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## Theoretical background to the study

### An overview of poverty research

#### 2.1 Introduction

In this chapter, international and national poverty studies and their contributions to an understanding of the poverty problem are analysed. Firstly, a global categorisation of poverty is given with the aim of placing South Africa within the global context. The different theories of poverty used in different parts of the world are discussed. The philosophy of poverty studies around the world is then questioned in the light of developments in recent years.

There has been a change in emphasis from macro-analysis with a single poverty line for a whole country, towards micro-analysis, where a poverty line is determined for individual urban and rural areas. With regard to different approaches to alleviate poverty, there was a shift away from the top-down approach towards the human scale development approach (Max-Neef *et al.* 1989; Max-Neef 1991). This approach ascribes to government the role of facilitator of development processes from the bottom up, in contrast to its traditional role as unilateral supplier of commodities to satisfy community needs.

In this chapter, several aspects of the recent urban poverty debate (Amis 1989; Wratten 1995; Mitlin 1995) are used to emphasise the importance of the micro-analysis of poverty. Poverty studies in South Africa are analysed in the light of these arguments for their contribution to the alleviation of material poverty. It should, however, be noted that the purpose of this study is not to determine whether the urban poverty debate has substantial grounds for what it stands for.

It would appear if any attempt to alleviate poverty in South Africa is destined to be futile if it is not accompanied by proper micro-analyses at sub-regional and urban levels. Once poverty is analysed at micro-level, national strategies can be formulated. National strategies should be supportive of local strategies, taking into account local circumstances and needs. The local needs in rural areas, for example, are totally different from those in urban areas. Urban areas also differ from one another, depending on the economic base of the area. It is in this context that Øyen (1996:16) argues that the future challenge of poverty research lies in linking the universal with the particular. The micro-perspective must be tied to the macro-perspective.

## 2.2 A global categorisation of poverty

From a macro-perspective or global perspective, poverty can be categorised in several ways. Firstly, there is the categorisation of poverty according to the type of political economy; secondly, according to the Gross National Product (GNP) *per capita* of a country; and thirdly, according to a First World-Third World classification. The last category is especially important where poverty is viewed as a central component in the development debate (Wilson 1996a:18-20).

### 2.2.1 Categorisation of poverty according to the type of political economy

Concerning the type of political economy, Wilson (1996a:18) recognises five categories of political economies in which poverty exists. Serious poverty does not necessarily exist in all of these economies.

The first category is a kind where there are inadequate internal resources for the vast majority to sustain life above a basis poverty line. Examples of this category include the mountain parts of China, rural India and Rwanda.

The second category is where poverty seems to be a result of a particular pattern of growth or where it seems that a reshaping of the path of growth might enable significant reductions in poverty to take place. Examples include Malaysia, South Africa and Latin America.

The third category is where poverty is caused by manifest failure of the state. Examples of this are Eastern Europe, Nigeria and a number of other African countries. Poverty in these countries is forcing governments to rethink new strategies from scratch.

The fourth category is where there is a rediscovery of poverty combined with serious attempts to modify the welfare state. Some people, living in countries classified in this category, are finding themselves marginalised and excluded from the mainstream of the political economy in their countries. Examples are Canada and much of Western Europe.

The fifth and last category is where there is a renewed assault on the poor. This assault is combined with active steps to dismantle social measures originally designed to protect citizens from the worst ravages of poverty. Examples include the United States, the United Kingdom and New Zealand.

#### 2.2.2 Categorisation of poverty in terms of GNP *per capita*

Countries of the world can also be categorised in terms of their GNP *per capita*. This criterion, however, does not reveal anything about the distribution of income, and should therefore be supplemented by the degree of inequality as measured by the Gini-coefficient (Todaro 1994:131-142).

#### 2.2.3 First World-Third World classification

Concerning the First World-Third World classification, Wratten (1995:12) argues that poverty in the North is less problematic than in the South and is in general a minority problem. In the North, the Nordic approach to living conditions represents a special contribution to the stock of knowledge on poverty (Novak 1996:51). According to this approach, poverty must be visible and poverty is not about how people feel, but how they live. The approach therefore combines the ideas of income-related measurement and living conditions. Ringen (1988:352) argues in this context that the observation of income offers only indirect evidence to poverty. An additional criterion is the actual inability to reach the minimum standard of living owing to a lack of resources. Data are therefore required on income, assets and other material

means and on actual well-being in terms of housing, health, education and work involvement.

Wratten (1995:12) argues that in the South, however, the majority fails to achieve a minimum acceptable standard of living. Moreover, society in many cases lacks the capacity to supply the means to reach an acceptable standard of living. This is observed particularly in Asia and Africa, where the malnutrition or lack of food approach to poverty is applied (Novak 1996:51). The stage of national development also has a significant impact on poverty. Subsistence concepts, focusing on the lack of resources, play a major part in poverty investigations in Africa. Although poor living conditions are not ignored, the prime focus is on food and malnutrition.

Another way of classifying poverty is according to the kind of poverty prevailing. This way of classifying poverty depends to a great extent on the way development and poverty are defined (see Section 3.2). Max-Neef *et al.* (1989:21) are of the opinion that poverty should be classified according to kinds of poverties; for example, the poverty of subsistence, protection, affection, understanding, participation and identity. According to them, the traditional concept of poverty is restricted since it refers exclusively to the poverty of subsistence of people classified below a certain income threshold.

### 2.3 Theories of poverty used in different parts of the world

Wilson (1996a: 24) states that poverty itself is a highly political issue, where power and interest groups have had a significant influence on patterns of distribution. Indirectly, these powers and interest groups influence the existence of poverty. The analysis of poverty, therefore, is contested territorially. Social scientists cannot be completely unaffected by or neutral about the factors causing poverty. There is a need for all social scientists to be open to critical attacks on their most cherished theories. They should also recognise the corrective value of a diversity of hypotheses in the search for an understanding of poverty (Wilson 1996a:24).

The debate on poverty, especially in the Third World, is part of a wider debate on development and underdevelopment. The definition of *development* is crucial here. The people-centred approach suggests that development is about people and not about objects (Van Zyl 1995:14; ANC 1994:18). This has major implications for strategies to alleviate poverty.

Understanding the causes of poverty, and devising strategies to reduce it, is therefore a central component of the development debate. Recognition thereof reinforces appreciation of the difficulties of the problem and serves as a reminder that the search for strategies and understanding of poverty must draw on the wider body of knowledge accumulated in the general field of development. Insights from development theory can be useful when considering specific instances of poverty. The possibility of reducing poverty through an effective redistribution policy is a good example.

According to Petmesidou (1994:20), both the populist model of development and the technocratic model, when trying to speed up development, generate their own vicious circle in Third World countries. With the populist model, growing public expenditure limits economic growth and increases social conflicts as more groups participate in the political game. In their effort to share a stagnant or slowly growing pie, social and political instability is the result. With the technocratic model, a high rate of growth can be achieved, but only at the expense of social justice and political participation. This, in itself, increases polarisation and social unrest. The complex relationships among development, participation and equality will provide the key to policy formulation. This does not imply that a substantial reduction of poverty is impossible. However, it serves as a reminder of the political context and constraints within which particular policies unfold.

Wilson (1996a:25) identifies several theories of poverty in use in different parts of the world. These theories show where the emphasis lies concerning the understanding of poverty in these different parts of the world.

In Europe, poverty is viewed from two research traditions. Firstly, it is viewed from the Anglo-Saxon tradition, which is primarily concerned with

distributional issues. It concentrates on the lack of resources at the disposal of the household or individual. Secondly, it is viewed from the continental or intellectual tradition, which looks at relational issues such as inadequate social participation and the problem of integrating the poor into the larger society. This focus on "poverty as social exclusion" is reinforced in the Nordic countries where the theory of marginalisation and underclass is mostly used (Wilson 1996a:26).

In the United States of America, the causes of poverty are classified by Miller (1994:19-24) according to:

- (a) demographic causes;
- (b) neighbourhood effects;
- (c) cultural causes; and
- (d) labour market causes such as human capital, mechanisation, macro or Keynesian explanations, immigration ebbs and flows, and welfare disincentives.

Miller's demographic model is a very important analysis of the causes of continuing poverty, if not impoverishment.

In South Asia, four theoretical frameworks can be identified:

- (a) the neo-classical approach, with market-led development;
- (b) the political economy approach, focusing on the history and on the creation of poverty through conflict of interests;
- (c) the culture of poverty approach, which tends to blame the victim and to reinforce the *status quo*; and
- (d) the participatory approach, whereby the energies of the poor themselves are harnessed to alleviate their plight.

Silva and Athukorala (1996:65-66) pinpoint the impact of steady population growth in the South Asian rural areas. In these areas, agrarian reform has failed and the concentration of people on rural land remains high. The steady decline in the asset base of the rural population seems to be one of the primary factors leading to increases in the number of the poor. This analysis is also true for South Africa where it concerns people living in rural areas, especially the former "homelands" (Wilson 1996a:26).

There is also the debate on urban poverty which emphasises the increase in urban poverty: it is so large that the numbers of urban poor are likely to grow at a faster rate than those of the rural poor (Wratten 1995:11-19). This in itself calls for a fresh approach when considering poverty in the African and South African contexts.

## 2.4 The philosophy of poverty research

The philosophy of poverty research around the world is well documented by Øyen (1996:8-16). She challenges the used-to-be dogma of research, namely that the production of knowledge had its own value, independent of the use to which such knowledge was put and asks the simple question: Why are people actually doing research on poverty?

In answering the question, Øyen states that poverty research thus far has predominantly concentrated on measuring the extent of poverty in a belief that it is of great importance to know the exact numbers of the poor as well as how poor they are. This tradition stems from the World Bank's involvement in poverty studies in the late 1970s, with the aim of making well-supported statements about poverty around the world. For this reason, the World Bank started with the measurement of living standards known as its Living Standards Measurement Studies in 1979. The aim of these studies was to improve the World Bank's ability to monitor standards of living, poverty levels and inequality in developing countries. These studies permitted useful comparisons between countries (Deaton 1994:33-34). For this purpose, a range of different measures was developed, mainly based on the income

and/or expenditure of the individual and the household.

Complementary to this, Øyen (1996:8) argues that a great deal of poverty research is concerned with criticising the different measures and highlighting their shortcomings. Much effort is made to overcome faults and to increase the validity and reliability of the different measures. In this context, Wilson (1996a:20) states that poverty research globally provided an important window into the economic realities of our time. However, it has been "long on measurements, but short on explanations and theories" and maybe almost silent on action. Fact-finding and the collection of basic information is, of course, fundamental to any analysis of the causes of poverty. Any attempt to reduce or eliminate the problem cannot bypass the basic process of mapping the terrain of poverty and of attempting to measure changes over time. But it seems that there is a search for yet more facts to formulate an ever more precise definition of poverty. Wilson adds that poverty research thus far has paid relatively little attention to the causes of poverty and strategies to overcome it.

In their search for a definition of poverty that makes precise measurement and comparison over time and space possible, all countries undertaking serious poverty research find themselves treading the well-worn path of researchers in India. Much of their efforts went into the defining of a poverty line that would permit an examination of trends over time and would allow for informed discussions about the impact of government policies, designed to alleviate poverty (Wilson 1996a:21). However, beyond the collection of data there must be an analysis of the causes. Beyond that, there must also be strategies for action to solve the problem.

Samad (1994:35) is of a similar opinion. He writes that poverty research up to now has been dominated by defining concepts and designing measurements, headcounts in particular. However, the causes, consequences and explanations of poverty have not been adequately addressed. The labour market, capital market, wages and incomes have not been studied in the context of poverty. Furthermore, the current theories lack the necessary rigour and scientificity to explain the phenomenon of poverty adequately. Many

hypotheses cannot stand the test of reality.

Øyen (1996:8-9) asks the following questions concerning the measurements of exact numbers: *For whom is it important to know what impact these exercises had on poverty alleviation? Is the information always used for the benefit of the poor and who are the actual users of these headcount numbers?* Øyen is of the opinion that among those actively using these numbers are firstly the social movements, benevolent societies, pressure groups, political parties and other individuals. They use the data for the purpose of putting pressure on authorities to obtain better living conditions for the poor. Then there are also the national governments which, in their efforts to obtain or to increase foreign aid from international organisations and donor countries, need to present statistics on high poverty rates in their countries. It is therefore not uncommon that unacceptably high numbers of poor are portrayed.

According to Øyen (1996:9), the most ready users are the policy-makers and bureaucrats who are obliged to reduce the complex issue of poverty to a few manageable variables. For this purpose, the poor that deserve help have to be defined in terms of the entire population in order to set a cut-off point between deserving and non-deserving people. A part of poverty research efforts has gone into identifying such cut-off points. Another part of the efforts has gone into determining the extent of transfers in cash or kind to the poor. When the cut-off points become institutionalised and accepted by political authorities as official poverty lines, poverty alleviation becomes visible (Øyen 1996:10).

To what extent the poor are actually helped and poverty is resolved, is another question. There can be grounds for using these cut-off points for comparing countries with one another, or to convince a government or a donor country of the merits of poverty alleviation. However, single poverty lines, dividing the "poor" and the "non-poor", are often highly inaccurate, because they simplify and standardise what is complex and varied (Chambers 1995:173-174). Knowledge about the distribution and depth of poverty requires far more disaggregated data if poverty is to be solved.

The urban poverty debate (Amis 1989:375-391) reveals a great deal of the absurdity of using a single poverty line for both rural and urban areas. The debate contends that not only is the scale of urban poverty greatly underestimated, but its nature is also misunderstood (Mitlin 1995:3-4). The purpose of the urban poverty debate, however, is not to downplay the scale and seriousness of rural poverty, but to rather emphasise the fact that single poverty lines for both rural and urban areas and other generalisations are ridiculous. Where policies in countries have been based on single poverty lines, it has stimulated structural adjustment policies resulting in increased urban poverty (Mitlin 1995:7).

## 2.5 Towards a micro-analysis of poverty

Development literature has historically focused on inequalities between the poor rural and better-off urban populations (Wratten 1995:19-21). In the colonial period, it was widely assumed that poverty in developing countries could be solved through urbanisation and the transfer of labour from low-productivity subsistence agriculture to the high-productivity modern manufacturing industry.

However, development planners started to question the assumptions of this two-sector growth model during the 1970s. After decades of modernisation policies, the benefits of growth had not trickled down to the rural areas where the majority of the population still lived. Lipton (1988) blamed biased government taxation and expenditure policies that favoured city elites for this. Rather than solving the problem of rural poverty, urban centres were depriving rural areas of infrastructure and resources. Lipton's hypothesis became the mainstream view among development agencies in the 1970s and 1980s. As a result, many Third World countries' poverty alleviation strategies were reoriented to improve living conditions in rural areas. From the mid-1980s, structural adjustment policies reinforced these efforts by removing subsidies given to urban consumers. Food prices were, for instance, raised to market levels to favour rural producers.

Research in the 1980s and 1990s revealed a great diversity in the extent and depth of poverty within the urban populations in the Third World. Some writers argued that the depth of poverty was worse in deprived city slums than in rural communities. Disaggregated data on urban poverty, together with the recognition that urban growth is inescapable, finally put urban poverty high on the development agenda. The World Bank's policy paper for the urban sector acknowledges that "... by the late 1980s, urban *per capita* incomes in some countries had reverted to 1970-levels and in some countries to 1960-levels." (World Bank 1991:34-35.)

African data indicate a real decline in urban wages since the early 1970s. In many cases, real income levels have declined by 50 per cent since 1970 (Amis 1989:377). Together with this, a general deterioration of urban employment security and benefits, such as employer housing, has occurred. The urban-rural income differential has decreased sharply. In some countries, such as Tanzania, Uganda and Ghana, the income differential has actually been reversed (Wratten 1995:20).

When comparing international and even national estimates of poverty with specific studies of urban centres, wide discrepancies are found (Mitlin 1995:4). The reason for this can be that nationally set poverty lines are unrealistically low when applied to urban centres. The cost of living differs widely between rural and urban areas and even between different urban areas, and this in itself necessitates micro-analysis to define specific poverty lines for different locations. A study of poverty in Latin America (Feres & Arturo in Mitlin 1995:4) finds that urban poverty is much higher than what the conventional measures of the World Bank indicate when allowances are made for the higher cost of living (survival) in urban areas. The differences in the cost of living between urban and rural locations are discussed below.

Mitlin (1995:4) argues that in rural areas food can, in many cases, be obtained from common lands, forests, rivers, lakes or coastal waters. In cities there are different working patterns, together with higher female participation, reinforcing the need for prepared foods from outside. Ravallion (in Wratten

1995:14) estimates that urban food cost is 10 to 15 per cent higher than that in rural areas.

Housing, for instance, has a high cost in cities and is a major expense for urban households (Wratten 1995:14). While basic items like fuel, fresh water and building materials have to be purchased in urban areas, it can be obtained either free or much cheaper in many rural areas. Mitlin (1995:4) states that many of the low-income groups in urban areas live in "life and health-threatening" homes and neighbourhoods because of the very poor housing and living conditions. Factors like the inadequate provision of safe and sufficient water supplies and sanitation, drainage, removal of garbage and health care largely contribute to these conditions. The lack of income makes it impossible for the low-income groups in urban areas to afford better quality housing and basic services. This in itself greatly increases the scale of urban poverty. A study of Mumbai (Swaminathan 1995:133-143) shows how a large proportion of the inhabitants whose incomes are above the official poverty line, actually live in very poor quality, overcrowded dwellings. There is no provision for water supply, sanitation, garbage collection and health care.

Transport costs are particularly high for inhabitants of large cities who work in the central areas, but live on the periphery (Mitlin 1995:4). In South Africa, in particular, poor people live in townships long distances from urban areas. A large proportion of the workers from the townships have to travel these long distances to their workplaces. In the Vaal area, transport expenditure comprised 8.4 per cent of the total expenditure of black households in 1994 (Slabbert *et al.* 1994b:22). In 2003 this amounted to 7.1% (Slabbert 2003). Compared to this, transport expenditure in a more rural setting like Port Alfred (in the Eastern Cape) was insignificant as 87 per cent of the workers walked to their workplaces (Slabbert 1986:49).

The asset base of people in different locations also differs widely. Amis (1995:149, 153-154) writes that the relative lack of communal assets to fall back upon makes the urban dweller more vulnerable to shocks. 'Shocks' are defined as short-term incidents that push a previously self-sufficient household into poverty. The loss of a major income earner is an example of

such a shock. In rural areas, cattle and crops can also serve as assets which reduce the vulnerability of a household. The only asset, in the case of many city dwellers, is their labour or the number of household members who are able to work. In the absence of job opportunities, however, this asset becomes a liability in the city.

The abovementioned differences between urban and rural areas make it obligatory not only to use separate cut-off levels in respect of poverty (Wratten 1995:14), but also to define specific thresholds for different urban and rural locations. It is in this context that the argument of Akeredola-Ale (1994) applies. He maintains that the stereotyped general-purpose surveys do not fulfil the requirements of focused poverty research.

Apart from acknowledging the inadequacies of mainstream poverty research, the emergence of *new economics*, and particularly their human scale development (HSD) approach (Max-Neef *et al.* 1989; Max-Neef 1991), have not been adequately dealt with, especially not in South Africa. Except for Van Zyl's (1995) paper, very little of the major shifts in development paradigms have filtered to mainstream poverty theory. The HSD approach draws a clear distinction between fundamental human needs and satisfiers of such needs (Van Zyl, 1995:4). Any fundamental need that is not adequately satisfied reveals a human poverty. Van Zyl (1995:4) argues that communities are not homogeneous but diverse. They have different interests and hence prefer to adopt different *satisfiers* to address their fundamental needs. For this reason, development geared to the satisfaction of fundamental needs cannot be structured from the top down. It can only emanate directly from the actions, expectations and the critical awareness of the protagonists themselves, with government providing the required support.

The HSD approach to poverty alleviation therefore ascribes to government the role of "stimulator of processes from the bottom up", in contrast to its traditional role of "starter of satisfiers" (Van Zyl 1995:9). The incorporation of these shifts in development paradigms into poverty research dictates, at least as a starting point, a micro-analysis of poverty at local level. Dealing with poverty in terms of this approach will entail a more dramatic departure from

the traditional mainstream approach than finding a common starting point.

## 2.6 Poverty research in South Africa and its contribution to the alleviation of poverty in South Africa

Wilson (1996b:229) divides poverty research in South Africa into four time zones:

- before 1980;
- 1980 - 1990, the decade when the shift in the balance of political power became manifest;
- 1990 - 1994, the period of fundamental political change; and
- 1994 onward, or the period of democratic government.

As far back as 1906 a government commission was appointed in the Transvaal to look into the matter of "indigency" or poverty. The aim of the Commission was to prevent the growth of poverty in the Transvaal. For this reason, they regarded the methodology that deals with general, social and economic causes of poverty as important. However, in their terms of reference, the commission was limited in outlook and considered only the "indigency" of whites. Very little attention was paid to black poverty (Wilson 1996b:228). Poverty research that followed also focused primarily on whites. The First Carnegie Commission, established in 1928 to investigate the so-called "Poor White Problem", is an example. Although it broke new ground on the methodology of poverty research, and set the scene for the development of a range of political strategies to alleviate poverty, the Commission focused exclusively on white poverty and totally neglected poverty amongst blacks. The result was that the anti-poverty programmes incorporated in their strategies benefitted some poor people at the expense of others who were poorer and more vulnerable (Wilson 1996b:229).

Wilson (1996b:232) maintains that the earliest definitions of poverty in South Africa can be regarded as highly subjective. The definition at the time of the

First Carnegie Commission was essentially based on individual and personal opinions of what constituted a "decent" standard of living for whites.

A more inclusive picture of poverty in South Africa was portrayed by Macmillan in 1930. He analysed both black and white poverty in South Africa. Between the two World Wars, government commissions also reported on the cost of living, focusing the attention on the relationship between incomes and the cost of basic needs, including housing (Wilson 1996b:232).

During the Second World War, a number of papers, including the calculation of a Poverty Datum Line (PDL), were published by Batson of the University of Cape Town (Wilson & Ramphele 1991:16). These papers explicitly examined the nutritional basis of a PDL. Following this pioneering work, the PDL was refined and modified during the 1970s. Finally, it evolved into a Minimum Living Level and Supplementary Living Level (MLL and SLL), as published by the Bureau for Market Research and the Household Subsistence Level (HSL) and the Household Effective Level (HEL), as published by the University of Port Elizabeth (Potgieter 1980:12).

The Second Carnegie Inquiry into poverty gave a major thrust to poverty research in South Africa in the 1980s. According to Wilson (1996b:230), three important aspects were included in the study. Firstly, the study of poverty could only be meaningful if those communities enduring poverty had a thorough understanding of the problem and participated in finding solutions. Secondly, the inquiry was designed as an open-ended, ongoing process rather than a once-off operation. Thirdly, some action was needed to alleviate poverty.

Researchers involved in the Second Carnegie Inquiry were not provided with a clear definition of poverty. This was, however, criticism against the inquiry. The inquiry was viewed as an untidy process and was condemned by an economist of the World Bank as an inquiry that produced mere anecdotal evidence. Wilson responded to this by arguing that statistical analysis is essential and that statistics of a high quality are important. But he asked: *What is measured and what not?*

The Second Carnegie Inquiry into poverty in South Africa therefore emerged with a concept of poverty that had many different facets (Wilson 1996b:233). The concept of poverty research in the 1980s therefore expanded into a three-staged process, namely, facts, causes and strategies. It was no longer acceptable to confine poverty research to collecting data and analysing the causes. Research had to focus on finding ways of preventing and alleviating poverty. In order to do so, the facts of the matter and the analysis of causes of poverty were vital (Wilson 1996b:233).

In 1994, the Project for Statistics on Living Standards and Development (PSLSD) gave another major thrust to (material) poverty research in South Africa. The purpose of the survey was to collect statistical data about the conditions under which South Africans live in order to provide policy-makers with information required for planning strategies. Such data are of primary importance for the implementation of such goals as outlined in the Reconstruction and Development Programme (Wilson 1996b:230). With this in mind, several publications based on the PSLSD data followed, for example, the publications by Whiteford *et al.* (1995), the World Bank (1995) and May *et al.* (1995).

A common characteristic of these publications is that they follow the more absolute approach in studying poverty in the country as a whole. All of them aspire to inform the new government who the poor are and where they are living in terms of the new provinces, urban and rural locations, race groups and gender. The new government regards the alleviation of poverty as a priority. This is, for example, stipulated in the Reconstruction and Development Programme (ANC 1994:14). The data provided by these publications are therefore essential for the formulation of macro-economic government policy.

From a national and non-racial perspective, poverty studies in South Africa have thus far not contributed much to the alleviation of poverty in practice. The First Carnegie Commission of 1928 into the "Poor White Problem" focused exclusively on white poverty, with the result that poor whites benefited, at the expense of poor blacks (Wilson 1996b:229). Studies that

followed, e.g. the Second Carnegie Inquiry of the 1980s, were done from a political viewpoint (Wilson & Ramphela 1991:4). Research on poverty therefore focused on drawing the attention to the malpractice of the Apartheid government to impoverish blacks and enrich whites. The alleviation of poverty was viewed as impossible within the Apartheid government. For this reason, the aim of poverty research was to supply factual information to stir up action locally and internationally against the Apartheid government (Wilson & Ramphela 1991:4).

With a new democratically-elected government in power, poverty studies in South Africa became less politically inclined. They now follow more or less the same pattern as international poverty studies, for instance those conducted by the World Bank (Slabbert 1997:34).

Poverty studies in South Africa have made a major contribution in creating the right environment for poverty to be addressed at national or macro-level. Without the necessary national data on poverty, it would have been difficult for government to budget and plan on macro-level. However, poverty research has reached a stage where far more disaggregated data on urban and rural poverty must be produced if meaningful solutions are to be found for the alleviation of poverty in practice (Slabbert 1997:35).

There are wide differences in the causes and reasons underlying poverty in rural and urban areas. The same applies to different urban areas, as explained in Section 2.5. The incorporation of the human scale development approach into poverty research in South Africa necessitates a micro-analysis of poverty at local level. Poverty research will then also conform to the policy and programme for Local Economic Development (LED) of the government of South Africa. In this manner, poverty research can make an essential contribution to poverty alleviation by giving guidance to the local economic development forums which have been established.

## 2.7 Conclusion

The involvement of the World Bank in poverty studies contributed to a great extent to the development of national poverty lines in different countries. These national poverty lines allowed measurements, making it possible to compare the state of poverty in different countries of the world. Following the trend of the World Bank, poverty studies in different countries concentrated on producing statistics on poverty. Despite how well-measured poverty was, there were shortcomings in that the causes of poverty were not adequately analysed in different countries. There were also further shortcomings in that - viable strategies to alleviate poverty were not formulated in those countries.

The search of explanations for and solutions to poverty in different countries over the world finally led poverty research in a new direction, away from a national to a more micro-perspective. It was found that there cannot be a single national poverty line. The cost of living varies widely between different areas, for example rural and urban areas. The underlying reasons for poverty also vary widely between different areas within a single country.

From an international perspective, the future challenge of poverty research lies in studying poverty at local or micro-level. Incorporating the human scale development approach into poverty studies, poverty amongst households and individuals are to be studied in the context of their local circumstances and environments. The ability of local economies should be studied to determine the extent to which they are able to sustain their own populations. This micro-perspective should then be tied into a macro-perspective. Local or micro-policies must be aligned with national or macro-strategies and *vice versa*. National poverty studies are therefore not less important, but they should take into account the needs of the poor at micro-level.

Poverty studies in South Africa initially followed a more political approach in that poverty in South Africa was studied from a racial (white) perspective. Later poverty studies supported the anti-apartheid struggle as they endeavoured to cast light on the policies of the Apartheid government which

caused poverty among blacks. When the 1994 government came to power, poverty studies in South Africa began following international trends by studying poverty at a national level.

Attempts to alleviate poverty in South Africa should, however, follow the recent, less conspicuous international trend of focusing on solutions at the micro (local) level. It is in this context that poverty in Emfuleni is studied for the purposes of this thesis.