According to the 1996 population census the total number of households residing in the North West Province was 647 087, with the total population of 2 969 000. As indicated by the Census data of 2001, the population of the North West Province has experienced a population growth of approximately 700 349 people between 1996 and 2001. Bojanala Platinum is home to the province’s majority. The second and third highest majority lived in Central and Southern District Municipality respectively. Frances Baard District Municipality had the lowest population in comparison with other district municipalities. Figure 6.1 below presents the total population of the district municipalities.

Figure 6.1: Population at district municipal level, 2001

![Population at district municipal level, 2001](image)

Statistics South Africa, 2003
As shown in figure 6.1, Bojanala Platinum, with the highest number of local municipalities in its municipal jurisdiction, constituted the largest population (31%), followed by the Central District Municipality (21%). Thirdly, Southern District Municipality, with approximately 599 670 (16%), constituted the third highest population in the province. Bophirima District Municipality had the least population (12%). The next section presents the discussion of the population distribution at local municipal levels in the North West Province.

6.3.1.1 Population at local municipal levels

In this section focus will be directed to the local municipalities of the North West Province. As illustrated in figure 6.2 below Rustenburg local municipality constituted the highest majority of the population in the province. There were approximately 395 540 people within the jurisdiction of the local municipality, representing 13 per cent population share of the province. The second local municipality that had the second highest majority of people was the Klerksdorp (12%), followed by Madibeng (11%), both the local municipalities of Mafikeng (capital) and Moses Kotane (8%), followed by Greater Taung and Moretele local municipalities (6%). The City Council of Potchefstroom, which has been identified as the focus area of the study constituted only 4 per cent of the province’s population. The City Council of Potchefstroom had the same population size as that of the local municipalities of Tswaing and Zeerust. This information is presented in figure 6.2 below.
As further shown in figure 6.2 above, Molopo, Kgetleng -Rivier have the lowest population amongst all the local municipalities of the province. Furthermore, with almost similar population figures, Ventersdorp and Lekwa-Teemane constituted the second smallest population sizes. The discussion of the population groups, both at district and municipal level follows next.

6.3.2 Population groups at district municipal level

According to Statistics South Africa, the North West Province was home to approximately 366,9349 people in 2001. The majority of these people were situated in Bojanala District Municipality. Figure 6.3 below illustrates the population groups per district municipality in the North West Province.
Figure 6.3: Population groups at district municipal level, 2001

Statistics South Africa, 2003

As shown in figure 6.3 above the dominant population group was that of the Africans, followed by the coloured in the Southern District Municipality. Similarly the Southern District Municipality was home to the majority of the white population. Approximately 104,371 whites resided within the jurisdiction of this municipality. The Indian population, as at country level, was a minority group, with their majorities in the Bojanala District Municipality.

6.3.2.1. Population groups at local municipal level

As noted in the discussion of the population groups at district municipal level of the North West Province, the dominant population group, according to Statistics South Africa, was that of the Africans. In its majority the African population was located at Bojanala Platinum District Municipality.

It was found that 283,848 of the African population was located in Klerksdorp, with a further 233,508 in the municipal jurisdiction of Moses Kotane local municipality. Greater Taung local municipality had the third highest majority of the African population (179,061) followed by Moretele local municipality (177,862). Figure 6.4 below shows the population groups at local municipal level in the North West Province.
After the African population at local municipal level, the white population, with a majority in Klerksdorp (64017), Rustenburg (45947), Madibeng (27442) and Ditsobotla (12425) was the second highest population group. Third, the coloured population had a majority in Klerksdorp (10005) and Potchefstroom (8241). The Indian population was the minority population group across all the local municipalities. However, in its majority, the Indian population was largely concentrated in Mafikeng, Klerksdorp and Rustenburg respectively. A more detailed breakdown of the population groups at local municipal level is presented in figure 6.4 above.
6.4 POPULATION SIZE AND DENSITY AT LOCAL MUNICIPAL LEVEL

A particular spatial feature of the North West Province's demography is the high rates of urbanization as well as rural densification towards the east and low densities towards the west. Table 6.1 below illustrates the population densities of the various local municipalities in the North West Province. The table also shows the population size of each municipality based on the information gathered through census 2001.

Table 6.1: Population size and density at local municipal level

<table>
<thead>
<tr>
<th>Name of Municipality</th>
<th>Population in 2001</th>
<th>Population density per square km</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moshaweng</td>
<td>84104</td>
<td>13</td>
</tr>
<tr>
<td>Moretele</td>
<td>177905</td>
<td>120</td>
</tr>
<tr>
<td>Madibeng</td>
<td>338261</td>
<td>80</td>
</tr>
<tr>
<td>Rustenburg</td>
<td>395540</td>
<td>101</td>
</tr>
<tr>
<td>Kgetlengrivier</td>
<td>36477</td>
<td>8</td>
</tr>
<tr>
<td>Moses Kotane</td>
<td>236845</td>
<td>41</td>
</tr>
<tr>
<td>Setla Kgobi</td>
<td>104324</td>
<td>21</td>
</tr>
<tr>
<td>Tswaing</td>
<td>114156</td>
<td>16</td>
</tr>
<tr>
<td>Mafikeng</td>
<td>259478</td>
<td>62</td>
</tr>
<tr>
<td>Ditsobotla</td>
<td>147600</td>
<td>21</td>
</tr>
<tr>
<td>Zeerust</td>
<td>137443</td>
<td>17</td>
</tr>
<tr>
<td>Kagisano</td>
<td>96385</td>
<td>6</td>
</tr>
<tr>
<td>Naledi</td>
<td>58104</td>
<td>7</td>
</tr>
<tr>
<td>Mamusa</td>
<td>48365</td>
<td>12</td>
</tr>
<tr>
<td>Greater Taung</td>
<td>182164</td>
<td>29</td>
</tr>
<tr>
<td>Molopo</td>
<td>11689</td>
<td>1</td>
</tr>
<tr>
<td>Lekwa Teemane</td>
<td>42967</td>
<td>10</td>
</tr>
<tr>
<td>Ventersdorp</td>
<td>43079</td>
<td>10</td>
</tr>
<tr>
<td>Potchefstroom</td>
<td>128352</td>
<td>42</td>
</tr>
<tr>
<td>Klerksdorp</td>
<td>356202</td>
<td>90</td>
</tr>
<tr>
<td>Maquassie Hills</td>
<td>69038</td>
<td>13</td>
</tr>
</tbody>
</table>

Statistics South Africa, 2003

As illustrated in table 6.1, population density differs significantly between the western and the eastern regions. The local municipality with the highest population density in the province was Moretele, 120 per kilometer square, followed by Rustenburg (101), Klerksdorp with 90, and Madibeng local municipalities with approximately 80 persons per kilometer square. These local municipalities, as discussed in the population composition and distribution at local municipal level, also constituted the majority of the
province's population, and tend to consist more of major towns where business takes place. They also tend to be surrounded by a number of small villages that look to them in terms of job opportunities and other purposes such as shopping. The data source also indicated Mafikeng as the fifth densely populated area in the province. There were approximately sixty-two persons per kilometer square in the local municipality in 2001, then Potchefstroom local municipality with approximately, 42 persons per kilometer square.

6.5 DEMOGRAPHIC CHARACTERISTICS AT LOCAL MUNICIPAL LEVEL

Three main components in the discussion of the demographic characteristics at local municipal level were identified. These components include both gender structure at district and municipal levels, and the age structure at local municipal levels in the North West Province. The discussion of each follows in the next section.

6.5.1 Gender structure of the district municipalities

The gender structure of the South African population was discussed in chapter 4. Similarly, the female population dominated that of their counterpart - male population - with a majority in the Central District of the North West Province. The second highest majority of the female population was located in the Southern, Tshwane Metropolitan, and Bophirima District Municipality respectively. However, District municipalities of male domination were those of the Bojanala, Southern and West Rand. Figure 6.5 below illustrates the gender structure of the district municipalities in the North West Province.
Statistics South Africa, 2003

6.5.1.1 **Gender structure at local municipal level**

The gender structure of the North West Province was highlighted in chapter 4. It was then noted that in total there were approximately 1,821,547 males and 1,847,802 females within the boundaries of the province in 2001. The highest number of both male and female population was mostly concentrated in Rustenburg (male – 213,958 and female – 181,583), Klerksdorp (male – 183,249) and female – 175,953). Of importance to note is that although the female population dominates the male at a national level, the male population dominated the female population in the local municipalities mentioned above. A more detailed discussion of the gender structure at local municipal level is illustrated in figure 6.6 below.
Figure 6.6: Gender structure at local municipal level, 2001

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Statistics South Africa, 2003

The reasons underlying the dominance of male population in the local municipalities of the North West Province might be associated with the incidence of the mining industry, which tends to attract more males than the female population, particularly in the Rustenburg, and Klerksdorp, Orkney, Stilfontein and Hartebeesfontein (KOSH) areas.

6.5.2 Age structure at local municipal level

The overall age structure of the North West Province is given in table 6.2 below. The age structure is presented with a view to providing the North West's age distribution in comparison to that of the rest of the country's population. In the discussion of the age structure at local municipal level in the North West Province, four major age divisions were identified, namely 0-4, 5-
The same format in this discussion will be followed. Table 6.2 below illustrates the age groups at local municipal level of the North West Province.

Table 6.2: Age groups at local municipal level

<table>
<thead>
<tr>
<th>Name of Municipality</th>
<th>0 - 4 yrs</th>
<th>5 - 14 yrs</th>
<th>15 - 34 yrs</th>
<th>35 - 64 yrs</th>
<th>65 +</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moshawenq</td>
<td>10885</td>
<td>25209</td>
<td>25873</td>
<td>17418</td>
<td>4919</td>
</tr>
<tr>
<td>Moretele</td>
<td>17492</td>
<td>41866</td>
<td>63007</td>
<td>43286</td>
<td>12255</td>
</tr>
<tr>
<td>Madibeng</td>
<td>30066</td>
<td>65878</td>
<td>126512</td>
<td>99031</td>
<td>16773</td>
</tr>
<tr>
<td>Rustenburg</td>
<td>35425</td>
<td>65220</td>
<td>152557</td>
<td>128278</td>
<td>14060</td>
</tr>
<tr>
<td>Kgetlengrivier</td>
<td>3679</td>
<td>7105</td>
<td>13218</td>
<td>10521</td>
<td>1955</td>
</tr>
<tr>
<td>Moses Kotane</td>
<td>22130</td>
<td>54680</td>
<td>80304</td>
<td>63346</td>
<td>16384</td>
</tr>
<tr>
<td>Setla Kgobi</td>
<td>12832</td>
<td>28675</td>
<td>33761</td>
<td>22302</td>
<td>6754</td>
</tr>
<tr>
<td>Tsenging</td>
<td>13890</td>
<td>28953</td>
<td>38676</td>
<td>26493</td>
<td>6143</td>
</tr>
<tr>
<td>Mafikeng</td>
<td>25375</td>
<td>58153</td>
<td>98078</td>
<td>66022</td>
<td>10850</td>
</tr>
<tr>
<td>Ditsojoba</td>
<td>15290</td>
<td>31930</td>
<td>54063</td>
<td>38894</td>
<td>7422</td>
</tr>
<tr>
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<td>14440</td>
<td>33157</td>
<td>47471</td>
<td>33310</td>
<td>9065</td>
</tr>
<tr>
<td>Kagisano</td>
<td>12366</td>
<td>26679</td>
<td>31043</td>
<td>21138</td>
<td>5160</td>
</tr>
<tr>
<td>Naledi</td>
<td>6201</td>
<td>12627</td>
<td>20591</td>
<td>16118</td>
<td>2568</td>
</tr>
<tr>
<td>Mamusa</td>
<td>5529</td>
<td>11568</td>
<td>17729</td>
<td>11312</td>
<td>2228</td>
</tr>
<tr>
<td>Greater Taung</td>
<td>20392</td>
<td>49478</td>
<td>59078</td>
<td>41200</td>
<td>12016</td>
</tr>
<tr>
<td>Molopo</td>
<td>1539</td>
<td>2543</td>
<td>4411</td>
<td>2965</td>
<td>230</td>
</tr>
<tr>
<td>Lekwa Teemane</td>
<td>4020</td>
<td>9231</td>
<td>15727</td>
<td>11593</td>
<td>2395</td>
</tr>
<tr>
<td>Venterdorp</td>
<td>4195</td>
<td>9119</td>
<td>15923</td>
<td>11268</td>
<td>2572</td>
</tr>
<tr>
<td>Potchefstroom</td>
<td>10300</td>
<td>21178</td>
<td>49264</td>
<td>40678</td>
<td>6932</td>
</tr>
<tr>
<td>Klersdorp</td>
<td>31602</td>
<td>63730</td>
<td>132898</td>
<td>115889</td>
<td>15083</td>
</tr>
<tr>
<td>Maquass Hills</td>
<td>6616</td>
<td>15063</td>
<td>26326</td>
<td>17689</td>
<td>3343</td>
</tr>
</tbody>
</table>

Statistics South Africa, 2003

Table 6.2 above illustrates the majority of persons in the North West Province being those between 15-34 years of age, with their majority in Rustenburg (152557), City Council of Klersdorp (132898) and Local municipality of Madibeng (126512). In general, the number of persons within this age group constituted the majority in the province.

A significant proportion of person who could be classified as sixty-five years and above was identified in its majority within the boundaries of Madibeng, Moses Kotane, Klersdorp, Klersdorp, Moretele and Greater Taung local municipalities. There were approximately more than 10 000 of persons of this age group within the boundaries of the local municipalities mentioned above. However, in their minority, persons within this age group resided in Molopo.
There were approximately two hundred and thirty (230) senior citizens within the boundaries of this local municipality.

6.6 **SOCIO-ECONOMIC PROFILES AT LOCAL MUNICIPAL LEVEL**

6.6.1 **Economically active population**

The discussion of the economically active population at provincial level was discussed in chapter 4. Through that discussion it was demonstrated that the North West Province was ranked the fifth with regard to people categorized as economically active. The percentage of the economically active population, as compared to the estimates in 1999 period has shown growth. Approximately 1.327 million of the total estimated North West population (1999) of 3.697 million was classified as economically active. This represented 35.9 per cent of the total population, which closely resembled the figure for South Africa (35.2%). Figure 6.7 below illustrates the number of persons who were classified as not economically active at local municipal level.

A breakdown of the number of persons who were classified as not economically active per local municipality was evenly distributed, with the highest number of persons in this category within the boundaries of Klerksdorp (90267) and Rustenburg (87217) local municipalities respectively. The two local municipalities also constituted the highest number of persons who were unemployed within the same reporting period. Madibeng - 79283, Mafikeng - 71453, Moses Kotane -70368 and Greater Taung - 63503 followed respectively. In general, the North West Province constituted a very high number of persons who were classified as economically not active as compared to other provinces. The number of persons who were classified as not economically active at local municipal level is depicted in figure 6.7 below.
6.6.2 Employment and unemployment

The rate of both employment and unemployment at provincial level was discussed in chapter 5. In comparison to the other provinces, it was noted that the number of persons who were employed in North West Province was approximately 748,889, with a total number of 739,657 were unemployed in 2001. In general, although there has been variance in the data sets that makes provision of the number those who were employed and those who were unemployed, the variance was statistically not substantial. Unemployment rate in the North West is high and a specific area of concern. Figure 6.8 below illustrates both the rate of employment and unemployment at local municipal levels of the North West Province.
The highest number of persons was employed at the Rustenburg local municipality, with the second highest majority in Klerksdorp, and third Madibeng. Even though many job opportunities were created within the local municipalities mentioned above, (i.e. especially Rustenburg and Klerksdorp) it should be borne in mind that they constituted the highest figures in terms of the population size, hence higher rates of persons without employment. Similarly, Mafikeng, Moses Kotane and Moretele also recorded high population rates, of which most were unemployed. The rate of unemployment was much better in the case of Potchefstroom (Statistics South Africa (2003)).
As shown in figure 6.8, for Greater-Taung local municipality, unemployment is rife as a result of a proportional dependence over the informal sector. A larger part of this municipality, according to Census 2001, was mainly characterised as rural. The level of education was identified as an important aspect in the construction of the poverty profile.

6.6.3 LEVELS OF EDUCATION AND LITERACY

The levels of education and literacy were discussed as essential elements in identifying the poor in chapter 3, and again the discussion also formed an integral part of the discussions in chapter 4. In determining the levels of education and literacy at local municipal level in the North West Province, six categories i.e. no schooling, some primary, completed primary, some secondary, completed some secondary, completed secondary (Grade 12) and those who had completed higher or tertiary education. In general majority of the population in the North West Province had some (uncompleted) secondary education.

Approximately 124 850 (6%), of all the persons in the North West Province had undergone formal higher or tertiary education. Figure 6.9 below illustrates the levels of education and literacy at local municipal level in the North West Province.
At the local municipal level, a larger part of the population of the North West Province in general had no formal schooling, with the majority of people in this category in Molopo (58%), Kagisano (53%) and Setla Kgobi (48%) respectively. The levels of those who had completed some primary education were comparable to those who had completed higher or tertiary education. However, with regard to those who had completed tertiary education, the majority was within the boundaries of Potchefstroom and Mafikeng respectively. This level corresponds with the location of both the universities in the province — University of Potchefstroom and University of North West — before the merger. The discussion of the relationship between income and
poverty at local municipal level of the North West Province are discussed next.

6.6.4 INCOME AND POVERTY LEVELS AT LOCAL MUNICIPAL LEVEL

This chapter makes provision of the discussion of the poverty gap, per capita income and the poverty rate as important aspects in the analysis of poverty profiles. The poverty gap is a measure of the level of destitution of people. It is unlike a head count ratio, which calculates the number of people below the poverty line. In this instance the poverty gap measures the extent to which individuals are below this poverty line and is therefore an overall measure of the extent of money required to bring these poor person's income up to the poverty line. It is thus a measure of depth of the poverty of households.

Figure 6.10 illustrates the percentage of household income at local municipal level. The data sets used in the illustration of household income were derived from the WEFA Regional Economic Focus, 2001, and also uses the municipal demarcation pre -2000.

Figure 6.10: Percentage of household income per magisterial district, 2001

DRI WEFA Regional Economic Focus, 2001
A breakdown of monthly household incomes per magisterial district (according to the subsidy income categories) is depicted in Figure 6.11. These figures indicate that in the majority of the magisterial districts of the North West Province, more than 60 per cent of households earn less than R1 500-00 per month. In addition, more than 80 per cent of all households in most districts earn less than R3 500-00 per month and would thus qualify for some form of government support programme. The districts with the highest proportion of households earning less than R1 500-00 per month are Phokwani, Huhudi, Schweizer-Renecke and Delareyville.

A more detailed analysis of the proportion of the population in poverty at a magisterial district level is depicted in Figure 6.11. These statistics mirror the low levels of household and per capita income, with the poverty levels particularly severe in the Delareyville, Phokwani, Huhudi and Kudumane districts, all of which an excess of 70 per cent of the population are in poverty. The areas least affected by poverty are the Rustenburg, Potchefstroom and Brits districts with poverty rates of approximately 35 per cent. The percentage of persons in poverty per magisterial district is shown in figure 6.11 below.
As indicated earlier, it is also necessary to measure the depth of poverty as quantified by the poverty gap. At a provincial level, the total poverty gap in the North West Province is R2.54 billion per month. An analysis of the total poverty gap at a magisterial district level reveals some interesting aspects when compared to the poverty rates. The following notable features can be identified:

- The Phokwani district has very high rates both in terms of persons in poverty (75%) as well as the poverty gap which is the second highest in the province (approximately R2, 42 million).

- In the cases of the Temba, Ga-Rankuwa and Mmabatho districts, (all of which have comparatively low proportions of its population in poverty), the depth of the poverty problem do however seem to be particularly severe with the total poverty gap in all three these
districts counting amongst the four highest areas in the province (all exceeding a poverty gap of R200 million per district per month).

- Delareyville (the district with the highest proportion of population in poverty) only has the fifth highest poverty gap in the province at roughly R190 Million.

- The districts least affected by the poverty gap are the Ventersdorp, Christiana, Schweizer-Renecke and Vryburg districts. Figure 6.12 below illustrates the poverty gap of the total population in the North West Province.

Figure 6.12: Poverty gap – Total population, 2001

WEFA Regional Economic Focus, 2001

The basic socio-economic indicators that were discussed in the previous in the previous section are closely related to the provision of various infrastructure networks. As discussed in chapter 3, the incidence of poverty is perpetuated by unemployment and lack of basic skills, as well as insufficient infrastructure networks. The discussion of infrastructure has also been identified as an important aspect in the construction of a poverty profile.
6.7 INFRASTRUCTURE FRAMEWORK AT LOCAL MUNICIPAL LEVEL

The Development Bank of Southern Africa, as referred to in the discussion document of Economic Development and Industrialization Plan for the North West Province (2001), highlights a number of possible impacts of infrastructure provision on economic production and growth. According to this document, the process of economic development is inextricably linked to the availability of appropriate infrastructure. Supporting this statement is the fact that the availability of services and facilities does not automatically create economic development, but that appropriate infrastructure networks can support economic development and growth if properly planned, implemented and managed. The possible impacts of infrastructure provision in economic production and growth are discussed in the following sections.

- **Infrastructure provision, production and creation of business opportunities**
  Infrastructure provision supports productivity and profitability by lowering the cost of production and creating an environment within which producers and entrepreneurs are able to expand their business activities more easily.

- **Infrastructure provision and the reduction of transaction costs**
  The lowering of transaction costs through the provision of appropriate infrastructure can dramatically reduce the cost of buying and selling in the market place. These transaction costs are a critical element in the allocation of goods and services, i.e. they entail the acquiring of information about new products and production technologies, prices, information and potential customers and suppliers as well as of competitors. For example, the availability of telecommunication infrastructure would be meaningless in the absence of an appropriate electricity distribution network (North West Department of Economic Development and Tourism, 2001).
Infrastructure provision and economic activity concentration

Concentration of economic activities at specific locations is an important consideration in the role of infrastructure development and its impact on economic development. This potential role of infrastructure development is most vividly reflected in the Spatial Development Initiatives in South Africa, and particularly the platinum SDI in the North West Province. Concentration of economic activities is thus not only based on the location of national resources as the dominant factor guiding development, but also on various sectoral considerations of the industrial and service industries (North West Department of Economic Development and Tourism, 2001).

Infrastructure provision and flexibility

Economic growth and development undergoes a continued process of structural change and diversification and the ability of the infrastructure networks to respond to these changes are clearly a crucial component of development (North West Department of Economic Development and Tourism, 2001).

6.7.1 PROVISION OF WATER AND SANITATION

The level of accessibility to water infrastructure has been divided into three categories in the North West Province. These categories include the following:

- Proportion of households with in-house access to piped water;
- Proportion of households with access to treated water (including in-house, on-site, public tap or water carrier); and
- Proportion of household dependence on untreated sources of water (including the categories boreholes, dams, rivers, rain water and other sources).

In the North West Province the highest concentration of households with in-house access to piped water is concentrated in and around major urban areas where bulk water infrastructure networks exist. However, the proportion of
households with in-house access to treated water in majority of the rural areas, especially in the central and western parts are very low. The majority of the rural households have limited access to treated water. As illustrated in figure 6.13, the number of households that had access to water were classified into different categories to include those that had access to water piped to the dwelling, piped water in the dwelling, piped water to the community stand (less than 200 metres away from the household), piped water to community stand (more than 200 metres away from the household), bore holes, spring, rain water, dam/ pool/ stagnant water, river/ stream, water vendor and other sources of water that were not specified.

At a provincial level, the highest number of households in the North West Province had access to piped water inside the yard. In actual figures, three hundred and twenty one hundred and forty nine households (35%) had access to this source of water in the province. Forming a second majority were those who had piped water to the dwelling (18%), followed by those who had water piped to the community stand (both less and more than 200 metres) away from their stands (17%). There is a significant majority of households that made use of untreated water – whom 56 673 made use of boreholes, and a further 3374 making use of rain-water. There were some 33153 households that recorded an unspecified source of water in the province in 2001.

At the local municipal level, there were four (4) local municipalities with the highest number of households that had access to piped water to the dwelling in the North West Province. These local municipalities included Klerksdorp with 20 per cent of household having piped water to the dwelling, Rustenburg (19%), Mafikeng (12%) and Madibeng (10%). Potchefstroom local municipality constituted only 7 per cent of the North West’s households that had access to piped water to the dwelling.
Local municipalities that constituted less than 5 per cent of households having access to water piped to the dwelling were Moshaweng and Setla Kgobi (0%), Moretele, Kagisano, Mamusa, Molopo and Lekwa Teemane (1%), Ventersdorp, Kgetleng Rivier, Greater Taung and Tswaing (2%). It must be noted that it was found that most of these local municipalities mentioned above were rural areas in which the majority of the people lived in informal and traditional types of dwelling. The discussion of the dwelling types at local municipalities will be discussed in the next sections.

A significant number of households in the North West Province also made use of other sources than piped water in the dwellings. These sources of water, as depicted in figure 6.13 were boreholes, piped water to community stand and were mainly used in Moshaweng, Moretele, Madibeng, Moses Kotane and Greater Taung. Despite the use of boreholes and piped water to the community stand, a larger proportion of households in Moshaweng also made use dam, pool, and stagnant water and river streams as sources of water. Figure 6.13 below illustrates the number of households that had access to different sources of water at local municipal level in the North West Province by 2001.
The levels of accessibility to sanitation infrastructure can be distinguished into two main categories in the North West Province. These categories include households with access to a waterborne/chemical sanitation system and households reliant on a pit latrine system. The level of access to improved sanitation system (waterborne and chemical) in the North West Province is relatively low. According to the North West Department of Economic Development and Tourism (2001), since the North West Province is mainly characterized by rural areas, having high levels of reliance on pit latrines, especially in the Bojanala and Central District Municipalities, in both cases as
much as 68% of households depended on this form of sanitation infrastructure. Figure 6.14 below shows the levels of household access to sanitation infrastructure at local municipal level in the North West Province.

Apart from the main categories used above, the accessibility of sanitation infrastructure at local municipal level was categorised into those households with access to flush, septic tank, chemical, both pit latrine with and without ventilation, bucket and those households with out such services being provided. The levels of accessibility to improved sanitation infrastructure (flush) is very low in the North West Province, with the highest number of households with access to this form of sanitation infrastructure in Potchefstroom, Klerksdorp, Lekwa Teemane, Naledi and Kgetleng Rivier. At local municipal level, these municipalities constituted fifty and higher percentage of households with access to flush toilets and were classified as constituting a higher proportion of households living in the urban areas. Even though Klerksdorp local municipality constituted a large proportion with access to advanced form of sanitation (flush) it also constituted a second proportion of those households that had access to the bucket system. It constituted the second majority of households with access to this form of sanitation after Mamusa. The use of the bucket system as a form of sanitation was also prominent in Maquassi Hills and Ditsobotla. Figure 6.14 below illustrates the accessibility to sanitation infrastructure at local municipal level in the North West Province.
Statistics South Africa, 2003

As observed from figure 6.14 above, a significant number of households did not have access to any form of sanitation in 2001. An example of this was Molopo (with the highest proportion of households without access to sanitation), almost half of the total number of households did not have access to sanitation infrastructure, Moshaweng, Maquassi Hills, Kagisano, Mamusa and Setla Kgobi were of similar characteristic. Majority of the households in these local municipalities had access to pit-latrine (without ventilation) making it hazardous to the health situation in these areas. These local municipalities
were also categorised as constituting a larger proportion of households living in the rural areas.

6.7.2 PROVISION OF ELECTRICITY
Most of the urban centres and surrounding areas of the North West Province are well provided with electricity infrastructure. Conversely, there are large parts of the rural areas where the general level of accessibility to electricity infrastructure is very low. Based on information provided by the National Electrification Board, as noted by the North West Department of Economic Development and Tourism (2001), the proportion of households with access to electricity in the North West Province has increased substantially between 1996 and 1999.

The total proportion of households with access to electricity in 1996 was 43.7%, which increased to 66.3 per cent by 1999. The proportion was equal to the national levels of electrification for 1999, which was 66.3 per cent. The total number of connections completed between 1995 and 1999 in the North West Province was approximately 298 883. Table 6.3 below illustrates the number of households per source of energy for cooking at local municipal level. It indicates the number of municipalities that used electricity, gas, paraffin, wood, coal, animal-dung, solar and other sources of energy for cooking purposes.
Table 6.3: Number of households per source of energy for cooking

<table>
<thead>
<tr>
<th>Name of municipality</th>
<th>Electricity</th>
<th>Gas</th>
<th>Paraffin</th>
<th>Wood</th>
<th>Coal</th>
<th>Animal dung</th>
<th>Solar</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moshaweng</td>
<td>1397</td>
<td>1475</td>
<td>2578</td>
<td>11352</td>
<td>38</td>
<td>1298</td>
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<td>22</td>
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<tr>
<td>Moretele</td>
<td>12880</td>
<td>968</td>
<td>15442</td>
<td>12352</td>
<td>1239</td>
<td>57</td>
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<td>8511</td>
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<td>3977</td>
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<td>79</td>
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<td>7939</td>
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<tr>
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<td>14932</td>
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<td>85</td>
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<td>Ditsobota</td>
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<td>7159</td>
<td>896</td>
<td>733</td>
<td>27</td>
<td>52</td>
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<td>Zoerust</td>
<td>10303</td>
<td>1008</td>
<td>3999</td>
<td>16402</td>
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<td>136</td>
<td>27</td>
<td>47</td>
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<td>2497</td>
<td>13824</td>
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<td>30</td>
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<td>3824</td>
<td>3300</td>
<td>27</td>
<td>50</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Mamusa</td>
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<td>553</td>
<td>4435</td>
<td>2104</td>
<td>34</td>
<td>19</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Greater Taung</td>
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<td>10299</td>
<td>18845</td>
<td>139</td>
<td>456</td>
<td>64</td>
<td>62</td>
</tr>
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<td>Molopo</td>
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<td>80</td>
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<td>0</td>
<td>6</td>
<td>2</td>
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<td>1209</td>
<td>55</td>
<td>47</td>
<td>9</td>
<td>10</td>
</tr>
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<td>Venterdorp</td>
<td>3411</td>
<td>330</td>
<td>2710</td>
<td>4078</td>
<td>265</td>
<td>302</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Potchefstroom</td>
<td>19857</td>
<td>725</td>
<td>9296</td>
<td>1420</td>
<td>604</td>
<td>60</td>
<td>37</td>
<td>38</td>
</tr>
<tr>
<td>Klerksdorp</td>
<td>48663</td>
<td>2291</td>
<td>38210</td>
<td>3120</td>
<td>577</td>
<td>245</td>
<td>139</td>
<td>94</td>
</tr>
<tr>
<td>Maquassie Hills</td>
<td>6554</td>
<td>375</td>
<td>6521</td>
<td>3394</td>
<td>133</td>
<td>52</td>
<td>19</td>
<td>26</td>
</tr>
</tbody>
</table>


As illustrated in the table above, electricity is widely used as a source of energy in the local municipalities of the North West Province. Rustenburg local municipality had the highest number of households that used both electricity and paraffin as a source of energy for cooking, followed by Klerksdorp, with the second highest number of households that also used both electricity and paraffin as the main source of energy for cooking.
The third highest number of households that used both electricity and paraffin as a source of energy for cooking could be found in the Madibeng local municipality. It should, however, be noted that although it is mentioned that both electricity and paraffin were used as the main source of energy for cooking, the number of households that used electricity, far outstripped that of the households that made use of paraffin as a main source of energy. The fourth highest number of households that used electricity as a source of energy for cooking was in Mafikeng (capital city of the North West Province), followed by Moses Kotane and Potchefstroom local municipalities, respectively.

There were also many areas where the main source of energy for cooking was other than the use of electricity. For instance, in Greater Taung, Zeerust, Kagisano, Setla-Kgobi and Moshaweng municipalities (characterized mainly as rural), wood was mainly used as a main source of energy for cooking. In general, wood and animal dung were used as the main sources mainly in areas that were characterized as rural areas.

6.7.3 PROVISION OF TELECOMMUNICATION SERVICES

According to the Economic and Industrialisation plan of the North West Province (2001), there were two telephone systems operating in the North West Province in 2001. In the areas that were part of the former Transvaal and Cape, Telkom provided a telephone network, microwave towers and satellite links, whilst in the other remaining areas, a German system, Siemens, provided the same service. The two are completely compatible. Despite the two telecommunication services mentioned above, access to telephone systems in the province was classified into eight (8) different categories (see figure 6.15) and among the total number of households in the province, the majority (47%) made use of public phones that were located in the nearby areas, with the second majority (20%) of those households making use of cell-phones as a mode of telecommunication. For the period at which Census data
was generated (2001). 7 per cent (sixty two thousand one hundred and ninety two) of households had no access to a telephone in the province (Statistics South Africa, 2003).

At local municipal level, the majority of households had access to a public telephone nearby. The highest majority of households with access to telephones in the dwelling and cell phone were in Potchefstroom and Klerksdorp. Together with Maquassi Hills and Lekwa Teemane, these local municipalities also constituted the majority of the households that had access to a telephone in the dwelling only.

There were also a significant number of households that had access to a telephone by travelling major distances to other locations (both nearby and not nearby). These local municipalities were mainly in the rural areas of the North West Province, and this meant that the residents, travelling to adjacent cities and towns in order to make a call. This has an important effect on the households being able to have speedy response from emergency services at the time of need. Figure 6.15 below illustrates household access to telephone at local municipal level.
In addition, figure 6.15 above presents a significant number of households with no access to telephone infrastructure at local municipal levels of the North West Province. The highest number of households that were classified in this regard was in Molopo, Moshaweng, Maquassi Hills, Lekwa-Teemane, and Tswaing local municipalities respectively. The discussion of the provision of waste removal services, as part of the discussion of infrastructure framework at local municipal level, follows in the next sections.
6.7.4 PROVISION OF WASTE REMOVAL SERVICES

Information presented by the North West Department of Economic Development and Tourism (2001) indicates that formalized refuse removal services are generally only available within and immediately surrounding the major urban centres of the North West Province. In the rural areas, covering the vast majority of the province, no formal refuse removal service is available. At a district level, approximately 72 per cent of all households in the Southern District Municipality and 71 per cent in the Cross Border District Municipality do have access to formal refuse removal service. The levels of accessibility to refuse removal in the Kgalagadi, Bophirima, Central and Bojanala Platinum District Municipalities are very low.

In determining household access to refuse removal services at local municipal level, Statistics South Africa (2003) used five (5) categories in which households were classified in terms of their access to refuse removal services. They included those households that had a weekly refuse removal services from a local municipality, those that had refuse removal services less often from a local municipality, those households that had access to a community dump, those households that had their own dumping areas and lastly, those households that had no refuse removal facilities at their disposal.

At the provincial level, the highest number of households in the North West Province had no access to refuse removal services rendered by a local municipality. Fifty two per cent (52%) of all the households in the North West Province made use of their own dumping sites. The second majority, thirty six per cent (36%), were those to whom refuse removal services were rendered on a weekly basis. A further nine per cent of households in the North West Province had no access to a rubbish disposal facility in 2001. There was a noticeable difference in the spread of access to refuse removal services between rural and urban areas at local municipal level. Figure 6.16 below
illustrates the number of households that have access to refuse removal services at local municipal level in the North West Province.

Figure 6.16: Household access to refuse removal at local municipal level, 2001

Statistics South Africa, 2003

As presented in figure 6.16, the accessibility of formalised refuse removal services was generally centred within and immediately surrounding the major urban areas (see Klerksdorp, Lekwa Teemane, Mamusa, Naledi, Kgetlengrivier and Potchefstroom), whilst the major rural areas were characterised by households making use of their own refuse dumps (see
Molopo, Greater Taung, Kagisano, Zeerust, Setla Kgobi, Moses Kotane, Moretele and Moshaweng). Major service backlogs, in terms of refuse removal services, were identified in the local municipalities of Setla Kgobi, Moshaweng and Moretele - only thirty four (34) households in Moshaweng, fifty (50) households in Setla Kgobi, ninety five (95) in Molopo and one hundred and thirty (130) in Moretele had access to refuse removal services. In turn, the highest majority of the households in these local municipalities were making use of their own unspecified refuse dumps, which might have negative and detrimental effects on the cleanliness and environmental health. The discussion of the status of accessibility to housing infrastructure is discussed in the next section.

6.7.5 PROVISION OF HOUSING

Housing was discussed as a visible dimension of poverty in chapter 3. Through the discussion, it was also argued that in order to demonstrate the effects of poverty on housing, there is a need to pay attention to aspects such as room density, physical quality and acceptability of the living standards of the poor. As discussed in the strategy of the North West Department of Economic Development and Tourism (2001), the availability of housing is an important factor impacting on economic development. According to the strategy, not only does the manifestation of different types of housing reflect on specific sectors of the economy, but also it also directly impacts on socio-economic characteristics such as levels of productivity.

In total, the North West Province constituted the highest number of the households living in formal dwelling types (670003), with the second majority in informal (207436) and traditional dwelling types (49422). However, there were those households that were recorded as living in unspecified dwelling types (2143). The province also constituted the second majority of the households living in the shacks. Instead of following the classification of household dwelling types into the three commonly used (i.e. formal, informal and traditional) the discussion of household dwelling types incorporates
household living in shacks as another form of dwelling. The findings of a survey conducted for non-financial statistics at local municipal level indicates the North West Province as the second highest province with household in living in the shacks. Shacks are an informal way of building houses and in many instances building material is not of a set standard. Practical experience on the part of the researcher defines shacks as a form of housing for the time being (Statistics South Africa, 2003).

Time-being housing was accelerated by the need for housing for many of the tenants who used to rent space, originally at the backyard of the homeowners, which in the beginning was concentrated in locations closer to where major economic activities were taking place. It has been an informal way of renting, and since the need for proper housing surfaced early in the 1990s, majority of the tenants moved from the backyards to occupy land unlawfully. The government had to react to such a need, constitutionally –so, to allow and develop squatting (informal settlements) to accommodate this need. Table 6.4 below illustrates the number of households by dwelling type in each district municipality of the North West Province.

Table 6.4: Household type of dwelling in each district, 2002

<table>
<thead>
<tr>
<th>District Municipality</th>
<th>Percentage of households living in</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shacks</td>
<td>Traditional</td>
</tr>
<tr>
<td>Bophirima DM</td>
<td>19.06</td>
<td>9.01</td>
</tr>
<tr>
<td>Central DM</td>
<td>10.81</td>
<td>6.26</td>
</tr>
<tr>
<td>Bojanala Platinum DM</td>
<td>28.47</td>
<td>3.61</td>
</tr>
<tr>
<td>Southern DM</td>
<td>9.00</td>
<td>1.17</td>
</tr>
</tbody>
</table>

Statistics South Africa, 2003

As shown in table 6.4 approximately 28.47 per cent of the households that were living in shacks (the highest majority) could be found in Bojanala Platinum District municipality, with the second highest majority (19.06) in Bophirima District Municipality. Central and Southern District Municipalities
constituted lower percentages of households living in shacks in the North West Province. Figure 6.17 below illustrates the number of households in each type of dwelling at the municipal level of the North West Province.

Figure 6.17: Number of households in each dwelling type at local municipal level, 2001

Statistics South Africa, 2003

As indicated by figure 6.17 above, the highest number of households at municipal level lived in formal dwelling types, with the majority in Rustenburg (65499), Klerksdorp (61401) and Mafikeng (56415). It should be noted, however, that even though the municipalities mentioned above were said to
have constituted the highest number of households living in formal dwelling types, they also constituted the highest number of informal dwelling types.

There were approximately forty eight thousand two hundred and eleven (48211) households living in informal types of dwelling in Rustenburg, with a further thirty one thousand and thirty one (31031) in Madibeng and a further 29581 within the boundaries of Klerksdorp local municipality.

Traditional types of dwelling were mostly evident within the boundaries of the Greater Taung and Kagisano local municipalities respectively. There were approximately four thousand seven hundred and ten in Greater Taung and three thousand seven hundred and thirty two in Kagisano. It can be deducted that the problems associated with issues of housing in the Greater- Taung and Kagisano local municipalities is closely related to the incidence of poverty in these local municipalities. The level of unemployment affects a proportionate number of households in these local municipalities.

6.8 SUMMARY
The main aim of this chapter was to construct the profile of local municipalities in the North West Province. Greater belief in the provision of the profile at local municipal level is that in strategic planning processes such as the IDP, local municipal decisions need to be informed of the current existing reality about the social conditions in which their communities live. The latter also has to do with the monitoring of the development processes over time. Frequent construction of profiles at local municipal level also help in identifying development gaps that need to be addressed and could also be used as a means of feedback to the local communities.

Taking into consideration the socio-economic profiles at local municipal level against the backlog of household access to infrastructure discussed in chapter 4, it can be summarised that, even though the government in South Africa has embarked on empowering local municipalities through operational structures
and budgetary procedures, a heavy load of work still lies ahead. Service delivery and the eradication of poverty is one of the hurdles the district and local municipalities, through participatory interventions, would have to go through. Making the task more complicated is the social aspects that local municipalities have no control over. Population explosion and accelerated levels of urbanisation are uncontrollable social aspects of this nature and exist to undermine the speed at which the municipalities are able to deliver. At district municipal level, Bojanala and Central district municipalities testify to this, with evidence in Rustenburg, Klerksdorp and Madibeng local municipality. The accelerating level of urbanisation in these local municipalities is due to employment opportunities in the mining industry.

Apart from the impact of social indicators, major backlogs in household access to infrastructure exist in the North West Province. Posing the ugliest face of poverty is its relation to areas were major infrastructure backlogs are experienced, and within the North West Province the backlog regarding infrastructure continues to be a major problem in the rural and peripheral urban areas. The areas are also associated with high proportions of household lack of skills and basic education to survive, higher proportions of persons not economically active, the unemployed majority and the inability to participate in income generating activities. In a nutshell, there is an urgent need for service delivery innovations at local municipal levels in the North West Province.
CHAPTER 7
CRITICAL ASSESSMENT OF POVERTY ALLEVIATION ON LOCAL MUNICIPAL LEVEL IN THE NORTH WEST PROVINCE: THE CASE OF POTCHEFSTROOM

7.1 INTRODUCTION
It is evident that a backlog in service delivery is still a challenge faced by many local municipalities in their respective areas of jurisdiction. Although the discussions on infrastructure framework were intended at informing future action, based on policies and local strategies, the discussion of infrastructure highlighted serious problems that the communities have to face on a daily basis. Despite concerted efforts that have been taking place at the local levels of government, an indication is that time-bound strategies with effective implementation capacities will need to be drawn to these levels of government, in order to make positive impact in the lives of the poor. An elaboration of the infrastructure framework at both provincial and local municipal levels of the North West Province testifies to this.

This chapter presents a critical assessment of poverty at local municipal level in the North West Province. In its first part, it gives an overview of Potchefstroom. Secondly, it discusses the research methodology and the findings of the 2004 survey. The findings also make use of the Census results of 2001.

7.2 OVERVIEW OF POTCHEFSTROOM
Potchefstroom local municipality commonly refered to as the City Council of Potchefstroom is situated within the Southern District Municipality. The local municipality covers an area of approximately 25 076 kilometers square which includes the city of Potchefstroom, informal settlement (Matiwang), military area, adjacent agricultural operations and the area earmarked for the
establishment of the Highveld National Park. The municipal area is situated along the N1 tourism corridor, between Gauteng Province and Kimberly (Municipal IDP, 2002)\(^{25}\). The municipal area is divided in 20 wards, each of which has a ward committee chaired by a ward Councillor. As stated in the website of the local municipality (http://www.potch.co.za), up to 10 local members participate in the activities of the ward committee on a voluntary basis. The City Council of Potchefstroom consists of the following Offices and Directorates:

Office of the Executive Mayor
Office of the Municipal Manager
Office of the Speaker

Directorate: Corporate Services
  - *Human Resources Management*
  - *Administration & Legal support*
  - *Information Technology*
  - *Labour Relations*

Directorate: Finance

Directorate: Health & Environmental Services

Directorate: Housing

Directorate: Infrastructure
  - *Infrastructure: Civil*
  - *Infrastructure: Electricity*

Directorate: Local Economic Development

Directorate: Public Safety

Directorate: Social Services
  - *Social services: Culture promotion*
  - *Social services: Parks & Recreation*

Directorate: Special Projects

\(^{25}\) Potchefstroom City Council’s IDP, March 2002
As noted above, the City Council of Potchefstroom consists of three offices, nine directorates and a total number of eight (8) sub sub-directorates. The map below illustrates the municipal jurisdiction of Potchefstroom City Council.

Map 1: Study Area: Potchefstroom municipal area (wards)

The municipal jurisdiction of Potchefstroom consists of 5 main areas, namely Potchefstroom, consisting of the city centre (CBD) and a number of suburbs, namely Miederpark, Mooivaleipark, Bailliepark & Van der Hoff Park,
Dassierand, Ikageng, Promosa and Mohadin. There is also an industrial area and a number of small areas in the outskirts of the municipal jurisdiction forming part of the municipal area. Ikageng has the highest population density, with the largest population in the municipal area. Table 7.1 below shows the suburbs and residential areas of Potchefstroom.

<table>
<thead>
<tr>
<th>Table 7.1: Suburbs/ Villages in the municipal area of Potchefstroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baillie Park</td>
</tr>
<tr>
<td>Cachet</td>
</tr>
<tr>
<td>Dassierand</td>
</tr>
<tr>
<td>Die Bult</td>
</tr>
<tr>
<td>Elandsheuwel SH</td>
</tr>
<tr>
<td>Grimbeek Park</td>
</tr>
<tr>
<td>Haaskaal SH</td>
</tr>
<tr>
<td>Ikageng</td>
</tr>
<tr>
<td>Kanonierspark</td>
</tr>
<tr>
<td>Klipdrift SH</td>
</tr>
<tr>
<td>Mieder Park</td>
</tr>
</tbody>
</table>

Municipal Demarcation Board, 2003

Apart from the suburbs and villages shown in table 7.1, a proportional number of farms also exist within the municipal jurisdiction of Potchefstroom City Council. These farms are shown in table 7.2 below.

<table>
<thead>
<tr>
<th>Table 7.2: Farms in the municipal area of Potchefstroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brakfontein</td>
</tr>
<tr>
<td>Bronkhorstfontein</td>
</tr>
<tr>
<td>Buffelshoek</td>
</tr>
<tr>
<td>Buffelskloof</td>
</tr>
<tr>
<td>Buffelsvlei</td>
</tr>
<tr>
<td>Byl</td>
</tr>
<tr>
<td>Cut Out</td>
</tr>
<tr>
<td>Doornhoek</td>
</tr>
<tr>
<td>Doornplaat</td>
</tr>
<tr>
<td>Dorpsgrond</td>
</tr>
<tr>
<td>Droogespruit</td>
</tr>
<tr>
<td>Du Preez</td>
</tr>
<tr>
<td>Eigenaarsfontein</td>
</tr>
<tr>
<td>Eiland No 14</td>
</tr>
</tbody>
</table>
Potchefstroom is a home of quite a number of educational institutions. Table 7.3 below shows the educational facilities within the municipal jurisdiction of Potchefstroom. Despite the location of the Head Office of the University of the North West (before the merger known as - Potchefstroom University for Christian Higher Education), there are two other higher educational institutions, namely Vuselela (Potchefstroom Technical College) and the Agricultural College. Table 7.3 below shows the schools in the municipal jurisdiction of Potchefstroom.

<table>
<thead>
<tr>
<th>Elandsheuvel</th>
<th>Koedoeslaagte</th>
<th>Roodekrans</th>
<th>Walkraal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elbrinxe</td>
<td>Kopjeskraal</td>
<td>Rooplaagte</td>
<td>Welgegun</td>
</tr>
<tr>
<td>Eleazar</td>
<td>Kromdraai</td>
<td>Rooplaagte</td>
<td>Welgevonden</td>
</tr>
<tr>
<td>Etta</td>
<td>Kruiffontein</td>
<td>Rusoord</td>
<td>Wilgeboom</td>
</tr>
<tr>
<td>Flint</td>
<td>Leeuwfontein</td>
<td>Scalen</td>
<td>Witkop</td>
</tr>
<tr>
<td>Florence</td>
<td>Modderfontein</td>
<td>Small-In-De-Weg</td>
<td>Witkoppiesfontein</td>
</tr>
<tr>
<td>Witrand</td>
<td>Witstinkhoutbaken</td>
<td>Witstinkhoutboom</td>
<td>Wonderboom</td>
</tr>
</tbody>
</table>

Municipal Demarcation Board, 2003

<table>
<thead>
<tr>
<th>Table 7.3: Schools in the municipal area of Potchefstroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agape Christenskool</td>
</tr>
<tr>
<td>Baillie Park Laer</td>
</tr>
<tr>
<td>Basupi</td>
</tr>
<tr>
<td>Berts Bricks</td>
</tr>
<tr>
<td>Boitirelo</td>
</tr>
<tr>
<td>Boitshoko High</td>
</tr>
<tr>
<td>Botoka</td>
</tr>
<tr>
<td>Boys High Potchefstroom</td>
</tr>
<tr>
<td>Buffelsvlei</td>
</tr>
<tr>
<td>Bushy Bend</td>
</tr>
<tr>
<td>De Wilge</td>
</tr>
<tr>
<td>Ditaelong</td>
</tr>
<tr>
<td>Ferdinand Postma Hoerskool</td>
</tr>
<tr>
<td>Fikadibeng</td>
</tr>
<tr>
<td>Girls High Potchefstroom</td>
</tr>
<tr>
<td>Haaskraal</td>
</tr>
<tr>
<td>Hendrik Potgieter Laerskool</td>
</tr>
<tr>
<td>Hoekraal</td>
</tr>
<tr>
<td>Jolly Rest</td>
</tr>
<tr>
<td>Keagile</td>
</tr>
<tr>
<td>Kipstad</td>
</tr>
<tr>
<td>Kromlaagte</td>
</tr>
<tr>
<td>Kroonwater</td>
</tr>
<tr>
<td>Laerskool Nauwpoort 133</td>
</tr>
<tr>
<td>Lesego</td>
</tr>
<tr>
<td>Lethabile</td>
</tr>
<tr>
<td>Ligstraal</td>
</tr>
</tbody>
</table>
As shown in table 7.4 below, at total number of eleven (11) medical facilities are found in the municipal area of Potchefstroom. The medical facilities, as shown in table 7.4, do not include private hospitals.

<table>
<thead>
<tr>
<th>Loula Fourie Volkskool Potchefstroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>M L Fick Laerskool</td>
</tr>
<tr>
<td>Madibeng</td>
</tr>
<tr>
<td>Mareka</td>
</tr>
<tr>
<td>Mmutle</td>
</tr>
<tr>
<td>Moorivier Laerskool</td>
</tr>
<tr>
<td>Mponeng</td>
</tr>
</tbody>
</table>

Municipal Demarcation Board, 2003

There are three police stations with one in Potchefstroom, the other in Buffelshoek, and Ikageng. Potchefstroom is also a home to both the North West Provincial and Moorivier Area Commissiers' office. Due to the location of both the offices mentioned above, Potchefstroom is supposedly advantaged to a secure environment as compared to other local municipalities in the North West Province. Table 7.5 below shows the police stations in the municipal area of Potchefstroom.
Table 7.5: Police Stations in the municipal area of Potchefstroom

<table>
<thead>
<tr>
<th>Station</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buffelshoek</td>
</tr>
<tr>
<td>Ikageng</td>
</tr>
<tr>
<td>Potchefstroom</td>
</tr>
</tbody>
</table>

Municipal Demarcation Board, 2003

7.3 RESEARCH METHODOLOGY

No deviations were made to the research methodology introduced in chapter 1 of this research. In unfolding different research activities, a questionnaire was constructed and appointed fieldworkers had to conduct interviews with the household heads within the study area. Both sampling and aspects of the questionnaire are discussed shortly.

7.3.1 SAMPLING

A sample frame based on the number of the households in each of the twenty wards within the jurisdiction of Potchefstroom local municipality was selected with a sufficient sample of households (1943) drawn randomly per ward. This sample frame was obtained from the list of rate-payers or household stands. This list contains approximately 30 000 households.

7.3.2 ASPECTS OF THE QUESTIONNAIRE

A specifically formulated questionnaire consisting of three major aspects was used to gather the data at household level, as indicated below:

- **Basic socio-economic indicators**

  This section collected information on the size of the household, the type of dwelling, the average monthly household income, and the sources of household income, labour market participation and distance to work.
o **Satisfaction with life scale and emotional well-being**

This section used internationally recognised scales (ranging from 1-7) to measure the life satisfaction and emotional wellness of the Potchefstroom’s population. The satisfaction with life and emotional wellness are important subjective indicators of quality of life.

o **Satisfaction with municipal service and City Council performance**

The section measured the level of satisfaction with the municipal services collected information on the degree to which households were satisfied with various aspects and services of the municipality. In this section, altogether 1 question relating to satisfaction with municipal services and 11 relating to the council’s performance were asked. Perceptions on crime incidences and the payments of council rates taxes (service accounts) also formed integral part of the questionnaire.

**7.4 THE INTERVIEWS AND INTERVIEWERS**

The interviews were generally conducted during weekdays in the evenings, and weekends, so as to ensure that household heads were reached. A team of enumerators was established and personal interviews following a structured questionnaire were conducted. In establishing the team of enumerators, criteria including familiarity of the interviewers to the area, and language needs in specific wards, were considered.

These interviewers had to work under strict supervision of the project co-ordinator. Meetings aimed at solving problems, and clarifying uncertainties experienced by the interviewers were arranged on a regular basis. An important part of these meetings also was to record progress made on a daily basis.
7.5 THE FINDINGS OF THE SURVEY

The findings of the survey regarding the household size, population distribution, (un) employment status and access to basic services, are compared with the data generated through the major census conducted in 2001. The framework within which the findings are presented follows the layout of the research questionnaire aspects outlined above. The three major aspects of the survey will be used as a frame of reference. The findings of the survey depict data and information sets as gathered at a ward level.

7.5.1 SOCIO-ECONOMIC PROFILE

The part of the survey, i.e. socio-economic indicators, will be discussed using the following framework:

- Household size and population estimates;
- Types of dwelling (formal and informal);
- Total monthly income per household;
- Main source of monthly income;
- Employment and unemployment status; and
- Time to travel to work.

In addition, to the framework discussed above, the following indicators were extracted from the 2001 Census by Statistics South Africa:

- Access to basic services
- Schooling and literacy status

7.5.1.1 Household size and population estimates

Forming part of the discussions in chapter 5, the population of Potchefstroom was discussed in comparison with that of the local municipalities in the province. According to estimates from the 2004 survey the total population in Potchefstroom is roughly 140555. The survey presents a population growth of roughly 20 000 more people as compared to those extracted from the 2001 census.
Census. Figure 7.1 below shows the population estimates of Potchefstroom for 2001 and 2004.

Figure 7.1: Population estimates of Potchefstroom, 2001 & 2004

Statistics South Africa, 2003 & Survey 2004

Among the twenty wards within the jurisdiction of Potchefstroom, the findings presented an evenly distributed population with approximately 4.2 people living per dwelling. There is also a record of 31007 urban dwelling units in Potchefstroom. The Census 2001 estimated around 10144 rural inhabitants, mainly residing in ward 1. Figure 7.2 below shows Potchefstroom’s population per ward in 2001.
As shown in figure 7.2 above, Potchefstroom's three largest municipal wards in 2001 were ward 20 with 10443 people, ward 1 with 10144 and ward 9 with 10094 people. However, the wards with the smallest population size were wards 3 and 4, with approximately 3415 and 3523 people, respectively in 2001. The different household sizes per ward are shown in the figure 7.3 below.

Figure 7.3: Average household size per ward in Potchefstroom, 2004
problems. Figure 7.5 below shows the comparable figures from the 2001 Census.

Figure 7.5: Type of dwelling in Potchefstroom, 2001

![Graph showing Type of Housing/Dwelling in Potchefstroom, 2001 Census]

7.5.1.3 Labour Market Status

Employment and unemployment as part of the labour market status at local municipal level in the North West Province was discussed in chapter 5. According to the 2004 Survey, the total unemployment rate in Potchefstroom is 31.60 per cent. The rate of unemployment is indicated in figure 7.6 below.

Figure 7.6: Unemployment rate in Potchefstroom, 2004

![Graph showing Unemployment Rate in Potchefstroom, 2004 Survey]

As depicted in figure 7.6 above, the female population was most affected by the rate of unemployment in Potchefstroom as compared to the male
population. This is represented by approximately 20 per cent female unemployment rate and 11 per cent of male unemployment rate. However, comparisons between the period 2001 and 2004 represented a slight shift in the rate of unemployment in Potchefstroom. This is represented by a difference of about 5 per cent unemployment rate within the mentioned period. Figure 7.7 below illustrates unemployment rate between 2001 and 2004.

Figure 7.7: Unemployment rate in Potchefstroom, 2001 & 2004

At the ward level the findings of the survey found the highest unemployment rate among households in ward 20 (50.7%) followed by wards 10 (48.9%), ward 1 (48%) ward 9 (42.7%), ward 7 (35.2%), ward 13 (33%) and ward 17 (32.4%) and ward 18 (31.3%) respectively. Figure 7.8 below shows the rate of unemployment per ward in Potchefstroom.
The ward with the lowest unemployment rate in Potchefstroom is ward 4 (3%). The rate of unemployment is also lower than average in wards 5, 3, 2, 6 and ward 19. Figure 7.9 below shows the rate of unemployment per ward as extracted from the 2001 Census.
The 2001 Census found that the largest sector of employment in Potchefstroom is the community and personal services, which typically includes government sector employees. In Potchefstroom this sector provides an estimated 32 per cent of all employment opportunities.

Figure 7.10: Sectoral employment in Potchefstroom, 2001

As depicted in figure 7.10 above, other important sectors providing employment in Potchefstroom include trade and tourism (15%), household services (13%) and agriculture (10%).

7.5.1.4 Income and Poverty

The discussion of the levels of income and poverty formed an integral part of the discussion in chapter 6. The findings of the 2004 survey found that about 74.8 per cent of households in Potchefstroom earned a monthly income of less than R3500 with only 25.2 per cent earning more than R3500 per month. These levels of income, when compared to the poverty-income threshold, indicates a higher proportion of households living in poverty within the boundaries of the local municipality of Potchefstroom. Figure 7.11 below shows the percentage of household per monthly income category in Potchefstroom in 2004.
Figure 7.11: Percentage of households per monthly income category, 2004

As opposed to the 2004 survey, in 2001 according to Statistics South Africa, only 8.39 per cent of households earned more than R3200 per month. The 2004 survey also presents approximately 47.9 per cent of households earning less than R1000 per month, and a further 15 per cent of households that earns more than R10 000 per month.

By far the single source of household income in Potchefstroom is salaries and wages, with 42.3 per cent of households indicating this as their main income source. About 23.6 per cent of households depend on social grants and state pensions, and 17.4 per cent on the informal sector. As posited by the survey, a noticeable small percentage of households (4.8%) indicated formal small business as their main source of income. Figure 7.12 below shows the percentage of households per income category in 2004.
As indicated in figure 7.12 above a higher proportion of households in Potchefstroom could be categorized as earning below R1000 and it should be noted that within this category, there were those who could also be categorized as unemployed. As recorded by the findings of the survey, a significant proportion of households (54%) in Potchefstroom are dependent on grants, transfers or survivalist activities for an income. Figure 7.13 below, shows the sources of income in Potchefstroom.

Figure 7.13: Sources of income in Potchefstroom, 2004
The seven sources of income presented in figure 7.13 above could be classified into two broad categories comprising of survivalist/grant sources of income, whilst the second was of sources generated from salaries/wages and rentals. Renting, in most cases an informal way of deriving income by household heads letting other family units hire a shack for residential purposes in their backyards. Figure 7.14 below illustrates the two broad categories of income in Potchefstroom.

Figure 7.14: Income sources per broad category in Potchefstroom, 2004

Salaries, wages and rentals derived a household income of approximately 45.89 per cent. The wards with the highest average monthly income are wards 3, 2, 6, 5, and 7. The wards with the lowest average household income are wards 13, 8, 11. It should also be borne in mind that the rate of unemployment was also higher in these wards. The average monthly income per ward is presented in figure 7.15 below.
A breakdown of the main household income per ward indicates that salaries and wages are the most important source in wards 2, 3, 4, 5, 6, 9, 10. In all other wards, in particular wards 15, 17, survivalist activities and grants and transfers are the most important sources of incomes. In these wards, the earlier sections of this chapter indicated high rates of unemployment in comparison to other wards. Figure 7.16 below illustrates the main source of household income per ward in Potchefstroom.
If income derived from a formal small business can be taken as proxy for entrepreneurial quality, then Potchefstroom fares poorly. Most small business owners seem to reside in wards 1, 7, 3, 13 and 8. However, in contrast to the wards mentioned above, the findings of the survey shows evidence of independence of households from income derived from small business in wards 15 and 16. Figure 7.17 below shows the percentage of households per ward main income from small business.

Figure 7.17 Percentage of household main income from small business per ward, 2004

Indication of household dependence per income category formed an integral part of the earlier discussions in this chapter. The wards where dependence on the informal sector (including hawking) is highest are wards 17, 20, 18, 15, 16 and 19. The wards that recorded a large number of household dependence on informal or survivalist activities were located in the Ikageng and Promosa. Figure 7.18 below illustrates household dependency on the informal sector (survivalist activities) per ward in Potchefstroom.
7.5.1.5 Time spent while travelling to work

Most households, where the head of household is employed, have to travel less than 30 minutes to work. This percentage differs from ward to ward, from between 0 per cent through 14 per cent in ward 2, to 37 per cent inward 14.
7.5.1.6 Access to basic services

These features of households' socio-economic profile were captured in the 2001 Census. Figure 7.21 below depicts the percentage of people with access to basic services such as electricity, flush toilets and water in the dwelling.

Figure 7.21: Percentage of people with access to basic services

It can be seen from figure 7.21 above that:

- 75 per cent of households in Potchefstroom have access to electricity.
- 71.18 per cent had access to a flush toilet in their dwelling.
- Only 30 per cent had access to water in their dwelling.

As further indicated in figure 7.22 below, ward 10 recorded lower levels of people with access to basic services in Potchefstroom. To this effect it should also be noted that ward 10 also constituted the lowest population in comparison to other wards within the municipal jurisdiction of Potchefstroom local municipality. Figure 7.22 below depicts the level of access to basic services per ward in Potchefstroom.
7.5.1.7 Schooling Status

The schooling status was discussed as an important dimension of poverty and deprivation in chapter 3. The chapter also took note that the levels of poverty were higher among people who had no basic schooling, and that unemployment affects most of the country’s unskilled persons. In relation to this, both Potchefstroom and Mafikeng local municipalities were also noted as constituting a high proportion of people who had obtained tertiary education in chapter 6. The reason is mainly that both the local municipalities had quite a number of educational institutions within their jurisdiction, followed by a merger of the two former higher education institutions.

According to 2001 Census, the extent of schooling in a city is an indicator of its human capital. As indicated in figure 7.23 below, the proportion of people with no schooling in Potchefstroom has declined from 8.28 per cent in 1996 to 8.23 per cent in 2001, representing a decline of 0.05 per cent per cent of
persons enrolling with schools within the area. This shift is shown in figure 7.23 below.

Figure 7.23: The percentage of population with no schooling (1996 & 2001)

Census 1996 & 2001

A further discussion of the educational status is in Potchefstroom is elaborated with a demarcation in each ward. At ward level, ward 6 was the worst affected with approximately 22.06 per cent of people with no schooling, followed by wards 17 (15.53%), 1 (14.34%), 18 (11.89%) and 16 (11.39%) respectively. Wards 3, 4 and 5 displayed fewer persons who had no basic education. Figure 7.24 below shows the percentage of schooling status per ward in Potchefstroom.
As illustrated in figure 7.24 above, it can be mentioned that generally, the majority of the persons who had no formal schooling during the reporting period were in their majorities in the wards of Ikageng, which mainly constitutes the African population in Potchefstroom. The next section focuses on the degree of satisfaction with life in Potchefstroom.

### 7.5.2 SATISFACTION WITH LIFE AND EMOTIONAL WELLNESS

Five questions on an internationally accepted scale were asked regarding satisfaction with life, and two questions regarding emotional wellness. To measure satisfaction with life, households were asked the seven questions, to which they had to respond following a 7-point scale. The results for these seven questions, as per the average response per question, are summarised in the figure 7.25 below.
From figure 7.25 depicted above, it can be deduced that:

- Most household heads in Potchefstroom tend to disagree with the statement rating their conditions of life as excellent;
- With a significant proportion of household heads that feels less confident that they have achieved the important things in life; and
- As far as other aspects of satisfaction with life are concerned, most household heads seems to have taken a more neutral view.
- The total score for Potchefstroom is 25 out of 35.

To measure emotional wellness, a scale consisting of two items was used. The household heads had to respond to these two questions as follows:

A. How often do you feel happy, calm and peaceful?
B. Do you have somebody you can turn to in times of stress?
If one considers the ward-level responses to the statement: "The conditions of my life are excellent", one finds that not all wards seem to have equally satisfied households. Generally, it was found that households in wards 11, 12 and 13 are the least satisfied. Those in ward 8 and 1 are at intermediate levels of satisfaction, whilst households in wards 10, 9, 2 seem to be most satisfied. This information is presented in figure 7.27 below.

Figure 7.27: Satisfaction with life conditions, 2004
As depicted by figure 7.27 above, households in ward 10 and 9 also indicate the highest levels of happiness, and households in wards 11, 12, 13 the least levels of happiness.

Overall, the 2004 survey found that households in ward 1, 3, 4, 5, 6, 7 were happier than households in wards 14, 15, 16, 17, 18, 19, 20.

Also, it is noticeable that although households in ward 2 reported the highest monthly income, they were also amongst the relatively less happy in Potchefstroom.

Figure 7.28: Emotional wellbeing in Potchefstroom, 2004

Households were asked the extent to which they experienced improvements in their neighbourhood over the past year (i.e. 2003-2004). About 51.6 per cent responded that they did not see any improvements, with only 39.7 per cent answering affirmative. Approximately, 8.7 per cent of the household response could neither be categorized as those who experienced
development in their neighbourhood or not. This is depicted in figure 7.29 below.

Figure 7.29: Perceptions of improvements in the neighbourhood, 2004 (%)

As depicted in figure 7.30 below, the households most negative about neighbourhood improvements were ward 1, ward 14, ward 20, ward 19, and ward 18, and those most positive about neighbourhood improvements were in ward 13 (92%), 12 (76%) and 11 (65%) and 17 (55%). This is depicted by figure 7.30 below.

Figure 7.30: Percentage of households per ward who believed the neighbourhood conditions have improved in the past year, 2004
Crime was discussed as an important dimension of poverty in chapter 3. The survey also focused on testing the perceptions of households on this aspect. The focus on crime in this study incorporates various aspects of crime, and does not specify any form or category as perceived by the respondents. Given that crime can have a significant impact on quality of life (and vice versa), households were asked whether they experienced an increase in crime over the past year.

Figure 7.31: The perceptions of crime in Potchefstroom, 2004

![Bar chart showing the perceptions of crime in Potchefstroom, 2004](chart.png)

As indicated by the figure 7.31 above, 36 per cent of households recorded having experienced an increase in crime in Potchefstroom over the past year, 33.3 per cent perceived crime to be stable and 30.5 per cent perceived crime as having being better over the period.

A breakdown of crime experience at a ward level shows that the households that recorded having experienced higher levels of crime were wards 13, 12, 6, 11, 18, 16, and 20. These wards are located in the Ikageng area and suggest that the police and local municipality need to give priority where the levels of crime are perceived to be rising. Figure 7.32 below illustrates the percentage of households per ward that perceive an increase in crime over the past year.
7.5.3 SATISFACTION WITH MUNICIPAL SERVICES AND PERFORMANCE OF THE COUNCIL

This section discusses the main findings from the third section of the questionnaire, namely the section on satisfaction with municipal services and the council's performance in certain key areas.

In total, Potchefstroom household heads were asked to rate their levels of satisfaction based on 21 municipal services and 11 council functional areas. A six-point scale ranging from 1 = very satisfied to 5 = very dissatisfied and 6 = non-response was used. The level of satisfaction of household heads relating the following municipal services was rated:

- Street lightning
- Electricity supply
- Refuse removal
The following Council functional areas were rated:

- Involving citizens in the IDP process
- Attracting tourists
- Assisting small business
- Solving the city's housing problem
- Keeping the city center commercially viable
- Listening to the needs of ordinary people
- Controlling air pollution
- Attracting investment to Potchefstroom
- Promoting culture and art
- Keeping Potchefstroom free of litter
- Making Potchefstroom beautiful with parks, gardens, etc.

The findings of the survey regarding the level at which communities were satisfied with municipal services are depicted in the following figure.
As presented in figure 7.33 above, the majority of the household heads are most satisfied with street lighting, electricity supply, refuse removal and water supply, with the highest majority least satisfied with safety and security, road safety for children, the conditions of the roads and signposting of roads. Among those services which household heads were least satisfied included the availability of recreation and sporting facilities in their area. The discussion of the level of satisfaction of household heads with City Council's performance follows next.
As far as the performance of Council over 11 functional areas is concerned, it was found that:

- Generally, household heads are most satisfied with the Council's efforts in (a) making Potchefstroom beautiful through parks and gardens; (b) keeping Potchefstroom free of litter; and (c) promoting culture and art.

- The four highest level of dissatisfaction was among those household heads who were less satisfied with the way the Council is (a) involving citizens in the IDP process; (b) attracting tourists; (c) assisting small business and (d) solving the city's housing problem. In relation to their involvement in the IDP process, a higher proportion of household heads recorded having no clue of what the IDPs are. The degree to
which household heads were satisfied with Council performance is illustrated in figure 7.35 below.

Figure 7.35: Degree of satisfaction with Council Performance, 2004

![Figure 7.35: Degree of satisfaction with Council Performance, 2004](image)

The patterns of satisfaction differed amongst the different wards of Potchefstroom. Table 7.6 below illustrates the levels of household satisfaction with municipal services across all the 20 wards. The table illustrates municipal services that households were most satisfied with, and those that they were least satisfied with per ward.

Table 7.6: Satisfaction with municipal services, 2004

<table>
<thead>
<tr>
<th>Ward</th>
<th>Most Satisfied with:</th>
<th>Least Satisfied with:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Electricity supply</td>
<td>Housing delivery, transport</td>
</tr>
<tr>
<td>2</td>
<td>Street lightening</td>
<td>Involvement in Council</td>
</tr>
<tr>
<td>3</td>
<td>Refuse removal</td>
<td>Involvement in Council</td>
</tr>
<tr>
<td>4</td>
<td>Convenience of shops</td>
<td>Involvement in Council</td>
</tr>
<tr>
<td>5</td>
<td>Housing delivery</td>
<td>Recreation and sporting</td>
</tr>
<tr>
<td>6</td>
<td>Sewerage and refuse</td>
<td>Transport and Housing</td>
</tr>
<tr>
<td>7</td>
<td>Sewerage and refuse</td>
<td>Transport and Housing</td>
</tr>
<tr>
<td>8</td>
<td>Water supply</td>
<td>Air pollution</td>
</tr>
</tbody>
</table>
As depicted in table 7.6 above, it can be seen that community involvement in Council decisions and IDP, recreation facilities, storm water drains and transport and housing, and air pollution, are some of the factors causing dissatisfaction in Potchefstroom. With households in Ikageng showing dissatisfaction in the provision of basic services such as safety and security, polluted air, lack of recreation and sporting facilities, planted areas, roads and safety of children. A major dissatisfaction for households in ward 20 was around the provision of storm water drains. Table 7.7 below summarises the ward-level satisfaction of households with Council’s performance.

<table>
<thead>
<tr>
<th></th>
<th>Refuse removal</th>
<th>Signposting of roads</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Street lightening</td>
<td>Storm water drains</td>
</tr>
<tr>
<td>11</td>
<td>Housing delivery</td>
<td>Safety and Security</td>
</tr>
<tr>
<td>12</td>
<td>Housing delivery</td>
<td>Air Pollution</td>
</tr>
<tr>
<td>13</td>
<td>Recreation and sporting</td>
<td>Safety and security</td>
</tr>
<tr>
<td>14</td>
<td>Water supply</td>
<td>Involvement in Council</td>
</tr>
<tr>
<td>15</td>
<td>Street lightening</td>
<td>Recreation and sport facilities</td>
</tr>
<tr>
<td>16</td>
<td>Noise pollution control</td>
<td>Recreation and sport facilities</td>
</tr>
<tr>
<td>17</td>
<td>Air pollution and control</td>
<td>Planted areas, trees</td>
</tr>
<tr>
<td>18</td>
<td>Water supply</td>
<td>Road safety of children</td>
</tr>
<tr>
<td>19</td>
<td>Electricity supply</td>
<td>Recreation and sporting</td>
</tr>
<tr>
<td>20</td>
<td>Electricity supply</td>
<td>Storm water drains</td>
</tr>
</tbody>
</table>
From Table 7.7 above, it can be seen that most wards judge the performance of the Council to be satisfactory in making Potchefstroom beautiful with parks, keeping Potchefstroom free of litter, and promoting arts and culture.
o Many wards are, however, most dissatisfied with not being involved in the IDP process, with the City Council not listening to the needs of ordinary citizens. Many wards were also dissatisfied with air pollution and lack of assistance to small business.

o In total, Table 7.7 above, shows the wards with the overall highest satisfaction with municipal services are wards 10, 9, 5, 17, 18, 20, those wards with the least satisfaction with municipal services are wards 12, 14, 16, 6, 8 and 19.

Finally, household’s attitudes towards payment of rates and council taxes were tested. In response to the question whether it is the right thing to do to pay for Council rates and taxes, the majority (89%) of citizens agreed that it is the right thing to do to pay for rates and council taxes. The remaining 10, 6 per cent of households held a negative perception towards the payment of Council rates and taxes.

Figure 7.36: The perceptions of households towards payment of Council rates and taxes, 2004

As depicted in figure 7.37 below, in most wards more than 90 per cent of households felt it was the right thing to do to pay for council rates
and taxes. Only in wards 20, 2, 3, 5 and 16 were less than 90 per cent of households convinced of this. This would indicate that resistance to council taxes might be growing. Some of these wards (2, 3, 5) are also where the households with the highest incomes and wealth are residing. Figure 7.37 below shows the perceptions of households per ward in Potchefstroom towards the payment of services.

Figure 7.37: The perceptions of households towards payment of rates and taxes per ward in Potchefstroom, 2004

![Graph showing perceptions of households towards payment of rates and taxes per ward in Potchefstroom, 2004.]

7.6 SUMMARY

The chapter focused on research activities and on the findings of the survey. The first consisted of the sampling procedure, aspects of the questionnaire and the actual interviews by the fieldworkers (interviewers). The second part dealt with the findings based on three aspects of the questionnaire, i.e. basic socio-economic indicators, satisfaction with life scale and emotional well-being and satisfaction with municipal services and city council performance.

From the findings discussed above, it is evident that although the municipalities have developed IDPs for development in their respective areas of jurisdiction, the necessary expertise in terms of leadership, local strategies and physical resources have not being sought yet. A heavy load of work still lies ahead, since municipalities have not yet made meaningful impact on the
lives of communities. Beyond co-operative strategies between national, provincial and local municipalities, with participatory processes with the business sectors and the CBOs, local municipalities need to consider their equipping internal capacities in terms of structures and personnel and human and physical resources of external pressures they are faced with. These internal and external factors were identified as part of the problem areas in this chapter, and they formed the basis of the recommendations provided in chapter 8.
CHAPTER 8
SUMMARY AND RECOMMENDATIONS

8.1 INTRODUCTION
The purpose of this study was to outline and explore the multidimensional nature of poverty, to identify the existing relationships between the various poverty dimensions, and to discuss the different approaches to the measurement of poverty. Further objectives included the exploration of the determinants of poverty and spatial development with specific reference to the spatial implications of apartheid and to the spatial context of poverty to both urban and rural areas. The discussion of the Integrated Development Planning, taking into consideration the implications of the context of poverty, was discussed in chapter 4. The implementation of the Integrated Development Planning at local municipal level, as discussed in both chapters 1 and 4, is seen as an essential tool in poverty alleviation and improving the quality of life of communities.

Chapters 5 and 6 focused the discussion on the provincial and municipal socio-economic profiles of the North West Province. The case of Potchefstroom municipal council, in particular, was studied as a case in point, and the discussion pivoted around the findings of the survey carried out as part of this research. Strategic interventions identified as necessary in the survey, and by the implementation of IDPs in their role as poverty alleviation tools were presented.

Chapter 7 provided a detailed assessment of the IDP of Potchefstroom Municipal Council, which forms a basis for the recommendations presented in this chapter. This chapter further expounds on the recommendations by discussing the responses to gaps identified in the implementation of the IDP by the Municipal Council of Potchefstroom.
8.2 SUMMARY OF THE FINDINGS

Throughout the discussion in this study, it became evident that reducing poverty is a complex phenomenon that requires a multi-dimensional, co-operative, inter-institutional and integrated approach. Despite the need at local municipal level to bring into play participatory processes, they acquire a large degree of support from national and provincial departments of government. However, the support has resulted to widespread confusion regarding the role which local municipalities themselves have to play within their own areas of jurisdiction. The main challenges facing these institutions are evident in their inability to use their IDPs as service delivery machines that improves the quality of life of their communities.

Both the internal and external environments of a municipality are interdependent on each other; which imply that if the municipality is internally weak, the chances of being able to deal with external and communal problems are bleak. The findings presented by this study highlight a larger proportion of households living below the poverty threshold in Potchefstroom. The dynamic is as a result of the high unemployment rate, reduced income generating activities and failing Small Micro and Medium Enterprises (SMME) development in specific municipal wards in the municipal jurisdiction of Potchefstroom. There is also a significance of dependency over the informal sector and survival activities as a result of low educational status of households, as well as increased perceptions around the level of crime. In a nutshell, responses to social and economic conditions were sparsely distributed around all the wards of the municipality, with ward level analyses locating the majority of the poor between wards 11 and 20. It is also where major backlogs in infrastructure development and poor provision of basic services were identified. Furthermore, it is also in these wards where the majority of households expressed lower levels of satisfaction in respect of life scale and emotional well-being, as well as municipal service delivery and the City Council's performance.
Although the findings present fairly balanced responses with regard to satisfaction with life and emotional well-being, and satisfaction with municipal services and performance over a specific period of time, the evidence is that the majority of those households that displayed higher dissatisfaction levels are in the mentioned municipal wards. The findings of the research project present numerous challenges faced by the municipality with special reference to poverty reduction. The challenges were classified into internal and external factors. Internal challenges include the following:

- Inadequate linkages and integration;
- Lack of capacity to effectively plan, implement and manage interventions;
- Lack of performance tracking and management instruments;
- The difficulty experienced by the sectoral organisation of budgets in funding integrated projects; and
- Poor impact assessment and monitoring of development projects.

External factors in this research project are described as those factors external to the institutional arrangements of the municipality. However, the severity of these factors is linked to the failure or inability of internal arrangements, human capital, budgets, procedures and capacities of the municipality to effectively address them. The external factors include the following:

- Inadequacies in spatial development;
- Housing and infrastructure backlogs;
- High rate of unemployment;
- Lack of income generating activities and SMME development;
- Educational attainment in the community;
- Community participation;
- Increased crime and dependency over survival activities; and
- Poor quality of social and physical living conditions.
The findings of this study lead to recommendations that are generic, in the sense that they can be utilised as a model in implementation of the IDPs as poverty alleviation tools at local municipal levels of government in any province.

8.3 RECOMMENDATIONS
The study suggests that local municipalities ought to have an overall advantage to address poverty issues in their municipal jurisdiction and this can be done by improving social, as well as physical conditions to improve the quality of life of their communities. Further suggestions include using a two-tier approach towards identifying and responding to the basic needs of local communities. It also provides means with which local municipalities, with participatory processes, can address developmental backlogs within their areas of jurisdiction. In simple terms it renders poverty alleviation as a phenomenon that requires the efforts of the communities that are affected, with minimal assistance. In simple terms, local municipalities need to equip their internal processes to handle pressures emanating from their external environment. As part of the recommendations, the researcher sees poverty as a set of multiple deprivation to which responses must be multidimensional.

8.3.1 INTERNAL FACTORS
Various internal factors were identified by the findings of the research. These factors, based on the background of an assessment in chapter 7, are discussed in the next section.

8.3.1.1 LINKAGES AND INTEGRATION
This section recognises the complexity and the multidimensional nature of poverty as discussed in chapters 3 and in this way renders poverty as a phenomenon that can only be addressed by using a wide variety of available collaborative linkages and integration with communities, business sector, NGOs and other local stakeholders. The linkages as suggested by the Local Government Municipal Systems Act (2000) are aimed at facilitating co-ordinated effort between the different levels of service providers. The linkages can be conceived at the following levels: between the national and local municipalities, between the local level municipalities/ councils and
communities, between local municipalities within the same country, and linkages between local municipalities of different countries (i.e. inter-municipal co-operation across national borders). These linkages could be for the purpose of either strategic collaboration for the advancement of a common cause or functional ones with respect to concrete project implementation. This section renders participatory processes as essential in the efforts towards poverty alleviation, and renders poverty as a phenomenon that cannot be addressed by a sole designated institution.

Integrated Development Planning implementation, as discussed in chapter 4, suggests a variety of service delivery options in improving service delivery at municipal levels of government. In enforcing multi-sectoral, inter-institutional and departmental co-operation, municipalities are required to take into consideration the development impact they endeavour to make at the end of the day. This requires an integrated planning approach to development that takes into consideration the conditions within which planning has to take place, internal arrangements (within the same institutions), as well as the external environment (with other institutions and departments).

This simply means that co-operation between the various sections of the same institution should exist, and that the IDP ought to reflect an output of a variety of specialised institutions and affected communities. The discussion of the role of the national and provincial departments, with regard to the budget for poverty alleviation at municipal level in chapter 4, confirms the need for multi-institutional and interdepartmental co-operation in poverty alleviation. This dynamic is brought into play by the phasing out of the apartheid government ideology that perceived other role players as onlookers and held them passive in their own development. The need for municipalities to utilise multi-sectoral, inter-institutional and departmental cooperation in delivering local services was highlighted in chapter 1 and further discussed in chapter 4.
The Potchefstroom Municipal Council’s IDP plan appears to have been the responsibility of a committee, which seems to have been uninformed of the IDP’s plan of action. The plan appears to have been only compiled in compliance with the requirements of the Act, and is not backed by background information that indicates the level of intensity or the urgency to which response needs to be handled, or where more resources need to be directed. This is based on the fact that the IDP does not reflect an output of a co-operative nature, and does not allow for environmental influences.

- **Multi-institutional co-operation in planning**

The need to upgrade the Ikageng police station is a commendable activity in creating a safer environment for the community of Potchefstroom. However, it is not the sole responsibility of the Municipal Council of Potchefstroom. The upgrading of the police station points to a multi-institutional failure in which the IDP document points to non-existing planning arrangements between the municipality and the existing police structures in Potchefstroom.

The failure to utilise a multi-institutional approach in delivering basic services is also highlighted by the poverty reduction strategies of the municipality, which incorporate the improvement of, and the restructuring of certain educational programmes. Despite this being beyond the scope of responsibilities of the municipality, the plan fails to highlight co-operative arrangements, regarding the roles and funding, between the municipality and the Department of Education. In this way, the plan also renders the contribution of the North West Parks and Tourism Board (NWPTB) and South African National Parks (SANParks), and others, in the initial establishment of the Highveld National Park, unacknowledged.

The responses regarding the assessment of community participation and the establishment of small business in chapter 7 highlight that Community Based Organisations (CBOs), the business sector, and other role players have played an insignificant role in the planning process. Besides the failure to recognise the need
for institutional co-operation with organisations mentioned above, the plan disintegrates its planning items (Key Performance Areas) by omitting the role of the local business sector in the provision of services.

- **Inter-sectoral co-operation in planning**
  
  The failure to utilise inter-sectoral networks in service delivery is highlighted by inconsistencies between the different sectors of the municipality. In many respects, the IDP is not supported by the budget, the cost of manpower and other logistical services. This, as a result has led to a plan that does not integrate the roles of affected sectors of the municipality, and does not factor the resources to carry out the projects. Deficiencies in inter-sectoral planning exist mainly as a result of poor participation and contribution of heads of departments (component heads) and their inability to translate pressures emanating from the community as part of their daily operation, and to feature the role of their individual components into the mission of the holistic organisation.

It is recommended that the municipality explore various ways in which service delivery can be improved. Some of these mechanisms, according to Hemson (2004), include the culture of the organisation, skills for integrated governance, flexibility in funding crosscutting activities, structure, political commitment, involvement of stakeholders, and adequate management information systems. These mechanisms, according to Hemson (2004), provide a solution to the provision of inter-sectoral coordination. Hemson (2004) further identifies key steps that are not exhaustive, nor mutually exclusive in their institutionalisation and application. These steps include the following:

- Providing budget incentives to ensure crosscutting initiatives with clear targets;
- Encouraging staff to think beyond departmental or institutional boundaries and be part of a matrix organisation;
- Empowering people to bring about change rather than simply paying lip service;
- Promotion of a corporate crosscutting client centred culture, than institutional
or departmental culture;
- Encourage, empower and enable staff to participate in the policy development process;
- Employ the best suited staff - good quality people in crosscutting areas;
- Design performance management systems in such a way that integration is rewarded;
- Value and reward integrated work with incentives;
- Career progression should depend on developing experience in a range of policy areas, especially exposure in a variety of sectors;
- Encourage corporate loyalties above departmental loyalties; and
- Engender leadership qualities necessary for integrated work.

8.3.1.2 CAPACITY BUILDING AND INTERVENTION MANAGEMENT
Reference to the need for programmes intended to enhance capacity for improved service delivery at local municipal levels of government was made in chapter 6. Despite the non existence of a performance management system that would have helped in the identification of performance gaps in key performance areas of the municipality, it would also be a useful instrument that helps the identification of development needs of personnel. The need for capacity building is highlighted by a number of deficiencies as outlined by strategies aimed at poverty alleviation. The deficiency to secure a coordinated plan is the first, amongst others, that suggest the need for in-house capacity building as an intervention for enhanced service delivery. The ongoing change in the Potchefstroom local municipality, as in many others in the country, also suggest that incapacity emanates from new challenges, systems, processes and tasks for which officials lack the appropriate skills.

State capacity is regarded as crucial to development as it is often argued that governments are unable to provide the funding provided to meet objectives. State capacity, however, does not stand entirely independent. There are various elements to capacity, particularly programme management, adequate human resources, and training which are crucial to the provision of economical and extended delivery. The
transition of delivery and development in local government has exposed serious inadequacies in capacity, particularly in personnel.

Apart from tasking local municipalities with the implementation of co-operative developmental approaches, the Local Government Municipal Systems Act also requires municipalities to develop, as part of their internal arrangements, expertise that will complement their delivery mandate. In this way, the Act calls for proper human resources planning and development within a local municipality. The latter was also ushered by the Minister of Public Enterprises in her media statement, in which she recommends that full capacity of the leadership at local government level needs to be prioritised in order to enable them to meet the service delivery standards. According to her, the speed at which government institutions are able to deliver is also being affected by the ability and the skills of the leadership in these institutions.

Partly because of an inheritance of discriminatory and skewed working methods, procedures and apartheid officials, not only is the speed at which change should take place delayed, but the activity is extremely costly. Accompanied by an increasing record of nepotism, administrative malpractices and an increasing tendency to appoint people with inadequate profiles to managerial positions brought by political interference, the municipality of Potchefstroom faces the risk of being perpetually far from meeting expectations. As a result, there are often serious confrontations with the community, which will contribute to a total collapse of the municipal system.

Despite the existence of training programmes, there is a need to improve the image of the municipality. This would need to focus extensively on the management of resistance, diversity programmes, and to have a serious commitment to the implementation of batho-pele principles. In a nutshell, a variety of programmes, including change management, organisational development, performance management, mentorship skills and proper human resource planning skills would
have to be carried out. Resistance to change by higher-ranking officials in government will have to be strictly monitored in improving service delivery.

In order to meet the requirements posed by the external environment, local municipalities need a certain level of capacity to deliver their mandate. Capacity in this regard should be seen as a combination of the level of development and democracy in the municipal area; structural/ base capacity; performance; and commitment to growing capacity. Training and education is only one factor in building capacity - building capacity includes other factors such as the ability to access funding, technology, administrative resources, equipment, information, support and collaborative partnerships. Without the accompaniment of these factors, training and education will only frustrate any attempts at poverty alleviation. The findings of this research propose a number of recommendations.

- The review of the current employment systems to recruit and attract skilled and experienced officials;
- An identification of performance gaps on the Key Performance Areas of the municipality;
- The development of a skills development plan that is linked to identified performance gaps;
- The provision of continuous support towards the implementation of the plan;
- Developing a budget that complements the plan; and
- Implementation and monitoring against expected impact and output.

8.3.1.3 THE PERFORMANCE MANAGEMENT SYSTEM

The City Council’s performance was tested using eleven (11) major services rendered at local municipal levels of government. It is in chapter 7 where it was concluded that, generally, household heads are most satisfied with the Council’s efforts in making Potchefstroom beautiful through parks and gardens; keeping Potchefstroom free of litter; and promoting culture and art. The four highest dissatisfaction items were involvement of citizens in the IDP process; attracting
tourists; assisting small business and solving the city's housing problem. This represents poor performance that creates space for improvement. The ideal state of affairs that the implementation of a performance management system anticipates is to integrate various activities of the organisation, and to improve service delivery.

The discussion of the Integrated Development Planning process in chapter 6 also highlighted the PMS as one of the most essential aspects in local municipal service delivery system. It is a legal obligation among local municipalities to foster the PMS to adhere to certain time frames in response to the expectations and needs of their communities. That is, to be timeous and to set performance targets, while at the same time responding to the development needs of the officials. A performance management that is fair, objective, integrated and linked to other programmes aimed at enhancing service delivery at all levels of a local municipality is essential. Performance standards (i.e. time, cost efficiency and quantity) should be incorporated within the system to enable municipalities a timely response to meet expectations.

The implementation of a performance management system requires capacity in project management. Its implementation serves to highlight the need for all senior managers within a municipality to become project managers, and in this way it creates the need for training such officials in project management. The techniques and skills with which to interface with communities, local communities and international stakeholders will be acquired, and in this way, managers' involvement in petty issues of a local municipality will be reduced. The skills base brought by a PMS will also help in accessing the opportunities brought by globalisation. The recommendations that are brought forward by non existence of the performance management system, as observed from the Potchefstroom Municipal IDP document include the following:

- The development of a performance management system that identifies key municipal performance areas;
- Aligning the different roles and activities at various levels to the strategic intent or mission of the local municipality;
Structuring the performance management to allow for community participation;
Continuous support and monitoring of the system; and
Furthermore, the performance management system would need to be implemented at lower levels of the municipality to ensure consistency in achieving the set targets.

8.3.1.4 SECTORAL BUDGETS AND DIFFICULTY IN FUNDING INTEGRATED PROJECTS

The inability of the Municipal Council to integrate budgets with planning activities was highlighted in chapter 7. Despite the financial implications of carrying out development projects, the budget was not reflective of the various planning items. Examples of the planning items that are also identified for improvements in this chapter include the institutionalisation of the performance management system, ensuring that community participation programs are implemented and the identification of performance gaps in key performance areas of the municipality for capacity building. The upgrading of Ikageng police stations to improve the safety of the targeted community is one of the planning items to which no costing was done. All the mentioned planning items are costly and failure to include them as essential aspects of the budget represents the failure by the municipality to cost and link activities to realistic budget allocations. One of the findings of the research projects conducted on Integrated Development Planning is that there appears to be a number of weak and broken links in organising budgets that are able to integrate development projects.

This is a result of the fact that during the 2002/03 period IDPs were seen as standalone exercise. Although municipal managers and some councillors were intrinsically involved in the process, generally Senior Managers, especially the chief financial officers were marginally, if at all, part of the crafting process. The net results were not linked to budgets, and in addition most IDPs ended up as wish lists of all kinds of projects and programmes that were not sectorally linked or prioritised in any
realistic integrated format. Such IDPs are not credible, not likely to be implemented, and likely to disappoint local stakeholders. Wish lists are also less likely to attract external funding in the form of budget support. The recommendations that stem from this section include the following:

- The reviewing of the Integrated Development Plan with special focus to ensuring that the budget is reflective of the different planning items;
- Encourage full participation of all the Heads of Departments in the local municipality; and
- Ensuring that service costing is used as a guiding principle to inform the budget.

8.3.1.5 POOR DEVELOPMENT IMPACT ASSESSMENT AND MONITORING
Apart from inheritance of old apartheid methods and personnel, local governments have also inherited a culture of implementing programmes whose impact on communities is never monitored and assessed. Against this backlog, the Local Municipal Systems Act requires the review of the IDPs of local municipalities over time. This, in accordance with the requirements of the Act, should be done in response to evaluating the impact of development programmes on the quality of life of communities. In addition to the internal factors mentioned above, local municipalities need to consider implementing an instrument with which they can be informed of the impact of municipal performance in delivering services to its community. This will help in ensuring that performance indicators and targets set for specific periods of time by municipalities are achieved. The systems will also help in overseeing that service delivery impact on the lives of communities is continually measured and evaluated.

Certain items in a locality at household level, relating to the levels of satisfaction with municipal services, satisfaction with the municipal performance and the perceptions of neighbourhood quality of life, ought to be assessed. The latter should also include an investigation into communal perceptions on crime and attitudes towards the payment of municipal accounts.
This survey will help in providing feedback on the progress that has been made, and to identify where development is needed most within a larger community. This instrument will also serve to inform IDPs as to which elements need to be reviewed and will be a voice, enhancing participation, to those silent sections of the community. Amongst other benefits, the instrument will build trust between local communities and local councillors, ensure evaluation and monitoring of development projects, which will ultimately bring about the required municipal strategic interventions, and will serve as a useful participatory tool. It can however be recommended that:

- A survey that focuses on community perceptions on various key performance areas of the municipality including the quality of life be conducted in a specified period of time;
- The findings of the survey be used to guide in the reviewing of the IDP; and
- Ensuring that the survey findings are also used in the different stages of the development of the performance management system.

8.3.2 EXTERNAL ENVIRONMENT
The different components of the findings with regard to the external environment will be discussed in this section of the chapter. As in the case of the discussion of the internal environment of the municipality, this discussion also provides widely accepted recommendations.

8.3.2.1 INADEQUACIES IN SPATIAL DEVELOPMENT
The spatial context of poverty, with specific reference to poverty in the urban and rural areas, formed an integral part of the discussions in chapter 3. The chapter noted urbanisation and the breakdown of discriminatory control on access to the cities as contributory to the doubling of population in the country's urban areas, which in turn has placed the urban policy context as of vital significance for addressing poverty. The need for the review of urban policy context is also highlighted by the poverty profiles discussed in chapters five and six.
With specific reference to the findings of this research project, the external environment shows varying degrees of the levels of development between municipal wards of Potchefstroom. There are highly developed, areas with medium levels of development and under-developed areas that identifies the community consisting of affluent and poor households, and it is within medium and under-developed areas were major problems could be identified. The major indicators of the levels of development were analysed and as a result it could be concluded that the incidence of poverty is often high in the medium and underdeveloped areas, as opposed to affluent areas. The medium and underdeveloped areas were also located in the marginal locations of the municipality (cf. map 1) with negative consequences resulting from unplanned and informal settlements, overcrowding, inadequate infrastructure and housing, social problems resulting from poverty and unemployment, health risks, unemployment and the growth in informal sector. There is also evidence of growth in economic disparities between the different municipal wards of the local municipality.

Large differences were also identified between the household's levels of income, educational attainment, the ability of households to participate in income generating activities, dependency over the informal sector economy and survivorist activities. The incidence of crime also tends to be higher than in the affluent parts of the local municipality. This section makes reference, as part of the recommendations, to the framework brought into play by the Department of Provincial and Local Government which identifies, notwithstanding the commonly referred to spatial tools (i.e. densification, transit - oriented development, development corridors, growth management and urban edges, focussed or targeted infrastructure and social facility provision), which their results have not been positive as hoped for, a plan of action. This plan of action includes the following areas of improvements:

Greater focus on the issues of spatial restructuring and integration within the local municipality;
Increase knowledge on what needs to be done;
Researching and debating the need for, and problems of spatial restructuring;
Creating greater public awareness of the problems of spatial restructuring;
Finding and implementing creative measures to ensure private sector investment in the medium developed and underdeveloped areas;
Backing up incentives in one area with disincentives in another;
Strengthening the role of urban renewal in integrating space;
Strengthening the role of urban renewal in densification; and
Finding the relevant role of urban renewal in co-ordinating with other spatial frameworks and initiatives.

8.3.2.2 HOUSING AND INFRASTRUCTURE BACKLOGS

Although many of the interventions for enhancing access of the poor to improved housing are at a central rather than a local government level, local municipalities have an important supportive role to play (Rogerson, 2000). Housing is a critical element in the survival strategy of the poor, providing them with socio-economic stability as well as a source of asset creation and savings. Moreover, in urban areas, housing is an important productive asset that can bolster households against severe poverty, providing access point to the urban economy, particularly through the establishment of home-based enterprises.

The housing infrastructure backlog was highlighted as an important indicator of poverty and an important indicator of household socio-economic status in chapter 3. Unfortunately, housing infrastructure development in Potchefstroom and its surrounding local municipalities (KOSH local municipality) has experienced a number of major problems relating to corruption of state councillors and officials. From the 2004 survey, the findings revealed that
69.07 per cent of households live in formal housing units. The statistics indicate an increase in the percentage of households living in formal as well as informal housing units, mainly due to the increase in the rate of urbanisation. According to the study conducted by Malefane (2001), Potchefstroom was noted to be growing by day, mainly because of the need for housing in the wards of Ikageng. The problem became worse when unlawful occupation of land took place in the surrounding areas (viz. Promosa). This in itself indicates the need for accelerated housing delivery programmes within the local municipality of Potchefstroom. Special focus should be directed to the areas where housing is identified as a major problem. Informal settlements in the wards of Ikageng and Promosa should serve as an important basis of where the programme should commence.

- **Infrastructure backlogs**

Reference to the discussion of inadequacies and skewed spatial development in the municipal wards of Potchefstroom was made in the above section. Amongst other indicators of development, poor infrastructure was also identified as a visible dimension of poverty. The discussion of infrastructure framework in chapter four and five, as well as in the part of the recommendations sees delivery of infrastructure networks as a major step forward towards expanding the asset base of the poor and enhancing their limited access to the full range of municipal services, which would generally include community services, security services, subsidised services, commercial services and environmental services.

The findings of an assessment provided in chapter 7, backed by the practical experience on the part of the researcher, presents vast differences between the qualities of infrastructure between the different municipal wards of Potchefstroom in all service categories mentioned above. Some municipal

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27 Community services include community halls, municipal health, roads and streets and stormwater drainage.
28 Security services include roads and streets, civil protection, traffic control, and law enforcement.
29 Subsidised services include ambulance, libraries, and museums.
30 Commercial services include electricity, produce market, abattoirs and urban transport.
31 Environmental services include pollution control, conservation and refuse removal services.
wards have well maintained infrastructure, housing, electricity and street lighting, health and educational facilities, and some with poorly developed infrastructure. This also has a manifestation in the division of the Potchefstroom mainly between affluent and poor households. Due to this skewed distribution of resources, the poor are at risks from environmental shocks, and have become more vulnerable to further discrimination. This is as a result of the local municipality’s implementation of “low cost” infrastructure, which does not apply to all the municipal wards in general. The low cost system in infrastructure delivery also represents a quick fix to the conditions in poor communities, and only compounds the problem in the long term.

- Amongst others, the recommendations suggest an urgent review of the “low cost” system of infrastructure delivery within the municipality;
- Ensuring that sustainability of service delivery interventions incorporates involvement of various stakeholders in both the decision-making and implementation processes. Such involvement is expected to pool together locally available resources, experiences, creativity and energies of a diversity of partners and stakeholders;
- Although the private sector is identified as one of the main candidates in service delivery, a word of caution needs to be sounded. Experience suggests that if not properly regulated and monitored could relapse into inefficiencies that could introduce an additional fiscal burden on poor local communities;
- Competition, commercial principles and more participation of beneficiaries must be encouraged in service delivery interventions; and
- Monitoring to ensure that the expected outcomes are achieved.

8.3.2.3 HIGH RATE OF UNEMPLOYMENT

The creation of employment opportunities as a means of urban poverty alleviation can represent an essential strategy at local levels of government. A range of local government interventions has facilitated job creation with a view to assisting poor communities. Key success factors for consideration relates

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32 Competition that allows affected communities to have choices over who could better meet their needs among alternatives.
to the activities of the survivalist informal economy, including a range of home-based enterprises, and macro-enterprise activities.

There is a significant link between unemployment and other dimensions in accelerating the levels of poverty. The unemployed do not have basic income, and are therefore unable to afford to pay for education, nor afford to clothe and feed their families, and to pay for their municipal service accounts. Furthermore, unemployed households do find the difficulty in securing assets (such as land, housing, home furniture), which makes them more vulnerable to poverty. Unemployment has been a major problem within the entire province of the North West, mainly due to the province being characterised by rural areas. Unemployment, in its linkage between other dimensions such as illiteracy and lack of basic skills, coupled with the inability of communities to venture into income generating activities, and continued inability to feed and for the provide basic needs of households, is a major contributing factor to poverty.

This dynamic is represented by the findings of both the Census 2001 and the 2004 survey in Potchefstroom. Although the rate of unemployment has generally declined by approximately 5 per cent, the rising level of urbanisation undermines the efforts and strategies to create employment opportunities within the municipal jurisdiction. However, as rated per ward, the rate of unemployment is often higher in specific wards of the local municipality of Potchefstroom. This, as reflected in the link between lack of household income and poverty at a ward level, has detrimental effects on the household's ability to pay for the municipal services.

Given the problems of unemployment at ward level in the municipal jurisdiction of Potchefstroom, it can be recommended that more attention be given to the affected wards (1, 7, 9, 10, 13, 17, 18 & 20). The affected wards, as indicated by the findings of the 2004 survey, have shown an unemployment rate of over 30 per cent, with the worst (more than the half of
the ward’s population) in ward 20. Furthermore, the statistics have shown little or no SMME establishments in these wards, showing a potential for business growth in alleviating the backlog of unemployment. Establishing and supporting SMMEs, complemented by the provision of supporting infrastructure will be imperative in the municipality being able to respond to the needs of households in these wards.

Given this situation, it is furthermore suggested that a comprehensive social wage system that consists of social grants, electricity, water and transport subsidies, as well as housing, education, health care and sanitation be created to help poor households within the municipal jurisdiction of Potchefstroom. The creation of this social wage system should be based on properly identified poor households, and would also have to be integrated to other municipal anti-poverty strategies. In carrying this activity out, vulnerable wards should receive more preference.

8.3.2.4 LACK OF INCOME GENERATING ACTIVITIES AND SMME DEVELOPMENT

One of the worrying factors, despite the high rates of unemployment within the municipal jurisdiction of Potchefstroom, is the minimal contribution that is brought by the SMME sector of the economy. With a contribution of approximately 4.80 per cent to the source of income within the municipal jurisdiction of Potchefstroom, it can be assumed that the sector has no major contribution to the GGP. This in itself represents the weakness and lack of capacity of the Municipal Council of Potchefstroom in terms of maximising entrepreneurship and creating jobs in the informal and micro-enterprise economies.

The experience of the researcher confirms that the location of the major business transactions taking place in the Central Business District (CBD), where the potential for business is extensive due to favourable placement. This does not only have an impact in further deteriorating the economic base
of the affected areas where poor people live, but also has an influence on their household expenditure. An example of this is payment of taxi fares an amount of time invested in travelling to and from the CBD.

The municipality has no impact over the creation and support to the establishment of small business as an alternative source of income in these wards. Furthermore, the majority of households indicated dependency on the informal sectors of the economy (survivalist activities) in the wards, particularly wards 15 – 20. Since there is little business activity that is taking place in these wards, this creates a need for the local municipality to put more focus in tapping into the benefits that can be brought by participation of households in these wards in economic activities.

Given the situation, municipal interventions that can be pursued need to focus on the establishment of business support centres or to make available premises for use as local business information, support and advice centres. The provision of formal markets can be another important poverty-reducing strategy for the municipality.

In addition, in the facilitation of interventions aimed at job creation, the municipality can also give direct support for start-up micro enterprises. This can be done through resourcing of and assistance to business support centres.

Finally, there are many examples of local governments providing a more facilitative environment for the functioning of both survivalist and growing micro-enterprises. Forms of policy interventions in this regard range from the development of an information base, zoning changes, marketing support and promotion, facilitation of periodic markets, and assistance for development which is appropriate for vocational training.
Given the constraints that limit the expansion of many growing enterprises, municipal interventions focusing on ways to extend business linkages between formal enterprises and growing micro-enterprises are another critical sphere for job creation. A similar kind of intervention is the establishment of local technology centres that allow micro-entrepreneurs to enhance their technologies, to innovate new products or to enhance product qualities.

8.3.2.5 EDUCATIONAL ATTAINMENT IN THE COMMUNITY
Low level of educational attainment was identified, amongst others, as one of the determinants of poverty in chapter 3 (cf. figure 3.1). In spite of the negative implications of low educational attainment which exhaust the chances of household access to higher-level occupations, and therefore the chances of a 'living wage', in its economic and social role, educational attainment does affects the way individuals are treated by other people, organisations and bureaucracies. The linkage between educational attainment and the incidence of poverty from the mentioned chapter could be concluded by saying that educational attainment helps individuals fulfil and apply their abilities and talents; it enhances productivity, improves health and nutrition and promotes self-reliance and confidence.

It is against this background that the schooling status was incorporated as an essential questionnaire item in assessing the potentiality of Potchefstroom's IDP to deal or respond to poverty. The levels of education and literacy at local municipalities of the North West poses very serious threats to the provinces ability to address issues of poverty, and have emanated as a significantly hazardous development challenge (cf. Figure 6.9). Evidence to this results from a high concentration of persons who had no formal schooling. Although the findings acknowledges Potchefstroom and Mafikeng as the home to the majority of persons who had achieved higher educational attainment (i.e. highest with persons who had attained tertiary education) in the North West Province, mainly due to the location of higher educational institutions within their municipal jurisdictions, the findings maintains that differences exists in
terms of the location of the people who had attained tertiary education and those with no formal schooling and or lower levels of education. That is, the backlogs in spatial development do not only render poor areas as those that under-serviced, but also locates in a locality where the rate of illiteracy is high, the condition exacerbating high employment rate, limited participation in income generating activities, high dependency over the unstable informal sectors of employment, and the reason to participate in survivalist activities and sources of income. From this discussion, it can be recommended that in the developing anti-poverty strategies, knowledge of the implications of illiteracy on the poor be developed. Community participation was identified as an integral item of the questionnaire.

8.3.2.6 COMMUNITY PARTICIPATION
The Local Municipal Systems Act emphasises the need for an improvement in participatory process of communities that are affected. This discussion was highlighted in the discussion of the Integrated Development Planning in chapter 4. The findings of the 2004 survey also rated perceptions of the communities with regard to their inclusion in the decision-making process. Community participation is, in fact, the core requirement of the planning processes at local municipal level.

Supporting this statement is the fact that ward committees are established with ward councillor appointed for specific wards, as required by Municipal Structures Act, but many wards were most dissatisfied with not being involved in the IDP process, and with the City Council’s disregard for the needs of ordinary residents. It has been observed that although community participation was incorporated as an essential element of the IDP, it only appears to be in compliance with legislative requirements. The reasons underlying this statement are the following:
Reference the budget allocation per standard item does not make provision for the funding of community participation activities, it is an costly activity;

Although the plan identifies the roles of the Councillors and the Ward Committees, it fails to specify support structures available to ensure that they function as expected; and

The plan also omits information relating to the resources that would enable councillors and their committees to execute their mandates effectively.

This poses the need to design functional participatory mechanisms in dealing with community matters. The city council will also have to focus on making transparent decisions in dealing with matters that affect its local community. In order to achieve and enhance community participation, the recommendations provided in this section include the following:

- The municipality needs to enable a clear regulatory framework that guides the participation process;

- A fairly understood division of responsibilities between the local municipality and communities that clarifies their relationship is also vital;

- Potchefstroom local municipalities in the country, is currently faced with the pressure to create autonomous structures that are accountable to their local constituencies, whilst on the other hand control is centralised. In this regard, it would be necessary that the local municipality address the challenge of balancing the contradictory reality in a manner that recognises both the virtue of devolution, power and resources to communities;

- Beyond the promotion of participatory planning, implementation and
improving public services to communities, the local municipality could better assume the role as facilitator or catalysts of real partnership that promotes co-operative approaches; and

- In the wards where ward committees are well established and functional, there are still challenges yet to be refined regarding the optimisation of access of communities to decision-making, community goal-setting, establishment of community consultation process and advisory committees that helps generate a widely accepted set of major development goals. Consideration of a capacity building programme for ward committees would be ideal.

8.3.2.7 INCREASED CRIME AND DEPENDENCY OVER SURVIVAL ACTIVITIES

In chapter 3 it was concluded that in a situation where the majority of the population live below the poverty datum line, poverty constitutes the most significant threat to safety and security. Although the Local Municipal Systems Act renders local municipalities responsible to create institutions and mechanisms to address safety and security within their municipal jurisdictions, the Act does not provide satisfactory information on the 'how' and "exactly what should be done".

The need to reduce crime within the municipal area is highlighted by the City Council's IDP in terms of set objectives, strategies and projects. Objectives set in the IDP includes the establishment of a Municipal Policing plan by the end of the year 2004 or mid-2005; disaster plan in rural areas (particularly New Machavie), Extension 6 and 7; provision of sufficient fire protection services.

An overall evaluation of the credibility of the objectives, strategies and projects listed in the IDP are not realistic and achievable in respect of the following:
The City Council's budget does not specify the cost of upgrading Ikageng police station;

- Although it identifies the need to improve lighting in high crime areas, the plan fails to specify the areas where the development is mostly needed;
- The IDP does not put forward the manpower responsible for implementing such strategies and projects;
- The cost of expenditure to implement the projects mentioned in the IDP does not complement the budgeted funds;
- It also fails to highlight the timeframe at which the projects will be undertaken and completed.

There is a need for an inter-institutional and departmental approach to solving the problems of crime. Some of the strategies that can be explored should be in partnership with the North West Police Commissioner and Mooiriver Area Commissioner offices located in Potchefstroom. The effective functioning of the Community Policing Forums (CPFs) within the municipal area would also need to be effectively monitored.

Although natural disasters, per se, were not included as an item of the questionnaire, it was discussed as an important element in chapter 3 and forms an important aspect in the provision of a safer environment by local municipalities. Natural disasters have a detrimental effect on the poor since their asset base may be eroded dramatically by the negative consequences of crime, violence or by the impact of disasters such as floods or environmental hazards.

The need for security and protection highlighted by the devastation wreaked by natural disasters which is to be achieved through legislative requirements of the Local Government Municipal Systems Act requires that local municipalities develop disaster plans that would help during the period of
disasters within their municipal jurisdictions. The provision of security and protection by local municipalities relates to both individuals and their property, while protection refers to protection from environmental disasters such as floods, fires or pollution. Noise and air pollution formed important items of the questionnaire, to which a larger proportion of households in wards 8 and 12 were least satisfied with. Despite this the Municipal Council of Potchefstroom had a no disaster plan that is inclusive of the diversity of environmental risks, or the budget to implement the plan.

8.3.2.7 POOR QUALITY OF SOCIAL AND PHYSICAL LIVING CONDITIONS

- **Satisfaction with the quality of life**
  The basic intention underlying the upgrading of the social and physical conditions of a locality is to improve the quality of life of the residents. The discussion of satisfaction with the quality of life is divided into two main categories that include the community's satisfaction with the conditions of life generally, and the emotional well being of households. The two are discussed in the next sections.

- **Satisfaction with conditions of life**
  The main aim of the IDP is to improve the quality of life of households and communities. In this way, an item gauging the level of satisfaction with life conditions was incorporated as an essential component of the questionnaire. It is important to note that the levels of satisfaction of households and communities also have a great deal to do with the indicators of development (education, unemployment, income and assets, infrastructure, participation in decisions that affect daily lives, crime). Satisfaction with the conditions of life also has a direct influence over the household and community expectations. As indicated in the previous chapter, the levels of satisfaction with the conditions of life varied among wards, with wards 1, 3, 4, 5, 6, and 7 happier than wards 14 – 20. This analysis presents a positive relationship between the incidences of (under) development and the level of degree of satisfaction.
with the conditions of life. This relationship is illustrated by an analysis of the indicators of development between the different municipal wards of the Municipal Council of Potchefstroom.

- **Emotional well-being of households**
  Lastly, the emotional well-being of households and communities largely depends on their levels of satisfaction with life conditions and the environment within which they live. The statement serves to say that, if individuals, households and communities are socially and physically secured, living in an environment that suits their needs, they tend to feel happy most of the time. It is a legal obligation through the Municipal Systems Act to local municipalities, through their established structure, to make their residents happy with the provision of the necessary services.

Although the city council's IDP covered a number of strategies aimed at improving the living conditions of its residents, through services delivery and strategies aimed at curbing the levels of underdevelopment, the strategies did not incorporate the residents' thoughts, perceptions and ideas. An assessment of the living condition and emotional well-being of communities would be beneficial to the reviewing of the IDP, and a mechanism to enhance participation. It is recommended that an assessment of the living conditions and emotional well-being of communities be incorporated as part of the monitoring and evaluation of the impact of development programmes to inform the IDPs of local municipalities.

### 8.4 SUMMARY

The recommendations in this chapter were made with a view to enhancing the efforts of the local municipalities in their mandate of poverty alleviation. Through the discussions, based on the findings presented in chapter 7, it became evident that although the municipality has achieved the adoption of the IDP, the need still exists to properly review the plan. The assessment of the IDP of the Municipal Council of Potchefstroom leads to the conclusion that the plan is not a linked and integrated output. The plan is not indicative of the
existing spatial development backlogs between under or less developed and well-developed municipal wards in Potchefstroom, and in this way it fails to direct efforts, capacities and budgets to where they are urgently needed. This resembles, on the part of the municipality, incapacity, or rather a delay to address the demands posed by the external environment. It is in this regard where discrepancies could be identified between internal and external factors, with the external environment being hazardous for the other sectors of the community of Potchefstroom.

The development priorities at this level would also require a complementing budget to enable the municipalities achieve the set priorities. It should be borne in mind that while at this stage; transparency in funding development should exist. As a requirement to monitoring the achievement of both internal and external recommendations specified in this chapter, it is important that the institutionalisation of a performance management system is attended to in a speedily manner. Despite the instrument being a legal obligation to municipalities, it carries benefits for the municipalities, its employees and community members.

Although the institutionalisation of the performance management system requires existing capacity in terms of skills pertaining to mentorship, project management, planning and strategic leadership potential, the need for built-in sandwich courses will have to follow. In response to the high rates of poverty, the government has embarked on assisting individuals and communities that are stricken by high poverty rates. In so doing, it has established a program to identify the indigent communities; this place heavy load on municipalities to identify such individuals and to exempt them from paying the necessary municipal electricity and water tariff.
8.5 AREAS FOR FURTHER RESEARCH
The study identifies a number of areas recommended for further research. They include the following:

- The role and ability of ward committees in enhancing community participation at local municipal levels of government;

- Cross-sectoral, inter-institutional and inter-departmental cooperation in service delivery improvement at local municipal levels of government;

- Planning capacity in respect of the ability of municipalities to utilise various planning instruments such as PIMMS data and Census estimates;

- A continued assessment of the impact of development programmes and projects on the lives of immediate local communities; and

- Community participation in the evaluation of the success of institutionalised Performance Management Systems at local municipal levels of government.
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ANNEXURE A:
QUESTIONNAIRE
POTCHEFSTROOM - CITY COUNCIL

SOCIAL-ECONOMIC SURVEY

BASIC SOCIO-ECONOMIC INDICATORS

TOTAL MONTHLY INCOME OF HOUSEHOLD

EMPLOYMENT OF THE HOUSEHOLD

SATISFACTION WITH LIFE SCALE

THE FOLLOWING ARE STATEMENTS OF LIFE SATISFACTION THAT YOU MAY AGREE OR DISAGREE WITH. IT IS EXPECTED OF YOU TO INDICATE YOUR AGREEMENT WITH EACH OF THESE STATEMENTS BY COLOURING THE APPROPRIATE CIRCLE, USING THE 7 POINT SCALE BELOW.

**STATMENTS**

| 1. In most ways my life is closely to my ideal |
| 2. The conditions of my life are excellent |
| 3. I am not satisfied with my life |
| 4. So far I have gotten the important things I want in life |
| 5. If I could live my life over, I would change almost nothing |
| 6. In my community people do not support each other at all |
| 7. My health and the health of my family is generally very bad |

**Strongly Agree** | **Agree** | **Slightly Agree** | **Neither agree or disagree** | **Slightly Disagree** | **Disagree** | **Strongly Disagree** |
<table>
<thead>
<tr>
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</thead>
<tbody>
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<td>1</td>
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<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>
**SOCIAL-ECONOMIC SURVEY**

<table>
<thead>
<tr>
<th>GIS ID</th>
<th>ACCOUNT NUMBER</th>
<th>WARD</th>
<th>ARE YOU A SA CITIZEN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>YES</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TYPE OF DWELLING AND QUANTITY OF EACH</th>
<th>HOUSEHOLD SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Dwelling</td>
<td>Number of people in dwelling</td>
</tr>
<tr>
<td>Formal House</td>
<td></td>
</tr>
<tr>
<td>Informal House</td>
<td></td>
</tr>
<tr>
<td>Backyard Shack</td>
<td></td>
</tr>
<tr>
<td>Flat/Hostel</td>
<td></td>
</tr>
</tbody>
</table>

**BASIC SOCIO-ECONOMIC INDICATORS**

**EMPLOYMENT OF THE HOUSEHOLD**
(Husband, wife & children > 19y)

<table>
<thead>
<tr>
<th>Gender</th>
<th>Unemployed</th>
<th>Employed</th>
<th>Pensioner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1 2 3 4 5 6</td>
<td>7 8 9 10</td>
<td>12 3 4 5 6</td>
</tr>
<tr>
<td>Female</td>
<td>1 2 3 4 5 6</td>
<td>7 8 9 10</td>
<td>12 3 4 5 6</td>
</tr>
</tbody>
</table>

**WHAT IS THE MAIN SOURCE OF INCOME FOR THIS HOUSEHOLD**

- Informal sector activities: e.g. hawking, trading, odd jobs, etc.
- Small business, working for own account
- Social pensions and grants (old age, disability, child grant, veteran, etc.)
- Remittances, alimony, gifts in cash or kind
- Private pensions, insurance etc
- Rental
- Salary, wage

**TOTAL MONTHLY INCOME OF HOUSEHOLD**

<table>
<thead>
<tr>
<th>Range</th>
<th>Number of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>R 0 - 1000</td>
<td>1</td>
</tr>
<tr>
<td>R 1001 - 3500</td>
<td>2</td>
</tr>
<tr>
<td>R 3501 - 5000</td>
<td>3</td>
</tr>
<tr>
<td>R 5001 - 10000</td>
<td>4</td>
</tr>
<tr>
<td>R 10000+</td>
<td>5</td>
</tr>
</tbody>
</table>

**HOW LONG DOES IT TAKE YOU TO REACH YOUR PLACE OF EMPLOYMENT?**

- Less than 15 minutes
- Between 15 and 30 minutes
- More than 30 minutes but less than 1 hour
- More than an hour
- Not applicable? Do not work
- Not applicable? Work from home

**SATISFACTION WITH LIFE SCALE**

The following are statements of life satisfaction that you may agree or disagree with. It is expected of you to indicate your agreement with each of these statements by colouring the appropriate circle, using the 7 point scale below.

<table>
<thead>
<tr>
<th>STATEMENTS</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Slightly Disagree</th>
<th>Neither Agree or Disagree</th>
<th>Slightly Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. In most ways my life is closely to my ideal</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>2. The conditions of my life are excellent</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>3. I am not satisfied with my life</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>4. So far I have gotten the important things I want in life</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>5. If I could live my life over, I would change almost nothing</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>6. In my community people do not support each other at all</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
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<tr>
<td>7. My health and the health of my family is generally very bad</td>
<td>1</td>
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<td>7</td>
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