

# **THE IMPACT OF POVERTY REDUCTION STRATEGIES DURING COVID 19 IN SOUTH AFRICA**

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## Abstract

This article focuses on investigating the impact of poverty reduction strategies during Covid 19 in improving the quality of lives of the people in our local municipalities, in relation to interventions that have been implemented by the South African government to address poverty. The purpose of the article is to understand the situation in our municipalities and come up with recommendations that will assist government to enhance delivery of poverty reduction strategy in order to improve the quality of life of the rural poor communities. The findings on this article show that; whilst significant progress has been made to address poverty through policy and legal frameworks and through implementation of poverty reduction strategies and programmes, there is a general consensus in literature that poverty is still widespread in South Africa and that activities put in place to reduce and eradicate it are not sufficiently translating into required outputs necessary for desired outcomes which ultimately impact on poverty. The study has identified the gaps that exist in service delivery as well as the challenges faced by government in effectively impacting on poverty through its poverty reduction programmes. Based on the findings the study has made recommendations that will assist government to enhance service delivery so that poverty reduction strategies are conducted in an effective and efficient, integrated and coordinated manner which will cause government to achieve its desired outcomes.

**Keywords: Poverty, Programmes, Strategies, Implementation, Service delivery**

## 1 Introduction and background

Africa, and South Africa in particular, is faced with many developmental challenges, and to mention but a few: poverty, under-development, high debt levels, lack of good governance. According to Chen (2020) poverty is a state or condition in which a person or community lacks financial resources and the necessities of a minimum standard of living.

Poverty is a major threat of human life and persists despite the South African government's effort to reduce it. The reduction of poverty has become a priority in South Africa's development agenda and most international development agencies, notably the United Nations, World Bank (WB), and International Monetary Fund have invested large amounts of resources to assist African nations to reduce it. Poverty is a complex phenomenon (Leibbrandt, M, Van der Berghs, S. Hart, Booyens and Sinyolo (2020: 23), According to Mosito (2018) A serious social risk that African countries face is poverty and it is interpreted in different ways by various authors. The difference in interpretations is based on various authors' experiences, views and the type of poverty that the authors are exposed to as a result of different disciplinary pursuits.

The National Development Plan (NDP) offers a long-term perspective for the whole of South Africa. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal. The NDP aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realize these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society (NDP 2030).

Our municipalities are faced with glaring challenges in many of its operational areas, i.e. poor planning, poor governance, limited funding, poor resource allocation, poor public and private investment in productive and employment generating assets, unemployment, and poverty (Ngatiane 2017)

### **3. Significance of the study on poverty reduction strategies during Covid 19**

The significance of the study is that it will increase the implementation of poverty alleviation strategies on local municipalities, to boost local economy to address the high level of poverty, unemployment and inequality facing the majority of the South African population.

Poverty reduction strategy paper represent both a primary policy device of international development institutions, and an instance of a wider international convergence of public policy around global integration and social inclusion (Salkind, NJ. 2000).

The Millennium Declaration set 2015 as the target date for halving the number of people living in extreme poverty. Exceptional progress in some developing countries makes achieving that goal globally a realistic possibility. However, many countries will fall far short, and up to 1 billion people are likely to remain destitute by the target date. Why are some countries doing better than others? This paper seeks to answer this question by looking for shared characteristics of twenty-five developing countries posting extraordinary success in reducing extreme poverty over the past twenty to twenty-five years.



These countries were compared using indicators of their macro-economic characteristics and, especially, their agricultural economic characteristics. The countries chosen for analysis constitute a highly diverse mix. The group includes some of the poorest and some of the richest developing countries in the world, representing virtually all geographic regions.

## **4. Literature search**

### 4.1 Theoretical Framework

#### 4.1.1 Poverty Reduction in South Africa

A number of theories exist for development. These include; Growth and Modernization theory, Radical Structuralism and Dependency Theory, Neo-Marxist and Marxist Perspectives and Critique, the Regulation Approach, Business Systems Approaches and the Basic Needs Approach. For the purposes of this study, a broad view of economic development and underdevelopment as well as a Basic Needs Approach has been taken.

## Definition of poverty

Poverty is a contested concept. Arguments over how poverty should be defined and measured beyond semantics and academic debates. Poverty refers to lacking enough resources to provide the necessities of life – food, clean water, shelter and poverty is not just about money but also includes issues of access to services such as health care and education (Okalow, 2020).

It is critical that the definition and measurement of poverty are appropriate to the society in which they are applied. Poverty as a political issue relates to the way in which resources are allocated and distributed and reflects on the impact of policies on society. The manner in which poverty is understood is based on political and philosophical discourses. Poverty is a multidimensional phenomenon that goes beyond economics to include, among other factors, the social, political and cultural issues (Alemu, Z.G. 2017)

### **Historical causes of poverty**

Colonialism and Apartheid: It is evident from literature reviewed on poverty that South Africa's historical circumstances have shaped the present configuration of poverty and inequality. Historically, poverty is seen to arise from centuries of colonial and apartheid oppression wherein indigenous populations were systematically robbed of their land, their productive assets, their cultural heritage and their self-respect. (Ngatiane (2017) ) adds that this historic disinheritance of the vulnerable and poor has been exacerbated and entrenched by contemporary political and economic conditions.

## Social causes of poverty

Lack of food: Food is considered to be the most basic need of human beings. The access to food and a balanced diet is essential for long-term survival. Since the earliest times of mankind, food is the most precious resource.

According to a General Household Survey conducted in 2018, an estimated 21.9 percent of South African households had inadequate or severely inadequate access to food. Food access problems were the most serious in the North West where 33.3 percent of households had inadequate or severely inadequate food access. They were followed by KwaZulu-Natal (26.9%), Northern Cape (26%), Free State (23.6%), Limpopo (20.6%) and Eastern Cape (20.3%) (South Africa Department of Economic Development. 2018).

According to Buffel, A.O. (2017) shows adverse impact of high population growth on food, education, health, poverty and inequality. For example, feeding the world's population is made more difficult by rapid population growth, which also causes educational expenditures to be spread more thinly, lowering quality for the sake of quantity.

## Economic causes of poverty

Unemployment and lack of sufficient income: The transformation of the South African economy has been slow and consequently it has failed to create a sufficient number of jobs. The unemployment rate in South Africa is at an average of 35 percent. This implies that currently the major cause of poverty in South Africa is unemployment and a consequent lack of sufficient income.

Income is viewed as “that which is obtained as a reward for labour or services that are rendered (Malan, L. 2005). This brings us to the point of basic human needs in a market economy. In any market economy, such as the South African economy, Olivier argues that individuals and families must have enough income-generating employment to afford an adequate diet, unless they produce their own food.

Olivier further states that the individual or family without the means to buy food, health services and medicine or the equipment to construct shelter, to pay for education, water, firewood or electricity, and the like, can suffer from effects of poverty (Layman, T. 2003) indicate six categories of the unemployed poor, namely; poorly educated rural unemployed (28%); poorly educated unemployed (13%); young unemployed with no labour market experience (36%); long-term unemployed with no labour market experience (6%); those with labour market experience and some education (15%); highly educated unemployed poor (1%).

## Interventions Aimed at Addressing Poverty

In the Public Service Commission Report, makes distinction between interventions aimed at addressing poverty, namely; poverty alleviation, poverty reduction and poverty eradication. He defines poverty alleviation as the work of lessening the suffering of the poor, meeting their immediate pressing needs with welfare handouts and social security, providing safety nets, dealing with widows, orphans, the elderly and the handicapped.

This is basically charitable assistance. He further defines poverty reduction as “the task of lowering the numbers of those living below the poverty line and eliminating them from the rolls of the deprived. This involves providing people with jobs which pay wages above the poverty line, providing health and education services, providing credit for small business enterprises and other opportunities to rise above the poverty line.

The Public Service Commission Report 2017 points out that the term „poverty reduction“ is used to describe programmes and projects that have a focus on “improving the livelihoods or quality of life of individuals and households with no income, with an income below the standard of living or who are unable to meet their basic human needs.

## **4.2 Legislative framework for poverty reduction in South Africa after 1994 democratic government**

Since 1994, the South African government has passed several pieces of legislation and has developed several policies and programmes to provide an environment conducive to poverty reduction. An overview of a selection of these legislations is first given below followed by the policy framework thereafter

### **4.2.1 The Constitution of the Republic of South Africa Act 108 of 1996**

The South African Constitution reflects priorities regarding poverty eradication in the provisions for socio-economic rights. The Constitution highlights the “right of all citizens to have an access to basic level of services, such as adequate housing, health care services, sufficient food, water, social security and education...if they are unable to support themselves and their dependents.” This is enshrined in the Bill of Rights, Chapter 2 of the Constitution section 26, 27 and 29 (RSA, Act 108 of 1996: 1255, 1257 (26, 27, 29)). Section 195 of the Constitution states that: A high standard of professional ethics must be promoted and maintained. Efficient, economic and effective use of resources must be promoted. Public administration must be development-oriented.

Services must be provided impartially, fairly, equitably and without bias. People’s needs must be responded to, and the public must be encouraged to participate in policy-making. Public administration must be accountable. Transparency must be fostered by providing the public with timely, accessible and accurate information.

## **4.2.2 Municipal Structures Act 117 of 1998**

The Constitution of the Republic of South Africa Act 108 of 1996 granted Local Government the legal and constitutional basis for service responsibility as a sphere of government “distinctive, interdependent and interrelated with the National and Provincial spheres. The Municipal Structures Act 117 of 1998 enables the establishment of municipalities in accordance with the requirements relating to categories and types of municipalities.

The Act’s preamble states that: “municipalities are to fulfil their constitutional obligations to ensure sustainable, effective and efficient municipal services, promote social and economic development and encourage a safe and healthy environment by working with communities in creating environments and human settlements in which all our people can lead uplifted and dignified lives” (Social Assistance Act, 2004)

## **4.3.3 The Social Assistance Act 13 of 2004**

Since the Constitution of the Republic of South Africa (Act 108 of 1996: s 27(1) (c)) provides for the “right of access to appropriate social assistance to those unable to support themselves and their dependants.” The Social Assistance (Act 13 of 2004: 2), provides for the “administration of Social Assistance and payments of grants.”

## **4.4 Policy framework for poverty eradication**

The Constitution has established three spheres of government, namely; national, provincial and local, which are distinctive, interdependent and interrelated (Social Assistance Act, 2004). National government provides policy frameworks within a function (norms and standards), overall planning and essential coordination. Provinces are primarily responsible for public service delivery. They have different demographic and economic profiles and a differing capacity to fulfil their Constitutional responsibilities.

According to the Municipal Systems Act (32 of 2000: 2) municipalities at local level are responsible for the provision of services to communities. An overview of policies pertaining to poverty reduction as per the three spheres of government, are outlined below. But, the outlining of the relevant policies cannot be done without first mentioning the Reconstruction and Development Programme (RDP) which formed the basis of government's attempt to attack poverty and deprivation (South Africa Department of Economic Development. 2010).

### **4.4.3 The White Paper for Social Welfare (1997)**

The White Paper for Social Welfare (National Health Act, 2004) highlights the eradication and alleviation of poverty through "investing in social security with an unbiased distribution of resources to those in need through quality, accessible and appropriate social services to promote individual, family and community well-being and empowerment. It also highlights promotion of social rights especially those of women and children.

## **4.5 The impact of pro-poor legislation and policies**

There seems to be a general consensus from literature reviewed about poverty reduction legislation and policies. For example; Sokupa T (2010), argues that in terms of policy and legislative framework, the South African government is not lacking, that its glaring weaknesses are to be found in the implementation of policies and service delivery.

Malan, L. 2005) concurs with stating that most of the existing policies are not well implemented and hence do not benefit the maximum number of citizens. (Braun, S. Zamagni, M. S´anchez Sorondo, 2020) argues that as long as central government policies are not coordinated sufficiently and then implemented carefully through the administrative apparatus down to the local government level, the current crop of problems like incompetent administrators, non-responsive decision-makers and corrupt officialdom, will emerge and entrench themselves.

## **4.6 Poverty reduction programmes in South Africa**

### **4.6.1 Social Security Programmes**

The social security programmes fall under the category of programmes which are implemented by single departments, which in this case, is the Department of Social Development (DSD). Social security programmes are based on the system of social grants that are in place for certain categories of vulnerable persons. According to the (Social Assistance Act, 2004), which provides the legislative framework for the provision of social assistance grants (e.g. the Old Age, Disability, Child Support, Foster Care Grants and Grant-in-Aid).

According to the General Household Survey conducted in 2017, nationally, salaries (62.4%) and grants (44.9%) were received by the highest percentages of households. Provincially, Western Cape (74.7%) and Gauteng (74.2%) had the highest percentage of households who earned an income from salaries. Grants were more prevalent than salaries as a source of income in Limpopo (58.2%), Eastern Cape (56.2%), Northern Cape (52.2%) and Free State (51.5%). About a third of households in Eastern Cape (37.6%) and Limpopo (33.1%) selected social grants as their households' main source of income (Statistics South Africa, 2010: 5 (2.11)). However, warn against the creation of dependencies among welfare-service users and call for community self-reliance.

They also allude to challenges that have been encountered by the Department of Social Development with respect to service delivery of social grants, specifically in the rural areas, which include access to grants, lack of capacity and effective administrative systems and processes, fraud and corruption; discrimination and grant cancellations.(Buffel 2007)

While the expansion of social grants has brought much-needed relief for many trapped in poverty, Buffel, A.O. (2007) argue that lasting progress in the battle against poverty and its manifestations, requires accelerated economic growth and fundamental reform of the South African education system. Poverty affected 66.3 percent of those who had no schooling and 59.9 percent of those who had not completed primary schooling.

## **4.7 Overview and Impact of Covid 19**

King Sabata Dalindyebo Municipality has been subjected to unprecedented challenges caused by the COVID- 19 pandemic that has engulfed the World. The municipality through the directive of the presidency had to close down to allow for the lockdown to be effected. The municipality could not adopt the Integrated Development Plan and the budget within the specified timeframe according to the Municipal Systems Act, Act 32 of 2000.

The municipality like many other municipalities that had not adopted their IDP's and Budgets were given a leeway to consider these strategic documents beyond their legislative timeframes. The municipality had development a COVID0-19 Joint Operating Committee to look into specific local issues that are affecting our communities.

## **4.8 The impact of poverty reduction strategy**

The findings of the Public Service Commission (PSC) report on an audit of government poverty reduction programmes reveal that although the governments poverty reduction programmes have largely been allocating funds to the neediest areas in the country, the impact of some of them seems to be limited, especially amongst the ultra-poor in rural areas.

It further identifies certain concerns that have been raised about poverty reduction programmes which include poor coordination, poor integration of service delivery, lack of proper processes, exclusionary practices and a lack of monitoring and evaluation South Africa. (Department of Economic Development. 2018).

## 4.10 Socio-economic profile A case study of King Sabata Dalindyebo Local Municipality

### 4.10.1 Population

### 4.10.2 Population by population

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

**Table 1. Population by gender -king Sabata Dalindyebo and the rest of O.R. Tambo District municipality,2018/2020**

	Male	Female	Total
<b>King Sabata Dalindyebo</b>	236,000	270,000	506,000
<b>Ingquza hill</b>	145,000	164,000	309,000
<b>Port St Johns</b>	78,500	91,600	170,00
<b>Nyandeni</b>	148,000	171,000	319,000
<b>Mhlontlo</b>	91,300	104,000	195,000
<b>O.R Tambo</b>	699,000	800,000	1,500,000

According to King Sabata Dalindyebo Local Municipality IDP male/female split in population was 87.4 males per 100 females in 2018.

The King Sabata Dalindyebo Local Municipality has significantly more females (53.37%) than males, when compared to a typical stable population.

This is most probably an area with high male out migration to look for work elsewhere. In total there were 270 000 (53.37%) females and 236 000 (46.63%) males.

This is different from the O.R. Tambo District Municipality as a whole where the female population counted 800 000 which constitutes 53.37% of the total population of 1.5 million.

With the African population group representing 98.5% of the King Sabata Dalindyebo Local Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group.

The chart below compares King Sabata Dalindyebo's population structure of 2018 to that of South Africa

**Table 2. Population by population group, gender, and age-king Sabata Dalindyebo local municipality,2018/2020**

	African		Whites		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	24,000	25,500	42	44	171	198	94	96
05-09	25,500	26,400	29	53	164	218	68	42
10-14	27,500	28,900	25	33	208	174	55	32
15-19	23,700	25,400	95	67	233	166	58	56
20-24	24,000	24,300	75	68	145	200	84	153
25-29	27,00	26,200	57	60	193	244	78	214
30-34	22,400	20,100	34	37	158	151	76	214
35-39	18,800	13,200	25	19	164	173	70	137
40-44	15,000	10,200	49	32	116	119	32	93
45-49	12,900	8,560	59	60	134	105	34	47

<b>50-54</b>	<b>10,900</b>	<b>6,310</b>	<b>45</b>	<b>61</b>	<b>107</b>	<b>133</b>	<b>24</b>	<b>27</b>
<b>55-59</b>	10,100	5,240	33	48	117	121	65	40
<b>60-64</b>	8,170	3,770	22	40	40	43	36	62
<b>65-69</b>	4,760	2,300	16	35	68	38	27	26
<b>70-74</b>	4,680	2,260	1	9	66	23	8	5
<b>75+</b>	6,680	3,100	10	6	45	21	4	0
<b>Total</b>	266,000	232,000	618	674	2,130	2,130	813	1,240

In 2020, the King Sabata Dalindyebo Local Municipality's population consisted of 98.50% African (498 000), 0.26% White (1 290), 0.84% Coloured (4 260) and 0.41% Asian (2 060) people.

The largest share of population is within the babies and kids (0-14 years) age category with a total number of 160 000 or 31.6% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 30.7%, followed by the teenagers and youth (15-24 years) age category with 98 800 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 24 200 people.

#### 4.10.2 Poverty

**Table 3 percentage of people living in poverty by population group- king Sabata**

Year	African	White	Coloured	Asian
2012	69.0%	1.6%	31.0%	6.9%
2013	69.4%	1.4%	32.5%	7.2%
2014	70.2%	1.5%	34.3%	7.4%
2015	70.1%	2.0%	35.0%	7.6%
2016	71.8%	3.2%	36.7%	10.4%
2017	72.6%	4.1%	37.5%	12.5%
2018	73.0%	4.6%	37.2%	14.0%
2019	76.0%	5.1%	39.2%	11.2%

In 2019, the population group with the highest percentage of people living in poverty was the White population group with a total of 2.6% people living in poverty, using the upper poverty line definition.

The proportion of the White population group, living in poverty, decreased by -2.02 percentage points, as can be seen by the change from 2.62% in 2008 to 4.64% in 2018. In 2019 76.0% of the African population group lived in poverty, as compared to the 79.81% in 2008. The Asian and the Coloured population group saw a decrease in the percentage of people living in poverty, with a decrease of -2.39 and 7.18 percentage points respectively.

It was estimated that in 2018 21.97% of all the households in the King Sabata Dalindyebo Local Municipality, were living on R30, 000 or less per annum. In comparison with 2008's 47.36%, the number is about half.

18000-30000 income category has the highest number of households with a total number of 18 200, followed by the 30000-42000 income category with 17 400 households. Only 18 households fall within the 0-2400 income category

For the period 2012 to 2019 the number of households earning more than R30, 000 per annum has increased from 52.64% to 78.03%. It can be seen that the number of households with income equal to or lower than R6, 000 per year has decreased by a significant amount.

## 5. Challenges to Service Delivery in KSDLM

According to the findings of a study on an investigation into the service delivery challenges in the KSDLM, the following challenges were listed:

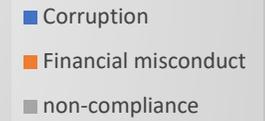
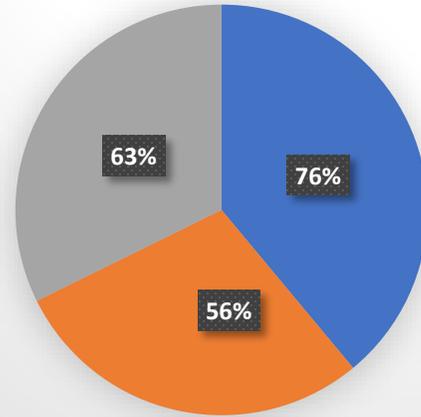
- Lack of capacity; lack of financial resources to implement service delivery strategy; lack of machinery and equipment; infrastructure backlogs;
- Poor participation of sector departments in the IDP and human resource to run IDP programmes;
- Corruption and nepotism in which tenders are given to friends and relatives who have no capacity to execute the tender; and
- Unstable political and administrative leadership among others.

### **The Findings**

The findings of the study show that the State of Local Government and Service Delivery in South Africa, that a significant number of municipalities do not have the managerial, administrative, financial and institutional capacity to meet the rising needs of local people.

The paper also points out the corruption, financial mismanagement and noncompliance with financial legislation common in most municipalities

## Findings



## Consolidated strategies for poverty eradication



Against this backdrop, it is quite obvious then that, for the purposes of poverty reduction, it was imperative for the government to come up with a clear policy initiative that would pull the economy out of its recessionary slump.

## **6. CONCLUSION**

The study has identified the gaps that exist in service delivery as well as the challenges faced by government in effectively impacting on poverty through its poverty reduction programmes. Based on the findings the study has made recommendations that will assist government to enhance service delivery so that poverty reduction programmes are conducted in an effective and efficient integrated and coordinated manner which will cause government to achieve its desired outcomes.

It is inevitable conclusion that the pandemic will affect the economy but mostly the local economic development negatively. This is the reason why the president of South Africa; Cyril Ramaphosa has announced various measures that the government is implementing to cushion the already ailing South African economy against the economic shocks of Covid-19.

These measures include tax subsidies for small businesses and individuals, lower contributions to the Unemployment Insurance Fund (UIF), help for households that are in debt, and a relief fund for businesses that may have their operations affected by the virus. These measures may alleviate some of the pressure on the local businesses and the economic development of municipalities, that are feeling the deep effects of COVID 19 on the economy.

This study concludes that improving government transparency and accountability on service delivery in the public sector management is relevant for building public trust, promoting citizens' compliance to COVID-19 safety measure and mitigating the spread of the pandemic in South Africa.

What came out very clear is that a potentially successful poverty reduction strategy should encompass the following three complimentary elements: - (i) A creation of economic opportunities for the poor, (ii) good governance, i.e. sound macroeconomic management that engenders macroeconomic stability and (iii) social programmes (i.e. social safety nets) that are targeted at the poor. (i) A creation of economic opportunities for the poor.

In general, it is advisable that growth-oriented policies should be accompanied by measures that enable the poor to share in the macroeconomic growth. This calls for comprehensive policies that are aimed at augmenting the poor people's assets, and providing access to markets for the poor. (ii) Good governance. The lesson in this regard is that countries should pursue policies that foster a macroeconomic environment, which is conducive for attaining rapid, pro-poor and sustainable economic growth. (iii) Targeted social programmes.

To compensate for the short falls of the above two instruments, the lesson is that it is useful to devise anti-poverty programmes that are carefully targeted at the poor areas.

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