

# **CHAPTER 3**

## **POVERTY, INEQUALITY AND SUSTAINABLE DEVELOPMENT**

### **1. INTRODUCTION**

The primary purpose for Ithuba Trust's existence is poverty eradication and sustainable development. The vehicle used by Ithuba Trust is funding to participating non-profit organizations. With this purpose, Ithuba Trust is making a contribution towards the elimination of a legacy of apartheid, namely, inequality amongst the country's citizens, with blacks as victims of the past systemic discriminatory government policies. In Chapter 2 it was demonstrated how the scale of inequality formed the backdrop against which Ithuba Trust was founded.

As Ithuba Trust was formed in the context of poverty, inequality and sustainable development, this chapter will deal with the phenomenon of poverty, inequality and sustainable development. One of the key areas of global agreement is the fact that poverty and inequality are complex multi-dimensional and overarching challenges to human development and further that, whilst individual nations have their own poverty eradication strategies, there is no universal solution to the problem. Nevertheless, with globalization, the possibility of finding a universal solution cannot be ruled out.

Poverty and inequality are regarded by the world as a critical threat to human development. As a result, the subject of poverty has caught the eyes of the South African and international media, conferences and summits in search for long-term solutions for its eradication. Within this context, this study will not be complete without providing a theoretical framework for poverty, inequality and sustainable development.

In Chapter 4 a theoretical framework on intervention strategies with special reference to impact measurement will be presented.

## 2. THE THREATENING NATURE OF POVERTY AND ITS EVOLUTION

The South African and international communities are characterized by protest marches by trade unions and angry residents. Common residents' complaints are the absence of basic infrastructure such as housing, electricity, water and commercial energy. South Africa, for example, hosted the largest event in the world in 2002, the World Summit on Sustainable Development, whose ultimate goal was to fight poverty and promoted sustainable development.

According to Xundu (2002:2), the African National Congress (ANC), the ruling party in the South African Government, held nationwide provincial conferences during September 2002 to deal with poverty issues. These provincial conferences came about as a result of a nationwide call to introduce major intervention strategies for poverty eradication. One such strategy was the introduction of a comprehensive social security system built on a basic income for all. This strategy was regarded by the Civil Society Movement as the most effective and affordable way of addressing poverty. However, this strategy, the basic income for all, was not adopted by the South African Parliament because, according to government spokesperson, Joel Netshitenzhe, cited by Business Day Editorial (2002:9), the state was opposed to handouts and that it rather favoured job creation projects.

The threat presented by poverty is aptly described by the former South African Ambassador to the United States, Franklin Sonn (2000:4-8):

“Poverty is the single greatest social burden in the world today. It is a timeless matter. It defies all economic and social systems. Up to this day it occupies the national debate, in varying degrees, depending on the nature of the government in power. Government's successes are often determined by the extent to which it is able to meet the challenge of poverty. Poverty has brought governments down.”

The link between poverty, inequality and governments is clearly reflected in daily and weekly media reports, examples of which follow below:

Matshiqi (2002:11), in agreement with Sonn (2000) states:

“The balance of power between government and international private corporations has seldom advanced environmental justice and the interests of the poor ...

There must come a time when no political party can achieve electoral success unless it is able to link a better life to sustainable development.”

Laidlaw (2002:10) expresses an opinion on the American terror attack that took place on September 11, 2001:

“Wealthy nations received a stark warning in the middle of last year about the dangers lurking in a world where globalization is allowed to heighten inequality and poverty. Within months, September’s terrorist atrocities in the United States brought the message home with dreadful impact ... Whatever the motive for the suicide attacks of September 11, many in the West now realize that issues of poverty and inequality in developing countries are directly linked to international security.”

The Dutch Environmental Minister, Jan Pronk, (2002:2), also refers to this security risk inherent in poverty:

“Since September 11 the paradigm of security is overwhelming ... You need security for all and must make living conditions for the poor livable ... Otherwise people will turn their backs on the system, possibly even turning to violence.”

Pronk also argues that the attitude of governments was strongly oriented towards security for those who were close to them, that is, the rich and middle class.

Estes (1999:11) agrees by stating that poverty reduction must remain the first order of business on the new century’s social agenda because:

“Without such a commitment, the desperate social conditions under which the world’s poor live will deteriorate even further, resulting in a less safe planet for rich and poor alike.”

Ilbury and Sunter (2001) refer to a letter which they wrote to the American President, George Bush, soon after his successful election to the American Presidency. In this letter, they warn the American President to prioritize poverty eradication and further indicated that failure to do so would make the United States vulnerable to terror attacks

from poor undemocratic nations, attacks that would be made possible by the negative impact of globalization. According to the researcher's personal and informal interview with Sunter (February 27, 2003), he linked the warning to the American Presidency to the September 11 attacks that took place in the United States of America.

The news headline of the Sunday Times (30 June 2002a:21): "Global poverty a tough nut to crack" indicated the depth, complexity and severity of poverty in the world.

The United Nations Secretary General, Kofi Anan, (2001:6) expressed concern that despite good intentions, poverty is getting worse and therefore called for a global new deal to help accelerate the rate of poor countries to develop. Anan's opinion was that the development of the world's poorest countries has been slow and unsuccessful, and twenty years of global conferences and meetings have failed to alter the reality of poverty and marginalization. According to Anan, world poverty has thus proved not to be conquered and in order to conquer this threat to human development, it was imperative that an analysis of factors or issues that might lead to its persistence be outlined, starting with its meaning.

It is therefore evident from the above outline on the threatening nature of poverty that the most pressing social problem the world faces is poverty and inequality and, as Anan (2001:6) states, it is imperative to develop insight into the factors and issues attributable to its persistence.

To achieve this, an understanding of a theoretical framework for poverty is required, which will be the focus of the following discussion.

### **3. POVERTY CONCEPTUALISATION FRAMEWORK**

The explanation of what poverty is, may be presented at two levels, firstly from a contextual background and secondly from a conceptual framework. The two levels are, however, interrelated.

#### **3.1 The contextual background**

The following is an outline of how critical poverty eradication interventions are, in relation to world peace and stability.

Wilson and Ramphele (1989:4) state that there are four reasons why poverty is significant for intervention and these reasons are:

- The individual pain suffered by those who endure it;
- Its negative impact on the economy, brought about by unproductive hungry children at school or unproductive malnourished workers;
- Consequence of its resultant inequality where the rich cannot live happily with the poor;
- It is a manifestation of a deeper malaise where the rich exploit the poor.

Generally, poverty is described as a lack of basic necessities of life, such as food, employment, shelter, health and educational services, as well as a lack of money to buy basic necessities. Witbooi, quoted by Wilson and Ramphele (1989:14) states:

“Poverty is not knowing where your next meal is going to come from, and always wondering when the council is going to put your furniture out and always praying that your husband must not lose his job. To me that is poverty.”

World Bank (2000/2001:15) state:

“Poverty is pronounced deprivation in well-being ... Poor people are particularly vulnerable to adverse events outside their control. They are often treated badly by the institutions of state and society and excluded from voice and power in those institutions.”

Gill (1998:24-25) states that two kinds of poverty are identifiable, namely absolute poverty resulting from scarcities of natural resources coupled with ignorance, lack of skills and know-how and products; and socially constructed and enforced relative poverty which is a product of institutionalized societal, political and economic inequalities among various local and global groupings. Gill (1998:24-25) asserts that poverty is perpetuated by dominance and power imbalances, exploitation of the weak by the powerful, use of coercive methods, socialization and ideological validation. However, the negative consequences of such institutional poverty are not only felt by the victims of such relationships, but also by the oppressors through underdevelopment of the victims' lives. The oppressors, although materially privileged, may suffer psychologically through guilt, job insecurity, stress and alienation in hierarchical and competitive

work environments, stock market tensions, fear of violence and crime and many other social and physical ills. This corroborates the threatening nature of poverty.

The South African Minister in the Presidency, Essop Pahad (2001:21), states: “Real poverty is best defined as the denial of opportunities most basic to human development.” According to Development Update (2001:76), the Nobel Prize Winner, Amartya Sen, is championing the formation of a broad consensus to define poverty as “the inability to reach a minimal standard of living and well-being. Poverty is about deprivation of resources, opportunities and choices.” Such choices can be linked up to what Ilbury and Sunter (2001) regard as options that can be implemented with resources within one’s control.

Poverty therefore, cannot be measured in monetary terms only, but as the question of the power and opportunities given to individuals to participate and influence their lives and choices, making democracy an integral part of its eradication.

An example of giving the poor people their democratic right to define their state of being and intervention strategies is the South African Non-Government Organizations Coalition (SANGOCO) 1997 National Campaign (Interfund, 1999:101–106) which took the form of decentralized public hearings called “Speak Out on Poverty.” The primary goal of such hearings was to promote rural communities and mainly marginalized women, to represent themselves on poverty issues. Key national institutions such as the Human Rights Commission, Commission on Gender Equality, Congress of South African Trade Union and Churches assisted in the coordination of these hearings.

The aim of these poverty hearings was the incorporation of the outcome into government policy for poverty eradication. According to Interfund (1999:101-106), the outcome was incorporated into the South African Government’s National Plan of Action for poverty eradication.

The “Speak Out on Poverty” hearings, according to Interfund (1999:102) were the first initiative by South Africans to provide poor people a formal platform to voice their experiences of poverty, and hence to define it.

In South Africa, the persistence and reproduction of poverty is intrinsically linked to the systematic entrenchment of discrimination during the previous apartheid system of

Government and hence the inequality. As a result, any effort whose objective is to meet such basic needs, promoting human capital and empowering the poor, should be linked to State intervention, through legislation and an enabling environment to facilitate and ensure that the impact of past discriminatory legislation on poor people is reversed.

The definition of poverty without a concrete context would be incomplete. The following discussion therefore contextualize the above definitions, firstly, from the global context and secondly, from the South African context.

### 3.1.1 Global context

During the countdown to the World Summit for Sustainable Development that was hosted by South Africa during September 2002, the South African media coverage gave prominence to the plight of the poor, for example, the Sunday Times (June 30, 2002a:21) published the following fact file on global poverty:

- Since 1990 the number of poor people has increased by an average of 10 million a year, primarily in Latin America, South Asia and Sub-Saharan Africa. According to Ilbury and Sunter (2001:116) the number of poor people worldwide total over 5 billion.
- 1.1 billion people are undernourished and underweight.
- The population is projected to grow to 9.3 billion over the next 50 years. All this growth will be in developing countries.
- 35 million people worldwide are HIV positive.
- 1 billion people do not have access to safe drinking water.
- 25 million people die every year due to lack of clean water and adequate sanitation.
- Only about 3% of the earth's water is fresh, the other 97% is sea water.
- 80% of people in Southern Africa are dependent exclusively on traditional sources of energy.
- Wildlife populations in forests, fresh water and marine environments have declined by one-third over the past 30 years.
- A quarter of the planet's mammal species are now at risk of extinction.
- A quarter of all plant species could be extinct by 2025.
- One-third of biodiversity is squeezed into 1% of the earth's surface.
- The world temperature is likely to increase 5.8°C over the next century.
- The Arctic ice cap has thinned by 40% since the 1950's.

- The United States produces 25% of the world's greenhouse gases, but has refused to sign the Kyoto Protocol, which seeks to limit carbon dioxide emissions.

These statistics define poverty as an economic, social and environmental issue, which gives meaning to the concept sustainable development.

Against the above global context, the next question is: What is the South African situation?

### 3.1.2 South African context

Wilson and Ramphela (1989:17) state: "... the most striking feature of poverty in South Africa is the degree of inequality that exists."

The South African Human Development Report by the United Nations Development Programme (2000:55–56) gives the following statistical data on the South African poverty status:

- 18 million live in poor households which earn below R352,53 per month, per adult.
- 10 million people live in ultra-poor households earning less than R193,77 per month, per adult.
- 45% of the population is rural, but 72% of poor people live in rural areas.
- 71% of people in rural areas fall below the poverty line.
- Three in five children live in poor households.

The South African Basic Income Grant Coalition (September 19, 2002) give a worse scenario about the South African position, and state: "At least 22 million people in South Africa – well over half the population – live in abject poverty. On average, they survive on R144 per person per month."

According to the South African National Economic Development and Labour Council (NEDLAC) cited by the South African Institute for Race Relations (1999/2000:411) the prevalence of poverty in South Africa is demonstrated as follows:

- Race has an influence on poverty. The percentage racial comparisons of poor people are: African (61%), Coloureds (38%), Indians (5%) and Whites (1%).
- The majority of poor people (70%) are found in rural communities.



- 60% of South African children live in poor families and such families live in rural areas such as the Eastern Cape.
- Women-headed families suffer more from poverty than those headed by men.
- Unemployment is higher among poor people (55%) compared to 14% of the non-poor.
- Poor people lack access to basic needs such as housing, health care, education, water and telephones.

The above context indicates the multi-dimensional nature of poverty, outlining poverty as experienced by individuals, families, groups, geographical communities and different racial groups. Arising from the above global and South African contextual framework, the researcher asks: What factors are at play to leave some people and communities poor and others not? The following section will present the conceptual framework for poverty, indicating what lies behind the poverty phenomenon.

### **3.2 The conceptual framework for poverty**

Estes (1999:11–21) outlines the dimensions which constitute the conceptual framework outlining the meaning of poverty. The various dimensions are:

- Economic dimension
- Spatial dimension
- Cyclical or structural dimension
- Social exclusion dimension
- Subjective dimension
- Quality of life dimension
- Core focus areas dimension

According to Wilson and Ramphela (1989:8), information on the nature of poverty is needed for two reasons. Firstly, its description for use in socio-political bargaining power and secondly, its analysis to understand why it exists for strategic intervention purposes. The description and analysis of poverty are composites of a conceptual framework that can assist in the definition of its meaning.

UNDP (1998a:22) state that the definition of poverty has changed over time, varying from country to country, community to community, group to group, household to household and person to person.

For universal purposes, researchers (compare World Bank, 2000/2001; Estes, 1999; UNDP, 1998a, 2000, 2002a and Maclean and Jeffreys, 1974) have presented the meaning of poverty in the form of measurement. The measurement tools are universally accepted as a means to a better understanding of the causes of poverty, the identification of the poor and the evaluation of intervention strategies.

World Bank (2000/2001:16) states that the measurement of poverty is significant as it:

“Permits an overview of poverty that goes beyond individual experiences. It aids the formulation and testing of hypotheses on the causes of poverty. It presents an aggregate view of poverty over time. And it enables a government or the international community to set itself measurable targets for judging actions.”

Statistics, as presented in sections 3.1.1 and 3.1.2 above, are universally relied upon as a scientific approach to measure any phenomenon under investigation. The measurement of poverty therefore, has also been presented in statistical forms incorporating the social, economic, environmental and political aspects of the phenomenon. The importance of incorporating the social, economic, environmental and political aspects of poverty is corroborated by the UNDP (2000:48) when it cautions: “Conventional measures and indicators do not, however, accurately reflect the development or quality of life of citizens. A high GDP does not imply equal distribution, nor does growth in GDP mean an improvement in standards of living.”

The socio-political dimensions complete the picture. These dimensions are poverty measurement; geography of poverty; structural poverty; poverty as social exclusion; poverty as subjective phenomenon; quality of life dimension and core indicators for measuring development progress. Each dimension will be discussed below.

### 3.2.1 Poverty measurement

According to Estes (1999), UNDP (1998a, 2000, 2002a) and World Bank (2000/2001), there are seven types of comparative approaches to the measurement of poverty, and these approaches are an attempt to combine the economic, social, environmental and political indicators of poverty. The seven approaches can generally be divided into two types, namely economic and human development approaches. It should, however, be noted that the scope of this study does not allow for an in-depth analysis of the inherent factors in each measurement tool, for example, detailed analysis of formulae used in

their calculations, but rather provide an overview of the complex nature of defining poverty.

#### 3.2.1.1 Economic indicators

The Gross Domestic Product (GDP), Gross National Product (GNP) and the Purchasing Power Parity (PPP) are universal economic indicators used by governments to indicate their nation's economic statuses. The three indicators are interrelated as the following definitions would indicate.

GDP is defined by the UNDP (2000:264) as the economy's total output of goods and services for ultimate use by both citizens and non-citizens, despite allocations to domestic and foreign claims. However, it does not include deductions for depreciation of physical capital or deterioration in the value of natural resources. GDP is often used to rank nations in relation to each other, especially regarding investments. A country's high savings reflect its healthy GDP and vice versa. Savings are usually possible if consumers have surplus income. However, poor people with little or no income have usually nothing to save, but with facilitation, poor people can save, as shown by the Women Development Banking Model discussed in Chapter 4. Countries can also compare their GDP's based on percentages. Per capita GDP is derived by dividing GDP by the total population of persons in that economy.

UNDP (2002a:264) define the GNP as inclusive of GDP plus net factor from foreign income received by domestic citizens for factor services (that is, labour and capital), minus the same payments made to non-residents who make a contribution towards the domestic economy. Similar to the per capita GDP, per capita GNP is calculated by dividing the GNP by the number of people participating in the national economy. As a measure of poverty, per capita GNP indicates access by individuals and household to resources below average per capita product or service or income level.

UNDP (2002a:266) define PPP as "A rate of exchange that accounts for price differences across countries, allowing international comparisons of real output and incomes. UNDP (2002a:141) further states that to compare PPP's across countries, the data must first be converted into a common currency. Such

comparisons aid to compare real values for income, poverty, inequality and expenditure patterns.

Estes (1999:12) states that PPP is widely used throughout the United Nations system as a corrective measure for income distortions arising from the usage of unadjusted GDP and GNP statistics alone.

### 3.2.1.2 Measures of income poverty

UNDP (1998a:16) define income poverty as basically the lack of minimally adequate income or expenditure. Within this basic definition of income poverty, one finds a diversity of varying degrees of income poverty. Estes (1999:13) states that these varying degrees also reflect variations of GDP, GNP and PPP, as well as income thresholds against which the poor can be identified. Examples of such variations are income share, absolute poverty, poverty gap, income gap, wealth gap, Gini coefficient and consumption poverty. Each will be briefly defined below.

#### 3.2.1.2.1 Income share

Income share refers to the distribution of income or expenditure due to percentage groups of households ranked by total household income, per capita income or by expenditure. Income shares are calculated from shares of population benchmarks. The importance of this measure lies in the assessment of the degree of income inequality in developing countries and for poverty trends analysis in developed countries. UNDP (2002a:265) state that because data come from surveys covering different years and the use of varying methodologies, caution must be taken when comparing countries.

#### 3.2.1.2.2 Absolute poverty

UNDP (1998a:16) refers to absolute poverty as poverty defined by a fixed standard. Estes (1999:13) defines absolute poverty as the income level below which a minimum diet and essential non-food requirements are not affordable. It is measured as some percentage of the basic standard and reflects the inability of people to satisfy the basic needs required to live life with dignity. An example of a fixed standard is the poverty datum line. UNDP (1998a:16) refer

to an example of a poverty line whose real value stays the same over time so as to determine changes in poverty in one country. Under such circumstances, the term extreme poverty is loosely used to describe indigence or destitution, usually specified as the inability to satisfy even minimum food needs. Estes (1999:14) writes that “Extreme poverty is associated with recurrent, often long-term, in-capacity of people (and societies) to meet the requirements with protracted famines, natural disasters, recurrent civil or military conflict, exposure to life-threatening communicable and infectious diseases (HIV), among other causes.”

#### 3.2.1.2.3 Poverty gap

The difference between the poverty line as described above and the actual income of poor people or households is referred to as the poverty gap, for example, there are poor people or households that live with an income of less than one United States dollar a day.

Poverty gap is also used to differentiate between the degrees of poverty amongst the poor, for example the poor versus the poorest of the poor.

#### 3.2.1.2.4 Income gap

Income gap refers to financial inequalities between, for example, the top five or ten percent earners and the bottom five or ten percent of a country. Trade unionists, for example, often refer to the wage gap between their companies' top executives and the lowest paid workers in their wage negotiation processes.

#### 3.2.1.2.5 Wealth gap

Wealth gap is generally used in differentiating between the haves and the have-nots. It is the difference between the total earned and unearned wealth available to different population sectors, that is, the sum-total of wages and salaries combined with the value of properties owned, investments, inherited wealth and others.

#### 3.2.1.2.6 Gini coefficients

UNDP (2000:71) define Gini coefficient as "... a number between 0 and 1 which indicates the level of income inequality within a population. A value of 0 indicates perfect equality (everyone has the same income) while a value of 1 indicates perfect inequality (one person or household has all the income). As the Gini coefficient becomes larger and closer to 1, the extent of inequality increases."

#### 3.2.1.2.7 Consumption poverty

According to Estes (1999:14), consumption poverty measures poverty according to the goods and services that are actually consumed by people, for example, clothing, education, rather than income alone. Cash and non-cash subsidies are also included.

The above poverty indicators referred exclusively to income and consumption inequalities. However, as already mentioned, poverty does not only refer to income, but relates to questions such as "where does one find poor people? What influence does a country's economic system have on its citizens? And how does a country's government system affect its citizens?" The following indicators relate to living areas of poor people, economic systems, social influences and individual perceptions.

### 3.2.2 Geography of poverty

Societies are generally divided into various sectors e.g. major cities, towns, commercial farms, rural communities, urban areas and informal settlements.

Poverty can also be measured according to these various parts of societies. The following are concepts generally deployed by researchers in analyzing the spatial poverty phenomenon:

#### 3.2.2.1 Head count

UNDP (2000:231) define head count as simply an estimate of the percentage of people below the poverty line or threshold. However, it does not indicate anything about the depth or severity of poverty and therefore does not capture any worsening of the conditions of those already in poverty. Estes (1999:4)

concur that head count alone rarely offer insights into underlying causes of poverty.

#### 3.2.2.2 Case poverty

Case poverty refers to the lack of capabilities by people to satisfy their basic needs amidst prosperity due to disability (physical, mental or any other) and inability to adapt to life demands, for example, mismanagement of resources, inappropriate attitudes such as excessive drinking and promiscuity resulting in unwanted pregnancies and children.

#### 3.2.2.3 Collective poverty

Estes (1999:14) refers to collective poverty as a long-term, sometimes permanent, insufficiency on the part of large numbers of people in a society to secure the means required to meet basic needs. The South African black townships and rural communities may be regarded as examples of collective poverty, compared to the white communities which benefited from the previous discriminative system of government.

#### 3.2.2.4 Concentrated poverty

Squatter camps or ghettos, regarded as a variation of collective poverty, are examples of concentrated poverty. These are areas marginalized by developed sectors of society. This type of measurement is linked to high rates of unemployment, underemployment or social exclusions.

#### 3.2.2.5 Widespread poverty

According to Estes (1999:14) this indicator refers to the extent of poverty levels of at least 25% that are widely distributed among the population of a community or society or region. An example is the South African Development Community (SADC) region of the African continent, referred to as underdeveloped in the eyes of developed nations.

The above discussion outlines geographical areas where the poor can be identified.

The following section will outline how failure to manage economic forces can result in poverty among certain sections of a society.

### 3.2.3 Cyclical (structural) poverty

Cyclical poverty emanates from the structure of the economic system. Estes (1999:15) states: “Economic systems characterized by recurrent cycles of expansion (that is growth) and contraction (that is recession and depression), such as capitalism are especially vulnerable to recurrent high levels of structural poverty. Structural poverty tends to be especially high in societies that fail to make adequate social provision for their populations against known cyclical risks to income security.”

The following are two types of cyclical poverty, that is, poverty associated with traditional societies and that associated with industrial societies:

#### 3.2.3.1 Cyclical poverty in traditional societies

Cyclical poverty in traditional societies occurs when societies experience failures in agriculture and other primary sectors often in combination with other natural disasters, for example drought, Mozambique’s floods, and Algeria’s recent earthquakes are examples of such natural disasters with severe shortages of basic products and services such as food, medicines and schools. This can be of a limited period, for example, for the duration of the mishap.

#### 3.2.3.2 Cyclical poverty in industrial societies

Estes (1999:15) refers to cyclical poverty in industrial societies as poverty associated with recurrent fluctuations in the business cycle during prolonged economic repression. Massive unemployment rates often come about as a result of these cycles. Since industry is diverse, the downturn may affect only a particular type of industry or a cluster of industries or the entire collapse of this nature may be short or long-term, depending on the cause of the problem. Often, the poorest of the poor are severely affected due to their limited resources to overcome this.

### 3.2.4 Poverty as social exclusion

The following section will outline social exclusion as a cause for poverty. This refers to, for example, the voiceless poor, who, for reasons beyond their control, are excluded from decisions that affect their lives. Such discrimination is often related to gender, race, religion, ethnicity, age and nationality. The following are examples of social exclusion indicators:



#### 3.2.4.1 Culture of poverty

This refers to the inculcation of the poor people's culture characterized by their lack of adaptability, for a variety of reasons, to long-term recurrent poverty, for example, the homeless. The poor, in such a situation, reflect a great degree of public dependency, apathy, deviance or no apparent focus on the future. An example of perpetuating such a culture, are the homeless, who, irrespective of intervention by the public (government, business or volunteers) would revert back to their lives on the streets.

#### 3.2.4.2 Historically disadvantaged population groups

Estes (1999:16) refer to the historically disadvantaged population groups as the sections of the population that were systematically excluded from participating in decision-making processes affecting their lives, by those in power, based on race, gender, disabled, youth and women. The South African previous apartheid system of government is a typical example of a government system that resulted in this category of poor people, by systematically excluding the black section of the population through legislation.

#### 3.2.4.3 The socially excluded

This type of poverty is characterized by stereotypes. Members of society, in this instance, are victims of discrimination due to their disadvantaged social position. Examples are people infected and affected by HIV/AIDS, refugees, offenders, migrants, homeless, disabled, aged and school dropouts.

Maclean and Jeffreys (1974:172) assert that the following three factors may be attributed to the status of social exclusions, namely:

- Lack of skills for negotiations to better their situation;
- Lack of powerful representative organizations for collective bargaining; and
- Lack of initiative from them to fight for their rights due to denial or concealment of their position.

#### 3.2.5 Poverty as a subjective phenomenon

Individuals or households can also regard themselves as poor according to their own experiences and comparisons, irrespective of the general trend, that is, some people or households may interpret their status as poor or not poor even if the overall trend is measured differently.

The following are examples of indicators of subjective poverty:

#### 3.2.5.1 Relative poverty

UNDP (1998a:16) refers to relative poverty as poverty defined by standards that can change across countries or over time. Estes (1999:16) explains it as the ability to satisfy needs at a level that is inconsistent with prevailing norms of one's community or reference group – whether or not those norms exceed the requirements for human survival. Relative poverty includes the inability to satisfy both basic and higher level needs.

Townsend (1974:15) refers to relative poverty as a condition where the resources of poor people are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities.

#### 3.2.5.2 Subjective poverty

Subjective poverty refers to an individual's perception of being poor relative to others, irrespective of whether the perceived poverty is real in an objective sense.

The above discussion has presented an overview of the complex nature of the poverty phenomenon from economic and social points of view. A need to identify and develop more inclusive measures of poverty has been identified. Estes (1999), UNDP (1998a, 2000, 2002a) and World bank (2000/2001) refer to the human development dimension in the measurement of poverty. They present the following seven examples of the comprehensive poverty measures or quality of life dimension.

### 3.2.6 Quality of life dimension

#### 3.2.6.1 Physical Quality of Life Index (PQLI)

The purposes of PQLI are three fold:

- To campaign for the inclusion of non-economic indicators of poverty in poverty measurement.
- To promote the human development element as the primary objective in development work.
- To be utilized as a tool for countries to determine whether they are making a difference or not in poverty eradication interventions.

The PQLI consists of three indicators:

- Infant mortality
- Life expectancy at age one
- Basic literacy

Country performances are measured on a scale ranging from zero (poor) to one hundred (best). The instrument can be reapplied as desired changes are sought.

#### 3.2.6.2 Level of Living Index (LLI)

This index measures the satisfaction of needs related to Maslow's hierarchy of needs. According to Estes (1999:17), LLI measures the level of satisfaction of the needs of the population as measured by the flow of goods and services enjoyed in a unit of time.

The index measures specifically the satisfaction of two needs, that is, physical and cultural needs.

#### 3.2.6.3 Index of Social Progress (ISP, WISP)

Estes (1991) initially conceptualized this index which consists of forty-five social indicators divided among ten sectors of development: education, health status, women status, defense effort, economic, demographic, geographic, political chaos, cultural diversity and welfare effort. WISP, which stands for Weighted Index of Social Progress, is a statistical version of ISP that may be used periodically to evaluate the changing capacity of countries.

#### 3.2.6.4 Human Development Index (HDI)

UNDP (2000:265) define HDI as: "A composite index measuring average achievement in three basic dimensions of human development - a long and healthy life, knowledge and a decent standard of living." Estes (1999:17) states that the HDI builds on the conceptual legacy of both the PQLI and LLI. HDI campaigns for attention on the non-economic benefits of development, that is, enlarged choices and opportunities for meaningful participation.

#### 3.2.6.5 Human Poverty Index (HPI-1)

The target for this index is developing nations and UNDP (2000:265) define it as: "A composite index measuring deprivation in the three basic dimensions

captured in the human development index – longevity, knowledge and standard of living.”

Estes (1999:17) states that in operational terms, the HPI-1 measures:

- The percentage of people to die before age forty.
- The percentage of illiterate people.
- The percentage of populations without access to health services and water.
- The percentage of underweight children under age five.

#### 3.2.6.6 Human Poverty Index (HPI-2)

The target for this index are selected Organization for Economic Cooperation and Development (OECD) countries which are high income nations, for example, the United States of America, Canada, United Kingdom, Japan and Italy. UNDP (2000:265) define HPI-2 as: “A composite index measuring deprivation in the three basic dimensions captured in human development index – longevity, knowledge and standard of living – and also capturing social exclusion.”

This index measures:

- The percentage of people likely to die before age sixty.
- The percentage of people whose ability to read and write is far from adequate.
- The proportion of people with disposable incomes of less than 50% of the median.
- The proportion of long-term unemployment – defined as twelve months or longer.

#### 3.2.7 Core indicators for measuring development progress

The measurement of progress in development work was found by the OECD to be an integral part of any effort to identify the poverty phenomenon. As a result, the OECD initiated the development of core indicators and produced twenty-one highly standardized social indicators, each of which is associated with a different development assistance goal, namely:

- Reducing extreme poverty.
- Promoting universal primary education.

- Promoting gender equality.
- Reducing infant and child mortality.
- Reducing maternal mortality.
- Promoting reproduction health.
- Protecting the natural environment.

The exclusion of women in decision-making processes has attracted the attention of development workers. As a result, gender related poverty measurement indexes are being developed, as the following examples indicate.

#### 3.2.7.1 Gender-related Development Index (GDI)

UNDP (2000:264) define GDI as: “A composite index measuring average achievement in the three basic dimensions captured in the human development index – a long and healthy life, knowledge and a decent standard of living – adjusted to account for inequalities between men and women.

#### 3.2.7.2 Gender Empowerment Measure (GEM)

UNDP (2000:264) define GEM as: “A composite index measuring gender inequality in three basic dimensions of empowerment – economic participation and decision-making, political participation and decision-making, and power over economic resources.” Estes (1998:18) writes that GEM assesses the percentage of women serving in a country in the following major decision making structures:

- Parliament;
- As administrators and managers; and
- As professional and technical workers.

In addition, GEM measures women’s earned income as a percentage of that earned by their male counterparts.

According to the above contextual and conceptual analyses on the phenomenon of poverty and inequality it can be concluded that poverty is a multi-dimensional global social problem, a critical threat to world peace and stability, and in particular a threat to human development and sustainable development. In the South African context, poverty and inequality came about as a result of the institutionalization of the discriminatory racial policies against the black majority component of the population. There-

fore, any effort whose objective is poverty eradication, inclusive of the empowerment of poor people themselves, should be linked to State intervention for redress and an enabling environment conducive for collaboration with business and civil society. However, in practice, poverty eradication efforts are fraught with difficulties that cause its persistence, as the following section will indicate.

#### **4. POVERTY ERADICATION BARRIERS**

The World Bank Report (2000/2001) states that poverty amid plenty is on the increase. This concurs with Anan (2001) and Sonn's (2000:21) views that poverty is a timeless and persistent problem and that efforts to eradicate it, had been unsuccessful. Leys, cited in The Development Resource Centre (2001:12) encapsulates this dilemma, with reference to poverty in Sub-Saharan Africa:

“...Africa is not ... balanced on a knife's edge between recovery or collapse: it is a tragedy that is already far advanced. Millions of people have already died from hunger, disease and violence, and millions more face Hobbesian existences in conditions of accelerating environmental, and social degradation: famines, chronic malnutrition, the collapse of health services, the erosion of education, re-appearing endemic and epidemic diseases, AIDS, endemic criminal violence, civil wars, genocide ... The issue is not whether they will happen, but whether they can be prevented from getting worse, and gradually brought to an end.”

The researcher therefore poses the following questions:

What then, is so difficult about poverty eradication? How much resources had gone to waste in such failures? How much more need to be utilized to conquer this threat?

The following discussion outlines poverty issues that can be identified as barriers towards poverty eradication. The same issues present themselves as common themes in the meaning of poverty and their resolution might provide answers to the above questions.

- Lack of a common understanding of the concept development.
- Lack of a common understanding of the concept empowerment.
- Skewed partnerships.

- Information Communication Technology inequalities.
- Globalization.
- The voiceless poor.

#### **4.1 Lack of a common understanding of the concept development**

The definition of development was discussed in Chapter 1 (section 7.1). However, the following outlines the various dimensions encompassed in the understanding of development and often, these dimensions are contradictory.

Gray (1996:9) writes:

“Internationally, development is conceptualized as a comprehensive attack against poverty based on social, economic and cultural goals. It is concerned with constant improvement, involves the participation of ordinary people and leads to a fair distribution of the benefits of development. The latter are driven by the acknowledgement of people’s right to do so.” Gray also introduces the people’s democratic or human rights in development.

Zwane in Black Renaissance Action Committee (2001:59) adds the cultural and spiritual dimensions to development and writes that development means:

A ...“conscious and unconscious movement of man towards his fullness and that fullness is in God the Creator and Father who has communicated, through various ways, the abundance of His goodness in which man has made a share. Development as seen by others means the unfolding of the human person in every dimension: political, economic, spiritual, social and cultural. For this reason and because of differing circumstances, for some, development means escape from hunger, poverty, disease and ignorance. For others, it means sharing out more fully the good things of civilization. Development can mean seeing more clearly what makes life really human. It can mean a whole people setting off courageously to find their self-fulfillment.”

Zwane’s definition integrates all the salient dimensions in development – individually, as a group, community and state redistribution of resources. It covers empowerment and freedom for people.

The inclusion of the spiritual dimension of development in Zwane's definition is in alignment with the South African Government's recent moral rearmament campaign which aims to enrich the society's values and spiritual fulfillment, inclusive of anti-corruption.

The addition of the spiritual and moral value to development is also echoed by Ilbury and Sunter (2001:56–61), who state that, as scenario planners in the corporate sector, the overriding and unwritten law in business transactions, vis-à-vis anti-trust and anti-monopoly bodies is “whether or not a transaction is in the ‘public interest’ or not. The objective is that no individual or institution should come out a winner at the expense of everybody else.” They refer to the Biblical Ten Commandments as the most articulations and guidelines of the moral rules of civilization.

Zwane's definition also highlights the human element of development, which the UNDP (2002a:13) define as a process of enlarging people's choices by empowering them to achieve their potential to lead a long, healthy life, being educated, having access to the resources needed for a decent standard of living and being able to participate in the life of one's community.

Arising from the above definitions of development, it is critical for poor people to be empowered for both their immediate and sustained development. Sustainability therefore becomes finality in any development strategy. Sustainability and development therefore seem to be two sides of the same coin. Business in the Community (1999:3) report: “Sustainability is about taking an integrated approach, about striking a balance between environment, social and economic considerations. For a business to be successful, it must perform well in all three dimensions.”

The above brings the discussion to the concept sustainable development, which originated, according to World Wide Fund for Nature (1997:12) in: “German forest management practices during the 19<sup>th</sup> century, but was popularized in the 1980's. In theory, it means development that meets the needs of the present without compromising the ability of future generations to meet their needs. This was the definition used by the United Nations-sponsored World Commission on Environment and Development ... in its influential report of 1987, Our Common Future.”



World Wide Fund for Nature (1997:12) caution further about the lack of a common understanding of the concept development, and state: "... it is not possible to give a definition of 'sustainable development' that will meet the approval of all people. In the real world, there will always be hard choices to be made and trade-offs and compromises to be considered as we strive to optimize potential benefits while minimizing costs and negative, environmentally damaging impacts." One may ask the question: In terms of the imbalances of power between the rich and poor, oppressed and oppressor, how successful would the said hard choices, compromises and trade-offs be made? The answer will be dealt with under partnerships and globalization in section 4.4 below.

The above lack of a common understanding of the concept development is compounded by the confusion amongst South African social work practitioners who had to adopt the paradigm shift from social welfare to developmental social work practice, which incorporated the adoption of the international definition of social work by South Africa.

The South African Council for Social Service Professions (2001) released the following international definition as adopted by the International Federation of Social Workers (IFSW) and the International Association for Schools of Social Work (IASSW) in 2000:

"The social work profession promotes social change, problem solving in human relationships and the empowerment and liberation of people to enhance well-being. Utilizing theories of human behaviour and social systems, social work intervenes at the points where people interact with their environments. Principles of human rights and social justice are fundamental to social work."

The scope of this study does not allow for an in-depth discussion on the social work profession. However, since the study focuses on poverty eradication and sustainable development, it is critical to note that social work deals with, amongst others, poverty eradication and sustainable development, as already defined above. The introduction of developmental social work added confusion amongst the social work practitioners.

Gray (1996:9–13) writes: "Dramatic changes have swept the country in the last six years and although numerous social work writers attest to the importance of developmental social work, few have told us what it actually is and it remains a noble ideal rather than a practice reality."

To confirm Gray's concern about the lack of understanding of the concept development, in this case, developmental social work, Fouché and Delpont (2000:64-69) give results of a study that they conducted amongst South African practicing social workers to explore their interpretation of the concept developmental social work, how it influences their practice and self-confidence. The results revealed that the respondents interpreted the concept differently, for example as an equation to community development, as a poverty reduction strategy, as community empowerment and in general interpreted it as a social work method and not an approach to social work practice.

The implication of the varying interpretations is that they led to different strategies in practice. With reference to their self-confidence, since the social work practitioners lacked understanding of the concept, they perceived it as vague and abstract and therefore not applicable to their practice. They therefore lack the enthusiasm and passion to practice and finally loose confidence in themselves, and are therefore disempowered to implement developmental social work.

In conclusion, it can be said that the understanding of development and its practice remain a challenge. For example, literature surveyed (compare Business in the Community, 1999; Overseas Development Administration, 1995; UNESCO, 1994a; The London Benchmarking Group, 1997 and SANGOCO, 1999) reveal that one of the challenges in development is a lack of impact measurement. One of the reasons for this lack of impact measurement in development is the lack of understanding of development. The fact that measurement of impact is not a priority in the donor community, funders therefore never know when to update, revise or radically change their policies and operations, thus losing the linkage between their funding and its intentions. This, therefore, reinforce the possible lack of general understanding of development.

The next concept that presents itself to the effectiveness of poverty eradication and sustainable development is empowerment.

#### **4.2 Confusion regarding the concept empowerment**

The concept empowerment became prominent, in the South African context, with the birth of the democratic government in 1994. Its usage however, is loosely associated with the economic empowerment of the previously disadvantaged sectors of the nation. Ramaphosa (2002a:162) writes: "... since the term BEE (Black Economic Empower-

ment) was first used in the early 1990s, there have been two interpretations of the concept. First, there was a narrow definition that was promoted by the media, the corporate sector and financial institutions. According to this definition, BEE is equated with the development of a black capitalist class. The narrow definition focuses on the entry and transaction activities of black people in business.”

In contrast to this narrow definition, Ramaphosa (2002a:162) provides what he refers to as a broad definition of empowerment that had since been adopted by the Black Economic Empowerment Commission, which falls under the auspices of the Black Business Council. Ramaphosa (2002a:163) writes that the Black Economic Empowerment Commission argues that BEE is:

- “An integrated and coherent socio-economic process
- Located in the context of the country’s national transformation programme, the RDP
- Aimed at redressing the imbalances of the past by seeking to substantially and equitably transfer and confer the ownership, management and control of South Africa’s financial and economic resources to the majority of its citizens
- Ensuring broader and meaningful participation in the economy by black people to achieve sustainable development and prosperity.”

According to Ramaphosa (2002a:163), this definition has been accepted, in principle, by the South African Government.

Khosa (2001a:3) states that John Friedman is one of the first scholars to provide a theoretical foundation for the concept empowerment. Friedman describes empowerment as the politics of alternative development and defines alternative development as:

“... a process of social and political empowerment whose long term objective is to re-balance the structure of power in society by making state action more accountable, strengthening the powers of civil society in the management of its own affairs, and making corporate business more socially responsive.”

According to Friedman, cited by Khosa (2001a:3) empowerment has three dimensions, namely:

1. Social Empowerment which is about access to certain bases of household reproduction such as, according to Charities Aid Foundation (1997:263-267), education, social networks and therapy (relief from physical and mental suffering).
2. Political Empowerment which is about disempowered people's access to the decision-making processes, especially those that determine their destinies to communicate their opinions and participate in decisions that affect their lives.

World Bank (2002/2001:99) articulates this political empowerment by stating that poverty eradication will be effective if the following political empowerment is in place:

- Public administrations implement policies efficiently and are accountable and responsive to users, corruption and harassment are curbed, and the power of the state is used to redistribute resources of actions benefiting poor people.
  - Legal systems promote legal equity and are accessible to poor people.
  - Central and local governments create decentralized mechanisms for broad participation in the delivery of public services and minimize the scope for capture by local elites.
  - Governments generate political support for public action against poverty by creating a climate favourable to pro-poor actions and coalitions, facilitating the growth of poor people's associations, and increasing the political capacity of poor people.
  - Political regimes honor the rule of law, allow the expression of political voice, and encourage the participation of poor people in political processes.
3. Psychological Empowerment which is about a person's sense of power resulting from the social and political empowerment successes.

This psychological empowerment can be linked to the liberating component of the international definition of social work, which states that social work promotes social change, problem solving in human relationships and the empowerment and liberation of people to enhance well-being.

In summarizing the definition of empowerment, Friedman, cited by Khosa (2001a:4-5) suggests the humanistic element to his definition and states that the aim of empowerment is to:

“... humanize a system that has shut them out, and to accomplish this through forms of everyday resistance and political struggle that insists on the rights of the excluded population as human beings, as citizens, and as persons intent of realizing their loving and creative power within. Its central objective is their inclusion in a restructured system that does not make them redundant.”

Cloward and Piven in Matube (1990:2–3) also contribute to this humanistic view by asserting:

“The professional dedicated to serving people will understand that his or her most distinguishing attribute ought to be humanity ... There is simply no basis for the belief that we who have master of social work degrees or other similar university credentials are better able to discern our clients’ problems than they are, and better able to decide how to deal with these problems. In fact, we know next to nothing about the problems we claim to understand.”

Khosa (2001a:5) cites criticism leveled at Friedman’s definition of empowerment as alternative development. The criticism is about the practical nature of such development “within a highly restricted system of power, unable to break through to the alternative development it seeks (Khosa, 2001a:5).” Examples of restrictive systems of power are the past South African apartheid system and other undemocratic nations where oppression still exists.

In the South African context, Khosa (2001a:8) refers to three broad interpretations of empowerment that, in his opinion, could be attributable to empowerment failures. The three interpretations are structural in nature and are neo-liberal, radical-democratic and social democratic. Although interrelated, he distinguishes between them for theoretical purposes:

1. Neo-liberal interpretation

This is an approach which favours the profit making sector, foreign investors, deregulation, privatization of state assets and a few previously disadvantaged

people. State intervention is therefore reduced and it is believed that redistribution of wealth is no longer feasible.

The approach puts the responsibility for empowerment primarily on the private sector.

Midgley and Tang (2001a:241–243) concur with Khosa (2001a) by stating:

“In the last two decades, both developed and developing nations have cut back their social expenditures and retrenched state welfare. The dominant economic philosophy, heavily influenced by neo-liberalism, is antagonistic to state intervention.”

Rodrik (2002:11), writing “on road to nowhere with neo-liberal economics”, states: “Two decades of applying neo-liberal economic policies to the developing world have yielded disappointing results ... It is time to abandon neo-liberalism and ... to provide an alternative set of policy guidelines for promoting development ...”

These critics are of the opinion that neo-liberalism is driven by huge profits made by big business, but has failed to meet the social needs and poverty has persisted, amid plenty. Economic growth has therefore not been accompanied by poverty eradication.

## 2. The radical democratic interpretation

The radical democratic interpretation attributes inequalities to the class exploitation in several forms of social, economic, political and cultural dominance. Hence its campaigns against the exploitation of workers, race, gender, ethnic, the environment and the poor. The focus here is on civil society intervention rather than the State. This approach is very effective at grassroots empowerment, but weak at the national level. The imbalance in such strengths results in skewed grassroots beneficiaries, for example, the urban/rural divide. However, this approach makes it possible for state, labour, civil society and big business to develop mechanisms to protect the exploited classes through legislation. An example is the South African National Economic Development and Labour Council (NEDLAC) which is a mechanism set by an Act of Parliament to prevent such exploitation through mechanisms developed by NEDLAC.

3. Social democratic interpretation

This approach calls for state intervention, influenced by class interests, whether poor or wealthy. Empowerment is about replacing the interests of the wealthy with those of the poor. In South Africa this would mean anti-privatization in favour of the Reconstruction and Development Programme (RDP) ideals. In other words, state power is used as an instrument for empowerment. Ramaphosa (2002a:163) argues that black economic empowerment in this instance is located in the context of the country's national transformation programme, the RDP.

The RDP in South Africa is regarded as the fundamental framework for social change, based on the following principles (RDP, 1994:4–7):

- A people driven process which would be inclusive of all, regardless of sex, race, urban, rural, rich or poor and lead to the empowerment of people.
- Promotion of peace and security.
- Nation building to unify the country and promote national and regional interests.
- Linking the need for reconstruction of society with development that serves the interests of people and is not seen as purely economic growth.
- Democratization of South Africa is central.

Midgley and Tang (2001a:24) are critical of this approach and argues that likewise people from a social-democratic tradition offer no creative ideas or solutions to the problems of growing inequities and poverty and the effect of the RDP has still to be determined.

The subject of empowerment continues to dominate the South African media and gatherings. To date, the debate is about the first-tier and second-tier empowerment levels. The first-tier, referred to by Ramaphosa (2002a:162), is the narrow definition equated with the development of a black capitalist class, which are very few in numbers.

The second-tier level is what is now being referred to as a broad-based level of empowerment that is focused on poverty eradication.

That being the case, Mosala (2002a), asks: “Where did empowerment go wrong?”

There are now calls for state intervention and Mosala (2002a) states: “We need an economic and monetary policy framework that recognizes its responsibility to black people in general, African people in particular.”

Maleka (2002:2) echoes Mosala (2002a) by arguing that lethargic efforts on empowerment jeopardize foundations of democracy. He also calls for state intervention and writes that empowerment “... requires the inevitable intervention by the state to accelerate and ensure economic justice ... The country cannot afford to wait for the normal gestation process of business development to take its course. If we do, then clearly our democracy is threatened, considering that capital continues to displace labour as companies globalize and ascend the competitiveness ladder.”

Lebelo (2002:17) quotes the President of Black Management Forum, Bheki Sibiyi, proposing that state intervention with punitive measures that bind companies to attain prescribed empowerment targets was the solution.

Both Sibiyi and Lebelo (2002) were responding to the South African Government’s ruling party, the African National Congress (ANC), announcement of a global empowerment charter at their 51<sup>st</sup> conference held in Stellenbosch during December 2002. This charter, regarded as a holistic empowerment programme, was expected to be released two months after the ANC’s conference.

It is understood that the ANC took note of the fact that since it took power, black people have made little progress in achieving greater participation in and control of the economy. In conclusion, the ANC described black economic empowerment at their above-named conference in December 2002, in a conference resolution as “... a moral, political, social and economic requirement” of South Africa’s future. This is in alignment to Ramaphosa’s broad definition of empowerment.

To take the debate further, the researcher asks: what is meant by broad-based empowerment, with special reference to poverty eradication and sustainable development?

Miles (2001:433–434) writes that meaningful empowerment for the poor should aim at:

- Permitting the poor to acquire power over their own lives and the natural and human resources in their environment.
- Strengthening their inherent capability to define developmental goals and draw up strategies for self-reliance.



- Maintaining the social and cultural identity of poor communities.
- Utilizing and developing the indigenous efforts, however small, that promote self-reliance.
- Recognizing that the non-governmental development organizations working with the poor are important vehicles for change and should be supported.
- Recognizing that all developmental efforts must include women as equal partners.

Miles (2001:433-434) concludes by stating that empowerment needs to go beyond the corporate world and touch the everyday lives of all sectors of society. Unless development strategies denounce the notion that empowerment and development relate to rapid wealth accumulation only in the case of South Africa, unless empowerment is understood to mean more than taking on board black (preferably women) in the business world, the quality of life of the disempowered poor will not be improved.

Khosa (2001a:446) concludes by saying, empowerment should be understood as an engine with three legs: the process of democratization, new empowering forms of coordination and governance, and economic justice.

The debate on whether empowerment should be legislated with punitive measures against those who fail to comply continues. This debate should be continued against the background of what Adelzadeh, Alvillar and Mather (2001:229) say:

“Major structural problems inherited from the apartheid period are largely responsible for the persistence of racial, gender and spatial dimensions of poverty as well as massive unemployment.”

In conclusion, it can be stated that the above section indicates that the definition of empowerment is diverse. Nevertheless, the unity in this diversity is the fact that in empowerment, there is distribution of power from the empowered to the disempowered. In this instance, the target for empowerment is the poor. However, there are several barriers towards empowerment in terms of poverty eradication. One barrier identified above is lack of agreement on who drives the empowerment process – Is it the State or private sector or civil sector or a partnership amongst these key stakeholders? In South Africa, for example, the Reconstruction and Development Programme is regarded as the vehicle which the State uses as an intervention strategy to transform South Africa for the benefit of the disadvantaged poor people. However, the success of this programme

has still to be measured. The following section will deal with the impact of technology and globalization on poverty eradication strategies.

### **4.3 The impact of information communication technology and globalization**

The transformation technology revolution and the process of globalization have become the norm in the development of nations. However, the impact of technology and globalization on the improvement of the quality of life of poor people has become topical. The argument is that, whilst apartheid and colonialism were responsible for the marginalization of the poor, technology and globalization have become the new form of discrimination and marginalization. The digital divide and globalization issues are discussed separately below.

#### **4.3.1 Digital divide**

Mangochi (2001), in his address to the Southern Africa Economic Summit on the subject “policy guideline on making information communication technology a priority in turning SADC into an information-based economy” states that an information-based economy is underpinned by information, electronic media and telecommunication technologies that support the exchange of information in a network of users. This network comprises of a variety of terminal devices, including telephones, receiving devices and computers, connected to an information infrastructure, incorporating broadcasting and telecommunications, of which Internet is an important component. It promotes the flow of information in economies in the form of voice, text, photographic image, sound and video.

Mangochi’s statement exposes the complex nature of information communication technology which requires costly infrastructure, skills, human resources and money to be realized. The question arises: Do poor people and countries have these necessities to compete in the open global economy dominated by powerful rich nations?

Castells (1998:18), in his address to the United Nations Conference on Information Technologies and Social Development, argues that while people live in a new 21<sup>st</sup> century world regarded as the information, communication and technology age, poor people and the unemployed believe that “... Information technology is a tool for renewed exploitation, destruction of jobs, environmental degradation and the invasion of privacy.”

Castells (1998) also states that most of Africa is being left in a technological apartheid and the same could be said of many other regions in the world. According to Castells (1998), information, communication and technology are crucial because they condition power, knowledge, creativity and control that are unevenly distributed within countries and between countries.

Stones (2002) reports on a conference marking South Africa's first Internet week, hosted by the Internet Service Providers Association. He reports that the South African Government's Department of Trade and Industry stated that the Internet has been a great disappointment to business and government alike in its failure to transform small local companies into global traders. Expectations that the Internet would transform the South African economy and revolutionize the market by letting small firms compete equally with larger rivals had not materialized. The biggest let down had been its failure to empower small businesses by letting them communicate more easily with customers and trading partners and to close the gap between big and small business. The Department of Trade and Industry believed that the Internet would reduce these inequalities.

It is a known fact that poor people, for example, living on an equivalent of one-dollar-a-day, do not have access to computers, fax machines, modems, satellite communications, solar-powered battery packs and telephones. In other words, they are already disempowered to own their own websites to promote their goods and products, if any. This gap is confirmed by the United Nations Secretary General, Kofi Anan (2002:4) in his address to the London School of Economic and Political Science, when he said:

“Many small and poor countries do not attract investment – not because they are badly governed or have unfriendly policies, but simply because they are too small and poor to be interesting markets or to become major producers, and because they lack the skills, infrastructure and institutions that a successful market economy needs. The unpleasant truth is that markets put a premium on success, and tend to punish the poor for the very fact that they are poor.”

The critical nature of this technological divide is supported by Elron and Wick (2001:57-63) who write that one cannot create business value from emerging technologies or markets if one cannot see them coming. They propose that one should learn from the world's leading high-tech companies how to position oneself to catch and ride

technology's biggest waves. They use the sea waves as an analogy. Elron and Wick (2001:57-63) they write, giving a warning on the speed with which technology changes:

“The waves build, one upon the other. They come from all directions; as they intersect, the impact of each successive wave seems to amplify all the others. Finally you see it on the horizon: a massive wall of water. You've managed to stay afloat so far; you've even ridden a couple of big waves. But can you get on top of this one? Or will it overwhelm you?”

Elron and Wick warn that any knowledge about an emerging technology is instantly followed by a new, more powerful wave – and then another, continuously. The authors report on a number of applications of technologies which are daunting to disadvantaged communities like the poor. The following table (Table 3) is an example of the ripple effect of a number of technologies and their applications, divided into five categories, namely computing and storage; communications software and services; information and content and finally, human interaction and performance technologies. Each of these categories has its own sub-categories, resulting in a complex network of information communication technology.

**TABLE 3: THE RIPPLE EFFECT (ICT)**

Emerging information technologies, as well as many already in everyday use, can be classified under the five major categories below. As even this partial list shows, the number of applications and technologies is daunting. Yet this is only part of the challenge. Even more dramatic is the amplification or “ripple effect” that occurs when one category intersects with another. Companies must do more than deal with this resulting tidal wave – they must ride it to greater business advantage.

**Computing and Storage**

Embedded computing/ intelligent sensors	Network computing/smart appliances	Biological computing
Smart materials and surfaces	Set top boxes/gaming	Quantum computing
Robotics	Digital television	Battery technology
Handheld/mobile computing	Storage area networks	Memory technology
Wearable computing	Micro machines/nano technology	

**Communications**

Internets/Intranets/Extranets	Cable	Communications middleware
Optical communications	Intelligent network services	Peer-to-peer networking
Wireless communications	Home networking	Location tracking/ global positioning
Satellite communication	Digital subscriber line (DSL)	Virtual private networks
Computer/TV/radio integration	Gigabit Ethernet	

**Software and Services**

Pattern recognition/neural networks	Electronic payments	E-groupware and e-collaboration
Digital imaging	Internet-transactions integration	Knowledge management/ mining
Workflow management agents	Management of distributed environments	Unified messaging
Machine reasoning and learning	Advanced operating systems	Tele-presence/distance learning, electronic meetings
Mathematical modeling and optimization	Advanced programming languages (Java, Jini, etc.)	Adaptable contextual computing
Computer vision	Component-based software engineering	Streaming media
Next-generation videoconferencing		
Internet call center integration		

**Information and Content**

Advanced information exchange/ meta data (XML, PML, VRML, UML)	Compression	Data mining
Information security	Multimedia indexing	Document management
Electronic publishing and distribution	Content-based development	Knowledge representation
Concept recognition/ extraction	Embedded databases	Multimedia capture and development
Digital libraries	Database technology	
	Data warehousing	

**Human Interaction and Performance Technologies**

E-learning/business simulation	Handwriting recognition	Authentication and directory
Virtual reality	Information visualization	Personalization
Performance support	Navigation technologies	Executive information systems
Usability engineering	Natural language capability	Intelligent agents
Multi-model interfaces	Voice interaction/speech recognition	Avatars
Biometrics	Display technology	

**Source: Elron and Wick (2001/2:59)**

The urgency of the need for poor people and countries, including South Africa to catch up with the speeding technological divide is stated by Chambers (2002:23): “If developing nations do not take a leap of faith now and enter the technical revolution, they may never have another chance to catch up ... many countries are making the mistake of sticking with the technology they know, rather than planning for the future with technology robust enough to serve an entire nation when the catch-up finally comes” or, in Elron and Wick’s (2001) words, when the bigger wave suddenly appears.

The South African Government is more positive about the impact of technology on development. The Minister of Communications, Ivy Matsepe-Casaburri (2001:11) states:

“Information communication technology is the cornerstone of wealth creation, growth and development. It can be confined to a small elite or extended to provide a cheaper and, therefore, more competitive commercial environment, an improved education and training environment and used to accelerate the delivery of more and better services to consumers ... For the sake of this generation and the next, we cannot afford to delay this technology.”

The desire to provide effective delivery services to consumers, as stated by Minister Matsepe-Casaburri (2001:11) above, is seen to have come to fruition with the introduction of e-governance in the Department of Public Service and Administration.

Ramaite, the Director-General of the Department of Public Service and Administration, interviewed by Molebeledi (2002b) reported that e-governance is aimed at bringing Africa up to speed in the technology age. It was an effort to improve communication between the government and the public. The Department of Home Affairs, for example, would be empowered to provide authentic information regarding the conversion of fingerprinting records, issuing of smart card identity documents, easy access to birth records and certificates, marriage certificates, drivers licenses, payment of rates and services via the Internet, authentication of identities of citizens for any government and financial services-related transactions and many other information needs.

These services, measured against the technology and applications as reflected in Table 3 confirm the complexity of technology which poor countries and communities have still to align with.

According to Emdon (2002:19) an e-Africa workshop was held during November 2002 by the New Partnership for Africa's Development (NEPAD), for delegates from thirty African countries, on the subject of building e-governance capacity. What was significant at this workshop was assessing whether the African political leaders had the political will to implement e-governance and whether the provision of the infrastructure and capacity building in information and communication technology would be affordable.

According to Emdon (2002:19), the following outcomes were adopted by the African leaders:

- Better coordination and cooperation between different levels of government and the various governmental agencies;
- More effective e-policy, a regulatory framework and better integration and coordination of social and economic policy;
- More effective alliances and partnerships with private sector and non-government organizations;
- Greater accountability, transparency and integrity in public administration;
- Streamlined government structure and business processes, and the consolidating of internal services reducing transaction costs;
- Enhanced capacity for data production, information sharing and knowledge management;
- Planning processes in place of all major operations linked to financial resource allocation processes;
- Improved public management capacity, in particular financial management;
- Decentralization and a redefined role for local government; and
- Better quality and delivery of access to public services, especially in education, health, social security and social welfare.

It should be acknowledged from the above initiatives that Africa, as a developing region, in particular South Africa, have taken heed of the lightening speed at which technological advancement is taking place. According to Chambers (2002:23), South Africa, for example, started taking technology to the masses, for example, Schoolnet, Gauteng Online and the Digital Partnership are three schemes designed to take computers into classrooms and give them Internet access.

The impact of the past racial discrimination in South Africa is evidenced in the digital divide of the present. Els (2000:62) reports on a gap between blacks and whites in South Africa in terms of Net access and information technology. He reports that a research company, Webcheck, randomly interviewed 4 000 black women and 2 000 black men in major metropolitan areas and found low usage of personal computers (PCs) and the Internet. Only 0.1% of the black women had Net access at home and 0.6% at work. Although 2.9% had access to a PC at work, only 0.9% had one at home. On the other hand, two out of the 2 000 men interviewed had Web access at home and 1.2% had access at work. Of the respondents, 1.3% had access to PCs at home and 4.7% at work. According to Els (2000:62) the same racial digital divide was happening in America.

The private sector in South Africa is making a contribution towards reducing this digital divide, for example, Bill Gates, the world-renown Chief Executive Officer and Chairman of Microsoft, during his visit to South Africa in March 1997, made a pledge to establish Digital Villages throughout the country. Examples of operating centers are the Chiawelo, Orlando and Kimberly centers. This Microsoft project is in partnership with the Thousand Schools Project comprising schools involved in computer literacy in disadvantaged schools.

According to the CSI Letter (1997:3), computer giant Silicon Graphics initiated a joint venture with Telkom South Africa and the United States Information Service to bring Internet to Soweto.

The South African Government, in its drive to bring the Internet to disadvantaged communities established the Universal Service Agency (USA) in terms of the Telecommunications Act of 1996. Through the USA, telecentres and cyberlabs are being established in disadvantaged townships and rural communities. To date, the USA has established sixty three community telecentres and eighty five cyberlabs in schools and tertiary institutions, in all nine provinces. These centers provide computer literacy training, typing services, Internet training, Internet access, e-mail service, fax facilities and public telephones (Ndebele, 2001:42–43).

The provision of the above services is not without challenges. Three of such challenges emerged as follows:



- The Emergence of fly-by-night training providers  
According to Ndebele (2001:43) training centers mushroomed within this rapidly expanding sector. Opportunist bogus training centers were established resulting from the high demand for new skills and real certification.  
  
Thousands of poor people lost their hard-earned income to these trainers. Such trainers abuse the trademark and intellectual property of accredited service providers.
- The cost of infrastructure, for example bandwidth  
The Mamelodi telecentre and cyberlab for example, suffered from crime and loss of income, to the extent that at some stage, they could not pay their telephone bills, which led to their telephone lines being cut (Ndebele, 2001:42–43).  
  
This cost factor was also referred to at the abovementioned e-Africa workshop convened by NEPAD for African states.
- Donor-driven motives  
Shiluma (2001:13–15), conducted an evaluative research on the Telkom 1000 Schools Internet Project, focusing specifically on the involvement of the School-net South Africa Project mentioned above. The purpose of the project was to facilitate communication and information dissemination through the use of e-mail and Internet.

The outcome of the evaluation revealed the following issues:

- Computers were put in schools with no clear purpose. This led to the questions on whether this goodwill was a front to market the donor's interests.
- Teachers and learners, with no knowledge of computers, left the machines to collect dust. The machines were not incorporated into the classroom situation where they could be used to the maximum.
- There was no proper planning for the maximum utilization of these machines, inclusive of sustainability.

However, in conclusion, Shiluma (2001:6–7) reports on their research participation in the International Development Research Centre. This participation was for a publication, An Information Policy Handbook for South Africa. In comparing

the utilization of technology amongst Malawi, Angola, Mozambique, Swaziland, Botswana and South Africa, Shiluma (2001:6-7) concludes:

“Significantly more work has been done on establishing educational ICT policies in South Africa than in other countries in the region. This work stemmed from a desire to establish clear decision-making frameworks at a national level to ensure that educational technology decisions were driven by educational motives and not by the marketing agendas of technology vendors.”

#### 4.3.2 Globalization

There is fierce debate on whether globalization is enriching or damaging to poor nations and communities. Mkhawire (2001:22–23) refers to confusion about the meaning of globalization – its origins, distinctness, geographical scale, intensity, impact and future. The author argues that globalization proceeded either by ignoring or trivializing local concerns, histories, problems and solutions to address them. A theoretical perspective of what globalization is, is therefore critical.

The State of South Africa’s Population Report (2000:6–12) provide a theoretical perspective on the concept of globalization, with reference to its definition, vulnerability and social exclusion. It describes it as follows:

“The term globalization describes ideas and processes that operate internationally on the political, the cultural and the economic level. Globalization today is closely associated with the re-emergence of liberal, economic and social thought, with its emphasis on the individual and the economic market. Globalization is also a process that accelerates communication between countries ... This process began five hundred years ago with the rise of capitalism and the expansion of European colonialism. However, what is new in the late 20<sup>th</sup> century and the emerging 21<sup>st</sup> century is the rapid acceleration and intensification of this of drawing countries closer together.”

The impact of globalization can be multi-dimensional, for example:

- On the economic level, globalization, according to the State of South Africa’s Population Report (2000), facilitates neo-liberalism, that is, a shift from state to

the private sector, leading to privatization of state assets, as an example, due to the liberalization of monetary and trade policies, the opening of markets that were previously protected by the state and on emphasis on fiscal discipline. Although this trend might be beneficial to some, it also has an adverse effect on the powerless, such as poor countries and communities.

- Globalization, vulnerability and social exclusion. - The State of South Africa's Population Report (2000) gives a picture of the extent of globalization and social exclusion. Globalization reinforces existing inequalities, vulnerabilities, social exclusion and social problems in general. In the South African situation, the existing inequalities inherited from the apartheid regime seem not to be improving and the gap continues to widen, as globalization progresses. The Black Economic Empowerment first-tier level failures are a typical example of the winning and losing participants in globalization. The stronger nations or citizens of a country, who have the resources, skills and required qualification, and are only few, benefited during the first level of empowerment. The majority disadvantaged members of the population are excluded from this benefit. The poverty cycle continues and hence the concern by the South African government to declare war on poverty, which is on the increase.

Mkhandawire (2001:22-23) suggests that judgment of globalization should be done through the prism of commonly perceived needs and capacities. The author cites five historical African needs and capacities, which are decolonization of the continent, nation building, economic and social development, democratization and regional cooperation. One would ask, "How helpful is globalization to resolving these issues?" Mkhandawire (2001:22-23) argues: "Only the first of these has been achieved, although the form of independence leaves much to be desired." The author attributes failure to resolve these issues to "elite consensus" which is an institutional failure to deal with external factors such as globalization. The author concludes that globalization to date has entailed the erosion of democracies as governments are under pressure to pen their markets to what the author regards as "choiceless democracies".

The fight against such adverse effects of globalization is a challenge to young democracies like South Africa as stated by Durand, cited in Centre for Development Enterprise (1994:13) who refers to this challenge as an attack on the public sector to decrease social spending as an intervention towards poverty eradication:

“This is not only an attack on the notion of public property in a ‘public sector’. It is also the motor behind a wrenching change in the way societies meet human needs. Because this change operates at such deep levels, it has been difficult ... to mount a counter attack ... There is consciously orchestrated policy of systematic social regression. Capital has stated that full employment and social security have become luxuries it can no longer support.”

In limiting these adverse social consequences brought about by globalization, the State of South Africa’s Population Report (2000:7) states:

“There is considerable scope for national governments to intervene in order to limit the negative social consequences of globalization. In terms of policy processes, government departments that deal with economic issues tend to take a lead under globalization. However, governments that wish to respond effectively to the pressures of globalization need to ensure that government departments responsible for social development and care of the vulnerable are equal partners to their economic counterparts. Social development departments can play an active role in increasing the assets available to the poor and the socially vulnerable for responding to the pressures of globalization.”

This guideline leads to the issue of skewed partnerships that will be dealt with in the following section.

The above debate on the adverse effects of information communication technology and globalization confirm fears that these processes pose a threat to poverty eradication initiatives. They are a real threat to development and suggestions that state intervention especially in democratic governments, are legitimate. Notwithstanding, globalization is irreversible. The South African government’s response to these threats will be discussed under the heading “enabling legislative framework” in section 4 of Chapter 4.

#### **4.4 Skewed partnerships**

According to Deloitte and Touché (2001), in their report to the World Economic Forum on the subject “Relationship Portfolio” and partnerships, the forces of globalization and technology have created a world of complexity that it verges on chaos, and as yet, companies have little capacity of coping with the said complexity. The demand and supply

for world-class goods and products take place at such high speed, rendering companies, countries and communities incapable of managing the speed. This had led to companies to unbundle their capabilities and keep the strongest partners, abandon the weak ones and seeking those partners who can supply the world-class capabilities they lack. This process has led to a profusion of partnerships of varying strengths and weaknesses.

If the developed nations, according to Deloitte and Touché (2001), find the world so complex as a result of technology and globalization and being pressured to seek world-class partners for their survival and sustainability, what about poor nations and communities alike?

There is an undeniable interaction between the rich and poor for a variety of reasons. However, the poor experienced such relationships as securing the interests of the rich, hence skewed partnerships. The poor are now demanding a change to these relationships. It is also an undisputed fact that out of these skewed relationships, the poor lost opportunities for self-development that might rescue them from the perpetual inferior quality of their lives. They now want to reconstruct their lives, at their own terms, for their social, political and economic advancement.

The demand by the poor to redefine the poor/rich relationships as a strategy to empower themselves, can be regarded as an awakening similar to the African renaissance. Africa as a whole relied on rich countries for their self-development. The African governments are now calling for a redefinition of their relationships with the super powers. In other words, the poor have resolved to break away from old approaches as World Wide Fund for Nature (WWF) (2000/2001:71) state: “The time has come to break out of past patterns. Attempts to maintain social and ecological stability through old approaches to development and environmental protection will increase instability. Security must be sought through change.”

Legum (2001:3), referring to disparities between the poor and the rich, states:

“Disparity of power between rich and poor nations means the world economic order suits the rich and perpetuates poverty. It is they who need global markets for their enterprise and new investment outlets. It is they who decide the extent to which tariffs on different products are to be scrapped. So even within the theory

of free trade in goods and services, the rich countries protect their own economies while insisting that poor countries open their economies.”

For an in-depth understanding of the issue of these skewed relationships, it is imperative that reference should be made to the concept African Renaissance, a philosophy that demonstrate African people’s (hence the poor) to break away from unproductive partnerships.

#### 4.4.1 Background to African Renaissance

Before presenting the African Renaissance emergence, reference will be made to a historic Black Renaissance Conference that was held in December 1974, documented in the publication of the conference papers Black Renaissance (2001). There are parallels between the African Renaissance and this Black Renaissance.

The previously oppressed and colonized majority in the African continent, inclusive of South Africa, had always been, and still are, black. Such oppression had a documented negative impact on the development of the African people. Thoahlane (2001:9) writes:

“It cannot be denied that, as an oppressed community, the South African black community shows signs of lethargy and apparent resignation to being the political football of white politicians. Too much is said for them, about them and to them, but very little by them. Often it escapes the minds of the Blacks in the county that any oppressive system will only succeed to cow down people only to the extent to which the oppressed allow it.”

In other words, oppressed people definitely suffered from oppression and denial of opportunities for development, but at some stage an awakening to redress the imbalances is inevitable.

Thoahlane (2001:9) defines the concept renaissance as follows:

“The term ‘Renaissance’ ordinarily denotes a re-awakening by a people.”

In motivating for a need to convene a Black Renaissance Convention, Mkhathswa (2001:11) writes:

“Black South Africans were tired of being seen without being heard ... It had become imperative for Black people to deliberate among themselves and articulate their needs without inhibition ... Blacks have problems which are peculiar to their man-made situation. They must attempt to find their own solutions, at their own time and using their own methods.”

In order to link this convention and the African Renaissance, the themes for the Black Renaissance Convention need to be listed, namely:

- Black solidarity for total black liberation.
- Articulation of the black people’s aspirations.
- Active support for existing black organizations and unstinted support for liberation of black people.
- Outline of a programme of action for black liberation.
- The appointment of a steering committee for organizing and coordinating future meetings of black organizations (Black Renaissance Action Committee, 2001:11-12).

What the Black Renaissance Convention was seeking was a newly defined relationship with their oppressors, on terms defined by black people and in today’s political terminology, leveling the playing fields. That being the case, the researcher asks the question: “How is the Black Renaissance linked to the African Renaissance?”

The African Renaissance Conference, similar to the Black Renaissance Convention, was held in Johannesburg, South Africa, on September 28 – 29, 1998. The Conference goals included the definition of being African, the definition of Africa’s role in global community and Africa’s economic liberation.

In relation to the identified black people’s signs of lethargy and apparent resignation to being manipulated by the then oppressors during the Black Renaissance Convention, it is striking to note that, although the Black Renaissance Convention took place almost three decades ago, the same concerns about this pessimism or lethargy, were recently reported at the World Economic Forum (2000:21-23), wherein it refers to the Afro-Pessimism and the African Renaissance:

“At the Summit, African political and business leaders were near unanimous in their criticism of Afro-pessimism, encapsulated in such assessments as the Econo-

mist depiction of Sub-Saharan Africa as the 'Hopeless Continent' ... It is easy to understand, even if the perception is misplaced, why Afro-pessimism has become so widespread ... Were Africa enjoying an economic and social miracle, there would be no need for renaissance.”

Participants at the Johannesburg African Renaissance Conference called for African solidarity to redress the imbalances resulting from colonialism. So did the Black Renaissance Convention call for solidarity to redress the imbalances caused by apartheid in South Africa. The African Renaissance acknowledged that, whilst accepting the fact that the developed and rich countries were responsible for their underdevelopment, the power to preserve the status quo laid in their hands – so did the Black Renaissance Convention when they acknowledged that oppression would remain and continue as long as they, the oppressed, allowed it.

Since then, Africans are more determined to document their past and define their own future. African Renaissance, as a concept, is therefore not new, and dates back to 1974.

The above discussion on Black and African Renaissance supports the notion for a call for the restructuring of relationships between the haves and have-nots, the developed and under-developed, with intentions to reduce poverty or improving the quality of life of poor people.

The problematic, skewed, economic structural relationships between poor African and rich countries are summarized by the South African Minister of Finance, Trevor Manuel, cited by World Economic Forum (2000:56):

“The issue of African debt and policy for poverty reform and development takes place without Africa as a key player and this presents some awkward problems. Hence the need to establish a new kind of relationship, which would hasten Africa’s (and the poor’s) pace of development.”

The African Renaissance concept is not without controversy. In an article by Mange (2002:44–45) African Renaissance is regarded as nothing but an exercise for black intellectuals. The author asserts that the Johannesburg African Renaissance mentioned above “... failed to define the concept (African Renaissance): Who’s an African? What is an African? What does it mean to be an African? Does being black mean to be an Afri-



can? The conference ended with those questions unanswered.” However, Mange (2002:45-46) refers to a researcher, Sam Ditshego, who has an answer to these questions:

“We are not going to waste time defining Africans. Africans know themselves, just like Europeans. Nobody can claim to be an African whilst he/she is not. Others do claim to be Africans, but inside they know who they are. There is a difference between a citizen and an African. You can be an African citizen but uphold European values. Does that make you an African?”

Mange concludes that the concept African Renaissance is not understood by ordinary people who are not concerned about intellectualizing the concept. Their concern is the bread and butter issue, that is, how and when are their lives going to be improved. There is a gap between intellectuals and poor people and intellectuals are not communicating with ordinary people. As a result, Mange concludes that the concept is nothing but an intellectual exercise.

The above criticism about the African Renaissance stand to be challenged by the concerted African leaders’ effort to rid their countries of poverty. The history of the Southern African Development Community (SADC), for example, dates back to 1980 (Tribute Magazine, 2001:20 – 23). According to Tribute (2001), nine countries, that is, Zambia, Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania and Zimbabwe, met in Lusaka, Zambia in 1980 to declare their countries independence on apartheid South Africa. South Africa joined SADC after the birth of democracy in 1994. In their campaign for the African Renaissance, SADC defined their three objectives as follows:

- Achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa, and support the socially disadvantaged through regional integration;
- Promote and maximize productive employment and utilization of resources of the region; and
- Achieve sustainable utilization of natural resources and effective protection of the environment.

As already discussed, the African Renaissance concept could be traced as far back as 1974 and later on, in 1980, SADC was born by African leaders, at their own terms, to

define their destiny, for the benefit of their people.

The primary objective of the African Renaissance philosophy is therefore, according to SADC Regional Economic Review (2000:15), as follows:

“... the primary objective of the African Renaissance is to rid Africa of poverty and misery, and empower the masses economically, politically and socially through participating democracy and good governance that recognizes the human factor in development.”

The evolution from Black Renaissance to African Renaissance, to SADC lead to another development showcasing poor people's determination to break away from skewed partnerships. This is the birth of the New Partnership for Africa's Development (NEPAD) that represents Africa's effort to take control of their continent's own destiny.

#### 4.4.2 The New Partnership for Africa's Development (NEPAD)

NEPAD is regarded as a blue print for revised rich/poor relationships. In the eyes of the world, it is seen as Africa seeking a break with the past, a past that is characterized by a legacy of discrimination, inequitable development and exploitation of the poor by the rich.

The introduction to NEPAD (2001:1) states:

“This New Partnership for Africa's Development is a pledge by African leaders, based on a common vision and a firm and shared conviction, that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development and at the same time, to participate actively in the world economy and body politic. The programme is anchored on the determination of Africans to extricate themselves and the continent from the malaise of underdevelopment and exclusion in a globalizing world.”

In relation to the historical wide margin between the rich and poor African countries, NEPAD (2001:1) further states:

“The NEPAD calls for the reversal of this abnormal situation by changing the relationship that underpins it. Africans are appealing neither for the further enrichment of dependency through aid nor for marginal concessions.”

The long-term objectives of NEPAD are listed as follows (NEPAD, 2001:14):

- To eradicate poverty in Africa and to place African countries, both individually and collectively on a path of sustainable growth and development and thus halt the marginalization of Africa in the globalization process.
- To promote the role of women in all activities.

The expected outcomes from the above listed objectives are listed as follows:

- Economic growth and development and increased employment.
- Reduction in poverty and inequality.
- Diversification of productive activities, enhanced international competitiveness and increased exports.
- Increased African integration.

The achievement of the above objectives rest on the three strategies below, identified by NEPAD (2001:16-21):

- Preconditions for Development  
Development can take place only if there is:
  - Peace and security, democracy and political governance.
  - Economic and corporate governance, focusing on public finance management.
  - Regional cooperation and integration.
- Priority Sectors
  - Infrastructure and development.
  - Information and communication technology.
  - Human development and poverty reduction, focusing on health and education.
  - Agriculture.
  - Promoting diversification of production and exports, focusing on market access for African exports and industrial countries.
- Mobilizing Resources

- Increasing domestic private savings (and repatriation of savings held offshore).
- Improved management of public revenue and expenditure to raise public savings.
- Enhancing inflow of external finance: debt relief, aid and private investment.

NEPAD (2001:3-4) describes its bargaining power with anticipated partners in the following manner:

- The acknowledgement by the developed nations that Africa, although a poor continent, is an indispensable resource base rich in mineral deposits, flora and fauna, a huge virgin natural habitat favourable for mining, agriculture, tourism and development, rainforests, minimal existence of environmental hazards such as emissions and effluents, archaeological sites which give evidence of life, earth and human race origins and its rich diverse culture.
- The acknowledgement by the developed nations that Africa's poverty was accentuated, amongst others, primarily by the legacy of colonialism.
- Acknowledgement that Africa's integration of the global economic revolution has potential for Africa's economic prosperity and poverty eradication.
- Acknowledgement that democratic governments and political will are indispensable to poverty eradication and is already backed by the African Union.
- An acknowledgement by Africans that NEPAD's success depends largely on ownership by Africans united in their diversity – hence the African Renaissance, that is, Africa holds the key to its development.
- Acknowledgement that, although Africa's previous problems remain the same as today's, NEPAD's strategies to resolve these problems will differ fundamentally from the previous ones. These new strategies will primarily aim at poverty eradication and putting Africa on a path of sustainable growth and development and integration into the global processes.
- Acknowledgement that peace, security, democracy, political governance, human rights and sound economic management are prerequisites for sustainable development.
- Acknowledging the following as priority needs for transformation:
  - Infrastructure
  - Human resource development

- Science and technology
- Agriculture
- Environment
- Culture
- Acknowledgement that resource mobilization is the key to all those, that is, achievement of higher levels of economic growth, debt relief, Overseas Development Administration enabling policies and market access initiatives.
- Acknowledgement that a new global partnership requires shared responsibility by both Africans and stakeholders outside Africa, for example, setting out mutually agreed upon performance targets and standards for both donor and recipient, that is, based on mutual interests, shared commitments and binding agreements.
- Agreement that the first priority needs are:
  - Communicable diseases: HIV/AIDS, malaria, tuberculosis
  - Information communication technology
  - Debt reduction
  - Market access

Nkuhlu (2002:3), the past chairperson of the NEPAD steering committee, reports that the above-mentioned lists of NEPAD's objectives, priority areas for transformation, conditions for implementation and priority needs, should not be seen as a list of projects, but they are what contractors and bankers would like to see.

The opportunity for NEPAD to present its case to prospective partners and supporters presented itself at the World Economic Forum held in Durban, June 21–23, 2002. The theme of this conference was “NEPAD at Work”: Business engages the New Partnership for Africa's Development”.

Bolin and Katzenellenbogen (2002:4) report an overwhelming support for NEPAD at the Durban Summit, where more than sixty companies and hundred and twenty individuals signed a special declaration of support, which read:

“The private sector has a vital interest in NEPAD's success and a responsibility to contribute as effectively as possible to ensuring it. Companies and professional service organizations based, or doing business, in Africa, recognize that interest, and commitment to acting in accordance with it.”

The business sector took another initiative and created a platform for business to act on its declaration for NEPAD in the form of a conference at the University of Cape Town on December 5 – 6, 2002, to:

“Promote a positive government and business partnership and therefore has two clear objectives; firstly, the establishment of an effective model of private/public sector partnership in African development; and secondly, the identification of specific projects across the continent suggested by the private sector, but requiring funding” (Bolin and Katzenellenbogen, 2002:4).

Soon after the Durban World Economic Forum, NEPAD presented its credentials to the G8 countries, seeking their support as stakeholders outside Africa. The G8 countries, which are the United States of America, United Kingdom, Canada, Italy, France, Germany, Japan and Russia, resolved to make a fundamental shift in their relationship with Africa and its needs. These countries had a previous donor-recipient relationship with Africa, a relationship that was characterized by donor-driven agendas. The G8 countries abandoned this approach and adopted a relationship whereby Africans would define the agenda with accountability on both sides. This new relationship would also help Africa regain its lost dignity. The G8 countries granted NEPAD R6 billion. However, Katzenellenbogen (2002b:9) reports that NEPAD needs R64 billion to realize its objectives.

Although NEPAD is seen as a programme of action for the African Union, it is not an implementing agency; structures such as SADC are now involved to develop a business plan of action. South Africa is hosting the NEPAD Secretariat, located in the Development Bank of South Africa. The steering committee consists of 15 nations, categorized into five regions as follows:

- Southern Africa (Botswana, Mozambique, South Africa)
- East Africa (Ethiopia, Mauritius, Rwanda)
- North Africa (Egypt, Tunisia, Algeria)
- West Africa (Nigeria, Senegal, Mali)
- Central Africa (Gabon, Cameroon, Republic of Congo)

In order to popularize and promote NEPAD, September 16 was declared by NEPAD as NEPAD Day.

The process of developing NEPAD, like the critique against African Renaissance, has not escaped criticism. Woldemariam (2002:6) states that the NEPAD process demonstrated a continued distancing of the state away from the people of Africa. It ignores the social aspect of the continent and is silent on how to restore the social basis of development, that is, trust and confidence of people in their governments, a fact that is necessary for NEPAD's implementation. Consequently, adds Woldemarian: "There has been an uproar by academics and NGOs about the lack of inclusion of social and economic associations in NEPAD." Organizations which the author mentions as being excluded are trade unions, professional associations and various grassroots organizations. By marginalizing civic organizations in the NEPAD process, the politicians provide a fertile ground for their mistrust by their followers.

Munusamy (2002:1), referring to criticism against NEPAD, states that NEPAD was under attack by the Libyan leader Muammar Gaddafi. Gaddafi is reported to have criticized NEPAD as a project of the former colonizers and racists. According to the author, the South African government responded to this critique by saying that Gaddafi's support was crucial as he is a very important player in African politics. The leader plays a big role at the multilateral level and in developing the continent and has been sponsoring efforts to resolve conflicts as a leader of oil-rich and one of the wealthiest African states. Gaddafi is reported to have cast doubt on the rich country's political will to treat African states as their equals.

South African Press Association (Sapa) (2002a:4), reports on a demonstration by civil society against NEPAD at an Organization of African Unity (OAU) conference in Durban. The national organizer for Jubilee South Africa, which campaigns for debt cancellation of poor nations, told Sapa (2002a:4): "Our protest is against NEPAD and not against the unity of the African people in the form of the OAU." The protesters denounced NEPAD as being similar to International Monetary Fund and World Bank programmes which had failed Africa.

As already outlined above, NEPAD is a programme of action for the African Union. The Libyan leader has embraced the birth of the African Union. Critics are of the opinion that the mechanisms within the African Union are there to ensure the success of NEPAD. Gelb (2002:152) concludes that "NEPAD represents the best opportunity for many years to shift African development onto a new path. If it fails, it will be a long

time before another chance as good arises. It is still a nascent process with lots of opportunity to influence its shape and substance as it evolves.”

The above discussion has outlined the background against which new approaches to eradicating poverty, in the form of partnerships, came about. The focus had been on Africa as a continent. However, globalization has made Africa part of the world. What about global partnerships in poverty eradication? Can the World Summit on Sustainable Development (WSSD) or the Earth Summit be regarded as such partnerships to eradicate poverty in the world, inclusive of South Africa?

The following section will deal with the WSSD as a global partnership with the purpose of eradicating poverty.

#### 4.4.3 World Summit on Sustainable Development (WSSD)

##### 4.4.3.1 Background to WSSD

The United Nations (UN) convened the first World Summit on Sustainable Development (WSSD) in Rio de Janeiro, Brazil, from June 3 – 14, 1992. This Summit was called the Earth Summit. One hundred and seventy eight (178) governments attended. This Summit was mandated by the UN General Assembly in 1989, to address the impact of development on the environment and find solutions thereof. The outcome of the Earth Summit was Agenda 21 which is a programme of action for sustainable development worldwide. It is regarded as a blueprint for action by participating nations. Agenda 21 is not legally binding, but its adoption carries a strong moral obligation.

The monitoring arm of Agenda 21 is the United Nations Commission on Sustainable Development which was set up by the UN General Assembly.

According to the UN Agenda 21 (UN, 1992:9), the Rio Declaration on Environment and Development state that the goal of the Earth Summit was “establishing a new and equitable global partnership through the creation of new levels of cooperation among states, key sectors of societies and people, working towards international agreements which respect the interests of all and protect the integrity of the global environmental and development system ...”



It is therefore evident that the WSSD is a global partnership for development. Notwithstanding, the researcher asks the question: “How is poverty eradication linked to this WSSD partnership?” The following section will provide an answer to this question.

#### 4.4.3.2 Poverty eradication and WSSD

According to the Programme for the Further Implementation of Agenda 21, issued by the South African Government Department of Environmental Affairs and Tourism (1997:11), poverty eradication is the over-riding theme or objective of WSSD. The abovementioned Department (1997:11) states:

“The enormity and complexity of the poverty issue could very well endanger the social fabric, undermine economic development and the environment and threaten political stability in many countries ... the five years since the Rio Conference have witnesses an increase in the number of people living in absolute poverty, particularly in developing countries.”

Indira Gandhi, cited by Lean (2002:21), states: “... poverty is indeed the worst form of pollution.” Stigson (2002:22) commenting on the relationship between WSSD and poverty, states: “The numbers of poor, and the numbers of ways in which many are poor, represent one of the great failures of our civilization ... Creating sustainable livelihoods for the poor is clearly an area for shared responsibility and action between business, governments and civil society.”

The above quotations over-emphasize the significance of a relationship between the WSSD and poverty issues. The WSSD is guided by a variety of declarations made at numerous international conferences. Examples of three such major summits and their resultant declarations are provided by the International Institute for Environment and Development (IIED) ([www.iied.org](http://www.iied.org)). Whilst these declarations are guidelines for further action, they provide information on the status of poverty within the WSSD.

The first declaration prioritize poverty eradication, the second puts development focus in trade negotiations and the third was preparatory work for the WSSD hosted by South Africa in 2002.

- The Millennium Declaration

The first declaration, The Millennium Declaration, was adopted in September 2000 at the UN General Assembly Special Session by Heads of State and Government. The Declaration states that by the year 2015, WSSD committed themselves to:

- halve the proportion of the world's people whose income is less than one dollar a day, and suffer from hunger, and unable to reach or afford safe drinking water;
- ensure that children everywhere will be able to complete a full course of primary schooling, and that girls and boys will have equal access to all levels of education;
- reduce maternal mortality by three quarters, and under-five child mortality by two thirds, of their current rates;
- halt and begin to reverse the spread of HIV/AIDS, the scourge of malaria and other major diseases that affect humanity;
- provide special assistance to children orphaned by HIV/AIDS; and
- achieve, by 2020, significant improvements in the lives of at least 100 million slum dwellers as proposed in the 'cities without slums' initiative.

With regards to environmental protection, the above Declaration continues:

- ratify our collective efforts for the management, conservation and sustainable development of all types of forests;
- press for the full implementation of the Convention on Biological Diversity and the Convention to Combat Desertification;
- stop the unsustainable exploitation of water resources by developing water management strategies;
- increase cooperation to reduce the number and effects of natural and man-made disasters; and
- ensure free access to information on the human genome sequence.

- The Doha Declaration

The second declaration, The Doha Declaration, was adopted in November 2001 at the World Trade Organization Ministerial Conference, where the ministers declared the following:

  - First, the objective of sustainable development, with the aims of upholding and safeguarding an open and non-discriminatory multi-lateral trading system, and acting for the protection of the environment and the promotion of sustainable development;
  - Second, in agriculture, to complete comprehensive negotiations aimed at substantial improvements in market access; reductions of, with a view to phasing out, all forms of subsidies; and substantial reductions in trade-distorting domestic support. Special and differential treatment for developing countries shall be an integral part of all elements of the negotiations and shall be embedded in the schedules of concessions and commitments to be operationally effective and to enable developing countries to effectively take into account their development needs, including food security and rural development;
  - Third, on market access for non-agricultural products to negotiations to reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries;
  - Fourth, on trade and environment, the mutual supportiveness of trade and environment shall be enhanced and with this view, negotiations shall be conducted on the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements. Tariff and non-tariff barriers to environmental goods and services are to be reduced or eliminated;
  - Fifth, in all these arrangements, special attention to be given to the least-developed countries.
- The third Declaration was adopted in March 2002 in Monterrey, Mexico, and the participating Heads of Government reached a consensus “to eradicate poverty, achieve sustained development as we advance to a ful-

ly inclusive and equitable global economic system.” The leaders therefore committed to:

- the mobilization of domestic financial resources for development;
- the mobilization of international resources for development, foreign direct investment and other private flows;
- international trade as an engine for development;
- the increase of international financial and technical cooperation for development; and
- external debt relief.

The background to the WSSD and the three Declarations mentioned above, demonstrate world intentions, in equal partnerships, to end the scourge of underdevelopment that has for centuries exposed Africa to abject poverty. Africa, for example, is said to be the only continent in which poverty is expected to rise during the 21<sup>st</sup> century (Middleton, 2002a). Africa, therefore, has a vital stake in the success of WSSD as it expects its poverty challenges to be addressed within WSSD.

WSSD participants agree that poverty and sustainable development are inextricably linked.

The three Declarations call for a coordinated approach to issues such as the relationship between poverty, trade and environment. Again, the issue of partnerships had been well documented, as a response to finding solutions for disparities that have widened since the Rio Summit in 1992.

NEPAD’s concerns about debt relief, pressure on developing nations to open their markets, unprotected and unfair competition between rich and poor producers, WTO’s liberalization agenda against the interests of developing countries, promised financial assistance and technological transfers dishonoured, declarations that are not binding and thus lacking in ways to enforce them, are being addressed within the WSSD. However, partnerships for sustainable development, as excellent problem solvers within a polarized world are rendered fragile and in need of careful and deliberate preparation. Equitable, sustainable development demand equal partnerships and unqualified commitment.

However, Secrett (2002:36–47) challenges the voluntary nature of compliance with the objectives of WSSD and in his opinion, voluntary compliance would render the desired partnerships unequal and therefore perpetuate the rich/poor status quo.

The author argues that development is about welfare and power, for the privileged, and that global political economy is failing to deliver the conditions under which basic needs can be met, and these conditions are, what the author refers to as development rights. The author therefore asserts that development is in a crisis due to the denial of human rights, and that makes development objectives difficult to achieve and harder to maintain. The embedded inequalities of decision-making, resource use and wealth amongst nations present global development problems.

New partnerships, such as NEPAD, should secure the fundamental entitlements for well-being required by all. Statutory rights and enabling institutions are primary vehicles of political economy to bring an end to inequalities. Rights are enforceable, depending on the exercise of responsibility by society.

Secrett (2002:36–47) therefore asserts that there should be sustainability rights, rules and adjudication bodies that can forge radical partnerships, that is, democratic rights and freedoms for all.

Based on the critical principles of authority, accountability and entitlement in partnerships, Secrett (2002:36–47) presents the institutional inequalities exercised by the WTO over poor countries, and further states that the WTO rules and regulations take precedence over other inter-governmental decisions that affect trade. Member states give up a certain amount of national, economic and political sovereignty so that the WTO itself can set global trade rules, adjudicate over disputes and ensure market rights. However, no such enforceable rules to protect other countries' and communities' natural resources, for example, exist. Poor countries are therefore vulnerable to attack by rich countries who have more economic power over them. When poor countries apply for aid, the neo-liberalism pressures are applied as conditions of such aid.

This, therefore, according to Secrett (2002) perpetuates the widening of the gap between the rich and poor.

Secrett's criticism of the institutional inequalities between the WTO and developing nations is supported by the then South African Government Minister of Trade and Industry, Alec Erwin, in his address to the World Economic Forum Summit held in Durban on June 21–23, 2000:13, when he said:

“If we are in a global world, which we undoubtedly are, and if our economy is becoming increasingly global, then the question of the equitable and effective governance of that economy becomes paramount. If the governance is inequitable, it is going to create tension, friction. If it is not effective, it also does not achieve its purpose. So the question: Is the WTO dealing with the priorities of the developing countries? We must be a little cautious of such a question because it suggests that the priorities of the developing countries are not the priorities of the global economy. And I think, I'd put it to you, as we have argued many times, that if two thirds of the world's population and the bulk of the world's economies are so-called developing, then the system is not functioning. There's a problem” (Erwin, 2000:13).

Arising from the above South African Trade and Industry Minister's statement, the researcher then asks: “Can NEPAD and WSSD succeed in such conditions?” The answer to this question has still to be determined, and the following conclusion will indicate the potential problems in such partnerships.

In concluding the discussion on WSSD, reference will be made to the outcome of the WSSD hosted by South Africa during August – September, 2002. The WSSD had agreed to prioritize five development areas, namely water, energy, health, agriculture and biodiversity.

Reuters (2002:4) provides a summary of the deliberations on the five key areas, outlining the agreements and problems:

- Water

Agreed: The United States agreed to the target for sanitation in the text, that is, reduce the number of people in the world with no access to basic sanitation or drinking water by fifty percent in 2015.

Problems: According to the World Bank, this objective would require 300 000 people to be granted access to water on a daily basis for ten years, costing \$25 billion. Additional problems included poor infrastructure, displacement through dam projects and the threatening privatization of water at the expense of the poor.

- Energy

Agreed: Energy to be made more accessible to the poor. However, no time frames were set for the switch-over from fossil fuels to commercialized energy. America and Australia did not ratify the Kyoto Protocol to cut gas emissions. However, Australia pledged to do so soon.

Problems: US and oil-producing countries rejected the demands of the European Union, Brazil, Norway, New Zealand, Iceland and Hungary to adopt targets to boost renewable energy. Fossil fuels are pollution-laden, and responsible for the high incidence of respiratory illnesses in poor countries. Per capita energy use is highest in rich countries.

- Health

Agreed: A WTO treaty on patents should not prevent poor countries from providing medicines for all, especially AIDS drugs. Access to healthcare should be consistent with basic human rights and religious and cultural values. This would guarantee women's rights to reproductive healthcare.

- Problems: AIDS was given little priority. Eleven (11) million children in poor countries die before they turn five and malaria kills 1 million people annually, mostly African children.
- Agriculture
- Agreed: To move towards phasing out export subsidies and substantially reducing trade-distorting domestic support. However, no timeframes were set.
- Problems: There was little done to lower trade-distorting subsidies and no new aid was committed. Up to 1.2 billion people live in grinding poverty whilst farm subsidies in rich countries total more than \$300 billion annually, versus aid disbursements of \$54 billion.
- Biodiversity
- Agreed: A sweeping plan to cut poverty while saving resources, was developed, with special reference to replenishing fish stocks by 2015, the establishment of marine protected areas by 2012 and the slowing down of the rate at which rare species are being wiped out.
- Problems: Green Peace was in disagreement as they are of the opinion that the extinction targets are watered down because they aim to slow the rate, rather than stop it. Green groups welcomed the fishing targets.

In addition to the above summary on the outcome of the WSSD hosted by South Africa, Gordon (2002) speculated on the outcome of the summit, on a positive note. This author interviewed Jan de Beer of Eskom's Africa wing. According to Eskom, which had been championing the concept of "legacy projects", there would be two types of legacy projects, namely small, local projects that have both social and environmental benefits, and large, infrastructural projects that attract direct foreign investment (Gordon, 2002:16). African leaders and other stakeholders have included infra-



structure and energy among the ten priority areas for NEPAD. The motivation for the inclusion of energy and infrastructure lies in the fact that the two areas encourage the development of manufacturing and processing industries and would greatly influence the generation of jobs and sectors such as construction, telecommunications, information communication technology and financial services.

The Eskom example is presented as a concrete case on whether global, national and local partnerships work. The Eskom example assists in concretizing this complex globalization process, targeted to reduce global poverty, inclusive of Africa and South Africa. The South African Deputy President, Zuma (2002:4) states that Africans need to be innovative in looking for sustainable development solutions and referred to NEPAD as a powerful sustainable development instrument, a blueprint for the continent's economic revival.

Africa, inclusive of South Africa, therefore, is in partnership with WSSD, and like NEPAD, "something new" should be produced from WSSD to break the cycle of global poverty (President Thabo Mbeki in his opening address to WSSD in South Africa).

In conclusion, it can be stated from the above discussion that skewed partnerships, where the rich and powerful dominate the poor and powerless, present themselves as a barrier towards poverty eradication. Although the disadvantaged and poor have always desired acknowledgement on the part of the powerful, the last mentioned have not succeeded in facilitating the poor's ability to define their own destiny according to their own (poor) terms. The African Renaissance, NEPAD and WSSD are still struggling to ensure the balance of power in the fight against poverty, between poor and rich nations.

The above discussion focused on Africa as a continent. However, this study is on the South African situation. NEPAD, as critics say, is a state initiative. The researcher puts the following questions: "What is the role of the civil society in South Africa? Are the poor in South Africa included in decisions that affect their lives? Are there institutions of the poor in place? If so, what is their relationship with the State and the private sector?"

The following section will outline initiatives taken by the NPO sector to encourage the inclusion of poor people in decision-making processes that affect their lives. Reference will also be made to the scope and role of the NPO sector in South Africa.

## **5. THE VOICELESS POOR**

World Bank (2000/2001:15) asserts that poor people are often treated badly by the institutions of state and society and are excluded from voice and power in those institutions. In other words, poor people lack institutions of representation and are therefore voiceless. There is therefore a need for authentic communication, by the poor people, for poor people, to express their aspirations in order to affect some influence to the quality of their lives. African Renaissance and NEPAD, as outlined above, is a cry by Africans, to speak for themselves in their relationship with the more powerful and rich nations, to rid themselves of poverty. Nowhere else is evidence that the grassroots poor people had been consulted to hear their voice.

Poor people, like African leaders, want to be masters of their own destiny. At the current situation, like World Bank (2000/2001:15) state, they are at the mercy of structures outside their capabilities, that is, governments and societal institutions. The disabled sector in South Africa, for example, successfully advocated for rights for self-representation after decades of misrepresentation by able people. This led to their umbrella representative institution, the Disabled People South Africa (DPSA). Today, it is not the disabled people, but poor people who insist on speaking for themselves because of their conviction, like the disabled, that they, and only they, are competent to interpret their experiences and act in their own best interest – other people cannot transcend their cause.

Chambers, cited in Development Update (1999:99), states that there are two sections involved in poverty eradication planning. On the one hand are the “uppers” who include non-government organizations leaders, state officials, academics, researchers, resource organizations professionals, who all advocate for and decide what is good for poor people. The other group consists of the “lowers” who are dominated by the “uppers” whose decisions on how to deal with poverty often supercede those of the poor.

Notwithstanding, worldwide opinions, for example, the World Bank (2000/2001), including South Africans, are aware of this limitation and attempts, as it will be shown below, are made to campaign for the voice of the poor.

### **5.1 The South African campaign**

Efforts for poverty eradication tend to be isolated and uncoordinated. Referring to lack of coordination by donors, for example, Wolfensohn (2002:13) states: “In developing countries, foreign aid arrives with the best intentions, but often with too little coordination among donors.” There are calls on the donor community to make foreign aid more effective by improving coordination. The heading for this Business Day article by Wolfensohn reads: “Time for rich aid donors to end flag planting.” The article refers to donors and rich nations using their aid programmes to satisfy their own domestic interests – hence the criticism by poor people against donor-driven programmes that are of no significant value to them.

In taking note of these uncoordinated efforts, the South African Non-Government Organizations Coalition (SANGOCO), in August 1997, convened one of the South African largest summits of concerned stakeholders to interrogate poverty issues. Key stakeholders who attended the summit included SANGOCO, South African Council of Churches (SACC), United Nations Development Programme (UNDP), Congress for South African Trade Unions (COSATU) and government’s Department of Social Development.

This summit gave birth to the War on Poverty Forum, whose aim was to launch a comprehensive and all-inclusive poverty eradication programme for the country. The government, as a result, commissioned the Poverty and Inequality Report. However, participation in this process excluded the poor. In response to this, SANGOCO, in 1998, led a decentralized national campaign, Speak out on Poverty, which involved public hearings by the poor people themselves. The South African Human Rights Committee (SAHRC), which has the Constitutional mandate, amongst others, to monitor government’s performance in the implementation of national goals related to the RDP, was invited by SANGOCO to co-host the Speak out on Poverty hearings. To accommodate women’s issues, the Commission on Gender Equality (CGE) deployed, by invitation, their staff to act as commissioners at the hearings. COSATU and the SACC also participated. The majority of participants at these hearings were women and rural communities.

Themes for the poverty hearings were:

- Rural development and land matters
- Education
- Urban development and housing
- Welfare
- Economic development
- Environment
- Health

About 10 000 submissions were collected and the poor's greatest needs were categorized as follows:

- Access to land
- Housing
- Infrastructure
- Social security
- Health services
- Education
- Employment
- Environmental justice

The Legal Resource Centre (LRC) (2000:4) confirms the above priority needs and states:

“The experiences that the LRC has acquired while working with poor communities (twenty one years) confirm these as the most immediate challenges that the new and democratic South Africa faces. Our projects, organized under two programmes, the Land, Housing and Development Programme and the Constitutional Rights Programme, are aimed at contributing to national efforts to meet these challenges and alleviate poverty.”

Interfund (1999:102) states that the hearings also served as a vehicle for problem solving, especially problems of a political nature. Some of the poor were immediately linked to resource agents such as non-government organizations, a state department or legal entity. A farmer, for example, who ill-treated his workers, was subpoenaed by the Human Rights Commission for such treatment. Some interventions, with state agents as

the offending parties, led to the improvement of public service delivery and legal experts were called upon to resolve issues pertaining to the miscarriage of justice and school governing bodies were conscientised to include human rights issues in their policies.

According to Development Update (1999:103), the demand for the Poverty Hearings reports comes from international social and economic rights lobbies, poverty forums in Southern and Western Africa, researchers, South African government, NEDLAC, Ministries of Social Development, Education and Health, conference of judges, donor community, the South African Local Government Association and Church Summits. Such demand confirms the significance of the voice of the poor people themselves.

The War of Poverty Forum, established by the South African government, has incorporated the Speak out on Poverty hearings' findings and government is utilizing such recommendations in their poverty alleviation programmes. A government National Plan of Action (NPA) (2000) for poverty eradication is now in place.

SANGOCO, in their Discussion Documents (2000:1), presented at their NGO Week 2000, report that their assessment of the National Plan of Action (NPA), cited in SANGOCO (2000), for poverty eradication, revealed the following major weaknesses:

- The role of SANGOCO, as a major stakeholder in the NPA, was not spelled out. As the NPA was an offspring of the War on Poverty Forum, SANGOCO's role in this Forum was also not spelled out. As SANGOCO is regarded as the coordinating structure of the NPO sector in South Africa, the omission of its role in these processes amounts to the omission of poor people;
- The NPA assumed that it was possible to simply aggregate the different anti-poverty initiatives of government, NPOs and other civil society organizations into a coherent and binding national priority list even where they were based on different conceptual frameworks;
- The NPA tended to reduce in summary, the different levels of anti-poverty work, from policy to implementation, and was therefore unable to define the points of alignment between a national policy approach, and the different components necessary to implement it;
- The NPA was unrealistic due to the lack of prioritization between issues;

- The NPA lacked an analysis of the interests, capacities, roles, and capabilities of the different actors in anti-poverty work.

The monitoring state organs, that is, the Human Rights Commission, Commission for Gender Equality and the Office of the Public Protector, have adopted a watchful eye on the National Plan of Action and its implementation.

The South African enabling democratic environment, through the context of RDP, offers opportunities to the poor to voice their opinions. The Minister in the Office of the President, Essop Pahad (2001:21) states:

“We must do all we can to empower people to demand their due and not just sit back and wait for the government to dispense largesse. They (poor people) must help to shape their own destiny now that they have, through struggle, obtained the democratic tools to do so.”

The democratic tools referred to, include the enabling legislative framework and institutions that will be referred to in section 4, Chapter 4.

Gill (1998), corroborating the significance of the rights of poor people in poverty eradication, states that:

“Inequalities are products of relations of coercion within and between social groups and classes. They are ‘social designs’, which people can redesign by changing social consciousness, values and institutions, and by organizing non-violent, social-political movements for democracy, human liberation, and social justice for all.”

The above discussion, a demonstration on the South African campaign for the voice of the poor, has highlighted the significance of including the opinion of poor people in policy formulations that would bring change into their (poor) lives. In addition, it has been shown how the exclusion of poor people can result in an inappropriate legislative framework and power imbalances.

The NGO sector plays a significant role in the campaign for the inclusion of poor people in poverty eradication and sustainable development decision-making processes. The

nature of such pro-poor campaigns is discussed in the following section, which outlines the role of the NGO sector.

## **5.2 The role of non-profit organizations (NPOs) sector in development and poverty eradication**

Interfund (1996a) states that the role of the NPO sector in South Africa, generally speaking, can be divided into two phases, namely before and after the apartheid system of government.

Interfund (1996a:14) further asserts that after apartheid, NPOs, after helping to bring about democracy, no longer find it easy to define their role:

“Under apartheid, the voluntary sector had to play a number of exacting roles, including: opposition to government, research, campaigning and information dissemination; investigation and exposure of abuse; fighting for basic human and social-economic rights; and practical social service initiatives to address, at least in a partial way, the needs of disadvantaged communities in the absence of adequate social provision by the state.”

After democracy, according to Interfund (1996a:14), the NPO sector lost the most key players to the State, and funding, the source of which was primarily international donors, who were fighting apartheid, and later entered into bilateral relationships with the democratic government, became scarce.

Swilling and Russell (2002), however, conducted a study on the size and scope of the NPO sector and their study reveals that the role of the NPO sector cuts across time and is broader than politics. The authors regard their study as “the first ever study which can fairly claim to describe the size of the sector in terms of its employment, volunteers, and finances, as well as its spread across different sectors of activity” (Swilling and Russell, 2002:v).

In order to gain insight into the role of the NPO sector, it was critical to present the size of the NPO sector. The study conducted by Swilling and Russell (2002) was used as a reference as it is the most recently conducted South African study and according to these authors, is a comparative study to the John Hopkins University Comparative Non-

profit Sector Study. The information in this study will also be linked to Ithuba Trust beneficiary profile.

The study of Swilling and Russell (2002) has confirmed the importance of the NPO sector as a force to be reckoned with. It has highlighted the inclusion of even the indigenous groupings such as stokvels and burial societies, which in the past, were ignored in social policy development and planning, a position that was characteristic of excluding the voice of the poor, in such processes.

The study's principal findings, in the South African context, are summarized below (Swilling and Russell, 2002:15–40):

- Employment opportunities totaled 645 316 made up of full-time, part-time and volunteer workers. This number, in 1999, was more than the number of workers in many other big employer sectors.
- Volunteers involved in the sector totaled 1.5 million, which equates 316 991 full-time jobs in other employing sectors and 49% of the NPO sector workers. This translates into R5.1 billion labour costs. Women and black people make up the majority of the people involved in the sector, a factor which correlates with the issue that blacks and women form the major component of social exclusion and deprivation in development and economic growth.
- According to the following Table 4, which assesses the size of the NPO sector in South Africa, there are 101 289 legal status NPOs in South Africa, in the areas of culture and recreation, education and research, health, social services, environment, development and housing, advocacy and politics, philanthropic, international, religion, business and professional associations. These categories have their sub-groupings which lead to the total of 101 289.
- The income of the sector is estimated at R14 billion made up as follows:
  - Government sources consist of R5.8 billion which equals 42% of the total.
  - Private sector contributes R3.0 billion, amounting to 25%.
  - Self-generated sources accounting for R4.6 billion, an equivalent of 34%.

In general, most income was spent in well-established urban organizations, to the detriment of the poorer rural communities.



**Table 4: Areas of Work Undertaken by NPOs (Source: Swilling and Russell, 2002:27-31)**

<b>NPO Type</b>		<b>Major Areas of Work</b>	<b>Number of NPOs</b>	<b>Total Number of Sub-Groups</b>
<b>Culture and Recreation</b>	1.	Culture and arts:	5 172	
		• Media and communications		26
		• Visual arts, architecture, ceramic art		122
		• Performing arts		4 125
		• Museums		899
	2.	Sports:	10 498	
		• Clubs/sports and associations		10 498
	3.	Other Recreation and Social Clubs:	4 917	
	• Recreation/social clubs		1 501	
	• Service clubs		122	
<b>Education and Research</b>	1.	Primary and Secondary Education:	4 667	
		• Elementary, primary and secondary education		4 667
	2.	Higher Education:	0	
		• Higher education		0
3.	Other Education	1 024		
	• Adult education		1 024	
<b>Health</b>	1.	Hospitals/Rehabilitation	0	0
	2.	Nursing Homes	2 138	2 138
	3.	Mental Health//Crisis Intervention:	1 473	
	• Mental health treatment		480	
	• Crisis Intervention		933	

NPO Type		Major Areas of Work	Number of NPOs	Total Number of Sub-Groups
	4.	Other Health Services::	2 888	
		• Public health and wellness education		1 038
		• Outpatient health treatment		416
		• Rehabilitative medical services		187
		• Emergency medical services		1 247
<b>Social Services</b>	1.	Social Services:	13 519	
		• Child welfare, child services		4 963
		• Youth services, youth welfare		2 291
		• Family services		2 385
		• Services for the handicapped		1 093
		• Services for the elderly		1 242
		• Self-help and other services		1 545
	2.	Emergency and Relief:	908	
		• Disaster/emergency prevention/control		47
		• Temporary shelters		861
	3.	Income Support and Maintenance:	8 313	
		• Income support and maintenance		53
		• Material assistance		8 262
<b>Environment</b>	1.	Environment:	624	
		• Pollution abatement/control		0
		• Natural resources conservation and open spaces		165
		• Environment beautification and open spaces		459
	2.	Animal Protection:	2 766	
		• Animal protection/welfare		267
		• Wildlife preservation and protection		148
		• Veterinary services		2 349

NPO Type		Major Areas of Work	Number of NPOs	Total Number of Sub-Groups
<b>Development and Housing</b>	1.	Economic, Social and Community Development:	14 162	
		• Community and neighbourhood organizations		9 017
		• Economic development		3 600
		• Social development		1 545
	2.	Housing Associations:	503	
		• Housing associations		308
		• Housing assistance		195
	3.	Employment and Training:	5 712	
		• Job training and programmes		3 790
		• Vocational counseling and guidance		922
		• Vocational rehabilitation and workshops		1 000
<b>Advocacy and Politics</b>	1.	Civic And Advocacy Organizations:	3 545	
		• Advocacy organizations		2 734
		• Civil rights associations		21
		• Ethnic associations		237
		• Civil associations		553
	2.	Law and Legal Services:	1 546	
		• Legal services		344
		• Crime prevention/public safety		1 202
3.	Political Organizations:	1 697		
	• Political parties and organizations		1 697	
<b>Philanthropic Intermediaries and Voluntarism Promotion</b>	1.	Philanthropic intermediaries and voluntarism promotion:	305	
		• Grantmaking foundations		0
		• Voluntarism promotion and support		305

NPO Type		Major Areas of Work	Number of NPOs	Total Number of Sub-Groups
		<ul style="list-style-type: none"> <li>• Fundraising organizations</li> </ul>		0
<b>International</b>	1.	International Activities:	192	
		<ul style="list-style-type: none"> <li>• Exchange/friendship/cultural programmes</li> </ul>		0
		<ul style="list-style-type: none"> <li>• International disaster and relief organizations</li> </ul>		192
		<ul style="list-style-type: none"> <li>• International human rights and peace organizations</li> </ul>		0
<b>Religion</b>	1.	Religious Congregations and Associations:	11 705	
		<ul style="list-style-type: none"> <li>• Congregations</li> </ul>		10 560
		<ul style="list-style-type: none"> <li>• Associations of congregations</li> </ul>		1 145

In conclusion, it can therefore be stated that the role of the NPO sector is multi-dimensional and penetrates throughout all the development sectors of a nation – from (amongst others) service delivery to advocacy, human rights, politics, entertainment, skills development and job creation. The synergy between the NPO sector and poverty eradication, is evident. Poverty has been described in this chapter as multi-dimensional. This synergy makes the NPO sector a critical partner in any attempt at poverty eradication and development.

The NEPAD, although criticized for excluding the NPO sector in its initial deliberations, has also outlined the significance of the NPO sector in ridding Africa of its poverty. NEPAD assert that governments alone cannot eradicate poverty and partnerships, not only with donors and the business sector, but equally so with the NPO sector, are a prerequisite for sustainable development.

The NPO study referred to above, has confirmed the bargaining power of the NPO sector in establishing equal partnerships. This study has demonstrated the interdependence of the key stakeholders in the eradication of poverty, that is, the NPO sector, private sector and governments.

### **Summary**

This chapter dealt with the complex nature of poverty. The conceptual framework revealed the multi-dimensional composites of the phenomenon of poverty. Notwithstanding, the chapter also revealed challenges encountered in poverty eradication intervention strategies. These challenges encompass, in general, the uneven trade relations or partnerships between the poor and the rich members of society. The complexity about poverty and sustainable development is a difficult process and therefore a need for lifelong learning process. Due to the uneven and different levels of development, the meaning and definition of poverty and sustainable development mean different things to different people, who have different interests to protect. Poor people, for example, have a need to influence their own destiny, hence the black or African renaissance whilst the more powerful and wealthy nations strive to protect their economic advancement. The persistence of poverty reveals that the interests of the more powerful and wealthy are being entrenched through measures such as inequalities in information communication technology and globalization. World institutions such The World Bank, World Economic Forum, World Trade Organization and The International Monetary Fund, are ren-

dered ineffective in bringing positive influence to poverty intervention initiatives because of divisions brought about by member states, who vote against progressive resolutions which they believe are threatening to their own national interests. Examples are the resolutions passed at the 2002 South African hosted World Summit for Sustainable Development where rich countries voted against resolutions meant to reduce poverty in favour of their own economic interests. In conclusion it can be observed that skewed partnerships form a basis for failure to reduce or eradicate poverty.

The following chapter, Chapter 4, will deal with the South African intervention strategies and enabling legislation for poverty eradication and sustainable development.