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In accordance with Rule G4.6.3, I hereby declare that the above-mentioned treatise my own work and that it has not previously been submitted for assessment to another University or for another qualification.

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ABSTRACT

South Africa is a country faced with immense challenges, such as poverty, as a result of high levels of unemployment. Poverty reduction has become an international phenomenon in view of high levels of poverty in most under-developed and developing countries.

From 1994, the South African Government implemented various income generating projects amongst other programs aimed at alleviating Poverty reduction initiatives in South Africa mostly come from government and civil society structures, or non – governmental organisations (NGO) with the aim of changing the living standards of the poor so that they can at least meet their basic needs, such as food, shelter and clothing.

This study seeks to explore the impact of income generating projects funded by the Department of Economic Development in the Sisonke District at UMzimkhulu, focussing on the efforts the Paninkukhu co-operative. The study is important because of the high levels of poverty. South Africa (SA) is a country faced with the challenge of poverty as a result of the high levels of unemployment. The research method chosen for the study included a qualitative and quantitative research approach where data was collected through the use of interviews and a questionnaire.

The findings of the study indicate a need to provide training to the project members on capacity building.

Contents

CHAPTER ONE: INTRODUCTION AND CONTEXT	10
1.1. Rationale and background of the study	10
1.2. Research problem.....	13
1.3. Research aims and objectives.....	13
1.4. Objectives.....	13
1.5. Motivation of the study	14
1.6. Scope and delimitation of the study	15
1.7. Explanation of key words.....	16
CHAPTER TWO: LITERATURE REVIEW.....	17
2.1 Introduction.....	17
2.2 Defining and discussing poverty.....	17
2.3 Conceptualizing poverty according to the poor	18
2.4 An overview of global poverty and its theoretical framework	18
2.5 Poverty in South Africa.....	19
2.6 Poverty and inequality in South Africa.....	20
2.7 Measuring poverty	20
2.7.1 The need to measure poverty.....	21
2.7.2 Causes of poverty	21
2.7.3 Economic characteristics of poverty	24
2.7.4 Ethnic minorities, indigenous populations and poverty	25
2.7.5 The Legal Context of Poverty Reduction.....	25
2.8 An international comparison of poverty in South Africa	26
2.9.1 Poverty caused by individual deficiencies	27
2.9.2 Poverty caused by Economic, Political and Social Discrimination	28
2.9.3 Poverty caused by Geographic Disparities.....	28
2.10.1 The Reconstruction and Development Programme.....	29
2.10.2 Growth, employment and redistribution strategy.....	29
2.10.3 Public works programme.....	30
2.11.1 Defining and discussing income generating projects	31
2.11.2 Poverty Reduction Strategies: Income Generating.....	31
2.11.3 Characteristics of a successful Income Generating Project	32

2.11.4 Challenges associated with income generation interventions	33
2.11.5 The experience of income generation strategies in South Africa	35
2.11.6 The future for income generating projects	36
CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY	38
3.3.1 QUALITATIVE RESEARCH	39
3.3.2 QUANTITATIVE RESEARCH	40
3.4.1 ADVANTAGES OF SAMPLING	41
3.4.2 TARGETED POPULATION.....	41
3.4.3 SAMPLE SIZE	42
3.4.4 SAMPLING RELATED ISSUES	42
3.5 Methods of data collection	43
3.5.1 Questionnaire.....	43
3.5.2 Interviews	43
3.6 What is the study going to measure?.....	44
3.7 Data analysis	44
3.8 Ethical consideration	45
3.8.1 Violation of privacy/ anonymity/confidentiality	45
3.8.2 Informed consent	46
3.8.3 Actions and competence of researcher	46
3.8.4 Release of public information	47
3.9 Summary	47
CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION	48
4.1 Introduction	48
4.2 PROJECT PARTICIPANT’S DATA ANALYSIS AND INTERPRETATION SECTION	48
4.2.1 Section A: PROJECT PARTICIPANT’S BIOGRAPHICAL INFORMATION.....	48
4.2.2 Gender of the respondents.	48
4.2.5 Educational level of the respondents	Error! Bookmark not defined.
4.2.6 Dependents	52
4.3 Section B: INFORMATION ABOUT THE PROJECT	52
4.3.1 Project Type.....	52
4.3.2 Current project members	53
4.3.3 Gender profile.....	53
4.3.4 How long has the project been running?	53
4.3.5 Earnings in rands per month.....	53

4.3.6	Apart from the project are you employed?.....	54
4.3.7	Does the project help in meeting basic needs?.....	54
4.4	Section C: PROJECT MANAGEMENT	54
4.4.1	Availability of a business plan	54
4.4.2	Do you have a constitution?	55
4.4.3	Training received.....	55
4.4.4	Training service needed for the project	56
4.4.5	What have been the present and past challenges in the project?	56
4.4.6	Is the project sustainable?.....	57
4.4.7	Elements required making it sustainable	57
4.4.8	Are there delegates from the government to attend to issues related to IGPs?	57
4.4.9	Are the project members involved in decision making	58
4.5	Section D: PERCEIVED IMPACT OF PROJECTS IN THE QUALITY OF LIFE OF BENEFICIARIES	58
4.5.1	What are the reasons that led into you participating in the project?	58
4.5.2	Has your life changed?	58
4.6	MUNICIPAL OFFICIALS' DATA ANALYSIS AND INTERPRETATION	59
4.6.1	Section A: MUNICIPAL OFFICIALS' BIOGRAPHICAL INFORMATION.....	59
4.6.2	Gender, language and educational qualifications	59
4.6.3	Is the community development your field of interest?.....	59
4.6.4	Role in Poverty Alleviation	59
4.6.5	Does your education involve project management?.....	60
4.6.6	Is the community capacitated enough to implement the projects?.....	60
4.6.7	What do you think needs to be done in order for the projects to be effective?	60
4.7	FUNDING.....	61
4.7.1	What are the sources of funding for the projects?.....	61
4.7.2	Do you have enough resources in the achievement of project goals?	61
4.7.3	Problems encountered in IGPS.....	61
4.7.4	What are some of the challenges with regards to receiving funding?	61
4.7.5	Do you know where to market your goods?.....	61
4.7.6	Do you have a secured market that can generate income?	62
4.7.7	Are the projects sustainable?	62
4.7.8	Conclusion.....	62
CHAPTER FIVE:	CONCLUSION AND RECOMMENDATIONS	62

5.1 Introduction	63
5.2 Key findings of the study	63
5.3 Recommendations for the study	65
5.4 Conclusion	66
BIBLIOGRAPHY	67
ANNEXURE A.....	73
ANNEXURE B.....	79
SECTION E: FUNDING	79

ACRONYMS / ABBREVIATIONS

IGPS	Income Generating Projects
MDGs	Millennium Development Goals
ANC	African National Congress
GEAR	Growth Employment and Redistribution
GNP	Gross National Product
NGOs	Non-Governmental Organisations
PRSP	Poverty Reduction Strategy Paper
UNDP	United Nations Development Programme
RDP	Reconstruction and Development Programme
NGDS	National Growth and Development Strategy
LED	Local Economic Development
SMME	Small, Medium and Micro Enterprise
SA	South Africa

CHAPTER ONE: INTRODUCTION AND CONTEXT

1.1. Rationale and background of the study

Reducing poverty is a global concern and has become one of the most important objectives of international financial institution policy makers in developing countries. Appropriate interventions and the use of the community's indigenous knowledge and understanding of their needs is considered as one of the major steps towards poverty alleviation. The first MDG is to halve the portion of people living on less than a dollar and ultimately achieve productive employment for all and decent work for all including women and young people. The criteria used by the World Bank is that people living on less than \$1 a day are living in extreme poverty and those who earn less than \$2 a day are in extreme poverty.

On the ground, most African countries lag behind Asian countries and governance related issues are obstacles to meeting these targets. MDGs do not include a goal for governance, yet only accountable and responsible governments can achieve goals. In an effort to meet these MDG targets the government has instituted income generating projects and encouraged communities to form co-operatives that can meet the demand for their communities. This study explores the impact of this initiative by documenting the Masengwa Co-operative in Paninkukhu which has received funding through the Department of Economic Development UMzimkhulu the Sisonke District. The Millennium Development Goal (MDGs) country report (2010) stated that 16.5 million South Africans live below the poverty line of \$ 2.50 per day. Todaro and Smith (2011:229) state that it is extremely difficult to arrive at a tight estimate of the extent of global poverty at any point in time. Lack of poverty data makes it difficult to estimate accurate and meaningful poverty headcount in a number of African Countries as in other developing countries, and on the African continent as a whole little progress has been made as the proportion of people living below the poverty line of \$1 per day in Africa is currently at 45% the highest in the world (Anyanwu and Erhjakpor, 2010:2).

Policy makers have long recognised the moral and practical importance of addressing the needs of million people who lack access to adequate nutrition, housing and education. This study focuses on income generating projects funded by the Department of Economic Development economic to alleviate poverty. The study first introduces the concept of poverty in order to link it up with the establishment of Income Generating Projects (IGPs). Recently, poverty has deepened globally due to the economic slow-down. One of the most important initiatives aimed at fighting global poverty was kick-started in September 2000 when 189 heads of state adopted the Millennium Declaration, committing to reach eight development goals by 2015 known as the MDGs. These are yardsticks by which international development efforts can be judged. In his 2012 State of the Nation Address, President Jacob

Zuma acknowledges the existence of poverty and suggested the existence of poverty and suggested the need to for government to draw its attention to poverty. Since democracy various programmes and strategies have been introduced to reduce poverty. These include the National Economic and development frameworks, such as the Reconstruction and Development Programme (RDP) (Harmse, 2010:429). This policy framework served as the ANC's 1994 election manifesto, and subsequently provided the shared communal vision of desired poverty reduction goal emphasised by the Poverty Reduction Strategy Paper (PRSP) process. Others are the National Growth and Development Strategy (NGDS), the Growth Employment and Redistribution (Gear) strategy, and more recently the Medium Term Strategic Framework of government (2009-2014). The Medium Term Strategic Framework is a statement of government's intent to identify the challenges faced by the country and it outlines a strategy for to improve the living conditions of South African citizens. Poverty is multidimensional in nature and actions aimed at eradicating it should be progressive and comprehensively attended to in order to improve the well-being of the citizens (UNDP, 2010).

Anyanwu and Erhijakpor (2010:51) states that the size of poverty reduction depends on how poverty is being measured. They found out that a 10% increase on official international remittances a share off GDP leads to a 2,9% in the poverty headcount or the share of people living in poverty, therefore international remittances have a strong statistically significant impact on reducing poverty in South Africa. Regardless of poverty used as the dependent variable, income inequality is associated with higher poverty in African countries. Anyanwu and Erhijakpor (2010:2) states that lack of poverty data makes it difficult to estimate accurate and meaningful poverty headcounts in a number of African countries as in other developing countries. Estimates have shown that at current trends, with the exception of North Africa and South Africa, few countries are likely to meet the goal of reducing poverty by 2015. One of the targets for reducing extreme poverty in Africa involves halving the proportion of people living in absolute poverty from 48% in 1990 to 24 % by 2015. It is only the North African countries like Algeria, Morocco, Tunisia, Mauritius, Egypt and Libya have already met this target Anyanwu and Erhijakpor (2010:52).

The Millennium Development Country Report (2009:5) states that poverty in South Africa is a direct outcome of colonial and apartheid, which was characterised by large scale land dispossession, and the establishment of increasingly overcrowded and poorly resourced homelands for the majority of the black population. Since the arrival of the new democratic dispensation, the South African government has developed policies which have focussed on poverty alleviation and improving economic growth.

Mubangizi (2008:2) identifies several international organisations working in South Africa to alleviate poverty, such as Care and International, Oxfam, and the United Nations Development Programme (UNDP). Duncan Green from Oxfam (an international organisation fighting for inequality and poverty)

recently noted that huge poverty exists in South Africa and something needs to be done, people living in poverty are the ones who can determine policies to take them out of poverty". While poverty may affect a wide range of people in different circumstances, Statistics SA (2002-2010:3) describe the most vulnerable groups in poverty as being children and the youth which comprise 40% and 37% of the total population older persons comprise less than 8% of the country's population. Poverty as a concept has been developed further to reflect concerns about vulnerability and risk as well as powerlessness or lack of political voice.

Gouws and Gibson (2003:21) state that most scholars agree that poverty is one of the greatest contributors to political conflict and violence in South Africa. As can be seen from this poverty is multi-faceted and is manifested in hunger, lack of access to water, sanitation and education, which is exacerbated in rural areas. Aliber (2002:2) has identified three aspects of poverty, namely income poverty, quality of life and inequality. According to him poverty is seen as a system of relationships that have the cumulative effect of excluding people from the process of development. In view of the high levels of poverty in most underdeveloped and developing countries poverty reduction has become an international phenomenon. Poverty reduction has been placed as a focus of global development objectives to improve people's lives through expanding choices, freedom and dignity. Hurley (1990: IV) observes that the issue of poverty reduction in developing countries has attracted a lot of attention.

Income generating projects seek to address poverty through increasing labour productivity and employment opportunities. Hurley (1990:vii,37) emphasises that before beginning programmes that are intended to alleviate poverty by means of support for income generation initiatives, the interveners need to give careful thought to their objectives, as well as to those they wish to help. He notes, however that income is not only the desirable goal even for very poor people. Security and supportive social relationships with families are among other goals that people strive for.

Kwaw (2006:2) states that the South African lifestyle varies a great deal from province to province and that strategy to eliminate poverty cannot be agreed on, either by professional poverty experts or by the poor themselves. In respect of income generation projection, the emphasis on the business plan is on income, job creation and improvement of household food security. When applying for financial assistance the business plan serves as an essential aid and it also stimulates reality and anticipates pitfalls before they occur. Before we can formulate effective policies and programmes to attack poverty at its source, we need some specific knowledge of these poverty groups and the economic characteristics. NGOs can play a key role in the design and implementation of programmes focussed on poverty reduction and other development goals. Poverty alleviation strategies need to be mainstreamed as a strategic response to the structural causes of poverty.

1.2. **Research problem**

The department of Economic development have embarked on promoting the economic empowerment of individuals, groups and families through the funding of community projects. The purpose of funding these projects is to help these groups by creating job opportunities and to empower them through skills transfer so that they may be self-reliant and self-sufficient. This study problematizes this assumption and investigates the perceived lack of success of projects that received funding. To do so it will focus on a co-operative from the UMzimkhulu District funded by the department of Economic development.

The project has encountered problems like illiteracy, lack of electricity and water, poor roads, and an absence for continued funding from the department, which has led to the failure of the IGPS at UMzimkhulu. Success, or lack of it, could depend on how one defines success and the methods used for evaluation. Skills development is an important factor of a successful IGP. The lack of business and management skills or lack of training to improve these skills are often cited as inhibiting factor for the success of income generating projects. The greatest cause of failure of IGPs is due to mismanagement or incompetency. Managerial skills are needed in order to keep the IGPs running and they include financial management, stock control, personnel management, having a constitution in place, evidence of following it, conducting meetings and electing office bearers, and following the general marketing principles, namely conducting a feasibility study, selecting the correct product.

The use of a constitution is a positive factor in the status of projects as it guides organisations in their running of the project. Often insufficient market research contributes to the failure of IGPs. Failure could also be due to neglecting feasibility study before commencing the project. The feasibility plan determines if what is produced will be needed by the community and if that community can afford to pay the price set. If a feasibility study is not carried out an IGP is more likely to fail because it might be operating in the wrong environment, producing a type of product not wanted or could implement operational strategy incorrectly. Furthermore failures of IGPs have been linked with lack of finance to start or expand.

1.3. **Research aims and objectives**

The aim of the study is to explore the impact of income generating projects funded by the Department of Economic Development using Masengwa Co-operative in UMzimkhulu as a case study.

1.4. **Objectives**

- To investigate the challenges that the projects are facing;
- To investigate the ways in which the project deals with these challenges;
- To investigate and analyse the successes of the project since its inception.

- To investigate and analyse the failures that the project has experienced since its inception, especially its impacts to members' life;
- To evaluate the strategies used to alleviate poverty in communities; and
- To analyse the contribution the project has made towards:
 - ❖ Job creation;
 - ❖ People empowerment; and
 - ❖ Skills development.

1.5. Motivation of the study

The researcher is a local resident in one of the rural areas of UMzimkhulu. The researcher is touched about the high poverty levels in this area. A high number of vulnerable groups like orphans, disabled, youth, children, and people living with HIV/Aids are found in the communities of UMzimkhulu. All communities are affected by poverty in the rural areas of UMzimkhulu. The rural nature of the Municipality is an important starting point towards understanding the plight of the municipal area which is generally characterised by abject poverty, unemployment and other social development challenges. Low levels of education are identified at UMzimkhulu which have led to a decline in skilled labour in the area. Education levels have a major bearing on the quality of life. The inability of an individual to perform certain basic functions due to illiteracy is also part of the definition of human poverty. These low education levels limit the ability of an individual to be trained and learn new skills.

The study is important as it aims to investigate the process instituted by the current government to see what is working and what can be modified to work better. Poverty is such an enormous problem that affects the entire community; it is a worthy project to undertake so that poverty is dealt with sustainably. It has been observed that UMzimkhulu has a high poverty and unemployment rate. It is therefore imperative to carry out an investigation of the IGPs to ascertain why their success has been limited and why they have been failing to sustain themselves. The government is also committed in addressing the triple challenge of inequality, poverty and unemployment. The findings and recommendations from this study will help the government's commitments to dealing with these issues. Also it is also important to assisting the poverty stricken citizens who are sometimes exploited by the projects which enrich themselves at the expense of the poor beneficiaries. This project evaluates whether projects concentrate on generating income or on alleviating poverty. Furthermore, the results from the study should assist project funders in deciding whether it is a good idea to continue funding projects of this nature and give those embarking on these process ideas on how to maximise its success. The finding and conclusions will contribute to the body of knowledge on the subject of the research.

1.6. Scope and delimitation of the study

The research will be conducted in the UMzimkhulu area of Sisonke District, in KwaZulu Natal. Other local municipalities in the district are UBuhlebezwe, Ingwe, KwaSani and Greater Kokstad. It is the most populated of the Sisonke municipalities, accounting for 33% of the District's population. The population of UMzimkhulu is about 24 6660 and about 90.8% reside in rural areas while the remaining 9.2% are urban based. Around 45.3% of the population is younger than 14 years of age, while 26% of this population are between 14 and 34 years of age. Households headed by women are in the majority at 64.85% of the population (UMzimkhulu Integrated Development Plan, 2013:7). The municipality has a high unemployment rate which is 22%, whilst only 10% of the population is employed. About 52 % of the household earn no income and more than 77% households live below the poverty line. Due to high poverty many families depend solely on social grants (UMzimkhulu Municipality Spatial Development Framework, 2012-2017). To address poverty and social development the municipality, in conjunction with the community and the relevant governmental and civil departments, civil society organisations (CSOs), and NGOs, joined forces and embarked on a community programme called SukumaSakhe. This is a community health club initiative and includes other Food For Waste programmes.

Through SukumaSakhe, the municipality undertook a household profiling to select the most vulnerable families per ward in all 20 wards of UMzimkhulu and In those wards war rooms (a term given to a room where people meet for the purpose of discussing problems, projects and exchange ideas and come up with solutions) comprising of all relevant department staff, were established to implement immediate interventions. This programme is recording positive outcomes. However it is experiencing challenges with its collaboration with other government department resulting in the slow pace of the implementation of interventions identified.

Community clubs is a programme supported by the Department of Health, through hygiene and nutrition. To promote nutrition the department sponsors the establishment of community gardens in each ward. There are currently two community gardens that are in operation and more gardens are being initiated in other wards. Through the programme of Food for Waste the community in most needy wards are asked to collect waste in and around their compounds in exchange for food parcels worth R800. This programme acts as a source of food security for some needy families. Following the transfer of uMzimkhulu local municipality from Alfred Nzo District to Sisonke District tall local economic development projects in uMzimkhulu were placed on hold. Planning processes and outputs generated under Eastern Cape provincial environments had to be re- aligned with the approaches and priorities of KwaZulu Natal's.

1.7. Explanation of key words

- Income Generating Projects: The term is broadly used to describe small scale economic activities undertaken by two or more persons, and ultimately expected to produce an income (Ala, cited in Mafonyane 2002:23).
- Poverty: “A condition of life characterized by malnutrition, illiteracy, disease, squalid surroundings, high infant mortality and low life expectancy as to be beneath any reasonable definition of human decency” (Chambers, 198: 1).
- Poverty Reduction: Promoting economic growth that will permanently lift as many people as possible over a poverty line (Barder, 2009: 1).
- Poverty Eradication: Addressing the root causes of poverty by providing for basic needs for all people and ensuring that the poor have access to production resources involving credit, education and training (UN Millennium Development Goals, 2000: 1).

1.8. Chapter outline

This study is divided into five chapters. These are as follows:

Chapter Two: This chapter discusses poverty related issues, such as origin, causes, policies and theory. More specifically, it reviews and critically contextualizes poverty issues and strategies as reflected through international experience and current local practice in South Africa.

Chapter Three: This chapter gives a detailed description of the research design and methodology used.

Chapter Four: This chapter gives the findings of the research.

Chapter Five: This chapter presents a summary of the issues that emerged from the study conducted and suggests possible ways in which current strategies can be modified in order to have a greater impact on the social problem of poverty.

1.9. Conclusion

The research problem has been identified in this chapter together with the research aims and objectives. This chapter gave an overview of the background to the study, as well as definitions of key concepts. The next chapter investigates issues related to poverty and income generation as a means to addressing it. It looks at the international strategies of poverty alleviation and makes a comparison with similar approaches in South Africa.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of the literature on poverty. In doing this, the prevalence of poverty at global scale is looked at. The literature review highlights the different approaches to defining and measuring poverty. The United Nations Development Programme (UNDP) in its Human Development Report (2010:51) says at least one quarter of the developing countries' population is poor. An estimated 1.3 billion people fall below the poverty line. According to the UNDP, women and children are the worst affected by micronutrient deficiencies which causes malnutrition and diseases. About 840 million people are malnourished. Some 3.3 billion people have no safe water, and another 2.5 billion people do not have adequate sanitation. People with inadequate food, shelter, and other basic needs comprise significant portions of the developing world's population. This therefore underscores the need to understand poverty and its dynamics in order to bring in effective poverty alleviation strategies. Poverty reduction requires high economic growth improvement in macroeconomic and political instability, good governance peace and security (Kapunda, 2010:39). Different definitions have been advanced, championing various measurement methods and interventions.

2.2 Defining and discussing poverty

Poverty has many definitions but the one common factor which all definitions have, is that they all show a lack of material resources necessary for survival. (World Bank, 2008:8). Deprivation on the one hand, refers to how poverty affects a person's life; however, it also takes into account how being poor limits what a person can or cannot do both in terms of immediate and future actions. Poverty may be chronic (long term) or temporary (short term) (Bhorat et al 2001:54). Chronic poverty can be viewed as occurring when an individual experiences significant capabilities deprivations for a period of five years or more. Temporary poverty may result from a onetime decline in living standards, such as a loss of one's job from which the household gradually emerges. Development and economic growth are vital as they contribute to social and political stability, which in turn result into a stable democracy in South Africa. Most scholars agree that poverty is one of the important contributors to political conflict and violence in South Africa and that democracy in South Africa will only be truly achieved once poverty is eradicated or at least reduced (Gouws & Gibson. 2003:21). Poverty is not just about one's income being poor, but it is about the choices that lead to a decent life, achieve a better standard of living, more freedom, dignity and self-respect (Shamapande, 1998:12). Well-being can be measured in various forms and involves looking at poverty from the perspective of whether households have enough income to meet their basic needs. Aliber (2002: 2) identifies three aspects of poverty, namely income poverty, quality of life and inequality.

Roberts's (2006:119) survey revealed that the majority of South Africans still perceive themselves as lacking enough food and income to meet their household needs. It was noted that poor South Africans perceive poverty as including:

- Alienation from the community and lack of power to influence change
- Crowded homes
- Lack of jobs that are adequately paid
- Food insecurity; and
- Continuous ill health

May (1998:3) states that poverty is not a static condition individual, household or communities may be vulnerable to poverty. Vulnerability to poverty is therefore characterised by an inability to devise an appropriate management strategy in times of crisis. Poverty may also involve social exclusion economically or socially.

2.3 Conceptualizing poverty according to the poor

May (2000:5) state that the perceptions of the poor themselves are a good source from which an appropriate conceptualization of poverty in South Africa can be derived? From the perspective of the South African poor, poverty is seen to include a number of factors:

Firstly poverty is associated alienation from the community. The poor are isolated from the institutions of community. If the elderly, for example live without care from younger family members, they are seen as poor. The poor lack access to energy resources. As a result of long distances that women walk to collect firewood, they have reported incidences of rape and assaults, the poor also have low levels of education. Too many poor people remain uneducated because of low standards of education in rural areas. Poverty is also associated with lack of access to basic services such as water, electricity and health care, a large part of the perception of poverty involves an actual lack of adequately paid secured jobs and a perceived lack of employment opportunities, poverty goes together with the fragmentation of the family many poor households are characterised by the absence of fathers or children living apart from their parents (May 2000:5).

2.4 An overview of global poverty and its theoretical framework

Poor people do not have enough to eat, a place to sleep or clean water, and they lack knowledge and skills. Most government interventions are therefore to provide the missing services and elements of

one's basic human needs. The Basic Needs Approach was one of the strategies used to address these needs. Treurnicht(1997:27) notes that the basic needs approach came as result of the shortcomings of modernization theory and the trickledown effect. A basic needs approach can be defined as a type of development that attaches a special weight to the satisfaction of the fundamental material and non-material requirements of a particular society (United Nations Commission, 1997:60). This approach to development became prevalent in the late 1970s and its aim was the alleviation of poverty through services such as education, social welfare programmes and health. Because the basic needs of the poorest people are less likely to be fulfilled in the normal course of development, the poor are accordingly identified as a priority target group. The basic needs approach views poverty as having to live without access to clean air, water, an adequate and balanced diet, physical and emotional security, culturally and climatically appropriate clothing and shelter (Davis, Theron&Maphunye, 1993:3).

Poverty reduction strategies have brought relief in some parts of the world for example increasing life expectancy. Fukuda-Parr, S. Lopes, C and Malik, K. (2002:2) observe that the portion of the world's people living in poverty has risen in some regions, countries and continents. They state that since 1990 the number of the income poor in Sub-Saharan Africa, South Asia and the Caribbean has been increasing each year due to interventions did not take the local environment of individual countries into account. Further attempts have been made to reduce poverty, such as the(MDGs) developed by the General Assembly of the United Nations in 2000. According to Lopes (2002:135) the MDGs defined and set specific targets and timetables for reducing poverty by 50 % by 2015. He adds that progress has been slow and the prospects of achieving these goals are a bleak.

2.5 Poverty in South Africa

Mubaginzi (2008:251) notes that poverty is a worldwide phenomenon. Poverty or one's standard of living is measured at the household rather than the individual level and can be interpreted in terms of the command over commodities that people afford via income and consumption. Although based on our per capita income, South Africa is classified as a middle income country by the World Bank, this indicates the fact that serious inequality and extreme levels of poverty exist in the country (Woolard&Leibbrandt, 1993:3). Black South Africans have a low average income level consumption to that of white South Africans which is high. The income of black African women who live in low income households is 62% as compared to less than 3% of white women *Stats SA* (2011:88). This explains why poverty is prevalent among black South Africans. The gini coefficients have become larger with time for all races. There are gender, spatial, age and racial dimensions of poverty (Pauw, 2007:195).

Many women particularly those heading households are affected by poverty. Income distribution is more unequal among Africans than in other race groups, and is more apparent urban than rural areas. This is understandable if we consider that very rich people usually live in urban areas, but there are many extremely poor people in urban areas. Therefore income distribution can be more unequal in urban areas than in rural areas. Despite its relative wealth when compared with the world's poorest countries, there are vast and growing levels of poverty in South Africa (Mubangizi, 2008:176). In South Africa, although poverty is widespread, it is not evenly distributed.

2.6 Poverty and inequality in South Africa

South Africa is a relatively rich country, with a strong industrial sector, good infrastructure and a sophisticated modern economy. In per capita terms it is an upper middle income country, but despite this relative wealth, the experience of most South African households is outright poverty or of continuing vulnerability to being poor (*Poverty and Inequality Report*, 1998:2). In addition, the distribution of income and wealth in South Africa is amongst the most unequal in the world and many households still have unsatisfactory access to education, health, energy and clean water. According to May (1998: 1) the Poverty Inequality Report was prepared for the Inter- Ministerial Committee in May 1998. The focus of the report was on poverty and inequality and the relationship of people to the resources they have and the commodities they require when meeting their basic sustenance requirements. The important elements identified were:

- The assets, claims and resources that are available to people
- The activities they have to undertake in order to generate a sustainable live hood
- The commodities and services they require for an acceptable standard of living

Roberts (2006:104) and May's (1998:77) concur that, compared with other racial groups, black people are still way behind in accessing enough food, as well as income for their households. Robert's (2006) further reveal that inequality and poverty are deepening in post-apartheid South Africa.

2.7 Measuring poverty

There are two main popular methods of measuring poverty, namely the absolute poverty and relative poverty methods. Todaro and Smith (2009:218) define absolute poverty as those who are unable to command sufficient resources to satisfy their basic needs. They are counted as the total number living below a specified minimum level of real income, the international poverty line. One of the (MDGSs) is to eradicate extreme poverty and hunger (*Millennium Project* (2006:1). According to this development

goal, the general measure for the poor is those who live on less than \$1 a day. There are gender, spatial, age and racial dimensions of poverty. The absolute poverty line set by the World Bank in 1990 is the most commonly used definition of global poverty. The World Bank defines an income of less than \$2 a day as poverty and an income of less than \$1 a day as extreme poverty. Du Plessis (2011:6) claims that relative poverty is more subjective in that it explicitly recognises that some element of judgement is involved in determining poverty levels. If the standard of living in a country requires people to spend more than the income they have available, the people are regarded as relatively impoverished. Although the number of people living in absolute poverty usually gets smaller as a country gets richer, this is not necessarily the case with relative poverty. It does not matter how rich a country becomes, there will always be about 10% of households who are poorer than the rest, even though they may live in mansions and have a high income. They are still relatively poor if their mansions are smaller and their income is less than other 90% of households.

2.7.1 The need to measure poverty

There are various arguments amongst economic and political analyst about the importance of measuring poverty (Draman, 2003:2). The allocation of resources by the state depends on the measurement of poverty, so it is vital to measure poverty. Studies from the Poverty and Inequality Institute state that measuring poverty can contribute to effective poverty eradication in the following ways:

- By being able to measure poverty, the government can map geographically where poverty is more severe.
- By understanding the different dimensions of deprivations experienced by people living in poverty.
- At appropriate levels the government can evaluate or whether poverty programmes are being effective and moving people out of poverty and improving their well-being both in short term and over an extended period of time when having a poverty measure
- By placing information about the levels of poverty and the resultant inequality in South Africa in the public domain, a national commitment could be built to eradicate poverty that goes far beyond the government (SPII, 2007: 20).

2.7.2 Causes of poverty

Ong'anya, Omuya, Mwengei, Ombaba, and Arogo (2012:325) have different perceptions on the causes of poverty. It is sometimes difficult to distinguish between the causes and the effects of poverty. Unlike the definition of poverty which continues to conjure up different meanings for different people, general concurrence among scholars and development practitioners regarding the factors that determine and

sustain poverty has been closely approximated. Burki (1990:5) states that some of these factors are thought to be general, in that they create or intensify deprivation across all sectors of the economy and across different population groups. Furthermore, some of these factors or causes of poverty can be grouped into categories based on the channels through which they affect poverty levels. Others are thought to be more specific or localised and their effects may be more apparent in particular population groups or in populations associated with specific sectors of the economy. For example people born in a poor household or poor community may lack adequate nutrition and access to proper education. Therefore, they cannot compete in the labour market and they stay poor. The causes of poverty include land issues, bad governance, unemployment, war and other forms of violence, inadequate socio economic infrastructures, HIV and Aids.

2.7.2.1 Land issues

Onga'anya et al (2012:326) states that in many parts of the world poverty exists due to lack of access to water and arable land. Sometimes this is due to natural circumstances such as droughts or floods or due to land not used effectively. Rural communities are dependent on land for production. The cause of landlessness varies from community to community. In some communities it is as a result of high population growth while in others it is due to poor land tenure systems, such as communal land ownership. In rural areas the ownership and access to land is critically influenced by the interplay of customary and civil law. Although women can legally inherit land many cultures do not guarantee a woman the right to own land, this makes woman more vulnerable to poverty.

2.7.2.2 Bad governance

Bad governance manifests itself in the lack of transparency and accountability in management of resources and funds meant to benefit communities. Discrimination against certain ethnic groups due to a certain group being in power in government may lead to the impoverishment of certain groups in the country. Sometimes a policy may have unintended consequences, for example land reform may lead to land being given to an incompetent farmer. This may lead to food insecurity in a country. Corruption may also lead to bad government actions where projects are implemented not only on the basis of the good that they contribute to the population, but on the basis of bribes. Corruption remains a serious problem in developing countries and may also inhibit the extent to which non- corrupt parties are willing to provide help. Many developing countries have created their own misfortune because they are often unstable and corrupt. They do not always respect and honour budgets, procedures and protocols. Weak democracy distorts how resources are allocated. At the same time a lack of government infrastructure,

such as social welfare, schools, housing, and public sanitation can be crippling for the poor (Onga'nya et al, 2012: 326).

2.7.2.3 War and other forms of violence

Poverty may be caused by war and long standing ethnic- and political conflict. War impoverishes society as a whole which aggravates the already impoverished conditions of the poor. Long standing ethnic and political conflict among groups may have the same effect on a community as war. Low income workers find it difficult to earn an adequate income, especially during times of conflict (Bezuidenhout, 2004:185).

2.7.2.4 Inadequate socio economic infrastructure

Lack of proper roads makes access to schools, hospitals and markets impossible or very difficult. Inadequate education and health care also cause poverty in communities as they perpetuate a high rate of illiteracy and low productivity. An uneducated person has a smaller chance of finding proper employment than a well-educated person. A lack of skills in a country or region means that companies will not invest there as they may not be able to find the workforce necessary to produce, hampering economic growth (Ong'anya et al 2012:326).

Hunter, N., May. J &Padayachee V., 2003: 6) states that in South Africa many people are unable to satisfy their essential needs while a minority enjoys extreme prosperity. According to Ong'anya et al (2012:326) in South Africa the causes of poverty also include:

- The impact of apartheid which stripped people of their assets especially land, distorted economic markets and social institutions through racial discrimination.
- The undermining of the asset based of individuals, households and communities through ill health, overcrowding environmental degradation, race, gender discrimination and social isolation.
- The impact of a disabling state which included the behaviour and attitudes of government officials, absence of information concerning rights, roles and responsibilities and the lack of accountability by all levels of government.

2.7.3 Economic characteristics of poverty

Higher levels of per capita income are no guarantee of lower levels of poverty. Todaro and Smith (2009:238) state that before formulating policies and programmes to attack poverty at its source, we need to have specific knowledge of the poverty groups and their economic characteristics. The economic characteristics of poverty groups include rural poverty, women and poverty, ethnic minorities, indigenous population and poverty.

2.7.3.1 Rural Poverty

Du Plessis (2011: 5) states that the persistence of poverty in rural areas is seen to be due to the existence of what are called poverty traps, in which a lack of complementary assets and services results in poverty opportunity. The problems of malnutrition, lack of education, poor healthcare and unemployment are usually more severe in rural areas. The poor in the rural areas are primarily engaged in agricultural and associated activities and are more likely to be women and children than adult's males and are often concentrated among minority ethnic groups and indigenous people. Therefore any programme that seeks to address poverty must have significant rural development and agricultural components. This is not to say that poverty does not exist in urban areas but rather that it is more concentrated in rural areas (Todaro& Smith, 2009:239).

2.7.3.2 Women and Poverty

Women make up a substantial majority of the world poor. Women and children experience the worst forms of deprivation and are more likely to be poor and malnourished and less likely to receive medical and educational services. Female headed households are particularly vulnerable to poverty. In addition women have less access to education, formal sector, employment, social security and government employment programmes, a portion of income disparity between male and female headed households can be explained by large earnings differentials between men and women. Similarly, rural women have less access to the resources necessary to generate stable income (Todaro& Smith, 2009:239).

Legislation and social customs often prohibit women from owning property or signing financial contracts without a husband's signature and women are typically ineligible for institutionally provided resources, such as credit and training programmes. Household income alone fails to describe the severity of women's relative deprivation because a higher portion of female headed households are situated in the poor areas which have little or no access to government sponsored services such as piped water,

sanitation and health care. The United Nations Millennium development Goals Report, state that only 20% of those employed outside the agricultural sector in Southern Asia, Northern Africa and Western Asia, Northern Africa are women. Gender equality in the labour market is always a concern in sub Saharan Africa where only one in three paid jobs outside the agricultural sector are occupied by women. Therefore a poverty alleviation programme needs to address the relevant position of women to ensure real empowerment. The fact that the welfare of women and children is strongly influenced by the design of development policy underscores the importance of integrating women into development programmes. To improve living conditions for the poorest individuals, women must be drawn into the economic mainstream thus increasing female participation rates in educational and training programmes (Todaro& Smith, 2009:240).

2.7.4 Ethnic minorities, indigenous populations and poverty

The incidence of poverty in the developing world falls heavily on minority ethnic groups and indigenous populations. Due to political reasons it is difficult to obtain data on the relative poverty of minority ethnic and indigenous people. Countries with the lowest per capita income tend to have the highest level of absolute poverty. However, the negative relationship between poverty and per capita income suggests that if higher incomes can be achieved poverty will be reduced, as if only because of greater resources those countries will have available to tackle poverty problems. A higher level of absolute poverty can also retard a country's growth prospects and many of the poorest countries in Sub-Saharan Africa have not been growing but have been experiencing outright declines in per capita income (Todaro&Smith, 2009:243).

2.7.5The Legal Context of Poverty Reduction

The only legal policy document which forms the bases for the approaches to the fight against poverty which was adopted by the government since 1994 was the South African Constitution (RSA:1996). The Bill of Rights 27(1) has the following fundamental human rights: the right to access health care services, including reproductive health and social security. It also stated that each province must take rational jurisdictional measures within its existing funds and recognize these rights. The constitution also issued other rights with regards to the injustices associated with South Africa's apartheid history which include the right to equality, human dignity, adequate housing, healthy environment and a right to property. The constitution of the Republic of South Africa 1996 also outlines the foundation for land reform which is widely seen as a remedy in addressing poverty. Decentralisation has the prospect to reduce poverty through the promotion of access to opportunities, safety and rights of the impoverished. The South

African Millennium Development Goals Report for 2007 asserted the social wage package which includes free primary health care, education, support for housing, electricity, water and the provision of sanitation which must be pursued vigorously with the aim of reducing or ameliorating poverty.

2.8 An international comparison of poverty in South Africa

South Africa is compared with other countries in terms of infant mortality, life expectancy at birth, adult literacy, total fertility and access to clean water. Schitzer (2000:223) states that a country can be classified as developed, rich or poor or in between and can be determined by the size of its per capita gross national product. Among the poorest countries of the world Schitzer (2000:228) has identified India, Nigeria and Bangladesh. These countries have one fourth of the world's population and less than 1 % of the world's gross national product (GNP). However when looking at the per capita income of each of these countries it has been less than 5% when compared with US figures which was \$28.740 in 1997 and the average \$25.870 for countries that are rich and developed.

In South Africa about 275 million children throughout the world are illiterate which results in high rates of poverty (Schitzer, 2000:226). However, Schitzer (2000:227) emphasizes that when looking at the gender related development index for developed and less developed countries, Nigeria, has a low life expectancy (53.0) when compared to Canada (81.8) and the lower rate of literacy particularly in the case of women. A survey by Armstrong P., Lekezwa, B., Siebrits, K. (2004:5) has shown that in South Africa social indicators remain relatively poor and that this has been due to unequal distribution of income which has prevented large sections of the population from sharing in the benefits of the economy. However this results in poverty when compared with developed countries, like Canada. Similarly, in China due to economic reforms and high rate of economic growth, the number of China's poor and poverty incidence have declined dramatically. From 1978 -2008 the number of China's rural poor fell from 250 million to less than 15 million and poverty incidence fell from 30 % to 20 % (Wu & Cheng, 2010:1).

China's poverty alleviation framework included three key components: pro poor economic growth policies, a rural society, and development oriented poverty reduction strategies and programmes. The China's government had a strong will and determination to reduce and eliminate poverty. The government mobilize large amounts of resources for poverty reduction and allocated large amounts of state funds for poverty reduction to create a harmonious society with common prosperity in China (Wu & Cheng, 2010:629). The central government created a specialized government poverty alleviation agency in China, which earmarked special funds for poverty alleviation and economic development in poor regions. Many policies were initiated for poor areas. The top down approach has been effective in

mobilising large amount of resources in a relatively short period of time for poverty reduction in allocating the resources to the designated poor areas and in conducting large scale development- oriented poverty projects in China (cited in Wu & Cheng, 2010:632).

2.9 Theories explaining poverty

Five theories of poverty have been identified by Bradshaw (2006:7-13). These theories include poverty caused by cultural beliefs that support subcultures in poverty, poverty caused by individual deficiencies, political economic distortions, geographical disparities, as well as cumulative circumstantial origins.

2.9.0 The theory of poverty caused by cultural belief system

The theory links with the theory of individual deficiencies. The theory was developed by an anthropologist, Oscar Lewis in 1959, who based the theory on experiences in Mexico. This theory suggests that poverty is created by the transmission over generations of a set of beliefs, values, and skills that are socially generated but the individually held. The culture of poverty is defined as a set of beliefs and values passed from generation to generation (Bradshaw, 2006: 8).

Islam (2005:2) argues that with the culture of poverty, an economic setting of cash economy is required, a high rate of unemployment and under employment, low wages and people with low skills. The low income population tends to develop culture of poverty against the dominant ideology of accumulation where there is neither voluntary nor state support.

2.9.1 Poverty caused by individual deficiencies

Bradshaw (2006:11) points out those conservative theoreticians blame individuals in poverty for creating their own problems and argue that with harder work and better choices the poor could have avoided their problems. This theory gained support from the neo-classical economists that saw poor people lacking incentives to improve their own conditions. Economists like Gwartney and McCeleg (2001:35) argue that anti programs have rather increased poverty. They thus see welfare programs as something which protects individuals against the consequences of their own bad choices. These economists are of the belief that poverty continues to exist because of the too many welfare programmes which are not productive.

2.9.2 Poverty caused by Economic, Political and Social Discrimination

This theory is a progressive social theory whereby theorist the individual as responsible for their poverty. They look at the economic, political and social system which causes people to have limited opportunities and resources with which to achieve income and well-being. This theory is different from the theory caused by individual deficiencies and from cultural liberal approach. Bradshaw (2006:6) is of the view that, Emile Durkheim a sociologist showed that even the most personal actions were in fact mediated by social systems. There has been a focus on education and training of extensive man power, as well as other programmes in order to eliminate barriers to create better jobs Bradshaw (2006:11).

2.9.3 Poverty caused by Geographic Disparities

The theory calls attention to the fact that people, institutions, and cultures in certain areas lack the power to claim redistribution (Bradshaw, 2006:9). Development has been associated with poverty. The fact that rural areas would hardly have access to certain opportunities which are concentrated in the cities is an indication that they are not developed. People who live in such areas are bound to be poor.

2.10 Government Initiatives for poverty reduction

A targeted poverty alleviation strategy requires public agreement on the nature and causes of poverty. Poverty reduction and subsequent elimination is the thrust of the social and economic policies as reflected by goals and objectives of most governments and organisations. Aliber (2002:12) mentions five types of government initiatives that had a direct bearing on poverty eradication and sustainable development. These range from broad policy frameworks to specific interventions and they include:

- The Reconstruction and Development Programme (RDP), the National Growth and Development Strategy (NGDS) and the Growth Employment and Redistribution Strategy (GEAR).
- Anti-poverty strategies, namely the Poverty Alleviation Fund and the general move towards the development welfare.
- Public- works Programmes aimed at promoting environmental conservation and job creation, namely the working for Water Programme and the land Care Programme.
- Major infrastructure programmes with a focus on the national housing programme and a second generation grand integration strategies namely the Rural Development Programme and the Urban Renewal Strategy.

The strategies that will be discussed include the RDP, GEAR, Public-Works Programme and the Integrated Sustainable Rural Development Programme.

2.10.1 The Reconstruction and Development Programme

The Reconstruction and Development Programme (RDP) prepared in 1993 became at that period, the primary government policy document directed towards the 1994 democratic elections. The main focus of the RDP was basically for poverty reduction and redressing inequalities prevalent among citizens of South Africa. Among other packages embedded in the RDP document was availability of water, jobs, and education, land and health care services. Its aim was to eradicate apartheid totally and to build a democratic, non-racial and non-sexist future (Aliber, 2003:3). The programme committed the government to social expenditure to meet basic needs and popular participation through developing human resources, building the economy and democratising the state and society. This anti-poverty policy focussed on the provision and the accumulation of a wide range of assets for those previously disadvantaged by the apartheid regime. Six basic principles underlying this programme are:

- It needs to be an integrated and sustainable programme;
- It should be a people driven approach;
- It must provide peace and security for all;
- A key goal must be nation building;
- It should link reconstruction and development;
- It must contribute to the democratization of South Africa; and
- Attacking poverty and deprivation particularly in the neglected rural areas is the first priority of the RDP.

2.10.2 Growth, employment and redistribution strategy.

It is an economic reform policy that was adopted in 1996 aimed at uplifting the entire nation. It is a conventional neoclassical macro-economic recipe for economic growth (Aliber, 2003:3). It was also a macro - economic policy framework for growth which aimed to increase growth and job creation in the South African economy through a reduced budgeted deficit and falling rate of inflation. It also acknowledged the need for the redistribution of income and opportunities in favour of the poor. It was criticised to be a neoliberal sell out of the ANC (African National Congress) by scholars like Bond (2000), it was also said that the approach was inappropriate in solving the country's most economic problems such as unemployment and poverty. Gear only achieved its target of reducing fiscal deficit. In terms of formal sector employment growth, the projected cumulative increase over five years was 1, 3 million versus an actual net job of more than 800 000. Weak economic growth between 1993 and mid 1998 resulted in the decline of formal employment by 12% and 6 % job losses in the manufacturing sector. The government partially opted out of the RDP programme with the closure of its offices in

1996. It was aimed at job creation and economic growth through reduction in the amount of debt in South Africa. Aliber (2003:3) state that this programme was considered unsuitable in addressing the country's economic woes and its attendant social problem of joblessness and poverty. GEAR was considered a macro - economic policy that would monitor development packages of the government.

The objectives of GEAR were as follows:

- A competitive fast growing economy which creates sufficient jobs for all work seekers;
- A redistribution of income and opportunities in favour of the poor;
- A society in which sound health, education and other services are available to all; and
- An environment in which homes are secured and places of work are productive.

The challenges of meeting basic needs, developing human resources, increasing participation in the democratic institutions of civil society and implanting the RDP in all its facets are embedded in the above objectives. Job creation was a priority to redress the injustices of the past. However, GEAR was criticised by the Congress of South African Trade Unions (Cosatu) for not delivering on its promise it did bring about big cuts in government spending between 1996 and 1999.

2.10.3 Public works programme

Mubaginzi (2008:4) states that public works programmes are designed to develop infrastructure, land and water resources and to provide as a matter of urgency, employment for vulnerable sectors of the population, such as women, and people with disabilities through the use of available labour. The Public Works programmes were described by the South African Urban Foundation in 1994 as public sector funded projects designed to reduce unemployment and economic hardships through job and income provision for those unable to obtain employment elsewhere in the economy. Since 1996, the government allocated substantial amounts of public money to a range of public works programmes for water, housing and infrastructure development. Mubaginzi (2008:4) also said that these programmes have been guided by a number of complementary objectives:

- The creation, rehabilitation and maintenance of physical assets that serve to meet the basic needs of poor communities and promote broader economic activities;
- The reduction of unemployment;
- The provision of education and training; and
- Community capacity building to enable communities to manage their own affairs thereby generating sustainable economic development.

Public Works Programme do not necessarily draw participants into the labour market, but offer a temporary employment, they do not necessarily move participants out of poverty but offer a temporary respite, reducing the depth of poverty during the period of employment and they do not offer sustainable livelihood improvements.

Agholor and Obi (2013:5) state that the Public Works Programme embraced participatory and sustainable development and identified areas having a higher unemployment rate, as well as those with severe infrastructure backlogs be given priority. A number of countries have applied programmes similar to SA's National Public Works Programme as another tool to fight against this social issue of poverty.

2.11 INCOME GENERATING PROJECTS

2.11.1 Defining and discussing income generating projects

According to Chigudu (1991:2), income generating projects (IGPs) are difficult to define, as definitions are as varied as the projects undertaken. The definition that will be adopted for this study is taken from the background paper prepared for a workshop in IGPs in Zimbabwe in 1991 by the Zimbabwe Women's Resource Centre and Network. This definition is appropriate as it suits the projects that focus on this study. IGPs are defined as those projects that are small-scale, utilise limited financial and technical resources and are assisted by a government department or an NGO, which in turn is supported by a donor or a group of donors.

Chigudu (1991:2) observes that these interventions may include the provision of capital through grants, savings and credit schemes, and training or advice in skills or business management and other support services for small business, such as assistance with marketing and the provision of temporary trained staff. In many instances, the staff members involved in IGPs has little technical expertise and the project beneficiaries are poor rural or urban communities who pay a contribution which is used as seed money.

2.11.2 Poverty Reduction Strategies: Income Generating

Hurley (1990: IV) observes that the issue of poverty reduction in developing countries has attracted a lot of. Considerable research has been undertaken by a large number of development organisations that have been promoting income generating strategy to alleviating poverty (Myers1999:128). Hurley (1990:37) emphasises that before beginning programmes that are intended to alleviate poverty by means

of support for income generation initiatives, the interveners need to give careful thought to their objectives, as well as those who they wish to help.

2.11.3 Characteristics of a successful Income Generating Project

The success of the income generating projects is characterised by the following attributes:

2.11.3.1 Gender Aspects

The promotion of income generating activities has to consider a number of gender related aspects which are particularly relevant in the context of the specific role women play. The promotion of income generating programmes is particularly important to increase women's income. Because of their restricted mobility, marketing goods and purchasing inputs remain a problem for many women. Since women usually do not go to the market they prefer to produce goods that they can sell to neighbours or to traders who come to their homes. Lahiri-Dutt, and Sil(2004:268) and RESAL Seminar Report (2000:3) state that for many women, assistance from the family is important for the success of the income generating project. Income generating projects are often sources of income for women, since employment opportunities are scarce and wage employment often forces them to leave their homes. With regard to investment capital, poor women prefer saving schemes with high flexibility rather than taking a loan. In addition, training has to consider the specific conditions for women. Due (1991:89) also states that the economic empowerment of women has to go hand in hand with social empowerment, since without social empowerment women cannot enjoy equal rights in carrying out their business.

2.11.3.2 Skills and Knowledge

The success of IGPs do not depend on the type of activity, but rather on the skills and knowledge of the individual or group setting up an income generating project on the socio economic context. For the poorest of the poor in particular it is important that relatively low starting capital and low technical skills are sufficient to start an income generating project (Pickering H, Kajura E, Katongole G, and Whitworth, J. 1996:59).

2.11.3.3 Use of personal savings

With regard to the starting capital particularly for the poorest, it is preferable to invest in an IGP with your own savings rather than taking out a loan. Pickering et al (1996:57) give an example of selling

bananas in Uganda which are a staple food where no capital injection is required as one has to pick them from the trees because they grow wild.

2.11.3.4 Accessible Credit

From Surveys, it is known that the higher the starting capital, the higher the success rate of IGPs. Lahiri-Dutt and Sil (2004:266) and Resal Seminar Report (2000:4) argue that it is favourable to start with an IGP providing immediate return and to gradually shift to another income generating project with longer term perspective. For those who have cash flow problems, credit eases the financial strain.

2.11.3.5 Engaging in a variety of activities

To reduce the risk of failure, it is recommended that several income generating projects should be set up, combining the IGPs with immediate and long term returns. Pickering et al (1996:56) observed that the women they were studying all had had other income earning activities to ensure a flow of an income in the event that the other activity should fail.

2.11.3.6 Quality of Training and Support

Hurley (1990:117) and the Resal Seminar Report (2000:3) noted that much depends on the quality of training provided. However, acquiring skills takes time and effort. Mitlin (2000:206) adds that training helps to increase capacity of the unskilled.

2.11.4 Challenges associated with income generation interventions

The following have been identified as the constraints environments in IGPs:

2.11.4.1 Illiteracy

Due (1991:81) argues that a lack of education can limit an entrepreneur's ability to venture into complex projects or to expand their activities to more remunerable productive levels. Illiteracy does pose an impenetrable to production; however it does place serious constraints on the success of IGPs since it limits effective management, expansion of markets and acquisition of suppliers.

2.11.4.2Corruption

Corruption refers to the use of public resources for private gain. Hurley (1990:170) notes that in developing countries many entrepreneurs face an extortionate system of corruption and abuse from political parties. Lugalla (1995:147) observes that in Tanzania corruption comes in different forms. It includes making false declarations, preferential processing of applications for state assistance or social services and bribery. In South Africa corruption has eroded the reliability of government officials.

2.11.4.3 Increasing gender discrimination

The experience of IGPs as observed by Hurley (1990:18) has been that while the projects have increased the overall income of the household more harm has been done than good for certain individuals in some households. An observation in India was that girl children who worked a full day and did not go to school had their wages controlled by their fathers, who used them to pay school fees for their brothers, thus keeping them working and hindering their personal assistance.

2.11.4.4Lack of assets

Lahiri-Dutt and Sil (2004:267) observe that most of the poorest prefer wage employment since they lack the necessary assets to start IGPs and are risk averse. Women in particular often depend on support from their family members in running an IGP. Marketing products remains a major problem. In addition the poorest in particular often lack necessary information forcing them to rely on traders who pay extremely low prices for their products. They argue that the poorest are highly prone to chronic diseases and natural disasters, forcing them to spend their savings and sell their assets for health expenditure, basic consumption needs or reconstruction of their houses. As a result they have no assets to invest in IGPs. Many of the poorest (often being illiterate) lack basic knowledge of business management and cost benefit calculation. In particular in the starting phase of an IGP in most cases they do not get the necessary support from the Non-governmental organisations (NGOs). Furthermore, women cannot access credit because they have no assets in their own name (Due, 1991:89).

2.11.4.4 Micro –credit

Hurley (1990:133) argues that the provision of micro credit alone is not sufficient. Most of the poorest people are excluded from micro credit programmes. However, these programmes have their limitations particularly in reaching the poorest. Since NGOs depend on micro credit programmes to finance their

activities, they avoid the poorest, a group with a high risk on loan default. Chigudu (1991:5) and the Resal Seminar (2000:1) also observed that many IGPs failed because they lacked capital and working space.

2.11.4.5 Absence of market research

Most IGPs begin production without really testing the market, as a result when they try to sell their products; their prices are not acceptable to commercial buyers. Hurley (1990:49) notes that marketing finished goods is one of the most difficult areas for IGPs operations especially if goods are not produced for the local market. Sometimes people are trained, but find nobody to employ them as there is very little demand for their skills. Often the training provided does not meet the objective of the project members or relate to the market needs. Hurley (1990:49) illustrates this point by giving an example of school leavers in Rwanda who were trained in carpentry, but could not find work or sell their products. Further, there is lack of transport and equipment to take finished products to the markets. A group of women started making bricks without first identifying their market, the group encountered difficulties when selling the bricks and they were not able to recall how much they had invested in the project because of poor record keeping (Pickering et al, 1996: 58).

2.11.4.6 Sustainability

Some organisations have offered fixed salaries, free premises, free training and free materials to IGPs, yet they fail because there was no serious attempt at genuine profitability by either the group members or the organisation (Hurley, 1990:52).

2.11.5 The experience of income generation strategies in South Africa

South Africa has a high rate of unemployment and approximately 31% of the potentially economic active part of the population is officially unemployed. This compels development agencies to view income generation activities as a priority (Weyers, 2001:29). Mohr and Fourie, (2008:79), the government has established a number of institutions to provide financial support to small enterprises as the question of improving the rural poor's access to productive income opportunities is of critical significance to poverty reduction in South Africa (Rogerson, 2001:255).

2.11.6 The future for income generating projects

Why IGPs alone are not effective as a strategy to reduce poverty can be levelled at the general weakness of poverty programmes due to their lack of integration, partly because of the problem of the artificial divide between economic and social policies. Another part is the habit of thinking sectorally, just as government divide department along sectorial lines. Mitlin (2000: 209) has established that strategies may find it difficult to support and strengthen collective activities. Mitlin (2000:210) highlights that not everyone may be able to participate in income generation strategies for development and those most likely to be excluded are the poorest members of the community. Income generation projects are indeed inadequate as a total development strategy because they fail to address the most fundamental causes of poverty. Rather income generation interventions should be seen as mechanisms that can be used as tools to contribute towards development. There are other forms of development which can indirectly but effectively enhance the poor's ability to increase their income. Therefore IGPs should never be seen in isolation, but as part of a range of development activities. There are specific factors that distinguish IGPs from other economic activities, as outlined by Chigudi (1991:6).

The majority of IGPs are undertaken on a part time basis so that people can continue with other activities. Income generating projects are supposed to supplement an existing income or some efforts at entrepreneurship. The individuals who participate in these IGPs own these projects and profit made is shared amongst members according to labour input. As these projects operate on the periphery of the formal sector, they function in an environment characterised by poor infrastructure and communication. Sometimes the environment in which they exist is not conducive to generating income (Chigudi, 1991:6). In South Africa, research was conducted in the Limpopo Province, where it was noted that documentation on government IGPs approach to poverty is scanty with much unpublished research. It was stated that there is little information in terms of the design of these projects and their possible impact on participants. Furthermore, every sector is said to be involved in one or other poverty alleviation programme (Kwaw, 2006:60).

In another research conducted in South Africa, the focus was on the contribution of facilitators within the IGP. Further findings indicated that groups who worked under the guidance of facilitators were more successful than groups who worked without the assistance of facilitators. It was also noted that although it is important for groups to operate independently it is unrealistic to expect unsophisticated rural women to understand the cultural and product requirements of a sophisticated market, such as producing products that can be marketable (Trollip, Boshoff 2001:45-47).

2.12 CONCLUSION

Good governance and capacity for rural poverty reduction involves a range of stakeholders and requires the implementation of fair and effective policy frame. This includes accountability and responsiveness to the public, anticorruption policy, transparent management practices and capacity building. There must be consultation by authorities with the general public about their needs, requirements preferences and satisfaction with services. Communities at the grass roots level know exactly what their needs are, and respond positively when involved by the authorities at the initial stages of development planning. The IGPs have failed because the progress focused only on economic development and did not take into account other factors contributing to poverty. Success in addressing other aspects of poverty depends upon changing the local context, and removing constraints to developing the effectiveness of local organisations.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter explains how the research was conducted. It describes the sampling method and how data was collected and analysed. It also discusses ethical issues associated with the study and steps that taken to maintain high ethical standards. Since the goal of this research is to explore the impact of income generating projects for poverty alleviation, a qualitative and quantitative approach, as outlined in Chapter one, was used for the study.

3.2 Research design

Research design provides a structure or framework with which data is collected, it focuses on the end products in terms of what kind of study is being planned and the end results sought, so as to assist in answering the research question. It explains in detail how the researcher intends to conduct work, describing adequately the activities to be undertaken. Therefore the purpose of the research design varies according to the nature and purpose of the study, type of population and the structure of the research. There are various descriptions of the term 'design' Babbie and Mouton (2001:74) refer to design as the blueprint used by researchers in conducting a study. It is a plan or strategy that moves from the underlying philosophical assumptions to specify the selection of respondents, data gathering techniques and the data analysis to be used (Maree, 2007:70, 330). Punch (2006:22, 143) describes research as all issues involved in planning and executing a research project: from identifying the problem through to reporting and publishing the results. The aim of the research design is to reach conclusions about a research problem (Welman, 2005:52). Explorative and descriptive strategies will be used since the researcher in this study intends to explore the impact of Income generating projects.

This study is a case study of one income generating project in Sisonke District – KwaZulu Natal. A case study conducted in Malaysia by Ismail (1997:10) defines women's income generating projects as an economic based activity owned and operated by women on a small to medium level aimed at generating family income. The study emphasises that the goal of Women Income Generating to create employment for women is as important as the goal of increasing their income. The goal to empower women is seen as a personal and social benefit, whereby women's status and value to the family and community is being increased.

3.3 Research methodology

Research methodology is what makes social science scientific. There are several ways of classifying research studies. One of the most important ways focuses on the methodology used. The other arises

from the reasons spearheading the research being conducted. The other more traditional method is based on the demands of the research question (Bless, C. and Higson-Smith 2000:37). Social researchers choose from alternative approaches to science with each approach having its own set of philosophical assumptions and principles and its own stance on how to do research.

This study is conducted using more than one method of collecting data. Martyn Denscombe (2002:103) states that data needs to be sufficiently precise and detailed in terms of the specific purpose of the research. Accuracy highlights the fact that research needs to elicit, sufficient detail and precision in order to make results of some value. This relates to both qualitative and quantitative data. When considering the approach used in a research project, the researcher has three options:

- A quantitative methodology;
- A qualitative methodology; or
- A mixed method approach.

The choice centres on the nature of the research topic, the setting and the possible limitations.

3.3.1 QUALITATIVE RESEARCH

A Qualitative research methodology was selected for the study because its objective pertains to describing, analysing and understanding strategy, rather than merely describing it. In a qualitative approach there are basically three types of research: exploratory, descriptive and explanatory. For the purpose of the study exploratory and descriptive types were both chosen as the study sought to explore factors that are hindering the success of income generating projects at UMzimkhulu. This type of research is based on flexible and explorative methods, because it enables the researcher to change the focus of the data so that a deeper understanding of what is being investigated can be achieved (Welman C, Kruger, F and Mitchell, B 2005:8). Qualitative research is a means of exploring and understanding the meaning individuals or groups ascribe to a social or human problem. This type of research has been chosen because it allows the subject being studied to give much richer answers to questions put the by researchers and may give valuable insights which might have been missed by any other method. Not only does it provide valuable information to certain research questions in its own right, but there is a strong case for using it to complement quantitative research methods (Mays & Pope, 1995:109).

Qualitative research, as a research methodology is concerned with understanding the processes and the social and cultural contexts which underlie various behavioural patterns. Qualitative researchers are more concerned about the issues of the richness of texture and feeling than raw data because their inductive reasoning emphasises developing insights and generalisations from data collected (Neuman, 2006:149). With qualitative research the aim is to understand how people live, how they talk, how they

behave and what distresses them. Qualitative research is concerned with understanding the view of the world of those who are being researched rather than that of researchers (Gerber, 2013:67).

3.3.2 QUANTITATIVE RESEARCH

A quantitative research method refers to the collection of data using number counts and measures of things. The quantitative approach takes direction from hypothesis or explicit study questions and uses a predetermined set of steps to confirm or refute the hypothesis. Data is from structured and open ended questionnaires. It relies on deductive reasoning processes to interpret and structure the meanings that can be derived from data. They are more concerned about issues of measurement, design and sampling because their deductive approach emphasises detailed planning prior to data collection and analysis (Gerber, 2013:67).

3.4 SAMPLING

Sampling is a technical accounting device used to rationalise the collection of information; to choose in an appropriate way the restricted set of objects, persons, events from which the actual information will be drawn (Bless, C and Higson-Smith, 2006:97). In everyday life we talk of sampling when we refer to the process of selecting things or objects when it is impossible to have knowledge of a larger collection of objects. In social research sampling refers to the probability sampling procedure which involves some form of random selection of elements from a target population. The aim of sampling in social research is to produce representative selections of population elements (Mouton, 2001:132).

A social researcher has a whole world of potential observations, yet nobody can observe everything. A critical part of social research is the decision about what to observe and what not. Neuman (2000:195) states “We can’t study every case of whatever we are interested in, nor should we want to. Every enterprise tries to find out something that will apply to everything of a certain kind by studying a few examples”. To gather information regarding larger groups researchers choose a small, more manageable number of people to take part in the research. In qualitative research, sampling is less structured and less strictly applied than in quantitative research. It can be linked to the methods of qualitative data collection, such as observation and interviewing. Observation is applied to collect the richest data as researchers attempt to solve everything within the field of study.

The key is to select a sample that is manageable, considering the time and budget involved. For this study non probability sampling is utilised as this type of sample is based entirely on the judgement of the researcher. It highlights that a sample is composed of elements that contain the most characteristic

representative or typical attributes of the population as evident in the selection of a project member (De Vos A.S. Strydom H. Fouche” C.B and Delpont CSL: 2005:328).

3.4.1 ADVANTAGES OF SAMPLING

Bless and Higson-Smith (2006:99) the following advantages of sampling:

- Gathering data on a sample saves time
- Gathering data on sample is less costly since the costs of a research are proportional to the number of hours spent on data collection
- Sampling may be the only practical method of data collection
- Greater accuracy of results
- Greater speed of data collection
- Availability of population elements

The basic idea of sampling is that by selecting some of the elements of a population conclusions may be drawn about the entire population.

3.4.2 TARGETED POPULATION

When research is conducted data needs to be collected from the objects of inquiry in order to address a research problem. Population encompasses the total collection of all units of analysis, or set of elements about which the researcher wishes to make specific conclusions. Gravetter and Forzano (2006:118) refer to the population as the larger group of interest to one’s research. It is essential to accurately describe the target population by clearly defining the properties to be analysed. This facilitates the establishment of boundary conditions to make it easy to ascertain whether or not an element belongs to a population. This also simplifies the sampling process (Welman, Kruger & Mitchell, 2005: 527; Bless & Higson-Smith 2000: 85).

The targeted population of this study will be all income generating projects funded by the department of economic development participated in the income generating projects at Paninkukhhu (UMzimkhulu) who along with the beneficiaries and the facilitators of the project. The beneficiaries of the project are women. Interviews with local officials, such as municipality, councillors and government departments was also undertaken to give their views on how the project has been run, successes, challenges and how things could be improved. Thus in this study, the researcher targeted ten members to respond to a structured questionnaire and four municipal officials were interviewed. The ten members were chosen because they were all in the project and the project was made of women who were struggling in their families, who did not have source of income, who were in poverty and joined the project with the aim of eradicating poverty in their families. Welman et al (2005:46) define population as the study of objects

which may be individuals, groups, organisations, human products and events or the conditions to which they are exposed.

3.4.3 SAMPLE SIZE

Choosing a sample size depends on the type of research and what will be done with the results of the research. There are no rules for sample size in qualitative inquiry. The sample size is determined by what a person needs to know, the purpose of inquiry and what is at stake. This is also based on the availability of time and resources. Neuman (2000: 196) adds that for qualitative researchers, it is the relevance to the research topic, rather than their representativeness, which determines the way in which research subjects are selected. Furthermore, the number of participants selected will depend on the availability of interested subjects and data saturation.

The key is to select a sample that will be manageable, considering the time and budget involved. Purposive sampling, which is one type of non-probability sampling, is used when it may be difficult to specify the sample size at the beginning of the research. One would then continue using the chosen procedure for sampling until a so-called saturation point is reached. This is when the researcher reaches a point where they feel that everything is complete and that no new information will be obtained by on-going sampling (Dawson, 2006: 53-54).

3.4.4 SAMPLING RELATED ISSUES

The researcher intends utilising non-probability sampling in this research to secure a sample of research participants in IGPs. Non probability sampling relies heavily on the availability of subjects. It is a method that does not employ the rules of probability theory; it is also referred to as a rudimentary approach that consists of taking all cases on hand until the sample reaches the desired size (Babbie & Mouton, 2001:166; Sarantakos, 2005:163; Bless & Higson-Smith, 2000:92). A distinction can be made between probability and non-probability samples. Random, stratified, systematic and cluster samples are examples of probability, whereas accidental, purposive or judgemental, snowball and quota are non-probability samples. In the case of probability sampling, the probability of any element in the population is included in the sample and can be determined. In the case of non-probability sampling by contrast, this probability in so far as it does not exceed zero cannot be specified. This research uses subjects who avail themselves as the research has to rely on the willingness of the subjects to participate in the study.

3.5 Methods of data collection

The method of data collection refers to the process whereby the researcher conducts the study, including the tools to be used to collect data (Dawson, 2006:28). Data was collected by making use of questionnaires and interviews. In this section, the researcher outlines how the participants for this study were selected (population and sampling); the process whereby data was collected, including the preparation of participants for data collection and the process of analysing and verifying this data. Finally, the study will also consider the ethical implications of the research.

Development programmes particularly those which focus on the achievement of social objectives, requires specific research assessment of both social and economic achievements. This process of data collection also allows for reflection on data collected and identification of gaps in data to enable the researcher to go back to acquire more data when necessary (Maree, 2007:99-100). The data collected through the questionnaire then has to be analysed in order to draw some findings from the study. These findings enable the researcher to compare or contrast the data. The researcher was flexible in terms of the site for data collection.

3.5.1 Questionnaire

Babbie (2007:246) defines a questionnaire as a document containing questions and other types of items designed to solicit information appropriate for analysis. The basic objective of a questionnaire is to obtain facts and opinions about a phenomenon from people informed on the particular issue. Questionnaires were hand delivered to the respondents. This was done to ensure deliverability and receipt. This was also done to build trust through face to face contact. The researcher was able to explain the purpose of the questionnaire, how and when the questionnaire should be returned and confidentiality around the responses. The questionnaire was made up of straightforward questions to avoid ambiguity and was completed by ten project members.

3.5.2 Interviews

The researcher used interviews to gain a detailed picture of the participant's perception or accounts of the subject under discussion. Bailey (1987:174) states that this method gives the researcher and the participant a great deal of flexibility as the researcher is able to follow up particular avenues of interest that emerge in the interview. This was indeed what transpired and participants in the research were able to elaborate, giving a full picture. While the researcher had a set of predetermined questions on an interview schedule, De Vos et al's (2005:296) advice that the interview should be guided by the schedule not dictated by it, was heeded. The researcher also interviewed three municipal officials in the

Local Economic Development (LED) section, four officials from the department of economic development, the wardcounsellor and two beneficiaries of the project.

3.6 What is the study going to measure?

The study is going to measure the following:

- What challenges does the project face in its operation?
- How does the project deal with these challenges?
- What are the successes the project has experienced since its inception?
- What are the failures the project has experienced since its inception?
- What strategies does the project utilise to ensure poverty alleviation in the community?
- What contribution does the project make towards:
 - (a) Job creation
 - (b) People empowerment
 - (c) Skills development

3.7 Data analysis

Data analysis is about processes and procedures where the researcher extracts explanations, understanding or interpretation from data collected. This process also allows for reflection on data collected and identification of gaps in data to enable the researcher to go back to acquire more data if necessary (Maree, 2007:99-100). The data collected through questionnaire was then analysed in order to draw some findings from the study. These findings enable the researcher to compare or contrast the data with what is available in the literature. The analysis of data is conducted so that the researcher can detect consistent patterns within the data, such as the consistent co-variance of two or more variables. There are many different forms of data analysis, but they depend upon the nature of the research question and design and the nature of data itself.

Quantitative data is often analysed using a range of descriptive and inferential statistical procedures while a qualitative data is analysed with techniques. The information gathered would be analysed statistically using graphs and tables in presenting data. The use of data analysis is to establish frequency and correlation of findings which are presented in the form of descriptive statistics and qualitative discussions and findings. Data analysis and interpretation answer the question of how the findings of the study will be reported.

3.8 Ethical consideration

The word “ethics” is derived from the Greek word “ethos” meaning one’s character or disposition. It is related to the term “morality derived from the Latin term “morales” meaning ones manner or character. Ethical issue are concerned with whether the behaviour conforms to a code or a set of principles (Bless et al 2006:140). Ethics serve as standards, a bias upon which researchers ought to evaluate their conduct (De Vos et al, 2005:57).Research ethics place emphasis on the humane and sensitive treatment of research participants who may be placed at varying degrees of risk by research procedures.

During the study the researcher explained the purpose of the research in such a way that respondents understood the intentions of their input. Consent was requested from the participants to use the information for study purposes. Ethical issues include the following: privacy, informed consent, actions and competence of researcher and the release of publication of information.

3.8.1 Violation of privacy/ anonymity/confidentiality

The Bill of Rights in the South African Constitution is the cornerstone of democracy in the country. It enshrines the rights of every individual citizen of this country, namely the right to human dignity, equality, freedom and privacy (The Constitution of South Africa, 1996:4). Since the research is conducted with the aid of people, researchers need to take cognisance of their human rights as these also apply to research. One of these rights is privacy. Privacy is to keep oneself that which is normally not intended for others to observe or analyse. Every individual has the right to privacy and it is his or her right to decide when, where, to whom and to what extent his or her attitudes beliefs and behaviour be revealed. It is critical for researchers to respect this right. When engaging with participants and the information they share violation of privacy can jeopardise the research and cause harm to individuals. Privacy also ties with confidentiality where two parties agree how to handle information (De Vos et al 2005:119).

Researchers are forced to safeguard the privacy of participants and be sensitive to issues that call for this as people have the right to privacy regarding their private life, sensitive issues and answering questions they dislike. Confidentiality also calls for discreet handling of information gathered and protecting the identity of participants (Sarantakos 2005:21). The principle of anonymity is linked with confidentiality. Furthermore anonymity should always be preserved as people are sometimes prepared to divulge information of a private nature condition, this information can inform the researcher tremendously and so it is best that names are not mentioned. In social research, grouped data is usually of more interest than individual results. The researcher can keep names linked to data but the information made public should neither include names of respondents, nor make it possible for the information to be linked to a

particular respondent (Bless and Higson-Smith, 2000:100). Participants therefore were informed on the purpose of the research and how the information gathered would be utilised. Permission was requested to use the information in the report.

3.8.2 Informed consent

The researcher had preliminary discussions with all participants, to provide them with detailed information about the study and respond to the questions to ensure that people knew what they were comfortable with the research procedure. It was then up to individuals to decide if they were interested in the study.

Participants have a right to know what the research is about, how it will affect them, the risks and benefits of participation. It is critical that people participate voluntarily (Babbie, 2001:470). This will ensure that people are not forced into participating and perhaps supply inadequate information. When subjects are involved without consent, their right to self-determination is impaired. Informed consent ensures the full knowledge and cooperation of subjects while also resolving or relieving any possible tension, aggression, insecurity in the subject (De Vos et al, 2005:118).

During the study the researcher requested consent from the participants and to use the information for study purpose. Furthermore, the researcher assured participants who chose to be part of the study that should they decide to withdraw at any time, they were free to do so. A positive relationship with the participants was established at the onset of the briefing sessions, such that participants were able to freely communicate with the researcher and at any given time during the study.

3.8.3 Actions and competence of researcher

It is important for the researchers to be well conversant with issues such as values, norms and climate of communities before engaging people in a study (De Vos et al 2005:63). The study was conducted in an area where the researcher was familiar with the culture and value systems of the community. A high standard of professionalism throughout the study was kept by the researcher. This was achieved through ensuring that appointments were always made with the participant, even in cases where clients did not meet their appointments. The fact that appointments were made with participants who then cancelled, and impacted on budget and time allocated for the study. It meant that the researcher had to reschedule appointment times and revisit the area. Neuman (2000:384) cautions that qualitative research calls for flexibility by the researcher to accommodate any challenges which may occur.

Each researcher needs to ensure that they are competent, honest and adequately skilled to conduct a study. The researcher's self-presentation at the initial contact is essential in order to gain cooperation from everyone in the project. The critical part of an ethical research study is to ensure that a high standard of professionalism is maintained throughout the study.

3.8.4 Release of public information

The findings of any research are recorded in writing for public consumption. It is vital that correct and accurate information is captured so that other researchers who might be interested to conduct further studies are not misled by incorrect records. Researchers are bound to compile the findings accurately (Bless et al, 2006:14; Marlow,2005:260).Thus, the researcher made efforts to cross check the information that was gathered during interviews with the respondents before recording the final report.

3.9 Summary

In this chapter, the researcher explained the research methodologies followed in compiling the report. The reason for using questionnaires and interviews to extract information, to analyse and evaluate the impact of Income Generating Projects in alleviating poverty at UMzimkhulu was discussed. Also, the chapter elaborated on the process of data analysis to draw some findings from the research. The chapter covers the aspect of verification of information to ensure trustworthiness in the research. Lastly the chapter dealt with some of the challenges faced by the researcher when engaging in this process, such as budgetary and time limitations. Challenges can be expected as it involves people who are dynamic and have diverse lifestyles.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter focuses on the analysis and interpretation of data from the members of an IGP in the Paninkukhu area. Ten members responded to a structured questionnaire and four municipal officials were interviewed. The interpretation of the research findings is divided into five sections, namely Section A, B, C, D and E. The researcher only selected one project in this study as budgets and time was limit. Respondents were assured that their identities would not be identifiable in any subsequent report. The participants were fully informed about the purpose of the study before they started and their right to leave if they felt they no longer wanted to participate.

The questionnaire was divided into the following five sections:

- Section A deals with the analysis of biographical information.
- Section B provides an analysis of the information about the project.
- Section C provides an analysis regarding the management of a project.
- Section D deals with an analysis of the perception regarding IGPS, and
- Section E provides an analysis the project has in the quality of life of beneficiaries.

The interview of the municipal officials was structured in a similar manner with Section A containing an analysis of biographical information and project management. Section B provides analysis of the funding of the project. Information gathered would be analysed statistically using graphs and tables in presenting data. Tutty et al., (1996:90) state that the purpose of data analysis is to sift, organize the mass information acquired during data collection, in such a way that the original research problem is interpreted.

4.2 PROJECT PARTICIPANT'S DATA ANALYSIS AND INTERPRETATION SECTION

4.2.1 Section A: PROJECT PARTICIPANT'S BIOGRAPHICAL INFORMATION

4.2.2 Gender of the respondents.

The data reveals that 100% of the participants of the project were women. One of the Millennium Development goals is to promote gender equality and to empower women; this finding is in line with Millennium Development goals which promote gender equality and the empowerment of women.

According to the World Bank (2011:4) the Millennium Development Goal Summit concluded with the adoption of a global action plan to ensure gender parity in education, health, economic opportunities and a decision making through gender mainstreaming in development policy making. The action plan and resolution reflect the belief of the international development community that women's empowerment are development objectives in their own right.

4.2.3 Languages of respondents

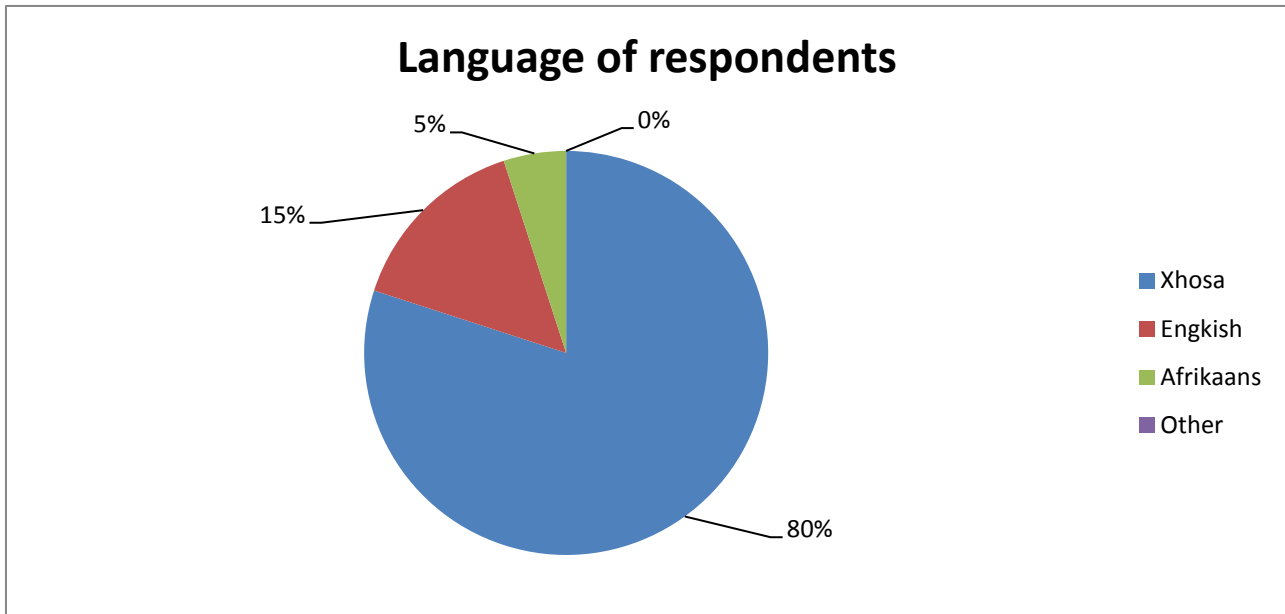


Figure 1 shows that 80% of the respondents spoke Xhosa as their mother tongue, while 15% of the respondents spoke English and only 5% of respondents indicating Afrikaans. Only few of the respondents could speak English and most of the respondents indicated that they had difficulties when communicating in English. Also most of the respondents indicated that they were not competent in Afrikaans and other languages.

4.2.1.3 Age distribution of the respondents

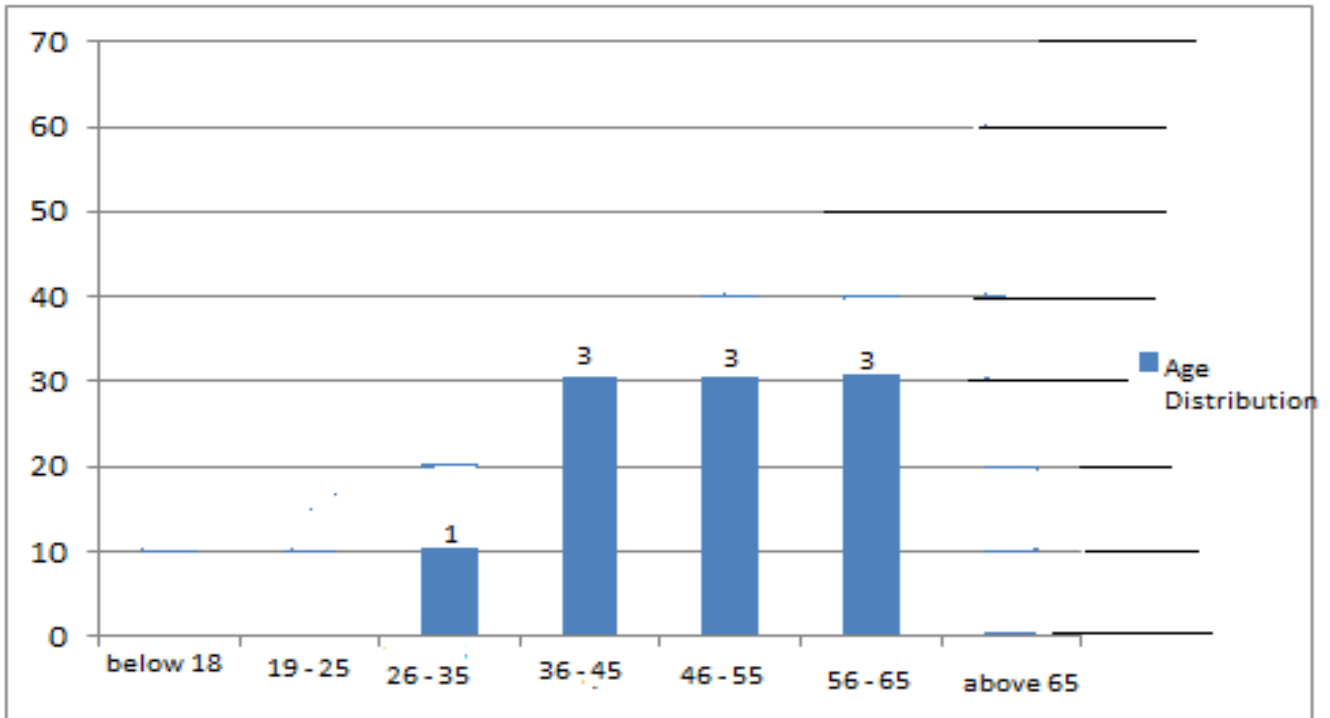


Figure2

Figure 2 shows that the age of the respondents was evenly distributed over the 36-36, 46-55 and 56-65 age groups with 30% respectively. This means that only three groups were more represented in this study, implies that most of the respondents were already outside of the youth bracket of 35 year. The ages between 26 and 35 were the least represented ages and constituted only 10%. None of the project participants were below 18 years between the ages of 19-25. This is concerning as it shows a lack of youth absorption and involvement in this project. People who work in these projects are supposed to be physically fit since they work long hours.

4.2.4 Marital status of the respondents

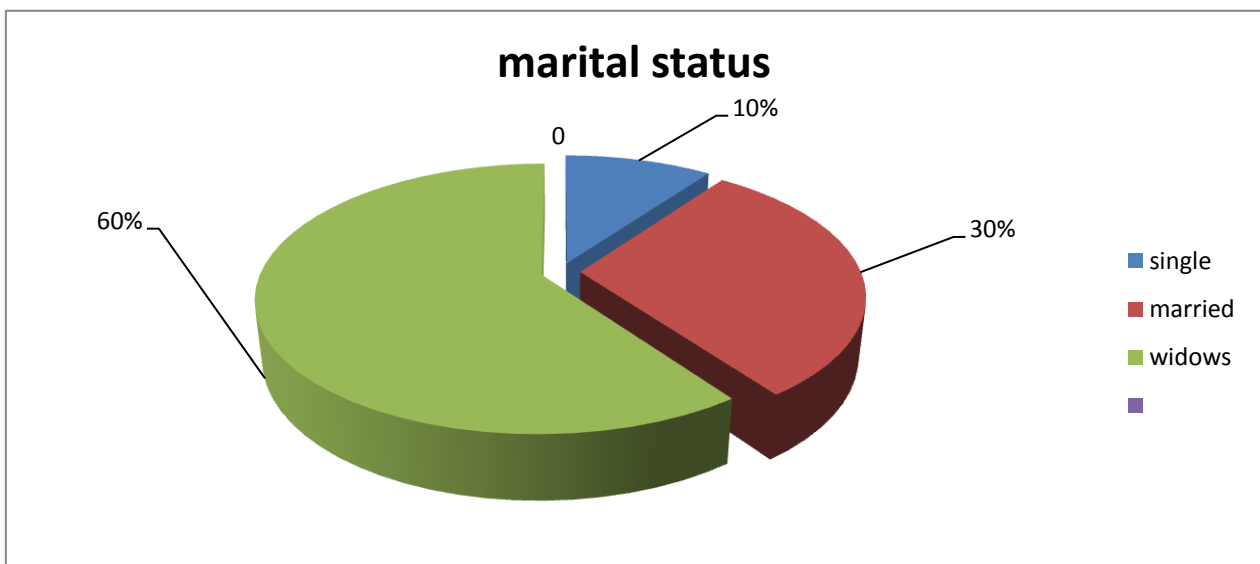


Figure 3 illustrates that 60% of the participants were widows followed by a smaller portion of 30% who were married, and 10% of the respondents were single. A major push factor for these women to join the project was that there is no bread winner in the family. Similarly, those who are married emphasized that their husbands were not employed and so they had to go and look for employment in order to support their families.

4.2.5 Educational level of the respondents

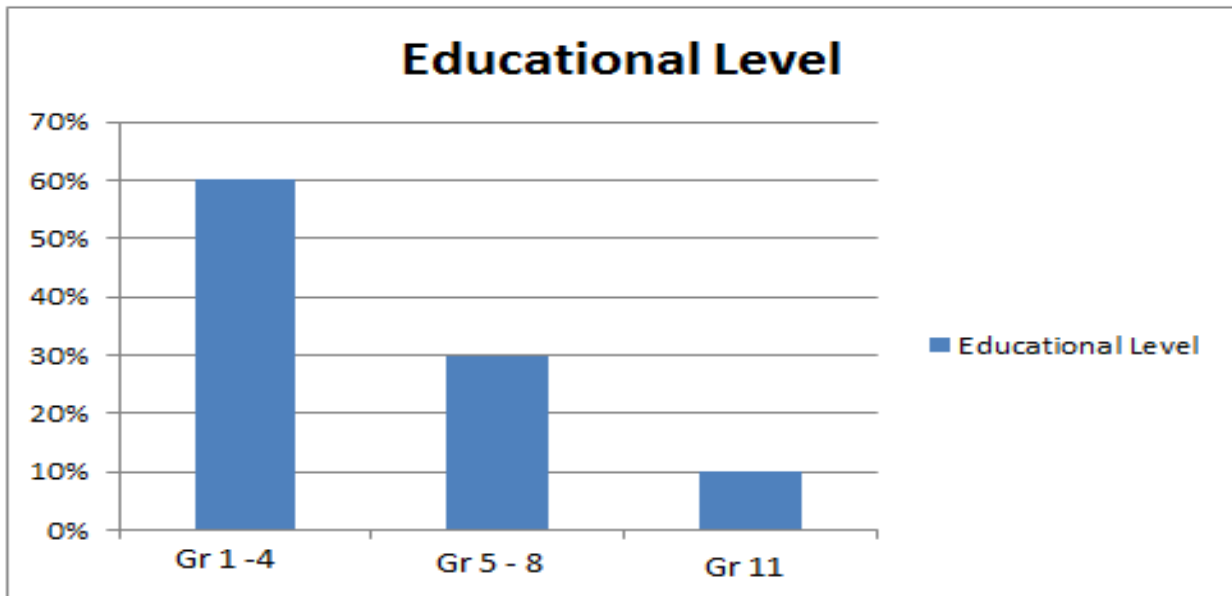


Figure 3 illustrates that only 60% of the participants have an elementary education level of grade 1- 4, followed by a portion 30% of the respondents who completed grade 5 – 8. Only 10 % of the participants had grade 11. The data indicates that all the respondents did not have any tertiary qualifications. Most of the respondents are not adequately educated and this could impact on the sustainability of the project.

The opinion of the researcher is that since the respondents did not have formal education, this might be the reason why they were not employed in the formal sector. The low level of education in this community played a vital role in their understanding, speaking and writing of English. People with no qualifications and low skills are at a high risk of a future unemployment and are twice as likely to be in poverty. Therefore initiatives to improve skills and employment opportunities are probably the one of the MDGs is to address the lack of education. The MDGs are targets which stress many dimensions of poverty, such as hunger, diseases, inadequate water supplies, and lack of education.

However, Botchway (2001:87) argues that education by itself does not necessarily guarantee more sustainable livelihoods. Education can only contribute to poverty reduction in a sustainable way if the dimensions of participation and empowerment are included. Nieuwenhuis, Beckmann, and

Prinsloo(2007:7) view education as an essential social process which has the potential to shape the future of the society. Higher educational degrees act as diligence to employers, and increase access to a greater number of available jobs. By contrast lower skilled individuals are less likely to find employment and if they do, they are usually the first to be dismissed during economic slowdowns. Illiteracy does not pose an impenetrable barrier to production. However, it does place serious constraints on the success of income generating projects. Illiteracy often limits effective management, identification and expansion of markets, and the acquisition of suppliers. It also limits effective management, record keeping, identification, and expansion of markets, and related factors central to the growth of projects (MuluMutuku, 2001:14).

4.2.6 Dependents

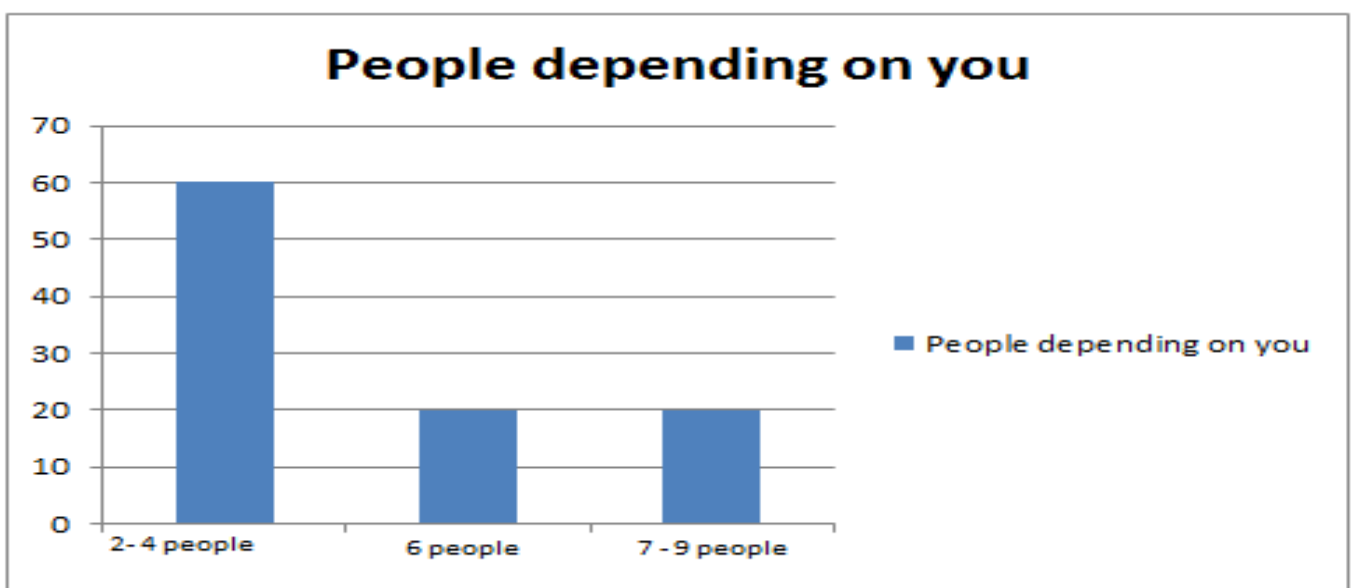


Figure 4 shows that 60% of the participants in the study had two to four people who depend on them, while 20% of the respondents had six people who depend on them and the other 20% of the respondents had seven to nine people who depend on them. This confirmed the reasons for the members to join the projects because they had people who depend after them for living.

4.3 Section B: INFORMATION ABOUT THE PROJECT

4.3.1 Project Type

The type of project is agricultural where they cultivate carrots, cabbage, spinach, beetroot and potatoes. The community garden programme focuses on communities at risk of malnutrition due to food insecurity and poverty.

4.3.2 Current project members

The project currently has ten members who are all women. Kwaw (2006:59) states that for the rural who cannot secure employment in the formal and informal sector due to illiteracy, indications are that income grants, public works programmes including income generation projects constitute the two major approaches for addressing poverty. It can be seen that as these members are largely below pension age, they are heavily dependent on the project to feed and clothe their families.

4.3.3 Gender profile

The study revealed that 100% of the community members who took part in projects were females. Women play an important role in agricultural labour force and in food production. The project has ten members and it was established in 2008 and the aim behind was to fight poverty.

4.3.4 How long has the project been running?

All the participants state that the project has been running for five years, since interception in 2008.

4.3.5 Earnings in rand per month

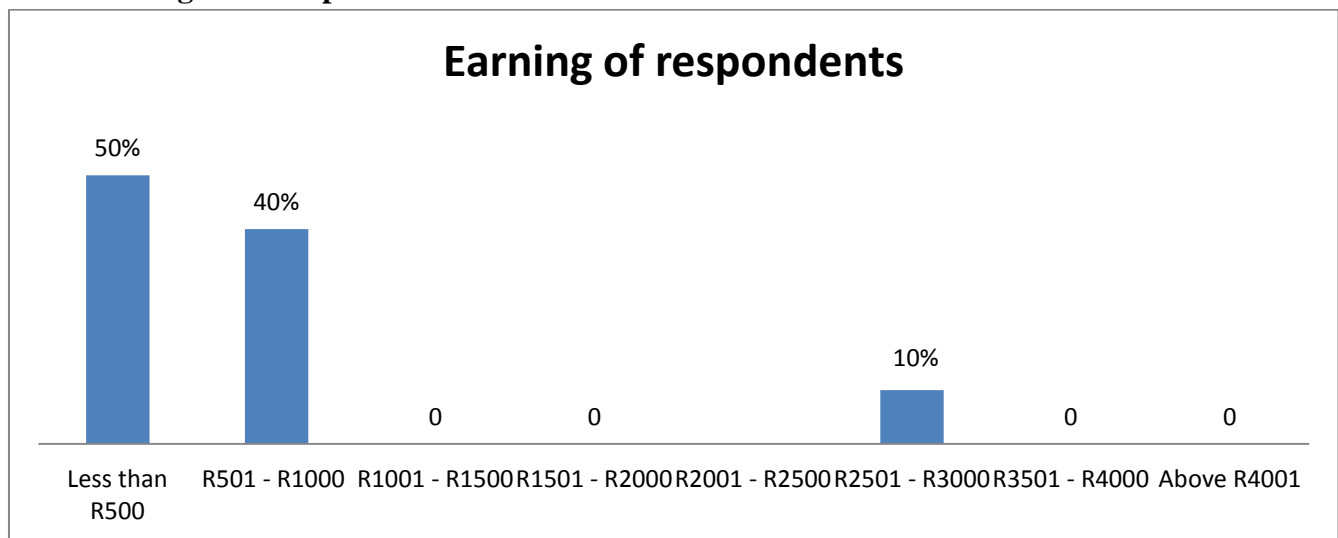
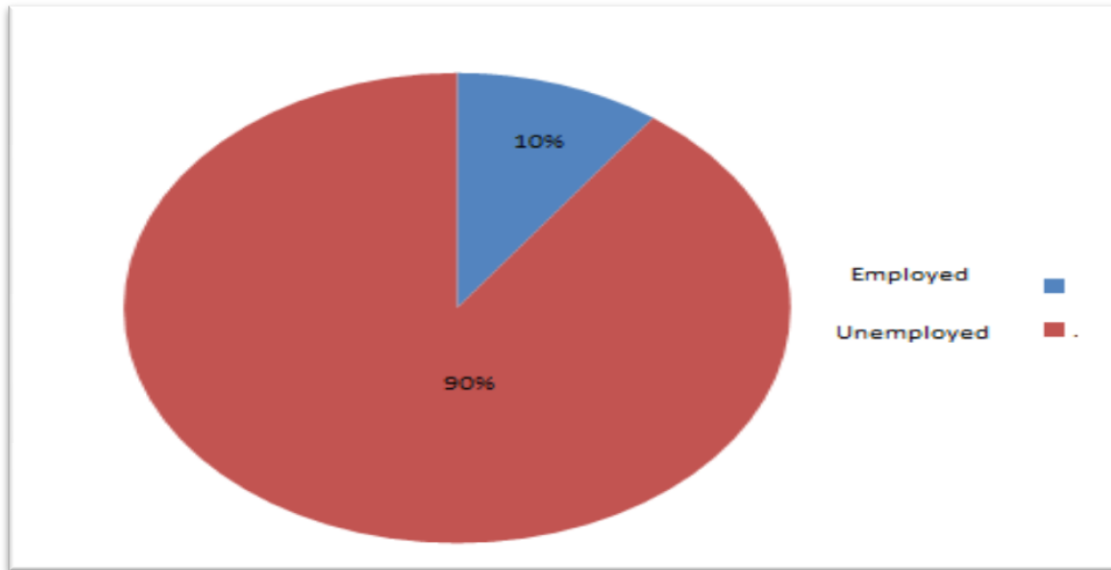


Figure 5 showed that 50% of the respondents earned less than R500, while 40% of the respondents earned between R501 and R1000 and lastly 10% of the respondents earned between R2501 and R3000. When considering the root causes of debilitating diseases and malnutrition, the following argument can be made. Poor people get sick more often and recover slower or not at all. This can be due to the fact that they do not get proper treatment as they cannot pay for medical treatment due to low income. Kwaw (2006:63) states that rural incomes are very low therefore eradicating income poverty remains one of the challenges facing the income approach strategist.

4.3.6 Apart from the project are you employed?



The above figure 6 indicates that according to the respondents 90% indicated they were unemployed with only 10% of the respondents indicating they were employed. The high rate of unemployment amongst the project members was one of the reasons which led them to join the project in order to support their families. Due (1991:81) argues that lack of education can limit the entrepreneurs' ability to venture into complex projects or to expand their activities to more remunerable productive levels. Fox (2004:126) observed that education and skills development are encouraged as many communities do not have the capacity to achieve the objectives they would like to set.

4.3.7 Does the project help in meeting basic needs?

The participants mentioned income and food security as the main benefits from the project, but they were complaining that the income was insufficient to provide for the livelihoods of their families. There was a strong view that the project or income was inadequate for purposes of sustainability. The project members reported using the income from the project to augment other sources of income. One respondent said, "My husband and I are not employed; we don't have any source of income than the child support grant. We use this money to buy groceries and to buy clothes for children".

4.4 Section C: PROJECT MANAGEMENT

4.4.1 Availability of a business plan

All the respondents reported that they have not written up a business plan. The respondents wanted to be part of the drafting process in order to gain skills in this. A business plan is an essential structured guideline to achieving your goal. The importance of a business plan is the following:

- It is an essential aid when applying for financial assistance;
- It can eliminate fatal flaws in one's idea;
- It is an essential decision making tool;
- It stimulates reality and anticipate pitfalls before they occur and
- It serves as a guideline when the business is up and running.

The emphasis in the content of a business plan as stated by Kwaw (2006:60) is on income, job creation and improvement of household food security.

4.4.2 Do you have a constitution?

The study revealed that 100% of the project members agreed that they had a constitution. The provision of the constitution; means the following in practise:

- People should have a say in the decisions about programme of actions that affect their lives;
- Public participation process communicates the interest and meets all the needs of the participants;
- The public participation process seeks out and facilitates the involvement of those potentially affected;
- The public participation process involves participants in defining how they participate;
- Be loyal to the constitution and its people; and
- Co-operate with one another in mutual trust and good faith.

The Constitution of the Republic of South Africa, (1996) contains a Bill of Rights which provides not only for basic human rights but also social and economic rights. An organisation's constitution would operate in a similar manner. The researcher is of the opinion that the sustainability of the project could rely on the active involvement of project members. The constitution is an important document which states clearly how members should conduct themselves. It serves as a guideline and a disciplinary document for project members. Green, Maryann and Motiki Antoinette (2011:6) states that a constitution is a positive factor in the status of a project as it guides them in running their projects.

4.4.3 Training received

The first aspect explored in the theme was whether the participants attended any training relevant to the implementation of the project. All the participants reported having received the requisite training in irrigation and fertilizer. All the respondents found training valuable and stated it enriched their knowledge and helped them to skilfully engage in the day to day operations of the project. Training is central to the development of skills and the success of the business. People with skills stand a better

chance to be employable than those with no skills. All the participants articulated their responses as follows “Someone came and trained us on how to plant seedlings and how to harvest our vegetables. This is a really concern because the project needs financial skills, marketing skills, driving skills, business management skills , conflict resolution , monitoring and evaluation when implementing the project” De Beer and Swanepoel (1998:24) emphasised that projects should put systems in place which ensure that they learn from what they are achieving and then apply what they have learnt.

4.4.4 Training service needed for the project

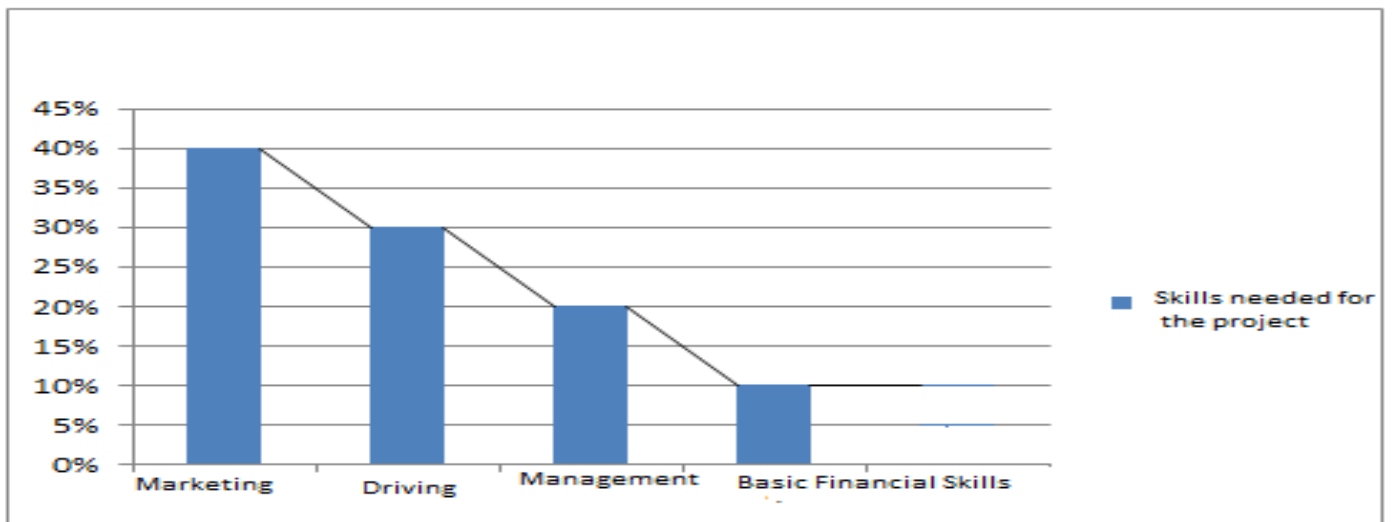


Figure 7 shows that 40% of the project members were interested in acquiring skills in marketing, while 30% of the project members wanted to acquire skills in driving, another 20% of the project members wanted to acquire management skills and only 10% of the project members wanted to acquire financial skills. Fox (2004:126) observed that education and skills development are encouraged as many communities do not have the capacity to achieve the objectives of the project. In order to achieve these objectives, communities need to increase their skills and this can be done through capacity building programmes. Amongst the skills necessary for project implementation that were not mentioned by participants are monitoring, evaluation and conflict resolution skills. According to *Social Surveys Africa* (2004:29) the initiation of a project draws on a full range of organisational skills, from conceptualisation, strategic planning, fundraising to programme development and implementation.

4.4.5 What have been the present and past challenges in the project?

All the participants complained about the fertility of the soil which affects their production. They had a problem of fencing and they complained about poles that were too old. Theft has been one of the problems they were facing as the project is at a distance from the community houses. There was lack of water for gardening which made it impossible for growing of member’s vegetables. There was lack of knowledge and relevant skills in project management. Participants were also lacking marketing

strategies. The participants also stated lack of income opportunities, low levels of education and limited transport opportunities. Many other projects share these sentiments, where poor roads retard the production of their projects.

4.4.6 Is the project sustainable?

All the project members were of the view that the project was not sustainable due to the lack of skills and the availability of infrastructure, as well as adequate funds. The following views were expressed by the participants:

“The Department of Economic Development should provide us with more funds so that we can be able to buy a tractor to cultivate our gardens. Hiring a tractor is very expensive. If we can have our tractor we can assist other local projects and generate income in the process”.

It is evident from the findings of the study that that the project is not able to generate adequate income in order to ensure effective and efficient daily operation and to make profit. One of the contributing factors was improper planning and implementation of project goals. Some of the contributing factors were that the policy of the poverty alleviation programme had a limited time frame for the allocation of funds to the project. Sustainability of the project also depends on the knowledge of the programme and dedication on the part of the project members. Due to lack of skills, capacity (ability) and capability (competency) the project has not been sustainable due to scarcity of water since it is not producing enough veggies.

4.4.7 Elements required making it sustainable

All the participants wanted an inspection on the type of soil they have to ensure productivity. Since they had no water, they requested to have taps installed nearby because their vegetables need frequent water. They also requested to be assisted by the Development Practitioners in the development of a business plan for the project, and that workshops be there to train them so that they can acquire the skills that they do not have. Monaheng, (2005:6) stated that community participation and ownership of projects would be the basis for enhancing the sustainability of projects. Mayekiso, Barnes and Makhalane (2009) conducted a study in Lesotho which revealed that community projects could be used to fight poverty by encouraging self-reliance in local communities. A study conducted in the Chris Hani District revealed that the sustainability of the projects was attributed to the availability of skills and knowledge, availability of financial resources, support from the community, support from stakeholders and the availability of infrastructure (Mayekiso et al, 2009:228).

4.4.8 Are there delegates from the government to attend to issues related to IGPs?

All the participants agreed that delegates from the government do come to attend their problems pertaining to IGPs. They also give them support and provide them with seeds.

4.4.9 Are the project members involved in decision making

The study indicates that all the participants were involved in decision making. Involvement in decision making can help to identify problems, accountability and responsibility can be improved. Community participation is important during the project design because it can make for greater effectiveness in planning and implementation of development initiatives, and can offer accountability and equal distribution of resources to the community. Van Niekerk, Liezel. and Van NiekerkDewald(2009) Niekerk, Dewald (2009) states that participation in decision making in organised community projects is influenced by gender, level of education, the composition of the household, the level of poverty and income in household. Participation in decision making encourages co-operation, negotiating skills, and learning to debate. Creating a participative environment is essential to achieve a multi-dimensional, economic, social, and environmental measure of wellbeing.

4.5 Section D: PERCEIVED IMPACT OF PROJECTS IN THE QUALITY OF LIFE OF BENEFICIARIES

4.5.1 What are the reasons that led into you participating in the project?

The participants were unable to contribute financially to their families due to lack of regular income. Being without a regular income can mean different things for different people, but it can expose people to income poverty. Participants also joined the project with the hope of gaining some skills. One woman said “I decided to join the IGPs because I want to see myself as a business woman in future where I will be doing trading with other countries .”Overall, it was found that unemployment motivated participants to join IGPs to keep themselves busy and to generate income for their families. Participants joined the IGPs because they have children who need to be cared for.

4.5.2 Has your life changed?

The respondents were asked whether their situation had improved over the years since they had joined the projects. The response was that it had improved because they had the following benefits by virtue of being members of the project:

- They have acquired irrigation and fertiliser knowledge and skill;
The nutritional status at household level has been enhanced because of the availability of vegetables from the food garden; and

- Food security at household levels increased as when they are paid for their work they are able to meet some of their household food security requirements or basic needs.

4.6 MUNICIPAL OFFICIALS' DATA ANALYSIS AND INTERPRETATION

For the purpose of data analysis 3 municipal officials from the LED office and one official from the department of economic development was interviewed the other three departmental officials were not available for interviews, including the counsellor and the two beneficiaries of the project.

4.6.1 Section A: MUNICIPAL OFFICIALS' BIOGRAPHICAL INFORMATION

4.6.2. Gender, language and educational qualifications

The study revealed that the respondents are all men who between them have Honours in Planning and Development Studies, a B Tech in Agriculture, and a National Diploma in Travel and Tourism. They are also proficient in English and Xhosa.

4.6.3 Is the community development your field of interest?

These respondents noted that the projects were meant for the community where they are initiated; they also have a passion for the job and decided to further studies on programmes dealing with community development. One respondent indicated that the projects were for the social well-being of the people. For the purpose of the study community development can be defined as the process in which the efforts of the people themselves are united with those of government to improve the economic, social and cultural conditions for their communities. Wassermann (2001:176) states that the value of community development is found in the fact that people are stimulated to change in the context of the groups, and they may therefore support one another in the process of imitating a new practice.

4.6.4 Role in Poverty Alleviation

The respondents indicated that they encouraged entrepreneurs to start businesses especially to create employment so that people can generate income and feed their families. They are also part of the SukumaSakhe programme where they create a favourable environment for people to be able to implement their projects. One responded indicated that community gardens were initiated to alleviate poverty. Meyer (2007:228) states that the scope of LED should be broadened from poverty alleviation to long term development focus within the broad framework of transformational and participatory development of communities.

4.6.5 Does your education involve project management?

Yes the respondents do have project management (post graduate diploma in project management and project management as a module) which deals specifically with the implementation of projects. Project management deals with the application of knowledge, skills, tools and techniques to project activities to meet project requirements. Maharaj, K. Heil, D. and Van Rensburg A.C.J. (2006:21-22) states that project management is accomplished through the application and integration of the project management process of initiating, planning, executing, monitoring and controlling. He further states that managing a project includes identifying the requirements, establishing clear and achievable objectives, balancing the demand for quality scope, time and costs and adapting specifications, plans and approach to the concerns and expectations of the various stakeholders.

4.6.6 Is the community capacitated enough to implement the projects?

The study reveal that the community is not capacitated enough as they lack project management skills and the business skills needed due to low level of education. Their age also makes them unable to grasp general aspects of business and project management.

4.6.7 What do you think needs to be done in order for the projects to be effective?

The findings reveal that projects need to be community driven and should be championed by the owners, marketing and project planning needs to be improved. Projects must be evaluated as whether they serve the purpose and project beneficiaries must understand the project's aims and objectives and the outcomes. There is a need for the participants to be trained in conflict management, leadership, communication management and in the development of a constitution and they must be capacitated with skills. Marketing skills and programmes in media writing and internet need more focus in order to advertise the project and its produce. Marketing skills and programmes in media writing, internet and marketing need more focus in order to advertise the project and its produce (2009:136) Van Niekerk (2009:13) states that planning reduces insecurity, increases effectiveness of the project, defines objective, and provides opportunities for monitoring and evaluation also including vital steps, such as a SWOT analysis (strength, weaknesses, opportunities and threats) along with defining the work schedule and financial planning.

4.7 FUNDING

4.7.1 What are the sources of funding for the projects?

Kwaw (2006:67) states that motivation for organised community projects comes from the expectation of funding and capacity support from state institutions. For organised community groups to qualify for funding the first condition to fulfil is to submit a business plan, it must specify the activity the group will embark on, its missions, objectives and goals.

Projects are funded by DEDT, SEDA, DTI (Department of Trade Industry), COEGTA (Co-operative Government and Traditional Affairs), National Lotto, NDT (National Department of Tourism).

4.7.2 Do you have enough resources in the achievement of project goals?

The findings from the officials revealed that there is a lack in capacity building resources, business start-up finances, growth finance and infrastructure. Moyo (2007:228) states that resources should be invested in human capital development and those necessary resources should be allocated to municipalities to empower them to deliver services to facilitate LED.

4.7.3 Problems encountered in IGPS

The study revealed that they have problems in financial management, human resource management, market demand, and lack of skills. There is no perceived market and what they have produced is of low quality due to lack of transport. As a result what they produce ends up in their homes. Moyo (2007:228) concurs and emphasises that skills are required in areas such as leadership, implementation, financial management, building partnerships, mobilisation of resources and community development.

4.7.4 What are some of the challenges with regards to receiving funding?

Business plans are very poor and do not reflect the sustainability of the projects. Funding is limited and requisitions for equipment and so forth are often delayed due to poor business plans.

4.7.5 Do you know where to market your goods?

The officials stated that if the business plan is well structured then the market for the programme will be clearly understood. Their market could include national super market chains, such as Super spar, Shoprite and Boxer.

4.7.6 Do you have a secured market that can generate income?

The study revealed that some goods have a secured market, for instance cash crops.

4.7.7 Are the projects sustainable?

The study revealed that most of the projects are not sustainable due to lack of skills, markets, lack of funding in the form of operating costs, and poor management and transportation. At the same time it should be noted that there are a few of projects which are sustainable and supported by DPLG (2005:21) as being “well organised and well managed”. Three respondents stated that those that are sustainable guarantee permanent employment and are able to adhere to the market demands as they have a clear marketing strategy. The sustainability of the projects was attributed to the availability of skills, knowledge, availability of financial resources, support from the community, support from the stakeholders and the availability of infrastructure (Mayekiso et al, 2009:288). Kwaw (2006:71) states that inconsistent funding practises, lack of standardised models for establishing projects, high illiteracy levels, limited infrastructure to support agricultural projects and a lack of farm management support to projects have all contributed to the current unsustainability of the organised community projects. Insufficient market research, as well as the reliance on the local markets impact negatively on sustainability since there was no marketing strategy or plan.

4.7.8 Conclusion

The research findings were captured in this chapter. Clarity on the context of the study was outlined by providing the biographical profile of the participants and the background of the project. The data gathered from participants highlighted the need for additional income to enable participants to feed their families. It has been clear that project members were lacking a variety of skills and they did not have a business plan, hence the sustainability of the projects was questionable due to such factors.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the findings of the study, draws conclusions and makes recommendations in line with the research questions. The purpose of the study was to explore the impact of one of the IGP funded projects in Paninkukhu Village, which is funded by the department of economic development at UMzimkhulu in the Sisonke District. The purpose of these projects is to target poverty alleviating strategies in the rural areas. The objectives of the study are:

- To investigate the challenges that the projects is facing;
- To investigate the ways in which the project deals with these challenges;
- To investigate and analyse the successes of the projects since its inception;
- To investigate and analyse the failures that the project has experienced since its inception;
- To evaluate the strategies used to ensure poverty alleviation in communities; and
- To analyse the contribution the project makes in terms of:
 - Job creation
 - People empowerment
 - Skills development

5.2 Key findings of the study

The study reveals that it is only women who are involved in the project and this goes a long way to empowering communities and families in terms of family incomes. Members rose that the community projects are under-funded. The members believed that if projects have better access to funding then the projects could be more productive. Markets and the marketing of produce also appear to be a major constraint to agricultural projects. Small scale income generation projects continue to face tough competition with established chain stores selling similar products to those that are sometimes the main market focus of the community organised projects. Although no restriction is placed on the selection and mobilisation of the population into organised community agricultural projects, emphasis is placed on female headed participants. The prospect of self-employment and income for organised members is the main attraction for females working in these agricultural projects. Illiteracy among the adult population is very high. Many of the illiterate are the aged women in this project. The low levels of human development among women correlate with the severity of poverty among participants in the project.

Members lack skills such as business management, marketing, basic book keeping, record keeping and conflict resolution skills which lead to the unsustainability of the project. The fertilizer and irrigation skills that they have acquired, before the initiation of the project, are the only skills they have acquired. It has become evident that the underfunding of projects, high illiteracy levels, and the limited infrastructure support of agricultural projects all contribute to the current unsustainability of these projects. If the department of economic development is to succeed in assisting organised community projects to stand on their feet, efforts should be directed to assisting project members in the establishment of a marketing association that will liaise with the markets (customers) to find out what their needs are so that future support to projects can be directed to focus on the needs of the markets. Perhaps what matters is how to consolidate the gains and overcome the challenges facing poverty alleviation. A further concern is that the youth are not properly represented in the study. This is concurrent with Matthews, Limb and Taylor (1999:135) who postulated that the youth are marginalised. Although they could be given opportunities to engage in discussions about their economy, social and environmental futures, they are seldom given chances to express their preferences outside of adult dominated institutions leaving participation as an adult activity (Matthews, Limb & Taylor, 1999:135).

More is yet to be done to encourage youth to participate in rural community development initiatives. The fact that mostly women were involved in this project is in line with the report that women are found manning the households in most rural areas, while men are in cities seeking employment. The funding of the projects by a diverse group of funders is depicted in the findings of the current study as having one funder delays growth and investment. The fact that most customers were community members shows that the project benefited its community despite the fact that not all are directly involved in the project.

The project had a challenge in the marketing of their produce. This is a common problem where even projects in Limpopo Province struggle to market their produce. Projects often do not have a reliable or contracted market for their products. On the other hand, the markets often need products in bulk, a consignment which community projects may not be able to meet.

The study also reveals that many municipal officials have tertiary qualification and skills in project management. The officials note that projects should be monitored and evaluated. Monitoring looks at what is being done; while evaluation examines what impact has been achieved. Monitoring is seen as the routine, regular assessment of on-going activities and programmes. In contrast evaluation is seen as the periodic of overall achievements and challenges facing the day to day activities. Monitoring and evaluation should not be seen as political opposition but as constructive measures against failures in performance aimed at discouraging inefficiency and encouraging action based development practice (Ijeoma, 2008:67).

5.3 Recommendations for the study

A real reduction in poverty is a complex and long process since it requires many aspects of deprivation at the micro, meso and macro-economic levels. Recommendations are made by the researcher based on the findings of the study and literature review and should be considered in the efforts to sustain IGPS as a livelihood for rural communities. The following specific recommendations should be considered in the efforts to sustain IGPS.

- The study revealed a lack of capital or financial resources by the government departments as a hindrance towards the progress of IGPS. The National government should empower local governments working in partnership with local municipalities with financial, material as well as human resources in order for the projects to be effective.
- Workshops should be held in order to empower project members with the necessary skills, such as management, marketing and financial skills to the participants. This will help improve management efficiency of the projects.
- Business skills should be incorporated into the literacy curriculum. For instance, functional skills should be included along with business skills, such as simple record keeping. Also skills necessary to help the participants function effectively with democratic decision making and conflict resolutions should be included.
- Unique products should be encouraged to avoid competition from similar projects situated close by.
- There should be an annual evaluation of projects by the provincial governments in order to identify current problems or challenges.
- The department of economic development with the help of the municipality could start adopting a tradition of including people who are poor in formulating poverty policies. This strategy could result in a positive response in terms of raising the profile of poverty issues at UMzimkhulu. Involving poor communities could ensure coordination of policies that are decided implemented and at local government level. However, this contextual knowledge must be coupled with an understanding of poverty dynamics, if policy is to be effective in tackling poverty and creating an enabling environment for pro poor. This means that there must be accurate data analysis at the national and local level which explains why people are poor and what keeps them in poverty and what kind of policies and interventions might support their movement out of poverty.
- Black women suffer disproportionately from the burden of poverty and are systematically excluded from access to essential assets. If the department of economic development were to improve the status of women by creating more special economic opportunities (by broadening women access to vocational training) this could be remedied.

- Government officials should plan together with project members on the activities and implementation of the project.
- Project members need to be motivated so that they can develop a sense of ownership in order for their own the project and for it to be successful. De Beer and Swanepoel (2006:30) emphasise the importance of ownership which allows people to take initiative at the onset of the project. The involvement of community members from the initial stage of project planning should allow them to take full ownership and responsibility. The municipality must continue to facilitate the progress of the IDP with all the stakeholders involved in poverty alleviation as an intervention strategy.

5.4 Conclusion

This project only had women as members. Youth and men seemed to be excluded. Further studies should be actioned to understand why the youth are excluded as they are the next generation of producers. Most customers were community members indicating that communities benefited from the projects in terms of income and food security.

Although there is commitment on the part of the project members to work towards the sustainability of the projects, a number of challenges impact negatively on the sustainability of the project. The study identified the limited capacity of the project members to implement the projects. These include inadequate infrastructure, limited resources and reliance on the local market. Mayekiso and Tshemese (2007:162) are of the view that poverty and inequality are serious challenges to communities that cannot be effectively addressed through ad hoc interventions. Poverty alleviation interventions need to address income, asset and human resource poverty. The researcher can conclude that participants in the IGPs do not join the projects for personal benefits only as there are other aspects that lead to establishment of an IGP.

Reviews of the established projects should be done often and the reports shared among various stakeholders. This is paramount for capturing views from various individuals and appropriate sharing of responsibilities among stakeholders. This consequently leads to the adjustment, improvement and sustainability of the projects. Policies should also consider ways of including attractive incentives, such as education and promotions in order to encourage youth and men to participate in community projects. Furthermore, many municipal employees have qualifications and skills that they can transfer to the project members. This will give them formal strategies to implement in their projects and will increase their employability and skill set.

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ANNEXURE A

QUESTIONNAIRE SCHEDULE FOR PROJECT PARTICIPANTS

This study is about income generating projects funded by the department of Umzimkhulu District in the KZN Province. Therefore the people around Umzimkhulu district (Paninkukhu area) are the target respondents to show their ideas, views and expectation about the situation of their district.

- Tick with an X where necessary
- Fill in the blank spaces when required

Section a: Demographic Information

1. Sex

MALE

FEMALE

1. Languages

XHOSA

ENGLISH

AFRIKAANS

OTHER (SPECIFY)

2. Age

BELOW 18

19 -25

26 – 35

36 – 45

46 – 55

56 – 65

ABOVE 65

3. Marital Status

MARRIED

SINGLE

SEPARATED

DIVORCED

WIDOW

OTHER TYPES

4. Educational Qualification

(Please indicate your highest educational qualification)

No education

Grade 1 - 4

Grade 5 – 8

Grade 9 - 11

Grade 12

Other (specify)

5. Do you have people depending on you?

Yes No

If yes how many?

Section B: Information about the project

1. Project Type

Agricultural

Poultry

Craft making

Sewing

2. How many project members currently?

Less than 5 members

5 – 10 members

10 – 15 members

15 – 20 members

20 – 25 members

More than 25 members

3. Target Group

Youth

Women

People with disabilities

Pensioners

Other types

Please specify

4. How long has the project been running?

1 – 2 years

2 – 3 years

4 – 5 years

5 years and above

5. What is your earning in Rands per month in this project?

Less than 500

Between 501 – R1000

Between 1501 – 2000

Between 2501 – R3000

Between 3501 - R1000

Above 4000

6. Apart from this project are you employed

Yes

No

7. Does this project helps in meeting your basic needs?

Yes No

Section C: Project Management

1. Do you have a business plan for the project?

Yes No

If No why? Support your answer

.....

2. How many members are permanently employed in this project?

.....

3. Do you have a constitution?

4. Yes No

If No why? Support your answer

.....

.....

5. Did you receive any training?

Yes No

6. What is the training services needed for the project?

.....

.....

.....

.....

7. Are the project members involved in decision making regarding the issues and needs of the project?

.....

.....

.....

.....

8. What is your role in the day to day operations of the project?

FIELDER WORKER

PROJECT MANAGER

TEAM LEADER

9. Has The Project Helped You To Meet Your Basic Needs

YES

NO

10. Please indicate the training that you attended before or during the project

BASIC FINANCIAL
SKILLS
IRRIGATION SYSTEM
TRAINING
BASIC SUPERVISORY
TRAINING
FERTILIZER TRAINING

DRIVERS LICENSE
TRAINING
OTHER
IF YES SPECIFY

11. What crops do you cultivate in this project?

.....

12. What have been the past and present challenges in the project?

.....
.....

13. Is the project sustainable?

YES

NO

14. If no, what are the elements required to improve and make it sustainable.

.....

15. Are you satisfied with the financial monitoring carried out by the department and economic development? Please explain.

.....

16. Is there any constitution for the project?

YES

NO

If no, why not

17. Are there any delegates from the government to attend to issues related to IGPS in your community
- YES
- NO
- NOT SURE

Explain your answer

.....

18. Does the government GIVE SUPPORT TO IGPS ACTIVITIES PERFORMED IN YOUR COMMUNITY?
- YES
- NO
- NOT SURE

If your answer is yes, what kind of support do you get?

.....

If no, then how do you cope with your activities pertaining IGPS in your community?

.....

Section D: Perceptions Regarding IGPS at UMzimkhulu

1. How would you describe IGPS?
-
2. What is good or bad about IGPS?
-
3. What is it that would change about IGPS?
-

Section E: Perceived Impact of Projects in the Quality of Life of Beneficiaries

1. What are the reasons that led you to participate in the project?
-
2. Are you able to support your dependence from the income you receive from the project?
-
3. In your opinion do you think IGPS are the best way in which poverty can be alleviated? If yes or no please elaborate:
-
4. Has your life changed since participating in the project? If so in what way:
-

ANNEXURE B

INTERVIEW SCHEDULE FOR MUNICIPAL OFFICIALS AND DEPARTMENTAL OFFICIALS

1. What is your educational level?

No education Less than grade 10 Grade 10 – 12 Matric

University degree / diplom

Other

.....
2. Is the community development programme your field of interest?

.....
3. What is your role in the poverty alleviation programme?

.....
4. Does your education involve project management?

.....
5. Is the community capacitated enough to implement the project? Elaborate:

.....
6. What do you think needs to be done in order for the project to be effective?

SECTION E: FUNDING

1. What are the sources of funding for the project?

.....
2. Do you have enough resources in the achievement of project goals? Yes/No if no which resources would you like to be provided with.

.....
3. What are the problems encountered in IGPS?

.....
4. What are some of the challenges faced with regards to receiving funding?

.....
5. Do you know where to market your goods / services?

.....
6. Do you have a secured market that can generate income?

.....
7. Are the projects sustainable?

Thank You

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30 June 2013

Dear Sir/Madam

**RE: REQUEST TO CONDUCT A RESEARCH STUDY IN THE COMPANY OR
DEPARTMENT.**

**Title: Investigating the Impact of Income Generating Projects for Poverty Alleviation: Case of
Sisonke District in KwaZulu Natal.**

You are invited to participate in a survey aimed at investigating the impact of income generating projects for poverty alleviation in Sisonke District/KwaZulu Natal. I am conducting the survey, in order to obtain a Master's Degree in Development Studies at the NMMU, Port Elizabeth/South Africa. The university has agreed that I can conduct this research.

I would greatly appreciate it if you can complete the attached questionnaire. This questionnaire has been developed in such a way, that minimum time is required for the completion thereof. It is important to note that you need not reflect your name on the questionnaire, and that your response will be treated in strict confidential. I intend to make the findings available as soon as I complete my studies.

Your kind co-operation in this regard will be highly appreciated. Kindly return the questionnaire to me before 20 July 2013.

Yours sincerely,

MvanaPumela (Student Number: s210248785)

Dr A. Mwamayi



(Researcher)

(Research supervisor)

Cell number: 0733 577 817