

CHAPTER 2: GLOBAL AND NATIONAL POVERTY

2.1 INTRODUCTION

Poverty is a global phenomenon that continues unabated and remains socially challenging for most governments. The causes of poverty are many and varied and the poor universally experience deprivation and hopelessness. In most countries, the poor do not have access to clean water, sanitation or daily food to ensure their wellbeing. Public service delivery is largely inadequate or non-existent and the shortfall is aggravated by political instability, regional wars and conflicts. Poverty leads to a lack of material needs, education, health care and social exclusion, and links to conflicts, violence and social dependency.

Poverty is prevalent in both rural and urban areas, where there are degrees of poverty. Absolute poverty includes a deprivation of food, safe drinking water, sanitation facilities, health care, shelter and education. Extreme poverty includes living on less than USD1 per day, regarded as the international poverty standard measure. Public service delivery to the poor is extremely inadequate. The poor travel vast distances to access education and health care facilities.

Economically, the poor fare no better. They cannot obtain bank loans for trading purposes, as they do not have the collateral to guarantee repayment. They are deprived of health care, food and safe environments, and live in informal settlements in slum conditions without access to safe water and sanitation facilities. This affects family health, especially young children where malnutrition and food insecurity result in poor health.

Poverty is rife in both urban and rural communities. Urbanisation is increasing in the developing world and the majority of the poor live in rural areas. Absolute poverty is higher in rural areas than in urban areas. The poverty profiles in urban-rural areas are different, which have an impact on national statistics on poverty in terms of consumption per capita or income. Urban poverty is increasing and the rural poor are urbanising at a fast rate.

Problems associated with social exclusion are not adequately addressed in social policies. Policy makers should review their understanding of complex psychosocial

problems associated with the socially excluded. As continued social exclusion perpetuates social problems, it is important that policy makers envisage a future where the socially excluded are included in the mainstream of society. The future should mark a period of greater tolerance and understanding for those who live on the edges of society. Consensus between service providers is urgent regarding structural and cultural changes that address the needs of the most vulnerable members of society.

Poverty is regarded as a global phenomenon, and the scope of global poverty hinders public efforts to adequately address the situation. The poor experience a lack of basic needs, clean water and sanitation. In most cases, public service delivery is hopelessly inadequate to address the needs of the poor. The consequences of poverty include poor health and social exclusion. Further problems for the poor include the lack of infrastructures to deliver basic services and social and health care. Exclusion from policy processes reinforces their adverse socio-economic circumstances.

The impact of global poverty, poverty in Africa, poverty in South Africa, the impact of climate change, the impact of HIV/AIDS, the Millennium Development Goals and poverty projections are further discussed in this chapter.

2.2 THE IMPACT OF GLOBAL POVERTY ON THE POOR

2.2.1 Millennium development goals and poverty reduction

The United Nations Report on the First Decade for the Eradication of Poverty (FDEP) 1997 to 2006 set the stage for global governments to assess their respective poverty status. The FDEP was followed by the establishment of the United Nations Millennium Developmental Goals in 2000, which further mandated global governments to reduce poverty by 50% by 2015. The global focus on addressing poverty is viewed against global statistics that range from absolute poverty to extreme poverty. Cornia and Court (2001:1), Accorsi, Fabiani, Lukwya, Ravera, Costanzi, Ojom, Paze, Manenti, Anguzu, Dente and Declich (2001:214), Serageldin (2002:54), Fuentes (2008:139) and Sacks (2008:17) are of the opinion that the poverty situation in developing countries as well as in affluent countries is incredibly difficult for the poor.

Minot and Daniels (2005:453) and Ravallion, Chen and Sangraula (2008:667) state that poverty is rife in both urban and rural communities. Ravallion *et al.* (2008:667-669) provide the geographical impact of poverty in their study on urbanisation in 90 developing countries, which indicates that urbanisation is increasing in the developing world and the majority of the poor live in rural areas. Absolute poverty is higher in rural areas than in urban areas. The poverty profiles in urban-rural areas differ and have an impact on national statistics in terms of consumption per capita or income. Urban poverty is increasing and the rural poor are urbanising at a fast rate (Scanlon & Adlam, 2008:520, 542). Approximately three quarters of the world's poor live in rural areas, adding to urban poverty, with large numbers of rural migrants seeking employment in cities.

Serageldin (2002:54-56) argues that despite global scientific advances, conflicts, economic uncertainty, poverty and insecurity remain acute, especially in developing countries. Affluent countries continue to ignore the plight of poor countries. The future seems daunting as environmental pollution and hunger continue unabated. Although there were vast improvements in school enrolments and reduced infant mortality over the past 40 years, global poverty remains acute, as indicated by the huge numbers of poor who experience various forms of depravity.

Globally, 1.2 billion people continue to live on less than USD 1 per day, while 1 billion have no access to clean water. More than 2 billion have no access to adequate sanitation and 700 million, mostly women and children suffer from biomass fuel pollution. Millions of poor farmers struggle to eke out a living from poor soil conditions. Additional challenges include global population growth of approximately 80 million people per annum, which places further pressure on fragile eco-systems and scarce water resources (Serageldin, 2002:54-56).

A comparison of the above figures for 2002 by Serageldin (2002:54-56) is provided by the World Bank Development 2007 Indicators (2007:16-18). The proportion of people living on less than USD 1 per day decreased from 40,3% in 1984 to 18,4% in 2004. This is further compared with the World Bank Development 2008 Indicators (2008:16-18) for extreme poverty, which was set at USD 1.25 per day during 2005 by the United Nations International Comparison Programme. The new measurement indicates that there are additional numbers of people living in

extreme poverty, which is prevalent in middle-income countries. Globally, 1.4 billion people are living in extreme poverty. Those countries that reduced their poverty rates with the previous poverty measure, have not been able to reduce their current poverty rates with the new poverty measure, which indicates that 42% of the population in developing countries live on less than USD 1.25 per day.

Fuentes (2008:139) adds to Serageldin's (2002:54-56) account above that the loss of biodiversity and wild life affects impoverished households who depend on natural sources for water, shelter and medicine. Fuentes (2008:139-140) states that the needs of the poor should be included in the world economy to ensure that they escape the poverty trap and are no longer totally dependent on natural resources to preserve the environment. Fuentes (2008:139-140) mentions that there is an urgent need to plan for wealth creation for the poor through urbanisation.

2.2.2 Challenges to addressing poverty

Changes in poverty, inequality and economic growth since the mid-1980s have risen tremendously in most countries (Cornia & Court, 2001:1-3). The traditional causes of poverty focused on inequality in education and urban development. The new focus links liberal economic policies and economic reforms. High levels of inequalities are difficult to address through economic growth, further hindered by crime and political instability. Nor is economic growth attributed to technological change and globalisation, as both Canada and Taiwan provide examples of the successes of slow positive economic growth (Cornia & Court, 2001:1-3). Policies should address inequality by regulating international financial growth to avoid a global currency crisis, which adversely affects income distributions to the poor.

A rather ambitious statement, in light of the extent and hopelessness of the poverty situation globally is provided by Sacks (2008:17-19), who states that eliminating poverty remains an ethical commitment that includes the collaboration of social scientists, public health practitioners and economists. Their specialist knowledge could assist to end poverty by 2025. Sacks (2008:17-19) argues that poverty is furthermore a result of crop failures due to droughts and HIV/AIDS,

where numerous children are in the care of grandparents following the demise of their parents.

Malaria, a killer disease that caused the deaths of between one to three million globally during 2008, is treatable with appropriate medication. Protective nets for beds cost USD 5 for two children. This translates into 50 cents per child per annum, yet the poor cannot afford this amount, as they do not have any income. In addition, food crops are insufficient to feed families. Most poor villages are based on non-cash economies similar to the circumstances of millions of poor globally.

Accorsi *et al.* (2001:214-216) claim that the effect of insecurity, the HIV/AIDS pandemic and poverty affect negatively on the health of the poor. There has been a large intake of poor patients at hospitals, including children with various illnesses, due to HIV/AIDS, malaria, tuberculosis and civil war injuries. Cohen (2002:2324), Orr (2002:288), Block (2003/2006:168), Alesina and Glaeser (2005:25,184), Wacquant (2005/2007:66) and Preston (2007:484) agree with Accorsi *et al.* (2001:214-216) and state that opportunistic diseases, such as HIV/AIDS as well as the adverse global economic situation have added to the problems of the poor in developing countries.

Block (2003:168-170) maintains that although the first world may not be indifferent to the plight of poor countries, their situation is heightened by their poor socio-economic circumstances which he calls “deserts”. The first world has the moral responsibility to address the economic deserts through policies that address fair systems of entitlements not based on rewards. There are 1.5 billion people in poor countries that do not have adequate health care and live in appalling conditions, with no skills to participate in the global economy. Northern countries are required through their commitment to the United Nations Millennium Development Goals to address the socio-economic conditions that plague poor countries. Helleiner (2001:3) and the United Nations Country Co-operation Framework Report 2002-2006 (2006:1), which will be referred to in this research as the UN Report 2006, agree that developing countries require assistance to overcome poverty. Northern countries are morally obligated to assist Southern African and Asian countries.

Poverty in developing countries leads to hunger, malnutrition, limited education, and limited access to basic services, social discrimination, social exclusion and a lack of participation in decision-making processes. Helleiner (2001:3-4) declares that developed countries should assist developing countries, especially those that are in crises, which affect regional and global systems. This includes stabilisation funds that operate independently from donor funding to support their entry into global trading markets.

2.2.3 Global politics and poverty

The research by Ljubotina and Ljubotina (2007:5-7) concludes that structural poverty is one of the main causes of poverty. This includes political and economic instability, which hinder development in third world countries. Orr (2002:288-290) calls for an assessment of political events post 9/11, regarding global political tensions and poverty. There is an urgent need to end political violence in the Middle East, the Balkans and in other violence-strewn countries, and to find long-term solutions for underlying problems.

In an unequal society marked by abject poverty, the poor remain vulnerable and desperate. Orr (2002:288-290) states that global corporations have control over the world's economic, political and technological spheres. Unaccountable international corporations and agencies like the World Trade Organisation tightly control the emerging third world. In order to address the above issues, it is imperative that socio-economic policies include global economic trade, energy sources, security and the environment.

Global partnerships to reduce poverty by half by 2015 should include the eradication of tuberculosis, which in 2002 claimed nearly 2 million lives (Cohen, 2002:2324). The disease, including malaria and HIV/AIDS has further impoverished poor countries. During 2002, the United Nations launched the global HIV/AIDS fund to address the pandemic, including tuberculosis and malaria, but various governments globally have not taken relevant processes forward due to financial and technical limitations. This includes disputes over existing funds. Cohen (2002:2324-2325) claims that there is an urgent need to use allocated resources effectively and to set realistic expectations for developing countries.

The personal experiences of particular groups in specific societies provide the best descriptions of poverty (Wacquant, 2005:66-68). An example in this respect is the ghettos of the American north-east and mid-west, and the dilapidated cities of the 'red belt' – areas in France where workers strongly identify with unions and municipal organisations. These regions represent future contemporary societies marked by labour disputes, remaining detached from national and global economies (Cohen, 2002:2324-2325).

2.2.4 Creating a conducive environment to address poverty

A review of welfare handouts in respect to the above aspects indicates the difference between the United States of America and Europe (Alesina & Glaeser, 2005:25,184,189). Both are democratic wealthy countries but differ in their redistribution policies. The USA is less willing to redistribute wealth from the rich to the poor than its European counterpart that favours the disadvantaged through employment opportunities, health care and income transfers to vulnerable groups. The USA spending on poverty equals to 30% of the GDP, whilst the European expenditure is 45% and more than 50% in Scandinavia. The differences are attributed to the prevailing economic, political and social conditions. Europe is more exposed to left wing socialism, whilst the USA is more rightwing-based, focusing on available opportunities for individuals to improve their lives.

Preston (2007:484-486) in turn, examines the contribution of economic factors for increased life expectancy during the twentieth century in several countries. A growth in life expectancy was evident in individuals with both low and high-income levels. This was attributed to better health care by respective governments. In Japan, the Philippines, France, Australia, Spain and tropical African countries, individuals with adequate income could access quality health care facilities and an improved lifestyle. In many Western countries, improved education, higher living standards and the prevention of diseases were only available from 1938 to the present.

2.2.5 Concluding remarks

The alarming global statistics and information above provide the stark reality of poverty for the majority of the world's citizens, including women and children, who

remain the most vulnerable groups. The global poverty line, which indicates that the poor earn less than USD 1 per day does not bode well for the world's poor. Women and children continue to be the prime casualties of poverty, especially in countries that are politically unstable, which seriously affects the nutritional health of children. The United Nations Report on the First Decade for the Eradication of Poverty, 1997-2006, was the first international effort to address global poverty, followed by the Millennium Development Goals in 2000, which committed various countries globally to reduce poverty by 50% by 2015.

Global poverty includes absolute and extreme poverty. The former includes a lack of the basic requirements for living, while the latter includes a total lack of the basic requirements for living. Poverty is more prominent in the South, which includes the Asian and African continents. The causes of global poverty are many and varied, and include a deficiency of work-related skills, inadequate public service delivery and low levels of education. The impact of global poverty includes marginalisation from formal economic activities, and living in isolation and exclusion from decision-making processes. The rising unemployment rates and lack of skills continue to entrench poverty globally.

2.3 THE IMPACT OF POVERTY IN AFRICA

2.3.1 Consequences of poverty in Africa

Poverty in Africa is brutal and includes severe malnutrition, a lack of adequate health care and a serious lack of safe drinking water. Life expectancy is short and many children do not have access to primary education. Various regional wars add to the plight of the poor. Poverty remains entrenched in Africa. Pelto (2000:1300), The UN Report (2006:5-6), Food 4 Africa (2006:1) and Mutandiva and Gazirayi (2007:3) are of the opinion that political instability in Africa has contributed to poverty on the continent. The UN Report (2006:5-6) states that Africa faces a myriad of economic challenges, where most of Sub-Saharan Africa has the lowest income. One hundred and eighty four (184) million citizens, translating into 33% of the population, suffer from malnutrition. Three hundred and fifteen (315) million people, translating into one in two people in Sub-Saharan Africa, survive on less than USD 1 per day. Ethiopia and Burundi fare the worst, with USD 90 per person per year. Middle-income countries such as Gabon and Botswana have huge numbers of people living in poverty.

North Africa fares better than Sub-Saharan Africa (UN Report, 2006:5-6). In the former, the economy is stable, trade is relatively high and HIV/AIDS is not as prevalent. Less than 50% of Africa's population has access to health care. The average life expectancy in Africa is 41 years. Only 57% of African children receive primary education and one in six children dies before the age of five. Five point three (5,3) million hectares of forest was lost during the 1990s and less than one in five persons has access to electricity. Fifteen people out of every 1 000 have access to telephone lines and 7,8 persons out of every 1 000 have access to the Internet.

2.3.2 Consequences on children

Food 4 Africa (2006:1), an international aid organisation, indicates that one in 10 infants dies within 12 months. One in five suffers from chronic malnutrition and one in 10 suffers from severe malnutrition. Fifty percent have calcium, iron and zinc deficiency and more than 2,2 million children under the age of 17 are orphans. Sixty-five percent live in households headed by teenagers and more than one in five children is physically stunted due to malnutrition.

Pelto (2000:1300) concurs with Food 4 Africa (2006:1) and adds that early childhood malnutrition is attributed to inadequate family income. Adequate nutrition determines the good health of children. Low growth rates lead to poor cognitive development. In many developing countries, integrated nutrition and early childhood education are not available to all children in the 3-5 age group. The caregivers of children aged 6-30 months are not equipped with relevant education to prevent a lack of development in children. Pelto (2000:1300) suggests that multidisciplinary interventions will enable children to develop normally.

2.3.3 Socio-economic consequences

Mutandiva and Gazirayi (2007:3-6) agree with both Pelto (2000:13000) and Food 4 Africa (2006:1) and are of the opinion that the poor in most developing countries in Africa live in abject poverty, on less than USD 1 per day. Poverty is compounded by HIV/AIDS, which has devastated many socio-economic systems in developing countries. It is estimated that 31 million persons were infected with HIV in Southern Africa during 2003. This has since increased to 37.8 million during 2004. The disease has widened the gap between rich northern countries and developing countries in

terms of socio-economic development. Agriculture remains Africa's key strategy to enhance the livelihood of the poor, but pestilence and diseases account for only 40% to 60% crop yields. According to Mutandiva and Gazirayi (2007:3-6), Africa requires indigenous knowledge, adequate health care, natural food preservation and resource management to ward off starvation.

Steward (2002:243), McCoy (2001:2) and Manjengwa (2006:13) suggest that political instability hinders the socio-economic development of the poor in Africa. Steward (2002:243-245) maintains that political stability in Africa is vital for sustained development and outlines the four hypotheses that assess conflicts in developing countries in Africa. The Group Motivational Hypotheses focuses on conflicts between groups based on religious, cultural and geographical differences, where specific group identification results in group ambitions, leading to war. The Private Motivation Hypotheses outlines the accumulation of benefits for specific groups, which leads to conflicts.

The Failure of the Social Contact Hypotheses views the failure of the state to provide reasonable social services and access to employment. The Green War Hypotheses views environmental degradation as a leading cause of poverty and conflict, due to rising population rates and reduced agricultural productivity. Steady (2000:26) is of the opinion that socio-economic policies should address poverty, inequalities and environmental degradation, which are the main sources of conflict in Africa.

McCoy (2001:2, 8) agrees with Steward (2003:243-245) and states that many countries in Africa have not developed an environment conducive to attaining political and social progress that matches that of western nations. Ethnic divisions continue to spread turmoil, which further perpetuates external conflicts and civil wars. Manjengwa (2006:13) affirms the above statements by stating that the majority of conflicts in Africa centre on land ownership. This is acutely observed in Zimbabwe, where the Fast Track Land Reform Programme has resulted in a scramble for land that has displaced many legitimate owners.

2.3.4 Concluding remarks

The above accounts indicate the extreme poverty in many developing countries in Africa. Women and children withstand the worst of poverty in Africa. The acute lack of

basic health care and safe drinking water is compounded by an extreme lack of food in some countries. Average life expectancy is short, leading to high death tolls. Children especially, experience extreme poverty, marked by inadequate nutrition and stunted growth. Africa has one of the lowest levels of income and malnutrition is widespread in some countries.

The economic woes of Africa add to the plight of the poor. The various conflicts and wars in Africa are added burdens on the poor. Human suffering remains acute. There is scant economic development in Africa owing to various factors, notably high birth rates and government inefficiency and corruption. Africa requires global partnerships to develop economically.

2.4 THE IMPACT OF POVERTY IN SOUTH AFRICA

2.4.1 Poverty challenges

The impact of poverty in South Africa is viewed against the background of 17 years of democracy. Whilst there has been some progress in the socio-economic spheres, poverty remains a harsh reality for many communities and individuals. The Department of Foreign Affairs Report (2006:1), the UN Report (2006:5-6) and Frost and Hoggett (2008:438) are of the opinion that the poverty situation in South Africa is profound.

The Department of Foreign Affairs Report (2006:3-4) states that the question of poverty is viewed in relation to South Africa's commitment to the United Nations Decade for the Eradication of Poverty, 1997-2006. There was global consensus that eradicating poverty was an ethical, social, political and economic imperative by third world and developed countries. The Department of Foreign Affairs Report (2006:4) states further that despite the above commitment, poverty in South Africa remains acute.

Socio-economic policies should focus on social exclusion and its consequences, rather than the traditional focus on well-being and the distribution of resources, in order to gain insight to social suffering (Frost & Hoggett, 2008:438-440). Policy makers will then be able to reach an understanding of the inhibiting nature of social structural oppression. Political and social systems do not include the poor in decisions

that affect them. It is therefore imperative that the policy focus shifts to the experiences of the poor and their perceptions of poverty.

The UN Report (2006:5-6) outlines its midterm country programmes in South Africa to address poverty. This includes the United Nations Development Assistance Framework to address poverty and inequality through the Integrated Sustainable Rural Development (ISRDR) and HIV/AIDS programmes in KwaZulu-Natal, Limpopo and Eastern Cape. The 1995 Participatory Poverty Assessment (which can be compared to the current situation) indicated that millions of South Africans experienced ill health and high stress levels. Women and child abuse is rife. Workers earned low salaries for unsafe work and the poor experienced ill health and discrimination. Ignorance and superstition were added problems for the poor. The UN Report (2006:6) states that although there has been a measure of improvement for the poor in terms of housing and primary health care, wealth creation for the poor remained elusive.

2.4.2 Socio-economic challenges

Adato, Carter and May (2006:226), Hunt (2007:1) and Richardson (2007:2) conclude that the poor are socially excluded from the socio-economic spheres in South Africa. Adato *et al.* (2006:226-228) provide a succinct account in respect of the above aspects in their study on poverty and exclusion, and state that South Africa is identified as two worlds in one, with a high human development index in one (formal economy) and a low human development index in the other (informal economy). Following the post apartheid years, poverty and inequality in South Africa remain serious problems. Economic capital is crucial to ensure upward mobility, but unemployment has remained static and is increasing, diminishing the prospects for many poor South Africans. Adato *et al.* (2006:226-231) suggest that the Growth, Employment and Redistribution Programme (GEAR) failed to meet the expectations that a growing economy will address inequality in South Africa.

Hunt (2007:1-2) expands on poverty and inequality in South Africa and states that there is no adequate understanding of the complexity and magnitude of poverty. For the majority of the poor, the situation before 1994 was a reality in terms of poverty, exclusion and a total sense of hopelessness. Post 1994, inequality remains central to

the socio-economic situation in South Africa. Hunt (2007:2) proclaims that this is further evident in the HIV/AIDS issue, where there is a disproportionate concern over health issues than on the impact of the disease on the economy.

2.4.3 Socio-economic challenges and the South African Constitution

Although the South African Constitution is regarded as a remarkable legislative process in terms of its rights based focus, South Africa does not appear to apply basic human rights to the poor (Richardson, 2007:2-4). The example of the Constitutional Court's decision as reflected in the Grootboom, Treatment Action Campaign (TAC) and the Soobramoney cases were however hailed as a breakthrough for the poor and disadvantaged. Irene Grootboom lived in a squalid squatter settlement called Wallacedene in the Cape, where a quarter of the population has no income, two thirds earn less than R500,00 per month and children constitute half the population. The settlement has no water, sewerage or rubbish removal facilities. There is a waiting list of 7 years for subsidised low-income houses.

The court's decisions in the above case that the state was to provide access to housing as a constitutional right were viewed legally, as being reasonable. In both the TAC and Soobramoney cases, the court ruled in favour of providing universal treatment for mother to child transmission of the HIV virus and for emergency medical treatment respectively. Richardson (2007:4) strongly argues for the same response of reasonable justice for the poor, by enforcing social and cultural rights as legal rights, especially in terms of scarce resources. The above cases illustrate that the legal imperative rests on the state to take reasonable measures to eliminate or reduce severe deprivation amongst the poor and needy.

2.4.4 Socio-economic challenges versus the Growth, Employment and Redistribution Programme (GEAR)

Stavrou (2002:3), Bond (2004:3), Du Toit (2005:3), De Swart, Puoane, Chopra and Du Toit (2005:2) and Callaghan and Wistow (2008:166) are of the opinion that the socio-economic situation in South Africa is not conducive to assist the poor to surmount their circumstances. GEAR as a wide-ranging strategy for South Africa was not widely consulted before implementation (Bond, 2004:3-5). The purpose for GEAR was to create 400,000 new jobs each year as the South African economy

grows at a rate of 3-4% per annum. Bond (2004:5) refers to the above assumptions as distortions, as there was no stability in South Africa over four decades and the exchange rates kept fluctuating. The expected 3-4% economic growth per year did not materialise, while unemployment levels increased.

Subsequent to Gear, the government sought ways to enable the poor to acquire an asset base that would provide access to economic markets (Bond, 2004:3-5). The problem, however, is that economic markets continue to trade; they do not wait for the poor to build their asset base. As the business world has evolved over time, it may be impossible for emerging poor entrepreneurs to conduct business with major companies. To address economic social exclusion, social services should be linked to community and family support to enable the poor to participate in the formal economy. Bond (2004:5) however claims that it will require more than social service assistance for poor entrepreneurs to break through the economic market barrier.

The GEAR strategy sought to achieve four objectives, namely a competitive growing economy, the redistribution of income to the poor, health, education and related services and productive employment. The above aspects did not materialise, as there was a need for accelerated economic growth, increased infrastructure development and service delivery, a stable environment for investor confidence and restructuring the public sector for efficiency and human capital development (Stavrou, 2009:4).

2.4.5 Socio-economic challenges for the working poor

What is the poverty situation in many communities in South Africa in terms of the socio-economic situation regarding the poor? By way of an answer, the study on the causes of poverty in Khayelitsha and Nyanga, two of the poorest suburbs in the city of Cape Town, was undertaken by De Swart *et al.* (2005:3-5) and provides a grim picture of similar experiences in many poor communities across South Africa.

Khayelitsha and Nyanga are surrounded by rich northern and southern suburbs that vividly portray the stark inequality in an urban setting. The causes of poverty are complex and multi-faceted. A steady stream of migrants from the Eastern Cape seeks employment opportunities. The majority do not have the necessary skills for formal employment.

Half of the households in Khayelitha and Nyanga do not have a working income. Two-thirds (64%) of the adults are unemployed and only 23% of adults earned a permanent salary, mostly as factory workers, which is the main occupation. Nine percent constituted the general skilled workforce and 6% were employed as domestic workers. Fifty-two percent males and 72% females did not have paid work. Two thirds of young people (67%) aged 18-25 were unemployed and were not pursuing further education, while 57% of the unemployed were in the age group 26-30 years. Working income was the main source of total household income, which averaged R1 463,00 per month, compared to R502,00 per month for households with no wage income.

Half the breadwinners (53%) received less than R1 000, 00 per month. Despite multiple sources of income per household, 82% fell below the line of R560,00 per adult-equivalent per month. Twenty two point six percent had less than R100,00 per household member per month. For 50% of households, the monthly income amounted to less than R241,00 per month adult-equivalent. Only 15% of households generated R600,00 per adult-equivalent per month. The above study illustrates that the poverty status in South Africa is not being adequately reduced to enable the poor to surmount their adverse circumstances.

2.4.6 Addressing socio-economic challenges

Callaghan and Wistow (2008:166) agree with Stavrou (2002:3-4) and Bond (2004:3-5) regarding the socio-economic constraints on the poor in South Africa, and are of the opinion that community involvement in public service planning and implementation is essential to ensure collective benefits to poor communities. Callaghan and Wistow (2008:166-167) state that fragmented health and social services compromise socio-economic development.

Du Toit (2005:3-4) concurs that the protracted poverty situation in South Africa indicates that poverty was not being reduced consistently. Reliable data on the circumstances of the poor should be developed and the nature and extent of poverty in South Africa established which has been inadequately captured in national census and survey data. Du Toit (2005:4) asserts that an overall estimate of current data indicated that poverty reduction has been minimal, inequality has increased and economic growth has not benefited the poor.

2.4.7 Concluding remarks

Policy challenges in South Africa include the social exclusion of the poor from the economic and policy processes. Although there are some achievements in housing and primary health care, serious issues regarding poverty have not been addressed, including high unemployment and access to basic services for the majority of the poor in South Africa. The poor have reasonable access to services, according to the Constitution. However, resource constraints impede the right of the poor to service delivery. The socio-economic challenges regarding GEAR include an environment that is not conducive to enable the poor to improve their circumstances. Government's rationale that GEAR would create employment through economic growth did not materialise.

An added problem for the poor includes the wide gap between the informal and formal sectors. The socio-economic challenges for the poor continue, as they do not have the appropriate working skills for better-paid work. Addressing socio-economic challenges in South Africa include community involvement in service delivery initiatives.

2.5 THE IMPACT OF POVERTY ON WOMEN

2.5.1 Socio-economic constraints

Women throughout the ages have been subjected to discrimination in terms of their social and economic status. Yet they perform menial economic work to ensure the survival of their families. During 1995, the social and economic status of women universally received serious consideration because of the United Nations Beijing Conference that paved the way to addressing issues that influence women negatively. Following the Beijing Conference, women globally continue their uphill struggle to achieve economic equality with men, but remain for the most part, disempowered both socially and politically.

The Education and Training Unit, South Africa (2006:1), Martin and Roberts (2006:129) and McEvan (2007:4) assert that women are not active participants in the socio-economic spheres in South Africa. The Education and Training Unit, South Africa (2005:1-3) an international NGO working among the poor in South Africa, states that poor women are affected by a lack of access to education and appropriate

employment. Consequently, they acquire poorly paid work as farm labourers or domestic workers. Overall, they earn less than men for both unskilled and skilled work.

2.5.2 Socio-economic challenges and social justice

McEvan (2007:4-5) states that following the move towards rights-based approaches towards the poor, gender inequalities were addressed in South Africa through citizenship participation. However, citizen participation may just be a hollow concept without social justice. McEvan (2007:6) provides a contrary opinion to the meaning of citizenship in the South African context through his research, namely that citizen participation include access and control over resources. Gender activism promotes gender equity in policies. Citizen spaces are therefore required to debate various issues, including gender inequality. These spaces include the active participation by the poor to challenge adverse conditions and create alternative circumstances.

Problems associated with social exclusion are not adequately addressed in social policies, as there are no simple solutions (Scanlon & Adlam, 2008:520,542). Policy makers should review their understanding of complex psychosocial problems associated with the socially excluded. As continued social exclusion perpetuates social problems, it is important that policy makers envisage a future where the socially excluded are included in the mainstream of society. The future should mark a period of greater tolerance and understanding for those who live on the edges of society.

Martin and Roberts (2006:129) in turn, maintain that the National Women and Employment Survey (WES) conducted in the USA in 1980, proved groundbreaking for key research and policy questions in terms of the socio-economic issues pertaining to women. Post 1980, surveys on women's issues were on a much smaller scale than the WES. Consequently, there are vast areas to be covered in term of improving the status of women. This includes an assessment of their economic activities, remuneration equity, and the available support for women caring for children and frail elderly family members.

2.5.3 Socio-economic constraints and gender discrimination

Beall (2005:253), Chant (2006:201) and Fernandez and Mors (2008:1061) are of the opinion that gender discrimination remains a root cause of poverty amongst women in

South Africa. According to Beall (2005:253-256), local government should actively engage citizens regarding gender issues. However, competing public interests in terms of power politics and resources exclude women at local level. The challenges to promote gender equity in the policy and political arenas remain problematic in government as well as societal structures. Beall (2005:256) states that women face greater obstacles at the local than the national level. Centralising government services at local level will ensure broader citizen participation, efficiency and gender equity.

Chant (2006:201) concurs with Beall (2005:253) and states that the term “feminisation of poverty” which focuses on female poverty in monetary terms, does not highlight those aspects that are relevant to women at grassroots level. Nor does the United Nations Development Programme indices in respect of women include gender poverty gaps which poor women experience. The term “feminisation of poverty” applies to common beliefs of poverty that do not represent the large percentage of global poor women who experience excessive suffering.

Feminisation of poverty is not about a lack of income, as there is no adequate data to provide a breakdown of female and male monetary poverty. There is a need to address the feminisation of poverty as both income poverty and restriction of choices, which is further compromised by the abuse of women and their disempowerment. Chant (2006:203) states further that improvement in women's circumstances remains essential in terms of the feminisation of poverty, especially for female households.

Fernandez and Mors (2008:1061) investigated the open market hiring processes to determine the extent of discrimination in employment practices against females. The study aimed to determine the job matching mechanisms in terms of gender equity. Their investigation indicated that there was a disproportionate allocation of males to higher salaried jobs and that gender inequality was entrenched in the work place. Women were preferred over males in jobs that paid by the hour, whereas the choice jobs were reserved for males.

2.5.4 Concluding remarks

Poor women are for the most part, excluded from the socio-economic and political spheres. They are neither active in the economy, nor do they share equally in terms of earning power with their male counterparts. Gender inequality is entrenched in the

work place. Without appropriate skills, women work as poor paid farm labourers or domestic workers. Even with appropriate skills, women earn less than men for the same work.

Following the 1995 United Nations Beijing Conference, women's socio-economic rights came to the fore in global political agendas. The National Women and Employment Survey during 1980 highlighted crucial issues pertaining to women, for further debate. However, subsequent to the above survey, there have not been any major socio-economic achievements for women. Poor women especially have a long struggle ahead to surmount their low socio-economic status in society.

2.6 THE IMPACT OF POVERTY ON CHILDREN

2.6.1 Status of poor children

Poverty has a negative impact upon children, who are the most vulnerable group in society. The consequences of poverty have dire effects upon their physical and emotional development. The status of poor children remains an indictment on society, especially in terms of effective service delivery to ease their plight and ensure their wellbeing. Poverty affects the health of children, leading to infant mortality because of inadequate nutrition and basic health care. Millions of children in South Africa live in poverty-stricken circumstances, which are against their constitutional right to adequate care and protection. The reasons for child poverty include high unemployment levels and the HIV/AIDS pandemic (Boyle, 2003:374; Pharoah, 2005:3).

2.6.2 Health status of children from poor families

The Education and Training Unit, South Africa (2000:10), Boyle (2003:307), Featherstone (2006:294) and Gakidou, Oza, Vidal Fuertes, Li, Lee, Sousa, Hogan, Van der Hoon and Ezzati (2007:1876) concur that a lack of adequate nutrition has a negative impact on children. Boyle (2003:307) indicates that childhood development is a critical period. Nutritional problems include iron deficiency that is important for growth. Millions of children die each year from parasitic and infectious diseases associated with poverty and deprivation. A combination of childhood diseases and poor nutrition results in a vicious cycle of childbirths and deaths. Protein-energy

malnutrition is the most widespread form of malnutrition globally, because of long-term food deprivation, which impact on children's physical growth.

Gakidou *et al.* (2007:1876) concur, stating that the prevalence of underweight children younger than five years indicates the rationale of the Millenium Development Goals (MDG) to eradicate extreme poverty and hunger. Effective interventions for clean water, sanitation and clean household energy will address the MDG requirements. In this regard, Featherstone (2006:296) calls for welfare transformation regarding economic independence, autonomy and social justice for women and children, as most policies do not heed the needs of children in family policies. Gakidou *et al.* (2007:1876) agree that an urgent analysis of all relevant children's policies is required, especially implementation processes to address the plight of children, as policies that strengthen families indicated an improved status for children.

The report from the Education and Training Unit, South Africa (2000:10) adds to the above accounts and states that the causes of children's poverty are due to the ill health or morbidity of parents because of HIV/AIDS, resulting in poor homes headed by children. Malnutrition affects the physical and mental health of children, who may not have access to educational opportunities, especially early childhood development and consequently, they are unable to complete their formal education.

Goldson (2002:255), Pharoah (2005:1) and Kalil and Ziol-Guest (2008:260) agree that parental neglect because of illness and economic factors, leads to adverse behaviour in children. Kalil and Ziol-Guest (2008:260-262) provide their research findings regarding involuntary employment separation when one or both parents are employed, or when both parents are unemployed and the impact on children. When a parent or both parents are unemployed, there are future negative implications for children from impoverished households. Lower family earnings translate into material lack. This in turn leads to family stress and ineffective parenting.

Kalil and Ziol-Guest (2008:265) state that family unemployment limits income for adequate food, housing, education, as well as a safe environment for a child's emotional and cognitive development. Involuntary employment separation is more difficult for low-income families when the mother is the sole breadwinner. Poverty

increases in impoverished households when an income earner has to resign to care for a family member due to disability or illness.

Pharoah (2005:3) proposes that children affected by HIV/AIDS will be traumatised and marginalised. Without parental care, they do not have positive role models and consequently, develop anti-social behaviours. In addition to being primary caregivers to their siblings, they have to deal with economic problems, irregular school attendance, and lack of food, exploitative labour, sexual abuse and living on the streets.

2.6.3 Family dysfunction

Goldson (2002:255) provides research findings regarding children in the penal system aged 15 to 17 from a sample of 49 children. The data indicated that 26% lived with both parents, 39% lived with one parent, while one in three (31%) lived with neither parent. The majority (73%) lived in households with no adults in paid employment and 22% had no contact with a parent. The above statistical profile indicated that impoverished family backgrounds and challenging social circumstances led to incomplete school attendance, unemployment as well as health-related problems associated with drug and alcohol abuse. The negative social circumstances had a detrimental effect upon the children.

The question regarding child neglect, especially for children from impoverished households, is whether childhood deprivation will continue into adulthood. Daniel and Taylor (2006:426), Goodvin, Gustavo and Torquati (2006:591) and Clark (2006:699) concur. Daniel and Taylor (2006:426-428) assert that parental neglect affects children in the short and long term. Social welfare policies should therefore focus on the role of fathers in child development and child rearing. This is especially important for children from impoverished households who experience gross neglect in terms of their emotional and physical needs.

Goodvin *et al.* (2006:591) confirm Daniel and Taylor's (2006:428) viewpoint regarding childhood neglect and state that a mother's negative emotional attitudes are reflected on the child's behaviour and responses. This in turn leads to personal distress and subsequent aggressive behaviour in children, who may develop negative coping mechanisms. The environment and the family's influence contribute to the child's

emotional well-being. Adverse living conditions will compromise their future social standards and economic prospects. The above aspects illustrate most importantly the implications of neglect for children living in poverty-stricken conditions.

Clark (2006:699) agrees with Daniel and Taylor (2006:428) and Goodvin *et al.* (2006:591) that interventions on behalf of children will address their future social exclusion because of juvenile crime, unemployment and teenage pregnancies. This will also address the cyclical nature of poverty in impoverished households and communities. Effective parenting and practical early childhood education will end the trans-generational poverty cycle.

2.6.4 Concluding remarks

Children from impoverished households experience a lack of adequate nutrition, which further affects their physical development. Poverty is a primary cause of infant and child mortality in most developing countries. In order to eradicate extreme poverty and hunger, the MDG depends on intervention strategies that include clean water, sanitation and clean sources of energy. As the above necessities are not available to many poor families, children continue to suffer deprivation.

High levels of unemployment do not enable poor families to provide adequate care for their children. The HIV/AIDS pandemic has affected poor children, as valuable family finances are diverted to the care of sick members. Drug and alcohol abuse further compromise dysfunctional family circumstances because of poverty.

2.7 THE IMPACT OF POVERTY ON THE YOUTH

2.7.1 Socio-economic constraints

The impact of poverty on the youth of South Africa is grim, with high unemployment rates a serious factor which mitigates against the youth to live fulfilled lives and contribute to the economy. Female youth especially, remain the most vulnerable group in terms of health and reproductive issues. The Education and Training Unit, South Africa (2006:14), the Human Sciences Research Council Report (2006:22) and Swift, Taal, Beck and Heyer (2006:33) concur that the socio-economic factors confronting the youth from impoverished households remain challenging.

According to the Education and Training Unit, South Africa (2006:14-15), youth from impoverished households are deprived of education and employment opportunities. The high unemployment rate in South Africa is a contributing factor to youth unemployment. Consequently, they are vulnerable to criminal activities and substance abuse.

The Human Sciences Research Council Report (2006:22-25) indicates that the social and economic conditions regarding the youth are bleak. The above report includes the 2002 National Youth Commission Report, which indicates that unemployment, poverty, as well as health issues, including HIV/AIDS, remain the biggest challenges for the youth. Youth poverty and low levels of education are inter-linked. Unemployed youth are mainly from impoverished households that experience high levels of unemployment, where inter-generational poverty is entrenched.

In addition to the above factors, the above report includes the 2003 national survey undertaken by the Community Agency for Social Enquiry, which indicates that only one in ten youth could secure employment in the formal sector. A subsequent 2004 investigation by the Co-operative Research Programme on South African Youth indicated that a large proportion of the youth continue to be unemployed.

Swift *et al.* (2006:33-36) agree with the above accounts in terms of general poverty and youth poverty, and are of the opinion that 'vulnerable' and 'vulnerability' are vague terms to denote the poor or poverty. It does not adequately indicate the conditions of poverty that denote a state of insecurity and exposure to risks and shocks. Vulnerability therefore refers to exposure to poverty conditions that renders the poor incapable of coping with the related difficulties.

2.7.2 Environmental influences

Boyle (2003:314), Mosher and Trubeck (2003:63), McDonald, Erickson, Kirkpatrick and Elder (2007:1328) and Musik, Seltzer and Schwartz (2008:138) allude to negative environments that entrench youth poverty. Boyle (2003:314-317) views youth as a time of change, marked by physical, intellectual and emotional growth. However, many young adolescents especially from impoverished households, experience health and nutritional problems, which in some cases relate to risky social behaviours and drug abuse.

Musik *et al.* (2008:138-140) take the above aspect further and state that adverse environments give rise to concentrated pockets of poverty. A poor environment is conducive for low paid employment and fewer role models for the youth. Poor neighbourhoods tend to be isolated from mainstream society, which hinder socio-economic development and community stability, creating the climate for crime, drug abuse and risky sexual behaviour.

Youth mentoring is just as important for McDonald *et al.* (2007:1328-1331), who state that it is essential that the youth are properly mentored to equip them for adulthood. Positive role models pave the way for the youth to strive for success in the academic and employment environments. In addition to role model mentoring, peer group and family mentoring are important aspects in youth development to enable them to pursue personal life goals. Conversely, youth who do not have positive mentorship are left to their own devices. Consequently, they face bleak futures with few career and employment opportunities. McDonald *et al.* (2007:1331) state that the above issues have implications for youth policies.

As mentoring is important to enable the youth to develop future goals, so it is important that their vulnerable circumstances be addressed. McDonald *et al.* (2007:1331) indicate further that the failure to distinguish between the above two concepts ingrains stereotype perceptions regarding the poor. Unlike poverty, vulnerability lacks a developed theoretical base and accepted methods of measurement to improve the circumstances of the poor. The entitlement theory of economist, Amartya Sen to turn assets into investments is an example in this respect.

McDonald *et al.* (2007:1331) are of the opinion that poverty programmes identify the poor in terms of income and consumption, which are then addressed in relevant poverty programmes to raise income and consumption. There is a need, however, for policy makers to change this mode of policy analysis and to note the definitions of poverty from the perspectives of the poor in order to reduce vulnerability and enhance security.

Following through on mentorship and vulnerability, Mosher and Trubeck (2003:63-66) focus on creative environments that favour a flexible approach in dealing with social policy issues, rather than the top-down approaches that include tight governance and

control. Their research regarding the European Employment Strategy indicates a departure from the traditional regulatory controls to the “open method of co-ordination,” which combines broad participation in decision-making processes.

The research results indicated that the overall goal of the strategy is to reform welfare spending to ensure higher employment rates for the youth. This in turn will address the problem of population ageing, where there is a large elderly group and an insufficient working youth group to boost economic growth. Most importantly, all workers, including the youth, were motivated to develop appropriate skills and to continue gaining additional skills throughout their working careers.

2.7.3 Concluding remarks

The youth of South Africa remain one of the most vulnerable groups in terms of their socio-economic status. Youth from impoverished households cannot access educational opportunities or appropriate skills for the job market. As a result, a huge youth population remains unemployed. Adverse environmental influences have a detrimental effect upon the youth, leading in some instances to drug and alcohol abuse, promiscuous sexual behaviour and criminal activities. Furthermore, youth from impoverished households have fewer role models to guide them in life. Youth mentoring is important to prepare the youth for young adulthood and to achieve academic success to attain suitable employment.

2.8 THE IMPACT OF POVERTY ON THE AGED

2.8.1 Dealing with insecurity

The main concerns for the elderly include health, education, self-esteem and quality of life. Poverty amongst the elderly is endemic to both First and Third world countries. Older people are among the poorest in all societies and their primary concern centres on material security. The problems experienced by the elderly aged seventy-five and older include economic insecurity, a lack of access to essential health services, inadequate housing and personal safety (Makiwane & Kwizera, 2006:297).

Boyle (2003:342), Makiwane and Kwizera (2006:297) and Spira and Wall (2006:390) believe that the aged are beset by many illnesses, especially the aged poor, who have to contend with the adverse effects of illnesses and diseases and the lack of

inadequate medical and family care. Makiwane and Kwizera (2006:297-299) state that the quality of life for the elderly includes general health, basic food needs, housing and emotional wellbeing. Added factors include transport, safe water and security. The adverse factors that affect the quality of life for the aged include the shortage of housing, living in rural areas where poverty levels are higher, limited access to education and the adverse impact of HIV/AIDS, which renders most poor homes poorer.

2.8.2 Socio-economic constraints

Makiwane and Kwizera (2006:306) indicate from their study regarding the profile of the aged in Mpumalanga, that 71% of the aged were widowed, confirming the high mortality rate among elderly males. The majority had no basic education or work related skills. The elderly above 80 years experienced deterioration in health, leading to anxiety, loneliness and depression. Forty-six percent cared for children aged 6-18, while 20% cared for children younger than 6 years and 9% cared for sick adults. According to Makiwane and Kwizera (2006:306), the role of the elderly as caregivers should be addressed in relevant policies and programmes.

A related, but opposite viewpoint to Makiwane and Kwizera (2006:297-299) above, is provided by Spira and Wall (2006:390-393) who state that frail elderly grandparents contribute to stressful situations in families when responsibilities for their care fall on young adults and grandchildren. As inter-generational families become the norm for the future, family stresses will increase.

On a positive note, the presence of elderly grandparents as part of family households imparts familial cohesion and family understanding for the life cycle stages leading to old age. The increase in the numbers of elderly persons in Latin America, Asia and Africa is attributed to the decline in the mortality rates, due to the treatment and prevention of diseases that previously led to premature deaths among the elderly. However, despite the above positive aspects, adverse socio-economic situations account for high morbidity rates amongst the elderly (Spira & Wall, 2006:393).

2.8.3 Future prospects for the elderly

Appropriate interventions for the elderly include reducing the risks associated with chronic diseases and promoting healthy living through appropriate policies (Boyle,

2003:342). The aging process is aligned with frailty, illness and disabilities, leading to changes in the physical body that contribute to heart disease, hypertension, osteoporosis, dementia and diabetes. The aged therefore require a policy that promotes health and home-based care for the chronically ill.

Loewenberg, Dolgoff and Harrington (2000:27) and Cavanaugh and Blanchard-Fields (2006:505) agree that the future holds both positive and negative aspects for the aged poor. Cavanaugh and Blanchard-Fields (2006:515) focus on a future scenario for the aged post 2030, which ushers in older adults who are educated and technically skilled and have accrued social security and health care benefits. Health and social welfare costs for the future will be reduced by promoting health and quality of life that address the present challenges facing the elderly. These include employment opportunities, social security and social insurance for retirement.

The aging population will increase rapidly in the near future (Loewenberg *et al.*, 2000:35). This in turn will bring in its wake an increase in the number of disabled persons, as morbidity and diseases are prevalent among the lower socio-economic groups. It is essential for social work practice that the ethical dilemmas regarding the above aspects include elderly clients' self-determination and utilising limited resources effectively.

2.8.4 Concluding remarks

The elderly are primarily concerned with their health and security status. The problems for the aged include economic insecurity and a lack of access to essential services. Taking care of frail elderly family members places additional stress on families. The mortality rate is higher among elderly males. Many aged grandparents assume the role of primary caregivers of grandchildren, following the deaths of either one or both biological parents. A major portion of the aged does not have basic education or work related skills. On the other hand, there are many aged persons who live healthy independent lives, whose skills can be utilised in society in a positive way.

2.9 THE IMPACT OF POVERTY ON THE DISABLED

2.9.1 Socio-economic status of the elderly

The disabled poor have to contend with poverty as well as physical limitations. Poverty is an added burden for the disabled poor who cannot access appropriate services. Acquiring appropriate skills and employment are problematic and they continue to remain a marginalised group in society. There is an urgent need to incorporate the needs of the disabled poor into appropriate policies and programmes that address their marginalisation. In order to reduce poverty amongst the disabled poor, it is necessary to empower them to take decisions for their well-being. The social model of disability, which focuses on the person and not on the disability, will ensure that human right abuses and poverty are addressed. Conversely, the medical model focuses only on the physical aspect of disability (Goodley, 2001:2, 5; Thomas, 2004:3-5).

Dunlop, Manheim, Song, Lyons and Chang (2005:8), O'Day (2006:1) and Seekins (2006:1) are of the opinion that the disabled are marginalised from the mainstream of society. Disability has huge economic and societal costs, as more money is spent on disabilities than on the quality of life for the disabled.

A research study by Dunlop *et al.* (2005:35-38) regarding the relationship between disability and depression for the disabled aged 54 to 65 indicates that depression is prevalent among those who live alone and experience chronic ill health and have few sources of income. This is contrary to the disabled who live with family and who are not depressed. Added constraints for the depressed disabled living alone include increased health problems and fewer economic resources (Dunlop *et al.*, 2005:38).

O'Day (2006:1) agrees with Dunlop *et al.* (2005:38) regarding the loneliness of the disabled who live alone and outlines the role of centres for independent living, which are non-profit organisations that integrate the disabled into their respective communities. The centres staffed by the disabled, advocate for accessible transport and deinstitutionalised care. The centres were invaluable as the disabled accessed appropriate services, promoted advocacy and peer support, and participated in community activities. Prior to the establishment of the centres, they

relied largely on social grants. It is estimated that 74% to 91% of clients are involved in matters that concern their wellbeing at these centres.

2.9.2 Intervention strategies

Seekins (2006:1-3) concurs with O'Day (2006:1-3) above and states that the centres for independent living have promoted the concept of independent living for the disabled. Their active involvement has ensured policy changes to housing, transport and employment. The centres are a key factor to ensure the independence of the disabled.

Maisel (2006:1-3) in turn states that the disabled should be empowered towards independent living and to be an integral part of community life. An aging population increases population disability rates and, in turn, impacts on future housing and community design structures. There is an urgent need to address affordable and accessible housing for both the aged and the disabled to ensure their independence and dignity. The term 'visitability' describes the new paradigm that seeks to provide affordable housing for the aged and the disabled, which call for removing the barriers that impair their mobility. Visitability in related community structures will enable the disabled to interact freely with the larger community (Maisel, 2006:3).

2.9.3 Concluding remarks

Disabled persons are for the most part, marginalised from the mainstream of society. Those who live alone, experience chronic health problems and have lower sources of income in contrast to those who live with families. In many instances, depression in the disabled leads to increased health problems. The centres for independent living have provided the disabled a platform to participate in community affairs meaningfully and to live independently. As an aging population increase disability rates, it is imperative that future housing and community structures are designed to ensure their dignity and participation in community life.

2.10 CLIMATE CHANGE AND THE IMPACT ON POVERTY

2.10.1 Effects of climate change

Global warming has serious implications especially for poor communities. In South Africa, the threat of changing weather patterns will influence agriculture and natural resources upon which the poor depend. Soil degradation reduces crop food production, further affecting the plight of the poor. There is an urgent need to address environmental changes and the state of the poor in order to sustain the environment for future generations.

Ghai (2000:128), Steady (2003:24) and the Interafrica Group NGO Networking Service (2007:28) maintain that climate change has negatively affected food sources and the living conditions of the poor. Steady (2003:24-26) states that global warming has affected valuable sources of food for poor communities, that depend on forests for food, water, medicine and building material. Deforestation has resulted in a loss of bio-diversity and watersheds, leading to deterioration in the quality of life for the poor. Increasing desert areas in many parts of the world, notably in Africa, affects one sixth of the earth's population. Soil fertility is declining and irrigated croplands are reduced. This leads to widespread poverty.

Furthermore, it is predicted that 32 million people in Africa will face famine in the near future. The majority of the poor live in low lying coastal areas, which account for approximately 70% of marine pollution through human, agriculture and industrial waste. An estimated 20% of the world's poorest populations, namely, 80% in Latin America, 60% in Asia and 51% in Africa, live in ecologically fragile areas. The scarcity of food and water leads to declining health. Diseases will become rampant as floods are experienced on a large scale in South Africa (Steady, 2003:130).

2.10.2 Consequences of climate change

The Interafrica Group NGO Networking Service (2007:28), an international aid organisation, states that Africa will withstand the worst of climate change during this century. In the future, a severe lack of food and drinking water will be a common scenario, and will be more intense in Sub-Saharan Africa. Rising sea levels due to the collision of the Indian and Atlantic oceans will affect plant

kingdoms, fish stocks and unprotected coastal areas. The Western Cape Province will become warmer and drier in the future and scarce water will lead to food shortages. Floods will affect informal settlements on the Cape Flats and malaria and other diseases will be acute in the interior.

Ghai (2000:128-136) adds that the stark reality of environmental degradation in Africa has led to soil erosion, deforestation and water pollution. There is a close correlation between scarcity of water, fuel sources and suffering. Women and children are affected the most, as they are primarily responsible to gather water and fuel from the environment. Due to droughts, many farmers seek employment in cities, further perpetuating urban poverty.

2.10.3 Consequences of climate change in South Africa

Christian Aid (2006:1), the UN Report (2006:5-6), Adam (2008:145) and O'Riordan, Nicholson-Cole and Milligen (2008:154) concur that the future prospects of climate change for South Africa is foreboding, especially for poor communities who live in threatened areas. Christian Aid (2006:1-2) states that global climate changes pose a serious threat to development programmes for the poor. One hundred and eighty two million people in Sub-Saharan Africa could die by the end of this century, due to various diseases.

The UN Report (2006:5-6) is in accord with the above statements and adds that South Africa ratified the Convention on Biological Diversity in 1995, the Framework Convention on Climate Change in 1997 as well as the Convention to Combat Desertification in 1997 and is presently ratifying the Bio-Safety Protocol. During 2002, South Africa hosted the World Summit on Sustainable Development, indicating its commitment to the environment and development. Regardless of the above progress, the effects of soil erosion and depletion of natural resources are not being addressed (Christian Aid, 2006:1-2).

O'Riordan *et al.* (2008:154) indicate that rising sea levels are associated with green house gases. There is an urgent need to protect coastlines, especially in low-lying villages. Urgent risk management by government will address environmental changes, resulting in flooding and soil erosion. Risk management includes protecting coastlines to ensure future socio-economic protection. This

includes assessing the removal of the most vulnerable households to alternative accommodation. It is essential to base current time-print decisions on action that will influence future ecological footprints (O’Riordan *et al.*, 2008:154).

Continuing the above line of thought, Adam (2008:145) focuses on prospects for the future in terms of global hopes and fears. The prognosis for the environment remains grim, especially with regard to the degradation and destruction of valuable natural resources. The environmental crisis calls for urgent resource management and community responsibility. Global warming affects many poor people who live near coastal areas and major water sources. Environmental degradation is due to firstly, the depletion of natural sources of food and fuel, and secondly, global climate changes which wreak havoc in many countries, where floods had taken a toll in loss of lives and property damage.

To ensure a better future for all citizens requires that responsible decisions are made now. South Africa will not escape climate change in the near future, as dire consequences are predicted for coastal areas as well as the interior of the country. There is an urgent need for government to address climate change in South Africa to protect vulnerable groups.

2.10.4 Concluding remarks

Climate change has depleted natural sources of food for many poor communities. As arable land turns into deserts, the quality of life of the poor is deteriorating because of insufficient food. Future predictions for climate change include millions of poor families experiencing famine, especially in Sub-Saharan Africa, where scarce food and water will lead to a decline in health.

Opportunistic diseases will spread over large areas of Africa, which will add to the problems facing the poor. A further impact of climate change includes arid soil conditions, where starvation will be rampant. Rising sea levels will swamp the land, leading to loss of homes and lives. Climate change is a serious threat, especially for poor families who do not have adequate financial resources.

2.11 THE IMPACT OF HIV/AIDS ON POVERTY

2.11.1 The consequences of HIV/AIDS

The impact of HIV/AIDS on the poor is an added burden, as they have to cope with a devastating disease in addition to dealing with the consequences of poverty. Seth, Kalichman, Simbayi, Kagee, Toefy, Jooste, Cain and Cherry (2005:1), The Education and Training Unit, South Africa (2006:9) and the UNDP Report (2006:6) agree that HIV/AIDS have an adverse impact on impoverished households. According to Seth *et al.* (2005:1), the majority of global HIV infections occur in abject poverty situations, as their studies in an impoverished African community, a racially integrated township and an urban middle class neighbourhood indicate. HIV/AIDS risks relate to poor education, unemployment, discrimination, violence and crime. HIV infection links to poor health care services, socially dense areas, social isolation, substance abuse and the sex for survival trade.

2.11.2 Consequences of HIV/AIDS on children

Seth *et al.* (2005:1) state that children in impoverished households do not have adequate nutrition, as scarce income is spent on medication for the terminally ill. Child-headed households increase when children lose both biological parents and a young sibling takes on the role of primary caregiver, or elderly grandparents assume the role of primary care-givers for grandchildren. By 2015 the population of African countries most affected by the pandemic, including South Africa, would be reduced by 84 million (or 10%). HIV/AIDS aggravate poverty-stricken conditions, reducing household income due to the illness of breadwinners. Seth *et al.* (2005:3) indicate that the cost on the health system is greatly increased and the impact of the disease is acute in societies with socio-economic and gender inequalities.

The Education and Training Unit, South Africa (2006:9) adds to the above list, focusing mainly on children and state that more than 11 million children have lost one parent to HIV/AIDS. Sub-Saharan Africa has nine of the highest HIV/AIDS prevalence rates in the world, and 25 million people are HIV positive. Impoverished households affected by HIV/AIDS have an additional economic burden, when the breadwinner is stricken and is cared for by an economically

active member, further reducing the family's income. Grandparents care for orphans affected by HIV/AIDS, which places additional burdens on poor families. HIV/AIDS is common among economically active young adults who are financially responsible for children and the elderly, leading to additional impoverished households.

2.11.3 Socio-economic consequences

The UN Report (2006:6) concurs with the above statements and states that HIV/AIDS negatively influence the social and economic situation in South Africa. An estimated 22,8% of the population is infected and the disease has affected mostly women and the poor. The pandemic is affecting human development and decreasing life expectancy from 65 years to 40 years. This has a direct effect upon economic productivity. The disease has devastated impoverished households, as indicated in the number of child-headed households and the estimated 1 million children under the age of 15 orphaned by AIDS.

Rau (2002:4), Moatti, Coriat, Souteyrand, Barnett, Dumoulin and Flori (2003:34) and Cederbaum (2008:117) agree that the social impact of HIV/AIDS has devastated impoverished households. Rau (2002:11) expands on the socio-economic impact of HIV/AIDS and states that the disease is the fourth most common cause of deaths globally. The impact of the disease varies between regions, depending on the country's ability to provide adequate nutrition and medical treatment, which in developing countries is costly. Sub-Saharan Africa fares the worst in terms of the disease, where 70% of adults and 80% of children are affected.

HIV/AIDS has a negative impact on population growth as low prevalence rates contribute to a marginal decrease in population, compared to high prevalence rates, which contribute to negative population growth. The disease generates a vicious circle of poverty, as impoverished individuals engage in risky sexual behaviour to fulfill survival needs. The impact of the disease on women, children and the elderly is greater, as rates in Eastern and Southern Africa are higher among younger women than among younger men.

Moatti *et al.* (2003:34-35) add their perspectives to the social impact of HIV/AIDS and agree with Rau (2003:40) that the disease was dealt with effectively in the northern countries during the first two decades of the pandemic, through prevention and treatment. The Brazilian National Aids Programme, which provided universal antiretroviral treatment for the medium term, illustrates that the same measure of effectiveness could be achieved in developing countries through appropriate public policies. The Ivory Coast, Senegal and Uganda have also shown improved results in addressing the disease through effective government intervention.

Moatti *et al.* (2003:35) observe that the arguments by social scientists and economists regarding the costs of drugs versus survival rates remain a moot point. Cost-effectiveness is a strong ethical issue concerning the value of human lives. The economic costs to poorer countries, for example Botswana, Eastern Europe, the Russian Federation and the Baltic States have shown that as HIV/AIDS increases so poverty levels rise. Appropriate policies will ensure resource allocation to address the ethical and economic issues related to the disease.

2.11.4 HIV/AIDS and social exclusion

With regard to the poor most affected by HIV/AIDS, Cederbaum (2008:117) is of the opinion that a critical aspect in dealing with the pandemic concerns the matter of privacy and trust. Her study on name-based and code-based reporting indicated that there are presently major debates on open disclosure to maintain strict confidentiality. Cederbaum (2008:117-121) states that there is a need for name-based proponents to disclose information for the helping professions to deal with cases at the early stages of the disease and for research purposes.

There are, however, fears among some professionals that many affected individuals will not seek help if there is open name-based disclosure. The dilemma will be partially resolved if clients, especially those from impoverished households are allowed to take informed decisions regarding the above aspects. Whilst this debate continues, it is essential that service delivery should be related to the protection of the individual. This in turn will generate data that will inform policy for better protection and advocacy, especially for poor clients.

How do HIV/AIDS affect the lives of the poor living on the margins of society? The future in terms of the disease and poverty is bleak, as the effects of HIV/AIDS continue unabated. Gilbert and Walker (2002:1), Fenton (2004:2) and Castro and Farmer (2005:40) add that gender inequality and stigmatisation are added burdens for the poor. Gilbert and Walker (2002:1-2) state that social and cultural factors were two primary forces that determine health outcomes and exert a powerful influence on life expectancy. Society is divided along gender lines, which affects the health and wellbeing amongst males and females. Gilbert and Walker (2002:6) indicate that South Africa has high gender biases, especially towards young African women, who are the most marginalised, least educated group, which render them vulnerable to HIV/AIDS.

2.11.5 HIV/AIDS and social rights

Poverty and gender remain the primary factors that determine the nature of available resources (Gilbert & Walker, 2002:6). This includes the lack of entitlement and political and economic power at the national level, a lack of social and cultural capital (empowerment) at community level, and the inability to mobilise family and personal resources at the individual level.

Castro and Farmer (2005:40) expand on Gilbert and Walker's (2002:1-2) views regarding social and cultural factors that impact on HIV/AIDS and state that stigmatisation attached to HIV/AIDS violates human rights and should be addressed in broad bio-social understanding in terms of discrimination regarding the disease. This will provide a better understanding of the pandemic in order to develop integrated prevention and care. Stigmatisation should be analysed within the concepts of power, dominance and oppression entrenched in social, political and economic inequality, leading to rejection and exclusion.

HIV/AIDS has devastated the lives of millions globally (Fenton, 2004:3-4). Earlier interventions included identifying risky behaviours and preventing new infections. Current interventions treat the disease within the socio-economic-cultural context. Fenton (2004:4-7) contends that 80% of the global population live in developing countries, where 95% of HIV/AIDS infections have been recorded. There is a positive correlation between HIV prevalence and poverty. Poverty may increase

susceptibility to HIV/AIDS as it is associated with a lack of education and as prevention strategies may not reach many impoverished communities. Conversely, HIV/AIDS increases poverty, which affects households with extreme poverty and income and gender inequalities. Policy strategies to reduce poverty will address the adverse environments that create vulnerability to HIV/AIDS.

2.11.6 Concluding remarks

HIV/AIDS has devastated many impoverished households, where scarce finances are spent to take care of terminally ill family members. HIV/AIDS affects especially children, as many families have lost either one or both parents to the disease. Sub-Saharan Africa has one of the highest prevalence rates globally. Elderly grandparents take care of orphaned children, placing further burdens on poor families. The disease has affected mostly women from impoverished households. Family income is further drained when a breadwinner succumbs to the disease.

Stigmatisation has led many poor families to live in isolation, which further compounds their poverty status. High HIV/AIDS risks include poor education, poor health and poor service delivery. Social isolation, substance abuse and the sex trade are added risks for the poor and many poor child-headed households become the norm, as the disease takes its toll amongst adult family members.

2.12 THE SOCIO-ECONOMIC IMPACT OF POVERTY

2.12.1 The economy and wealth distribution

Minot and Daniels (2005:453-458) illustrate the effects of a falling economy on impoverished households. Their study on cotton farming in Benin indicates that falling prices during 2001 to 2002 affected rural poverty directly and indirectly. The decline in the economy was part of a larger trend in the economy since the 1990s, partly due to the use of synthetic fibres in manufacturing.

A 40% reduction in prices resulted in an increase of 8% in rural poverty in the short term and 6% to 7% in the long term, which affected living conditions and poverty levels. This included the income of households that did not grow cotton, but where family members were employed as labourers in the cotton fields. The poverty

increase of 8% in the short term meant that 334 thousand individuals from poor families were below the poverty line.

Dollar and Kraay (2004:22) and Scanlon and Adlam (2008:520) discuss the impact of trade, globalisation and social exclusion on the poor. Dollar and Kraay (2004:22-25) provide the impact of globalisation on inequality and poverty and state that over half of the developing world live in globalising economies where trade has increased at a tremendous rate due to lower trading tariffs. The rest of the developing world is lagging far behind.

The increase in economic growth leads to disproportionate rates in the incomes of the poor. Globalisation increases economic growth, poverty reduction and welfare reforms in poor countries. Rapid trade growth links to improvements in wellbeing for the poor. Dollar and Kraay (2004:25) state that 50% of developing countries have shown increased economic growth since the 1970s to the 1990s, while the rest have declined in economic growth over the same period. In contrast, absolute poverty in globalising developing countries has declined rapidly during the past 20 years.

The poor continue to eke out a living in the informal economy, which has rapidly increased following the new dispensation in South Africa since 1994. However, three crucial questions remain, according to May (1997:3), namely, “How have the poor fared over the years from 1994 to the present?”; “How has the government succeeded to incorporate the poor into the South African economy?”; and most importantly, “How have poor women fared in terms of economic growth?” The following authors provide their perspectives on the above questions.

Galbraith (2000:55), Aliber (2003:473), the Department for International Development Report (2006:1), Hill, Felice and Ainscough (2007:372) and McEvan (2007:1) agree that there is a huge chasm between the poor and the rich in terms of socio-economic development. The Department for International Development Report (2006:1-3) provides its perspective on the socio-economic situation in South Africa, namely that South Africa remains highly unequal in terms of the economy and wealth distribution. There is a huge discrepancy between a first world vibrant economy and a third world informal economy. Galbraith (2000:55-58) believes that the benefits of economic

markets serve human needs and aspirations. Ensuring economic opportunities through job creation or entrepreneurship will ensure participation in the global economy. This in turn will ensure economic justice in terms of fair labour practices and gender equity.

2.12.2 The economy and human development

There are differences in the Human Development Index (HDI) and access to basic commodities across countries, based on economic progress (Hill *et al.*, 2007:373-374). The HDI for developed countries is 0,911 and the life expectancy, education and GDP indices are 0,873, 0,959 and 0,900 respectively. The corresponding HDI for developing countries are 0,729, 0,916 and 0,680. For least developing countries the HDI are 0,489, 0,448 and 0,450. The Gender Development Index (GDI) in developed countries is 0,914; in developing countries 0,704; and in least developed countries it is 0,450.

Hill *et al.* (2007:374) state further that the above figures indicate the scope of inequality and disparities amongst various countries and alternative perspectives of poverty, not based on HDI include the concerns of the poor and the absence of opportunities to develop their full potential. This includes Amartya Sen's viewpoint that optimum human development includes being well nourished, adequately clothed and sheltered, preventing morbidity and partaking in community life.

2.12.3 Recognising degrees of poverty

There are two critical constraints to addressing poverty (Aliber, 2003:473-476); service delivery and financial resources are not the main constraints, rather the lack of understanding by policy makers regarding the nature of the problem, and the appropriate measures to address degrees of poverty. Research indicates significant gaps in the causes of poverty, including practical measures to address the problems.

There is a need for further information regarding the chronically poor who are likely to remain in poverty and those categories of poor who are difficult to assist (Aliber, 2003:473-376). It is essential to distinguish between the chronically poor and the transitory poor to maximise valuable resources. The rural poor, the elderly and female-headed households represent the diverse circumstances of the chronic poor. In order to reduce poverty in South Africa, it is imperative that a number of crucial

issues affecting the poor are addressed through a collaborative partnership between government and stakeholders. Aliber (2003:376) argues that economic growth, a favourable environment for foreign investment, adequate housing and health services and ensuring social protection for vulnerable groups will alleviate poverty.

McEvan (2007:1-3) agrees with Aliber (2003:473) regarding female-headed households and states that gender inequalities were specifically addressed in citizen participation in government, following the rights-based approaches that came to the fore in socio-economic politics. McEvan (2007:5) however, is of the opinion that citizen participation may just be a hollow concept without social justice for women. A contrary opinion to gender equity includes the meaning of citizenship in the South African context and the marginalisation of the majority of Black women. Citizen participation includes control over and access to resources and gender activism to impact mainstream policies. McEvan (2007:5) calls for citizen action spaces to debate various issues, including gender inequality, which allows the poor to challenge adverse conditions and create alternative circumstances.

2.12.4 Breaching the economic gap

The Department of Foreign Affairs Report 2006 (2006:1), Oosthuizen (2006:37), the Education and Training Unit, South Africa (2006:5) and Aglietta (2008:61) concur that the huge chasm between the poor and the rich in terms of socio-economic development, referred to above, includes high rates of unemployment.

The Department of Foreign Affairs Report 2006 (2006:1-3) identifies key factors in reducing the gap between the formal and the informal economies, namely increasing economic growth by 6% and promoting investment through improved infrastructure and technology. Further improvements include developing the agricultural, forestry, mining and textile sectors, as well as the chemical and service industries. The Department of Foreign Affairs Report 2006 (2006:3) states that addressing crime and increasing social security to vulnerable groups will reduce poverty.

Oosthuizen (2006:37) claims that shared growth and integrated development depend on labour market performance, enhanced economic development and the participation of poor communities. The high unemployment rates in South Africa has entrenched poverty and the gap between the informal and formal markets. Workers in

the formal market have better social security protection than those from the informal sector who do not have any social security networks.

The Education and Training Unit, South Africa (2006:5-7) provides a further focus on the social impact of poverty, which describes the global inequalities between different classes of people and between urban and rural communities. The gap between the skilled and unskilled workers is enormous. A common factor in most countries includes the inequality between regions and urban and rural areas, where manufacturing and service industries are prominent in the former and agriculture in the latter.

The Education and Training Unit, South Africa (2006:7) states that inequality is evident in poor counties, especially the South and East, contrasted by rich countries in the North and West. Europe, North America and Japan are industrialised societies, which have the capacity to produce material goods to ensure a strong economy. Most of the population in developing countries are involved in local agricultural economies. Aglietta (2008:61-63) in turn asserts that the essence of capitalism is inequality and the pursuit of economic success. Global capitalism includes power politics based on financial hierarchical interdependence in international relations.

2.12.5 Economic development constraints

High birth rates compound the problems for the poor in developing countries (Aglietta, 2008:63). Unmanaged population growth affects food shortages, environment pollution and deforestation. Developed countries have lower birth rates and their populations are shrinking. Half the population in developing countries are below twenty years of age. This translates into half the population being young and the other half being older. The middle working group is therefore far too small to support children and older persons. Older persons live much longer and are therefore more dependent on governmental support. In developed countries, the largest portion of the population falls between the ages 15 and 40, which translates in a healthy middle working group that is able to support children and the aged.

Rogerson (1996:5), Wood (2000:209), Droughin and Touze (2003:384), Russel (2004:174), Chen (2005:6) and Zalk (2006:75) agree that the social, economic and political climates in South Africa are further hindrances to the poor to attain a better

quality of life. Droughin and Touze (2003:384-386) outline the impact of HIV/AIDS in Africa on long-term economic development, based on the following models, namely the Impact Model, the Standard Growth Model and the Comprehensive Model.

- The Impact Model is marked by decreasing returns based on scarce resources, namely medical expenditure, preventative interventions and scientific research. The Impact Model focuses on high health expenditure and a reduction in government savings.
- The Standard Growth Model focuses on marginal productivity that inhibits growth, based on reduced labour.
- The Comprehensive Model focuses on various negative consequences of the above models, namely, decreased production rates, public and private investment rates in terms of public spending and the imbalance of the national economy, and savings rate based on available capital in the long term. The Comprehensive Model illustrates the impact of the HIV/AIDS crisis on economic development in Africa.

2.12.6 Health status of the poor

Russel (2004:174) views ill health as a contributing factor to impoverishment, broadly defined as the decline in household assets and income, resulting in consumption levels dropping below minimum family needs. The human immunodeficiency virus/acquired immunodeficiency virus (HIV/AIDS) further heightens impoverishment. There are links between ill health and impoverishment and the cost of caring for ill family members stricken by malaria, TB or HIV/AIDS, which are three of the main causes of morbidity in developing countries. The severity of the illness and diseases has different economic implications for health services, the economy and families. This includes increased health costs and the loss of income when the breadwinner becomes ill, which places additional burdens on poor families, who have to pay for costly private treatment due to inadequate public health care. This consumes the bulk of the income in impoverished households.

Rogerson (1996:5) in turn, adds that policy makers should address the long-term growth of the informal economy, which would lower the rates of poverty in South Africa. Constraints for rural markets include travelling to distant commercial centres to obtain goods. Over-traded products and limited sales entrench poverty.

The example of a group-sewing project, which employs 20 people at a salary of R500.00 per person per month, illustrates the difficulties experienced by rural traders. The business would have to generate R40 000 per month in sales to offset costs. Competition from similar markets is a further business risk. In order to empower poor communities through a common activity, as in the sewing example above, the formal business community should provide mentorship to rural enterprises to generate viable incomes and diversify into broader markets.

Rogerson (1996:6) argues that owing to the dire straights of the poor, social protection grants and appropriate infrastructure are required to close the gap between the informal and formal markets.

2.12.7 The gap between the informal and formal economies

Chen (2005:6) explores the relationship between the informal and formal economies and the regulatory environment that is a key feature in the latter. The informal sector comprises of various forms of employment. It is not a short-term phenomenon, but a permanent fixture of modern capitalist traditional economies, associated with growth and global integration. It is not merely a marginal or peripheral sector, but also a basic component of the total economy.

The informal sector operates outside the legal regulatory framework and is deprived of secure work, worker's benefits, social protection and representation (Chen, 2005:6). Self-employment represents 81% of the informal sector in Sub-Saharan Africa, including South Africa, with 60% in Latin America and 59% in Asia. Strong economic links exist between the informal and formal sector, which includes supplying and purchasing trade goods, catering transport, as well as construction services. Chen (2005:7) maintains that appropriate policy responses will promote equitable linkages between the informal and formal economies.

Zalk (2006:75) states that global trading restrictions impact on maximising business success, minimising business risks and spurring economic development for South Africa. Appropriate industrial policies are required to mitigate risks in relation to market failures and alternative economic activities. This calls for close co-operation between the state and the private sector to increase employment through macroeconomic policies and skills development.

2.12.8 The economy and unemployment

Dror (2001:80) and Klosen and Woolard (2008:14) concur that there are high numbers of unemployed individuals in South Africa who cannot access employment nor health insurance. Klosen and Woolard (2008:21) examine the relation between unemployment and unemployment compensation, based on an analysis of household surveys from 1993, 1995, 1998, 2004 and 2006. Their analysis indicates that the unemployment rates in rural areas in South Africa are amongst the highest in developing countries. The unemployed sustain themselves by attaching themselves to households with adequate private or public support to ensure their survival. This private safety net ensures basic access to resources for most of the unemployed.

Klosen and Woolard (2008:25) provide several policy considerations from their study above, namely, that unemployment can persist at high levels even in the absence of unemployment support. The burden of supporting the unemployed pushes many households into poverty. State pension transfers provide the means for private safety nets that indirectly supports the unemployed, while reliance on private safety nets prolongs unemployment. Klosen and Woolard (2008:25) propose policy options that complement private safety nets.

2.12.9 The economy and health insurance

Dror (2001:80) in turn, states that health insurance in the Organisation for Economic Co-operation and Development countries (OECD) is confined to employees in formal employment. Health insurance is not extended to individuals who are not in formal employment. Further constraining factors to access health insurance include inadequate taxation to redistribute wealth to the poor, poor education and health status, ethnic or tribal affiliation, gender inequality and travelling long distances to access medical care. The question then remains whether and in which way the informal sector is able to manage the financial costs of illness.

According to Dror (2001:110), universal insurance coverage is an insurmountable challenge for government. The financial instability of the informal sector does not provide access to paid health services. Dror (2001:112) proposes government

partnership with community structures to render health services, using community micro-insurance units to pool financial resources from the informal sector. The process would then be linked with larger insurance schemes. The government could provide the administrative costs.

Summarising the above facts, Wood (2000:209) provides a positive view for South Africa regarding the economic problems facing the poor by drawing parallels between the South African experiences prior to 1994 and that of El Salvador and Guatemala. Though the respective political climates were different, all three countries shared common class struggles. Whilst the El Salvador struggle was based on a strong militant movement, the South African and Guatemalan struggles were less militant. Yet in all cases, the support at grassroots level was crucial to usher in democracy and political change for the poor. The political settlement between the ruling elite and the democratic government-in-waiting was based on political trade-offs that changed the political climate from oppression to democracy.

Wood (2000:212) argues further that in South Africa, the change in the political climate was crucial in terms of addressing rampant poverty. The socio-economic climate in South Africa has not improved largely since 1994 in terms of redistribution of economic opportunities for the poor. The parallel processes of consolidating democracy and creating extensive economic reforms are complicated by the unequal distribution of wealth and opportunities, grassroots expectations and the lack of institutional reforms (Wood, 2000:213). The socio-economic impact of poverty is more profound in rural areas and the informal sector cannot be incorporated into the formal business environment due to inadequate business skills and lack of funding.

2.12.10 Concluding remarks

The above accounts signify the adverse socio-economic impact of poverty on the poor in South Africa. Unemployment is a serious problem for the majority of the poor, hence their need to develop informal businesses to eke out a daily living. Rampant crime is a further socio-economic constraint, with a consequent negative impact on foreign investment and development in the country. To bridge the huge disparity between the poor and the wealthy in terms of human development and the

economy, the call is for government to develop the agricultural and manufacturing sectors and to ensure adequate social security measures for the poor.

The disparity between the informal and formal business sectors is equally significant, which further entrenches the unequal socio-economic status of the economy in South Africa. The need exists for a collaborative partnership to address the total needs of the poor that will not be met only by a strong economy. The collaborative partnership includes adequate housing and health services and social protection for vulnerable groups.

Women's socio-economic needs should receive special attention to address gender inequality. Rural communities should be included in economic development. The devastation of HIV/AIDS on the work force and the subsequent adverse impact on families should be addressed. Importantly, high levels of unemployment should be addressed, which will not be an easy task for the government.

2.13 THE IMPACT OF THE MDG ON POVERTY

2.13.1 Reducing global poverty

According to Haines and Cassels (2004:1-2), 189 countries internationally have committed themselves to addressing poverty since 2000, as a result of the United Nation's MDG to reduce global poverty by 50% by 2015. The MDG provides the framework for implementing measurable poverty solutions at national level. This includes promoting sustainable development, improving income generation, promoting education, protecting the environment and ensuring access to global markets. A key aspect of the MDG includes monitoring each country's progress through the United Nations's Development Programme Country Framework Reports. The following MDG and targets pertain to poverty:

Goal 1, target 1: Eradicate extreme poverty and hunger by reducing by half the proportion of people whose income is less than USD 1 per day, between 1990 and 2015, and to reduce by half the proportion of people who suffer from hunger.

Goal 7, target 9: Ensure environment sustainability by integrating sustainable development into country policies and programmes and reversing the loss of environmental resources.

Goal 7, target 10: Reducing by half by 2015, the proportion of people without sustainable access to safe drinking water and sanitation.

Goal 7, target 11: To achieve by 2020 a significant improvement in the lives of at least 100 million urban slum dwellers.

Goal 8, target 12: To develop a global partnership, based on non-discriminatory trading and financial systems through good governance, development and poverty reduction. To address the special needs of least developed countries, which includes tariff and quota-free exports, debt relief, cancellation of official bilateral debt and generous donor assistance.

2.13.2 International trade relations

McGrew (2000:360), Rieger and Leibfried (2003:5), Roberts (2006:7), the UN Report (2006:5-6) and Love, Twomlow, Mupangwas, Van der Zaag and Gumbo (2006:731) agree that international trade relations for wealth creation in developing countries will lower the poverty rates. Rieger and Leibfried (2003:133-134) focus on the period before the development of the MDG targets, which ensured wealth creation for countries in the North through effective trade relations.

Following the three decades after the Second World War, industrialised countries in the north lowered import barriers to trade that led to the explosive economic global growth during the latter part of the twentieth century and its dependence on social politics. Governments in the north became increasingly aware of the reciprocal role of social politics and the global economy and the challenges this posed, namely to reform state policies for global trade and to develop global market conditions locally. The complementary relationship between a welfare state and a global economy depended on national, social and political conditions that ensured the welfare of citizens.

The above example of industrialised states illustrates their dependence upon an autonomous social policy that ensured the social protection of significant groups in

society (Rieger & Leibfried, 2003:133-134). The question arises as to whether the social protection of citizens and the preservation of an open national economy can be met. The pursuit of globalisation by industrialised countries brought in its wake the replacement of social security by social insurance schemes, resulting in insecurity and unemployment for the labouring class. Rieger and Leibfried (2003:134) suggest that there is a need to regulate trade through social policies that ensures worker protection and higher taxes for international trade versus the costs to maintain policy objectives. The above factors have relevance for South Africa in terms of the economy, poverty and the MDG.

2.13.3 International trade challenges

McGrew (2000:360) in turn, states that the 1990s marked a transformation for the new order of world politics and the primary challenge included the needs of poor nations. Political strategies are needed that foster North-South relations, based on an independently managed global economy. Poverty is no longer confined to third world countries, but is increasing in affluent northern countries due to the increasing inequality between the affluent and the poor. Third world countries that do not pursue a global economy are becoming poorer.

Roberts (2006:77-78) concurs with the above aspects and outlines the crucial need for advanced technology to boost national and local economies. The adaptation of old technology, which is prominent in developing countries, hinders growth. Investment in modern technology ensures rapid economic growth. McGrew (2000:364) states that the MDG to reduce global poverty would entail eradicating world hunger, preserving the environment, providing safe drinking water, developing local economies, establishing global partnerships and pursuing good governance. The UN Report (2006:6) indicates that although various poverty efforts were undertaken in South Africa, there is still a huge gap to reach the MDG to reduce poverty by half by 2015.

2.13.4 Agricultural trade challenges in Sub-Saharan Africa

Love *et al.* (2006:731) suggest that the MDG to target hunger is extremely important in Southern Africa, where food scarcity has been acute over the past 20 years. Agro-hydrology and agro-economic studies suggest that new approaches

and interventions are required. Studies in Zimbabwe and Mozambique indicate that increased crop yields require effective soil management. Dry spells cause low crop yields. Urgent interventions for sustainable food security include access to fertilizers, establishing markets, technology transfer and closer co-operation between the state, the NGO sector, agronomists and water engineers.

In order to achieve the above MDG it is important to ensure soil health, soil-water conservation, supplementary irrigation, improving fish stocks and improving services to small-scale farmers (Love *et al.*, 2006:735). The challenges for Africa for 2020 include a projected population of 1,2 billion of which 25% will be undernourished and living in arid areas of Southern Africa, where 70% of the world's poorest communities presently dwell, and where the average per capita food production has been declining for the past 40 years. Yet agriculture continues to be the main economic activity. Despite technical advances in recent years, poverty, food insecurity and malnutrition remain acute in Africa.

2.13.5 International socio-economic assistance

Haines and Cassels (2004:394), Attaran (2005:318), Morel, Lauer and Evans (2005:7528) and the UN Report (2006:6) agree that it would require a concerted effort for developing countries to reduce global poverty by half in line with the MDG. Haines and Cassels (2004:394) state that the MDG on development and poverty eradication include fair trade, developmental assistance, technology transfer, debt relief and access to essential medicines. In respect of health, the MDG includes empowering women to reduce child mortality, combating HIV/AIDS, malaria, tuberculosis and other prevailing diseases, and ensuring environment sustainability.

Haines and Cassels (2004:395) state further that there is a need to assess the impact of global partnerships in third world countries. This includes fewer women dying during childbirth, more children surviving early childhood, and dealing effectively with HIV/AIDS. Fair trade, debt relief and the gross national 0,7% which was committed by various countries toward local development are generally disappointing. Haines and Cassels (2004:395) maintain that developing countries are not on track to achieve the above MDG, as they are not able to treat or prevent pneumonia, diarrhoea in children, delivering babies safely, or to prolong life for HIV/AIDS victims.

Morel *et al.* (2005:7528) state that malaria related mortality in developing countries has increased since 1990 due to increased drug resistance and lack of new health interventions. To achieve the above MDG there is a need to accelerate interventions through prudent use of available resources. Sub-Saharan Africa has shown disappointing MDG goal attainment in the health care system. The effectiveness of spraying and using bed nets to combat malaria is debatable, as their efficiency depends on controlling large mosquito infestations (Morel *et al.*, 2005:7528).

2.13.6 Measuring the MDG achievements

Attaining the MDG to reduce poverty by half as well as reducing malaria and TB have no scientific valid data to determine whether measurable improvements were achieved in these areas and not based on subjective speculations which are immeasurable (Attaran, 2005:318). There is no certainty that the MDG regarding malaria and childhood mortality are reduced, as these aspects are not adequately measured in global household surveys. As baseline measures are important to measure trends, the MDG for health were set without measurements from the 1990 baseline. The MDG targets and indicators should be amended to be feasibly measurable (Attaran, 2005:318).

The UN Report (2006:6) on the other hand, provides the progress of the MDG in developing countries, which does not indicate specifics in respect of measurements, as discussed by Attaran (2005:318) above, but provides an overall assessment regarding the status of reducing poverty by 50% by 2015. Asia leads the decline in eradicating extreme hunger, but the incidence of hunger remains high. The MDG to promote gender equality indicate that women's political power is growing, though men still dominate in this area.

The UN Report (2006:6) states further that the reduction in child mortality rates indicates that more children are surviving their first years of life. Improving maternal health indicates more mothers are receiving skilled assistance in childbirth. Combating HIV/AIDS, malaria and other diseases indicate mixed progress against life threatening diseases. Ensuring environmental sustainability indicates that world targets for safe drinking water are in sight, but problematic in

rural areas. Developing global partnerships for development and aid continues to increase but falls short of targets. The above accounts indicate that the MDG to reduce global poverty by 50% by 2015 fall short of full achievement. The question remains whether the MDG will be achieved in the remaining years.

2.13.7 Concluding remarks

One hundred and eighty nine counties globally indicated their commitment to reduce poverty by 50% by 2015 through development, income generation, education, environment protection and accessing global trading. International trading is regarded as a way to reduce poverty in developing countries. Allied to international trade is the call for technical assistance to boost national and local economies. In line with the above aspects, the MDG seek to eradicate world hunger and provide safe drinking water. There is still a long road ahead for South Africa to achieve the MDG to reduce poverty by 50% by 2015. This includes addressing hunger through agricultural production. There are however, many problems in the agricultural sector, including poor soil, unpredictable weather conditions and low crop yields.

2.14 POVERTY PROJECTIONS AND SOCIAL JUSTICE

2.14.1 Reducing global poverty

In order to grapple with the phenomenon of poverty, it is essential to understand the processes that influenced the poor and vulnerable over the past decades. This includes the economic, political and philosophical perspectives that contributed to the worldview regarding the developing world. The following authors expand further on these issues.

Beetham (2000:51-66), Galbraith (2000:65), Fong (2001:225), and Lund (2002:160) are of the opinion that reducing poverty in developing countries remains an essential element of social justice for the poor. Fong (2001:226) states that individuals with low-means high variance incomes are those with financial self-interest. They foresee that they may require safety nets in the future and therefore demand more income redistribution for the poor. Individuals with higher means lower-variance income believe in self-determination and have less interest in income redistribution. Fong (2001:225) claims that the two opposing debates regarding the prevalence of poverty,

gender and race issues continue unabated, regardless of the actual needs of the poor. The above pertinent issues illustrate the intellectual discourse regarding poverty and vulnerability.

Poverty reduction and inequality is based on equal opportunities for all to attain their full human potential (Galbraith, 2000:65). The increasing marginalisation of the poor threatens political stability. There have been vast improvements in material deprivation for most countries in terms of improved infant mortality rates, increased life span and lower morbidity rates. However, over the past twenty years, the number of poor persons in Latin America and Africa has increased and poverty conditions have worsened in terms of morbidity, mortality rates and maternal deprivation.

2.14.2 Addressing social justice in poverty policies

Beetham (2000:51) discusses two viewpoints of civil society from social theory. The first view focuses on a free market that is part of a democratic social order seeking the pursuit of the common good. The second view focuses on a free market that caters essentially for those who strive for the pursuit of material goods. The causal relationship between a democratic regime and a market economy is based on co-dependency. Free market competition intensifies economic and social inequalities, leading to social isolation and an economically repressive state.

Beetham (2000:55) states further that neo Keynesian economic policies protect economic and social rights by reforming the public service through free market regulations (Neo Keynesian economic policies are outlined further in Chapter 3). The South African Constitution and international commitments ensure that the rights of the poor are upheld. This is an emotive issue for many social scientists and social commentators, based on the global plight of the poor. Beetham (2000:66) suggests that an understanding of the theoretical social framework is important when dealing with poverty issues, especially for policy development in South Africa, which includes the involvement of diverse groups with different agendas.

Lund (2002:160) in turn, refers to distributive justice, whereby society allocates scarce resources among individuals with equal needs. This refers to the efforts by a liberal capitalist economy to counter the socialist view in distributing resources to address human needs. Leading liberals and social theorists promoting social justice

for the poor include Henry George, economist (1879) who regarded land ownership versus an expanding population as benefiting the rich. Leonard Hobhouse (1864-1929) and John Hobson (1858-1904) promoted the redistribution of social surpluses to ensure the rights of the poor to receive an adequate income through taxing underserved surplus. Lloyd George (1906-1911) regarded the payment of pensions, school meals and child welfare from land sales as just redistribution.

2.14.3 Social justice and poverty reduction

Lund (2002:160) refers to a further group of prominent liberalist and social theorists that included the views from the Fabian Society's Economic Theory (1884), which called for the profits from skilled labour to be redistributed to the working classes. The Labour Party's Manifesto of 1945 viewed common ownership of production as social justice. By 1994, the Labour Party viewed taxation as the redistribution of wealth and income. John Rawl (1971), viewed social co-operation as equal rights and benefits to all persons through a four tiered government system that included competitive pricing, employment, minimum levels of social benefits and equity in property taxation. Rawl's model of a welfare state has been used in most industrial democracies since 1945.

Robert Nozick (1974) regarded the rights of individuals as just, whereby resources, goods and services obtained through force should be restored to rectify historical injustices. Nozick's viewpoints (above) were contrary to Britain's conservative policy between 1979 and 1997, whereby income tax was reduced, universal benefits decreased and state services privatised. Waltzer's spheres of justice, which evolved during the 1980s, specified the need for social justice within institutional frameworks.

This was in opposition to the mainstream philosophical approach, which viewed the individual as the basic unit of society subject to abstract rules of distribution. Need is regarded as the principal criterion when assessing a distributive system of justice, where needs are universal and not specific to any group or community (Lund, 2002:160). Iris Young (1990) regarded social justice as the allocation of material goods, resources and income or work opportunities.

Lund (2002:160) is of the opinion that Young's views (above), do not take note of decision-making powers and divisions of labour that determine distributive outcomes for minority communities. The central issue for Young was the empowerment of the oppressed through additional rights for their advancement. Individual rights do not automatically provide equal rights for minority cultures because the majority takes economic and political decisions. Only group-differentiated rights will address inequality. A recent focus on distributive justice includes the "third way" in politics, which views the participation of the excluded as vital to ensure their share in the global economy (Lund, 2002:160).

2.14.4 Social justice and third world development

McGrew (2000:255), Chaskin (2001:291), Cronrath, Livingston, Michell & Werhwath (2005:10), Development Gateway (2006:11) and Wolf (2008:181) agree that social justice includes issues that affect vulnerable groups. Focusing on capitalism versus communism and the impact on the developing world, McGrew (2000:255) states that following the Cold War during the 1960s and 1970s, the member states of the North Atlantic Alliance and Warsaw Pact met during November 1990 to end four decades of conflict and division. This gave rise to a unified world order, including third world countries to participate in the global arena. McGrew (2000:266) is of the opinion that global political and economic forces have conditioned third world development. During the 1990s, there was limited third world development in the areas of trade, finance and technical assistance as agreed upon by the Group 77, which at that stage comprised of 77 states in the third world.

McGrew (2000:255-266) states further that the International Monetary Fund and the World Bank were more concerned with the interests of western states, thereby entrenching the above problems, resulting in a deepening rift between the North and the South. In addition to the World Bank and the International Monetary Fund, international organisations such as the United Nations Development Programme (UNDP), the World Health Organisation, the United Nations Educational, Scientific, and Cultural Organisation (UNESCO) and the United Nations Children's Fund (UNICEF) regulate international relationships and western domination of third world countries through a dominance-dependency relationship.

2.14.5 Social justice and community development

Where do the above aspects leave the poor? Moving forward from practical implications of social justice to initiatives to assist the poor, Chaskin (2001:291) maintains that in order to reduce poverty, it is important to link individuals with diverse agendas to a common understanding of social problems. The Definitional Community Framework includes local commitment, organisational skills and problem solving abilities. The framework is dynamic and multi-faceted, based on six dimensions.

The first three dimensions include commitment, resources and networking. The fourth dimension includes strengthening community capacity. The fifth dimension provides community support, while the sixth dimension includes achieving programme objectives. Chaskin (2001:296) states that capacity building should be a continued effort, especially in poor communities to address pertinent issues through collaborative governance.

Wolf (2008:181-183) in turn declares that neighbourhood planning should involve communities in open dialogue with planners. Improved governance at neighbourhood level should involve the participation of residents that will assist the poor to attain a better quality of life. Urban planning renewal transforms city neighbourhoods when undertaken in collaboration with community-based organisations. Cronrath *et al.*, (2005-2006:10-11) agree with Wolf (2008:181-183) and states that rebuilding communities that have suffered natural disasters such as that in New Orleans following hurricane Katrina in 2005, requires co-operative community planning.

Development Gateway (2006:11-14) states that community based networks empower the poor. This includes community driven enterprises to improve service delivery and maintain business initiatives. The challenges to address extreme poverty and hunger include a partnership between government and civil society to ensure sustained initiatives. Civil society's experiences, skills and networks should be utilised to develop alternative policy models. The rights of vulnerable groups to freedom from hunger and economic development remain crucial factors. The plight of all vulnerable persons should be addressed. This includes women, children, older persons, refugees, retrenched workers, people living with HIV/AIDS, and

people living in disaster-prone areas. Development Gateway (2006:14) further states that civil society participation in policy development will ensure that the root causes of poverty are addressed.

2.14.6 Social justice and public service delivery constraints

Ghai (2000:1), Edwards and Kinyua (2000:226), Jain (2002:432), Boyle (2003:113), Farnsworth (2006:817) and The UN Report (2006:6) focus on social justice and the socio-economic circumstances of the poor. Shifting the focus to government initiatives to address poverty, The UN Report (2006:6-8) provides the 2000 poverty statistics, which indicated that the poverty rate for South Africa was 45%, which translates into 18 million citizens living below the poverty line, based on an income of R353,00 per month. In rural provinces, the poverty rate rose to 50%. The Human Development Index (HDI) varied country wide, with Gauteng having the highest at 0,712% and the Northern Province the lowest at 0,531%.

The national poverty rate of 45% for 2000 (above) can be compared to the 2006 national human development index for South Africa, which was 62,8%. An analysis of the above figures indicates that poverty in South Africa increased by 17,08% for the period 2000 to 2006, which provides a grim picture for the poor. The government faces a daunting task to improve a large number of undeveloped communities. The UN Report (2006:6-8) states further that the multi-billion rand Poverty Relief Fund did not deliver on socio-economic upliftment for the poor, as many job losses were experienced due to a slow growing economy and the negative impact of globalisation.

The UN Report (2006:8) refers to the Integrated Sustainable Rural Development Strategy (ISRDS) that operates as a parallel process to the Urban Renewal Programme (URP) to ensure effective resource co-ordination through local government. The implementation of the ISRDS and the URP at national, provincial and local levels remains problematic due to complex inter-governmental relations, provincial autonomy and inadequate skilled personnel. Poverty can only be effectively addressed through target setting, sustained economic growth, good governance and grassroots participation.

The question then arises as to how women can attain a level of improvement in their poverty status. In response, Jain (2002:432-434) claims that poverty reduction strategies require an assessment of current programmes that operate on the micro or meso level, in order to develop collective strategies for implementation. The resilience of the poor when faced with adversity is remarkable. This is illustrated by the economic development in India and Sri Lanka, where women have escaped the poverty trap through their involvement with the Grameen Bank and the Self-employed Women's Association, which provided loans for small business development. Jain (2003:85) is of the opinion that the pro-active stance above shows the remarkable change in the economic status of women and their standard of living.

Further opinions regarding poverty and social justice include Galbraith's (2000:127) Institutional Framework that views economic and social development through co-operative networks across public, private and international spheres to address the deficiencies in the International Monetary Fund, the World Bank and the World Trade Organisation, which regulate global capitalism. Falk (2000:156) concurs; stating that international justice for developing countries will address their marginalisation and promote their participation in the global economy.

Boyle (2003:113-114) adds to the above factors and states that food security remains a crucial lack for the poor, who do not have basic food requirements for good health. Food security provides sufficient food to lead healthy lives. The causes of hunger include low wages and rising living costs that entrench poverty. Adequate nutrition reduces infant mortality, premature death and disability in adults. Boyle (2003:114) believes that cost effective health care includes alternative interventions and practical policy guidelines.

2.14.7 Policy intervention

Edwards and Kinyua (2000:226), Ghai (2000:1) and Farnsworth (2006:817) agree that an important focus on social justice for the poor in Africa, as well as South Africa, includes policy interventions for marginalised groups in society. Ghai (2000:1-4) provides the worldview of Africa as one of failure due to economic crises, political disorder, civil wars and corruption. However, not all countries in

Africa are in crises. Ghai (2000:5) states further that a realistic view of Africa should be based on the continent's prospects for the future based on experiences and the changing global environment. During the 1970s, the economy of many African countries declined. During the 1980s, less than six African countries were stable and did not experience industrial, agricultural and employment decline.

The decline was more evident in the economic sector and the environment, as population growth depleted natural resources, leading to rapid deforestation (Galbraith, 2000:65). The downturn in industrial export goods, higher interest rates and lack of capital funding had an adverse impact on most African countries. Further deterioration included political instability, resource misuse and the mismanagement of economic policies that prevented Africa from achieving international economic status. Ghai (2000:7) maintains that urgent interventions are required to address the economic collapse of Africa, including survival strategies.

The researcher's comment on Ghai's (2000:6-7) statements above include adding transparency to address rampant corruption, maintaining sustainable poverty alleviation programmes that are tracked from inception to implementation, and entrusting responsibilities to committed people who are not motivated by self-interest. Policy makers initiating intervention strategies for the poor should revisit the above factors.

According to Edwards and Kinyua (2000:226-228), negative economic factors hinder development in Africa and appropriate reforms will reverse the decline. Following the struggle for liberation in many African countries during the 1960s, a reconstruction period followed to achieve a better life for all through economic reforms. This included reforms in education, primary health care and infrastructure, aided by donor funding.

2.14.8 Policy limitations

Edwards and Kinyua (2000:228) state further that Africa sought foreign investment to ensure a strong economic base, which resulted in both successes and failures as newer problems arose, namely rapid population growth, greater demand for social services and increased military spending. These demands placed a huge

burden on limited resources. On a positive note, fertility and infant mortality rates declined, life expectancy improved and education for males and females improved. These reforms were, however, at the expense of investment and job creation.

Socio-economic policies and implementation plans should be linked. Strategies for economic reforms should address rampant corruption. Regional co-operation to strengthen a global African economic base will accelerate structural reforms and sustainable economic growth. This includes future expenditure that does not depend on international loans (Edwards & Kinyua, 2000:228). Farnsworth (2006:827) concurs that policies that pursue formal economy growth have a ripple effect on the poor through adequate welfare spending. However, this aspect singularly does not produce real benefits for the poor if the above processes do not translate the entrepreneurial skills, efficiency and knowledge of the poor to improve public services. Public policies and strategies have failed to produce measurable improvements in service delivery, as assumptions regarding the poor are based on unrealistic expectations from government (Farnsworth, 2006:828).

Ake (2000:189), The World Bank Development Report (2003:26) and Argriades (2006:159) agree that communities entrenched in poverty should be assisted to surmount their adverse circumstances through appropriate interventions. The World Bank Development Report (2003:44-45) concurs with Farnsworth (2006:827) above regarding poverty reduction strategies and views improved public spending as the gateway for basic health care, education and socio-economic growth. Institutional relationships among key stakeholders will improve service standards. In accordance with the international endorsement of the MDG, public service responsibility to alleviate poverty is based on addressing fundamental human rights.

2.14.9 Policy success and policy failures

Breaking the vicious cycles of poverty depends on the ability of the poor to demand service delivery based on their constitutional rights, which galvanises public action, resulting in reforms. The World Bank Development Report (2003:44-45) states that there is no blueprint to ensure effective service delivery, as technical and institutional structures vary in each country. It is therefore essential

to match appropriate policies with each country's circumstances. Where programmes are not successful due to resource constraints, it is imperative to find alternative policy solutions.

Argriades (2006:59-161) concurs with the above aspects and states that good governance is dependent on institutional capacity related to social policy. Development is unique to each country in terms of its size, level of income, ethnic makeup and political systems. Yet the concentration of power, wealth, knowledge and resources resides with a small number of persons, corporations and nationalities. Argriades (2006:161) illustrates the situation in Kerala and Uttar Pradesh in India, which have 32 million and 175 million citizens respectively. In Kerala, public services delivery is efficient and well maintained. The model in Kerala is based largely on human development, which began during the 1950s, by social movements.

Donor funding and skills development were pursued, adult literacy rates rapidly increased followed by a decline in the birth rate. Reforms were achieved in gender equity, basic services, health care and equitable social security. In contrast, the failure of citizen action was acute in Uttar Pradesh. This resulted in limited reforms in education, burgeoning population growth and oppressive gender equity. Traditional caste and power divisions, especially in rural areas, persisted for the past 50 years and entrenched poor service delivery.

Argriades (2006:161-163) states further that higher expenditure for socio-economic improvements were allocated in Kerala than for state administration, in contrast to Uttar Pradesh, where allocations for state administration were higher than those for education and health. Argriades (2006:163) maintains that in order for the poor to break out of their vicious cycle of poverty, it is imperative to learn from the experiences in Kerala and Uttar Pradesh, where, in the former, the commitment to human development ensures a progressive society, despite their poor economic conditions. Uttar Pradesh on the other hand, is an example of the social failure of a state that can only lead to higher costs in terms of human suffering.

2.14.10 Policy considerations for the future

Finally, the statements by Ake (2000:189) hold true for South Africa in terms of addressing the challenges on behalf of the poor. Policy makers seek a changed environment in a society divided by class, power and wealth, which is concentrated in a minor elite group. It is imperative that the interests of the poor are placed on policy agendas for wealth redistribution. However, there may be interest groups who may not want to change the status quo.

The question therefore remains in which way a changed environment can be established. By way of a response, Ake (2000:191-192) states categorically that though liberal democracy is evident in most of Africa, the value systems reflect the leadership value systems and not the value systems at grassroots.

The African democracy movement will mature to incorporate the collective grassroots value systems based on the social upliftment of society (Ake, 2000:189). This will reflect their economic and social rights, based on the historical struggle for democracy rather than on abstract political rights. Ake (2000:191) claims that Africa can pursue social and economic rights in two ways, namely, where it continues with little political change, degenerating into further violent conflicts and chaos, or it can utilise the strengths of its citizens to ensure enduring political change.

2.14.11 Concluding remarks

The above accounts bring into focus the question of social justice for the poor, which for the past few decades has been one of the main issues regarding income distribution to the poor to address absolute and extreme poverty. In addition, social justice for the poor is an important aspect of poverty alleviation in South Africa. Poverty reduction closely aligns with social justice for the poor to provide equal opportunities to all citizens. The economy is a central issue in social justice issues, as wealth creation is viewed either from a capitalist point of view in terms of accumulation of individual wealth, or from a socialist point of view, in terms of wealth creation for the common good.

Social justice is also viewed as the assistance provided by the Northern countries to countries in the South. Social justice is part of policy processes and community

participation in issues pertaining to the wellbeing of the poor. Successful policy processes strengthen community capacity to achieve socio-economic development. Policy failures hinder public initiatives on behalf of the poor, due to poor planning, inefficient service delivery and ineffective programme implementation.

2.15 ADDRESSING POVERTY EFFECTIVELY IN SOUTH AFRICA

The statistics and information presented in this chapter indicate that poverty reduction initiatives in South Africa have achieved a certain measure of improvement for impoverished households. However, present efforts need to be accelerated to comply with the MDG to reduce poverty by 50% by 2015. The poverty situation in South Africa is viewed against the global poverty status. The dynamics involved in poverty alleviation is presented in terms of the present circumstances of the poor and their prospects for the future, as well as the responsibility of government to address the myriad problems experienced by the poor. The road ahead is an uphill climb.

2.15.1 Public transparency

Andreasen (1995:10), Boyle (2003:374), the World Bank Development Report (2003:26), the UN Report (2006:5-6) and Michaelman (2008:13) concur that transparent governance will address poverty effectively in South Africa. Michaelman (2008:13) agrees that transparent governance is based on the Bill of Rights, strategic policy planning and effective partnerships. The Bill of Rights is based on national ideals. It is however, steeped in legal interpretations that outline the obligation by the state to provide progressively the specific needs of vulnerable groups. Michaelman (2008:18-22) states that the Bill of Rights is imperfect, as it fails in its moral purpose to guarantee the social rights of particular groups, even though it fully supports their specific concerns. Adequate planning is needed to effectively address poverty in South Africa.

The UN Report (2006:5-8) outlines the review for South Africa, based on sustainable livelihoods and sound governance. According to the above report, there were positive gains in the political, economic and social environments. It is, however, essential that the partnership between civil society and government promote opportunities for the poor through appropriate policies.

The UN Report (2006:6-8) states that anti-poverty programmes should include a range of projects, instead of focusing on several independent strategic plans to achieve concrete outcomes based on specific targeting, effective monitoring and evaluation. A well-planned and executed poverty reduction project will exceed current attempts that target a few households or individuals. Furthermore, most poverty programmes operate independently or are funded by international donors, who duplicate services to the poor (UN Report, 2006:6-8). Poverty should be viewed as a multi-dimensional problem requiring integrated multi-sectoral intervention.

2.15.2 Effective public service delivery

Boyle (2003:374) affirms the above viewpoints and is of the opinion that sound management skills will achieve policy objectives through effective planning, goal setting and a public environment that promotes optimum service standards. The policy development process begins with policy evaluation and continues to the implementation stage to determine whether a programme has achieved its stated goals and reached its intended target.

Before terminating a programme it should be assessed whether the need was met; whether the nature of the need changed; or whether public support waned. The crucial question remains: At what point do policy makers decide that a need has been met? The response is that policy analysts should consider related policy issues and the decision to expand the existing policy to address additional concerns.

The opinions of Andreasen (1995:12) still holds sway today in respect to service delivery to the poor, which is based on business principles to ensure success. This involves a business marketing mindset and values. The public service mindset is based on organisational objectives rather than clients' needs. To ensure that a specific programme is on the right track, it is imperative to move from an inside-out approach to an outside-in approach that focuses on the wellbeing of poor clients. The outside-in approach adapts services to address unique poverty needs, based on research and effective communication to establish target markets.

A tracking programme will ensure programme sustainability. Social marketers with the appropriate mindset should be chosen who have empathy and organisational

skills to review long term planning strategies, including taking calculated risks. Andreasen (1995:14) is of the opinion that an effective social marketing approach will influence behaviour and co-operation between government agencies, donor agencies and stakeholders.

The World Bank Development Report (2003:26) expands the above viewpoints, confirming that efficient service delivery should improve the circumstances of the poor. During the past few decades there has been enormous improvement in service delivery globally, which has improved life expectancy, living standards and adult literacy. These successes were not based solely on economic growth, public spending, or new technology. The key was the improvement of institutional arrangements that addressed the present needs of the poor and their long-term human development. This will ensure their contribution to society in the future, versus addressing present costly poverty programmes that burdens society.

The World Bank Development Report (2003:29) states further that although various poverty programmes in South Africa have been successful, there remains an enormous task to include the poor in the social, economic and political spheres. Collaborative government includes private sector and civil society intervention. Monitoring, evaluation and efficient management skills remain key aspects. Specific targeting, maximising resources and effective communication throughout the policy processes remain vital. Most importantly, the need to identify and sympathise with the plight of the poor will ensure policy success.

2.15.3 Ensuring socio-economic development

Walters and Aydelotte (2000:349), Rahaman and Varis (2005:16), and Davoudi, Hall, and Power (2008:229) agree with Andreason (1995:10), Boyle (2003:115), the UN Report (2006:9) and Michaelman (2008:13), and assert that socio-economic policies that are centred on effective service delivery will vastly improve the poverty situation in poor communities in South Africa.

Rahaman and Varis (2005:16-18) provide the example from previous conferences on water resource management from the United Nations Mar del Plata Conference in 1997 to the World Summit On Sustainable Development in 2002 and the Third World Water Forum of Kyoto in 2003, which has implications for all poverty

programmes for the future. Effective poverty approaches include sustainable development, which meet the security needs of the poor. Decentralising services and establishing new partnerships will ensure a holistic approach. It is essential to integrate related policy issues that fall through policy gaps. This remains an acute shortcoming in most policy development processes.

Future policy challenges include addressing various poverty conditions that differ enormously from those that currently confront policy makers (Rahaman & Varis, 2005:20). Davoudi *et al.* (2008:229) agree on how the socio-economic environment is likely to alter in the future as well as the implications for policy planning and addressing urban growth. For social science, this includes the art and science of futurism, which addresses key issues over the next 20 years, and to evaluate spatial planning solutions that balance various issues. Davoudi *et al.* (2008:231) maintain that further important consideration includes the type of policies that will ensure resource and service delivery that match future living trends.

Policy analysis does not include democratic processes that include public participation and debate, remaining inclusive of expert analysis, which view current problems as too complex for the public to understand, or that they may not be interested in dialogue (Walters & Aydelotte, 2000:349). Rational decision-making goals in public service are geared towards efficiency. The two aspects remain at odds with each other. Public officials may view that their roles would be redefined, and that public participation is time consuming, expensive, complicated and emotionally draining. Walters and Aydelotte (2000:352) declare that public participation includes aligning the selected strategy to the purpose for participation and the nature of the problem. This includes defining the problem and identifying the criteria for alternative solutions and recommendations. The above aspects will provide the social analyst with steps to develop effective public policies.

2.16 CONCLUDING REMARKS

Poverty reduction in South Africa requires transparent governance, strategic policy planning and implementation. Effective partnerships remain the cornerstone of poverty policy processes. In order to achieve measurable poverty reduction levels, it is essential to rather address a range of issues that have a negative impact upon

the poor, than to only focus on a few specific issues. Service delivery based on business principles will ensure a measure of success for the poor. A business marketing mindset that centres on an outside-in approach is based on research initiatives, effective communication and focusing on the needs of poor clients. Tracking programme processes remain crucial components to policy success. This will also ensure that crucial issues do not fall through policy gaps.

The science of futurism is an essential component to address key issues over the next 20 years. This includes designing spatial spaces that include the needs of poor clients through appropriate policies that consider resource and service delivery implications.

2.17 CHAPTER SUMMARY

Poverty is a global phenomenon that affects the poor negatively. The factors contributing to poverty include a lack of basic needs, including adequate clean water and sanitation and inadequate service delivery infrastructures. The impact of global poverty is staggering, especially on vulnerable women, children, the youth, the aged and people with disabilities.

The universal poverty line is set at USD 1 per day. The United Nations First Decade for the Eradication of Poverty 1997-2006 was the first international effort to address global poverty, followed by the United Nations Millennium Development Goals in 2000, which committed various countries to reduce poverty by 50% by 2015.

The levels of poverty include absolute poverty and extreme poverty. The former indicate a lack of the basic needs for living, whilst the latter includes a total lack of the basic needs for living.

Poverty in Africa remains acute. It is estimated that 350 million people survive on less than USD 1 per day and the average life expectancy is 41 years. Political instability and ethnic strife contribute to the displacement of many poor people. One in ten children dies within twelve months while one in ten suffers from malnutrition.

Regarding South Africa, it is estimated that 35% of the population are very poor. Twenty-eight percent in the formal sector are unemployed, while 40% in the informal sector are unemployed. South Africa has one of the highest HIV/AIDS rates in the world. Women and children bear the brunt of poverty in South Africa as well as the aged poor and the disabled poor.

The impact of climate change on the poor is a serious threat. Future climate change predictions indicate severe suffering for the poor who live in vulnerable fragile areas that are prone to future devastating natural disasters, including floods and famine, which will affect subsistence farmers.

The impact of HIV/AIDS on the poor is profound, as the disease has devastated many impoverished households, leaving many children orphaned.

The socio-economic impact of poverty is more severe in the informal trade sector in South Africa. The poor do not have the necessary business skills to expand their enterprises to enter the formal business sector. The formal business sector in turn, is pursuing a global economy. Government established the Accelerated Shared Growth Initiative for South Africa (ASgiSa), which followed the Growth, Employment and Redistribution (GEAR) initiative to enable the informal economy to function on a par with the formal business sector.

The impact of the Millennium Development Goals to reduce poverty in South Africa indicates some progress to address poverty. There are concerns, that the pace of service delivery is too slow to reduce poverty by 50% by 2015. Poverty projections and social justice address the question of human rights for the poor. It is essential to include the poor in decision-making processes to ensure effective service delivery to address poverty.

Recommendations include broad-based partnerships and sound management skills, as well as continued policy monitoring and programme evaluation. Specific targeting and adherence to time-frames, as well as an outside-in approach will achieve policy goals and objectives. Income support to individuals and families will address their social and economic exclusion.

The South African economy is linked to government efforts to address poverty, but there are a number of problems in this regard, as the formal and informal economies operate independently from each other. The informal economy is marked by various constraints, including producing and marketing goods. The formal economy is based on first world standards and practices, which is severely lacking in the informal economy. Many poor individuals are unemployable due to the lack of relevant skills.

Women and children are the most vulnerable groups amongst the poor. Employment opportunities for women are scarce as most are not skilled for the work environment. HIV/AIDS adversely affects children and many are orphans due to the pandemic. The poor youth experiences high unemployment rates and engage in risky behaviour in terms of drug abuse, criminal activities and unsafe sexual practices.

Family care for older persons is reduced as younger family members succumb to HIV/AIDS, leaving grandchildren in the care of elderly grandparents. Frail elderly care and dependency are added costs to the national health system, as most elderly persons do not have health cover.

Finally, the disabled poor experience a lack of access to education and employment. The social model is promoted to address the total needs of the disabled, versus the medical model, which focuses on their physical limitations.