A SOCIO-ECONOMIC IMPACT ANALYSIS OF SELECTED NATIONAL DEVELOPMENT AGENCY FUNDED PROJECTS IN THE EASTERN CAPE PROVINCE

BY

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A treatise submitted in partial fulfilment of the requirements for the degree of Master in Public Administration, in the Department of Political and Governmental Studies
Faculty of Arts

at the

NELSON MANDELA METROPOLITAN UNIVERSITY (NMMU)

Promoter: Professor T.V. Mayekiso

January 2012
RECOGNITION AND ACKNOWLEDGEMENTS

It is an honour to point out that the successful completion of this treatise has been the result of different manners of support, motivation, advice and unconditional love by various persons, organisations or institutions; and of course, I am greatly honoured to extend my earnest appreciation and gratitude to the following:

Stated importantly, an unspeakable gratefulness to God Almighty, the Father of my Lord Jesus Christ who is the source of wisdom, knowledge and understanding who has empowered me to prosper in every good act of life.

Further gratitude goes to the following persons:

- My Research Promoter, Professor Thoko Mayekiso for her professionalism and academic competence. As my promoter, she offered me enormous guidance and demonstrated a deep insight into her field. She was a real source of inspiration to me.

- Prof MS Binza for his wonderful mentoring during my undergraduate years and who encouraged me to further my studies, even the opportunities that he introduced me to.

- National Development Agency for having allowed me to undertake the study; I also thank the NDA development managers for data/information.

- All the project members for their cooperation during the data collection.

- A special thanks to my entire family for their unconditional support.

- Sisanda Nkoso for her continuous support in getting the treatise done and approved.

- I am indebted to everybody who provided me with both primary and secondary sources of information.
TREATISE DEDICATION

This treatise is dedicated to my late dear brother Mvuyisi “Poza” Mditswana who passed away on the 27 May 2009. May the Almighty God rest your soul in loving peace.
DECLARATION

I declare that ‘A Socio-Economic Impact Analysis of National Development Agency Funded project in the Eastern Cape Province’ is my own work and that all the resources that I have used or quoted have been indicated and acknowledged by means of complete references.

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SIGNATURE
(MR S MDITSHWA)

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<td>AACPS</td>
<td>Anne Arude Country Public School</td>
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<td>ANC</td>
<td>African National Congress</td>
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<tr>
<td>ADM</td>
<td>Amathole District Municipality</td>
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<td>AREDS</td>
<td>Amathole Regional Economic Development Strategy</td>
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<tr>
<td>ASGISA-EC</td>
<td>Accelerated and Shared Growth Initiative of South Africa</td>
</tr>
<tr>
<td>BBBEE</td>
<td>Broad Based Black Economic Empowerment</td>
</tr>
<tr>
<td>BPO</td>
<td>Business Process Outsourcing</td>
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<tr>
<td>BDS</td>
<td>Business Development Services</td>
</tr>
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<td>BIDPA</td>
<td>Botswana Institute for Development Policy Analysis</td>
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<tr>
<td>BWIs</td>
<td>Breton Woods Institutions</td>
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<tr>
<td>CASP</td>
<td>Comprehensive Agricultural Support Programme</td>
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<td>CBED</td>
<td>Community Based Economic Development</td>
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<td>CBOs</td>
<td>Community Based Organisations</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>CSI</td>
<td>Corporate Social Investment</td>
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<td>CSO</td>
<td>Civil Society Organisation</td>
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<td>CSES</td>
<td>Cambodia Socio-Economic Survey</td>
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<tr>
<td>DBFO</td>
<td>Design Build Finance &amp; Operate</td>
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<tr>
<td>DARD</td>
<td>Department of Agriculture and Rural Development</td>
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<tr>
<td>DLGTA</td>
<td>Department of Local Government and Traditional Affairs</td>
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<tr>
<td>ECDC</td>
<td>Eastern Cape Development Cooperation</td>
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<td>ELIDZ</td>
<td>East London Industrial Development Zone</td>
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<tr>
<td>GEAR</td>
<td>Growth, Employment and Redistribution</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GDS</td>
<td>Growth and Development Summit</td>
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<td>HDI</td>
<td>Human Development Index</td>
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<td>IDP</td>
<td>Integrated Development Plan</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>IUCN</td>
<td>International Union for the Conservation of Nature</td>
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<tr>
<td>LED</td>
<td>Local Economic Development</td>
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<td>LFS</td>
<td>Labour Force Survey</td>
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<td>LMs</td>
<td>Local Municipalities</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MSPs</td>
<td>Municipal Service Partnerships</td>
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<td>NDA</td>
<td>National Development Agency</td>
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<td>NEPAD</td>
<td>New Partnership for Africa’s Development</td>
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<td>NGOs</td>
<td>Non-Governmental Organisations</td>
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<td>NP</td>
<td>National Party</td>
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<td>NPW</td>
<td>New Public Management</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<td>OMM</td>
<td>Operate Maintenance and Manage</td>
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<td>ORTDM</td>
<td>OR Tambo District Municipality</td>
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<tr>
<td>PFMA</td>
<td>Public Finance Management Act</td>
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<td>PGDP</td>
<td>Provincial Growth and Development Plan</td>
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<td>PPPs</td>
<td>Public Private Partnerships</td>
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<td>RDP</td>
<td>Reconstruction and Development Plan</td>
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<td>RTG</td>
<td>Ready to Govern</td>
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<td>SADC</td>
<td>Southern African Democratic Countries</td>
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<td>SEDA</td>
<td>Small Enterprise Development Agency</td>
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<tr>
<td>SED</td>
<td>Socio-economic Development</td>
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<tr>
<td>SESC</td>
<td>Socio-Economic Survey of Cambodia</td>
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<tr>
<td>SPV</td>
<td>Special Purpose Vehicle</td>
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<td>STATSSA</td>
<td>Statistics South Africa</td>
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<td>SMME</td>
<td>Small, Medium and Micro Enterprises</td>
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<td>STRP</td>
<td>Small Towns Regeneration Programme</td>
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<td>UK</td>
<td>United Kingdom</td>
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<td>UN</td>
<td>United Nations</td>
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<td>USA</td>
<td>United States of America</td>
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<tr>
<td>VFM</td>
<td>Value for Money</td>
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<td>WB</td>
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ABSTRACT

The South African government cannot in isolation deliver all the community needs as expected. Therefore, the involvement of all the sectors becomes crucial in the fight against poverty, largely due to the fact that the delivery of services (community needs) by the public sector does not balance with the amount of the resources allocated. This implies that government cannot successfully manage to deliver the community needs in isolation. A shared service delivery strategy to support the socio-economic development initiatives towards sustainable shared growth is therefore essential. The Public-Private Partnerships and Public-Public Partnership have emerged as alternative measures or important public policy tools in addressing the ‘shared delivery’ of services to the general public of South Africa. As a result of high levels of poverty experienced by the people of the Eastern Cape, in fact by the larger South African population, major interventions by NGOs, CBOs and other civil organisation are gaining momentum. Likewise, the establishment of the National Development Agency as mandated is also a public policy tool that looks into improving the socio-economic development of the local communities. Such interventions and partnerships therefore have a big role to play in support of the ANC led government to effectively deliver on its mandate, thus ensuring improved citizen’s welfare.

Importantly, what triggered the undertaking of this study are the high levels of poverty, poor local economic developments and poor monitoring and evaluation of the funded projects in the Eastern Cape. In this study community and poverty in developing South Africa is well discussed. Attention is drawn to the whole idea of socio-economic development - simultaneously touching on the socio-economic shift in SA. Local Economic Development is also discussed with its LED dimensions, including business developments within the two said districts.

The main aim of this study is to establish the extent to which the interventions by National Development Agency ‘Public Entity’ have improved the socio-economic development of the rural local communities in the Amathole and OR Tambo Districts towards sustainable and shared growth. The study includes a conceptual meaning of the public sector in general with its key service delivery role players. The study also includes the conceptual theoretical basis of the socio-economic development with specific reference to South Africa then cascades down to the study areas. Under the same note, a detailed explanation is also given on the nature of Public-Private Partnership (PPP) as a model for improved socio-economic
development. Conceptual presentation of the Public-Public Partnership (PPP) for shared service delivery is also alluded to.
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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

The primary focus of this study is on socio-economic development impact assessment of the poverty alleviation projects, funded by the National Development Agency in the Eastern Cape Province, with specific reference to the Amathole and OR Tambo Districts respectively.

In the context of this study, South Africa is exerting itself fully in the efforts of rebuilding an inherited economy which was negatively skewed, and whose idea of socio-economic development was also discriminatory in nature. In pursuit of this objective, the country has put in place a number of socio-economic development programmes in response to dealing with, and finally eradicating extreme poverty. Poverty still remains a major challenge in South Africa even after sixteen years of democracy, although one would argue that the extent of the mental damage done by the previous regime cannot just be reversed within a 16-year period. The South African population which currently stands at 49 787 932, is increasingly becoming urbanized and large numbers live in rural areas and yet uneven development remains a structural feature of both the Eastern Cape and South Africa at large (Statistics SA, July 2009).

South Africa has millions of people who live in poverty and who experience inequality as far as access to social, economic, political and symbolic power is concerned. The World Social Summit held in the United States in 2002, and the Millennium Development Goals (MDGs) identified poverty eradication as an ethical, social, political and economic imperative of humankind and called on governments to address the root causes of poverty, provide for basic needs for all and ensure that the poor have access to productive resources, including the ability to raise credit, education and training.

Poverty conjures up images of starving children, overcrowded informal settlements and ragged and rugged street children. Poverty exists where development lags behind in terms of economic growth or where such economic development has not taken place. Poverty also occurs where there is potential, but where such potentials are hindered by a number of
factors which stem from poor delivery of services. This tends to bring across the fact that the control over the Resources, generate and regenerate poverty (Swanepoel & De Beer, 2000). The brunt of poverty is mostly borne by humans, as it involves or is experienced by human beings before it gets into a state of being called hunger. Human poverty is more than just lack of adequate income and focuses on poverty as the denial of choices and opportunities for living a tolerable life (De Beer & Swanepoel, 2000). Human poverty can be measured in terms of material welfare but also in terms of opportunities and choices to live a long, healthy life, and sustain a living standard with freedom of choice, self respect and self esteem.

The Eastern Cape is South Africa’s second largest province with regard to area size (168 964 square kilometers) and has the third largest population after Gauteng (21.5 %) and Kwa-Zulu Natal (21.5) as a result of the fact that the provincial share of the national population has shrunk from 14 percent in 2001 to 13.5 percent in 2007. According to the mid-year estimates for 2008 Statistics SA, the Eastern Cape has a population of 6 579 300, 00 out of South Africa’s total population of 48 687 300. A population of 77% in the Eastern Cape Province is largely rural and the unemployment rate stands at 55 %. Out of the total population of the Eastern Cape, 52% are women and 48% are men. The 2008 Official Economic Data from Statistics SA shows that, in 2008, Eastern Cape agricultural sector contribution to the provincial GDP reached 2.2 percent. An overall view is that, the agricultural sector is underperforming compared to other sectors such as manufacturing and tourism.

The role played by South African public entities has of course been positive in nature with a clear mandate of joining forces in fighting extreme poverty and other socio-economic challenges experienced by government. The National Development Agency (NDA) is one of the key public entities with a mandate of focusing on socio-economic development. The National Development Agency (NDA), a national public entity established in terms of the National Development Agency Act No. 108 of 1998 has been mandated to contribute towards the eradication of poverty and its causes (Annual Report 2009/10, NDA).

However, in an attempt to attend to this global phenomenon of “poverty” experienced by most countries, especially the Southern Africa Development Country(SADC) regions in this case, about 146 world countries attended a “call-on” development in September (2001), thus adopting and signing their collective effort in the fight against poverty. This gathering by the
United Nations, called the policy document a Millennium Development Goals (MDGs) and goal number one of this policy document addresses the fight against extreme poverty. Moreover, poverty is also the result of the non-vibrancy of the economy and absence of a well molded capacity for sustainable socio-economic development. The legislation requires that development planning be participatory, that is, a process that incorporates the voices of the communities affected by the planning. This therefore, translates into bringing into light the fact that the poverty-affected rural dwellers feel so left out, hopeless, and ignored thus resulting in low self esteem and lack of dignity. Before any element of a poverty turn-around plan is implemented, there should be some clear understanding of how the community interprets their experience with regard to the environment they find themselves in. Notwithstanding the fact that in the highly poverty-stricken areas, individuals tend to lack adult basic education which is germane to their development.

The ANC led government took further steps as a sign of commitment to its community by developing more developmental policies and strategies. One of those policies is the, White Paper on Local Government (2000). Others worth mentioning among other strategies that the local government development uses are; the Integrated Development Plan (IDP) and Local Economic Development (LED). Service delivery and democratisation are important for the well-being of communities.

Section 152 of the Constitution of the Republic of South Africa (1996) mandates the municipalities “to promote social and economic development”. The war against poverty in South Africa cannot be over-emphasized, because policies are developed but the main issue is the implementation of these programmes, and that is still a major challenge.

In this context the notion of “bringing government to the people” has been seen as being of importance, not only in strengthening civil society, but also in mobilizing the population to implement the programmes of reconstruction and development necessary to transform the society. Chapter 7 of the Constitution of the Republic of South Africa, 1996 states that a municipality must ‘structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community’. It also encourages ‘the involvement of communities and community organisations in the matters of local government’. Another constitutional objective of local government is the provision of democratic and accountable government to communities.
Consequently, the responsibility for the socio-economic well-being of all communities is still at the cross roads. Well-grounded development plans with sustainable socio-economic development programmes are the ones that will ultimately restore human dignity, self esteem and the potential of communities and furthermore, deepen its focus on poverty alleviation, economic growth, and the management of inequalities.

### 1.2 CLARIFICATION OF TERMS AND CONCEPTS

In the context of this study the concepts of development and socio-economic development are briefly discussed as follows:

**Sustainable Development:** The concept of sustainable development was coined by the IUCN (International Union for the Conservation of Nature) report of 1980. It describes sustainable development as:

*Development that meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED in Davids, 2005).*

This definition is extremely broad, but it shows that the resources should not be used to such an extent that they may affect the future use of resources of generations to come, although it is impossible to estimate what their needs will be. This definition also implies that sustainable development merely includes the well-being of human beings.

**Poverty Alleviation:** refers to the unwanted extent of acute suffering experienced by poor people yet working to lessen 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.

**Poverty Reduction:** this is 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 educational services, providing credit for small business enterprises and other opportunities to rise above the poverty line (Makhalane, 2008).

**Poverty Eradication:** entails more than the lack of income and productive resources to ensure sustainable livelihoods. Its manifestations include hunger and malnutrition, limited
access to education and other basic services, social discrimination and exclusion as well as the lack of participation in decision making. Various social groups bear a disproportionate burden of poverty.

**Public Participation**: can be defined as an elusive concept which acts as an umbrella term for a new style of development planning intervention, at the same time ensuring that the policy makers and public agree on services to be delivered to the community (Davids, 2005).

**Reconstruction and Development Programme (RDP)**: was the first ANC led government developmental initiative in restructuring the local economic development. Consequently, the RDP Base Document (ANC 1994), became the RDP White Paper (September 1994).

**Growth, Employment and Redistribution (GEAR)**: This strategy document (GEAR) called a Macro-Economic Strategy was commissioned in December 1995 and released by Trevor Manuel, the former South African Minister of Finance, in June 1996. The primary objective of GEAR is stated as increasing economic growth and creating significant new job opportunities (Davids, 2005).

**Integrated Development Planning (IDP)**: Integrated Development Planning is defined as an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development. It is a super plan for the area that gives the overall framework for development. It aims to coordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. It should take into account the existing conditions and problems and resources available for development. The plan should look at economic and social development of the area as a whole (http://www.etu.org.za).

**National Development Agency (NDA)**: is a public entity established under section 3A statutory organisation of Act 108 of 1998 which is primarily mandated to contribute towards the eradication of poverty and its causes by granting funds to civil society organisations for the purposes of:

- Implementing development projects of poor communities; and
- Strengthening the institutional capacity of other civil society organisations that provide services to poor communities.
The NDA is secondly mandated to promote consultation, dialogue and sharing of development experience between civil society organisations and relevant organs of state, debate development policy and lastly undertake research and produce publications aimed at providing the basis for development policy.

1.3 STATEMENT OF THE PROBLEM

In practice many socio-economic development initiatives have been well planned and implemented but there is still a major requirement for monitoring and evaluation, and intensive impact assessment of those projects. This is viewed from the angle that many initiatives have not got measureable impact contributions against the pre-determined strategic goals and objective. As a result, the Eastern Cape population is still under severe poverty pressure, because access to basic services as legislated such as, health services, housing, water and electricity is still a major challenge in the Eastern Cape Province due to the absence of proper impact assessments in relation to the planned service delivery. The improvement of all the backlogs in service delivery may effectively be attended to by closely utilizing the public-private partnerships model and public-public partnership and public-community partnerships with clear monitoring and evaluation system.

The grass-root level municipalities are faced with a number of key challenges as the latter paragraphs points out, ranging from poor economic development, huge backlogs in infrastructure development, inability to leverage private sector resources for development purposes and measuring the impact thereof. Despite having acquired political balance the members of the society are still not equal and some areas remain resourced and developed while others remain under resourced, under serviced and with major developmental needs. Hence the need for reconstruction and development is crucial and must be taken seriously. Local municipalities have crucial mandates hoisted their way, within which they have to deliver. The need for monitoring and evaluation approach still stands - hence the measuring tool for the impact assessment of the project undertaken.

The incomes of those poor communities are constrained because the rural economy is not sufficiently vibrant to provide them with remunerative jobs or self-employment opportunities. Worldwide, the pervasiveness of poverty and poor delivery of basic services in rural areas of developing countries continue to constrain development efforts.
1.4 THE RESEARCH QUESTIONS

Given the nature of the Eastern Cape Province and the immense service delivery backlogs experienced by general citizens who are regarded as previously neglected and still currently disadvantaged, this therefore imposes this question;

To what extent has the socio-economic development been improved as the result of the intervention by the mandated National Development Agency in funding civil society projects and the impact thereof?

In response to the above research question the following secondary questions are asked:

1. What is the impact of the Agricultural NDA funded projects in the Amathole and OR Tambo District Municipalities?
2. Do the funded poverty relief projects address the priority needs of the targeted community and also the national government priorities?
3. How sustainable are the NDA funded projects?
4. How are the projects monitored and evaluated?
5. To what extent is the Public-Private Partnership Model used to enhance service delivery?
6. What are the challenges facing NDA in the implementation of the poverty relief projects in both districts? and
7. What is the role played by the district municipalities to support the NDA funded projects in their area of jurisdiction?

1.5 OBJECTIVES OF THE RESEARCH

The objectives of this research are outlined as follows:

- To assess the impact of the NDA poverty eradication projects in the Amathole and OR Tambo Districts, with specific reference to the agricultural sector;
- To determine the necessary skills and knowledge for NDA funded civil organisations to successfully manage and implement poverty eradication projects;
- To draw conclusions and make recommendations on, implementation, sustainability, monitoring and evaluation of funded NDA poverty eradication programs in order to bring about the desired impact.
1.6 STATEMENT OF HYPOTHESIS

A hypothesis is defined in Brynard and Hanekom (1997: 19) as a proposed potential answer to a problem, which must be tested “...empirically before it can be accepted as a concrete answer and incorporated into theory”. They argue that a “…hypotheses is actually that which one wants to know – based on the research question. It proceeds from a statement of the research problem”.

Relating to the aforementioned problem the following hypothesis will be investigated in this treatise:

*The socio-economic development in relation to the NDA funded projects could be enhanced if the key project sustainability and Monitoring & Evaluation systems/model are employed effectively and efficiently and operational audit is rightfully assessed against the actual project impact.*

The use of various project sustainability and monitoring and evaluation systems/models will undoubtedly depend on the various factors including; firstly, funded civil organisation skills audit, which goes with education and training of the custodians of the project to enhance the operations of the organisation; secondly, quarterly impact assessments undertaken by a project coordinator from NDA in liaison with the organisation project manager to continuously realise the social and economic state of the province; thirdly, the opinions and views of the relevant stakeholders and community, towards project sustainability and impact may also influence the extent to which the socio-economic development initiatives are sustained. Lastly, the lack of an enabling statutory environment may affect project sustainability.
1.7 OUTLINE OF THE REPORT OF THE INVESTIGATION

Chapter 1: This chapter deals with the overview/or scope of the study. It provides the introduction and focuses on the problem of the statement, clarification of terms, research questions of the study, objectives and the hypothesis statement.

Chapter 2: Gives a broad overview of the socio-economic development (SED). It explores the legislative framework for SED amongst other legislation, the Constitution of the Republic of South Africa 1996, and White Paper on Local Government, 2000; Local Economic Development Policy Paper, 2002 and other pieces of legislation. The nature and meaning of socio-economic development and its factors are explored in detail, which goes far by examining a thought around rural South Africa and the community. Moreover, role players on as well as strategies of socio-economic development are identified and discussed in this chapter. Furthermore, international experiences from Botswana are also captured in this chapter, socio-economic development models such as public-private partnerships, public-public partnerships to enhance service delivery.

Chapter 3 focuses on research methodology applied in the collection and analysis of data.

In Chapter 4, the results of the study are presented and discussed.

Finally, in Chapter 5, a summary of the investigation is presented, some conclusions are drawn from the findings, and recommendations are made in connection with socio-economic impact of poverty alleviation projects.
CHAPTER 2
THEORETICAL BASES OF SOCIO-ECONOMIC DEVELOPMENT: A SOUTH AFRICAN PERSPECTIVE

2.1 INTRODUCTION

This chapter provides a detailed overview of socio-economic development and explores community development and poverty in South Africa. Reference is made to a brief international experience on developmental matters. The developmental initiatives in response to poverty and community participation will also be examined. The policies and legal bases which guide the social and economic ideas in a larger context will be briefly discussed or alluded to.

This chapter covers a range of theories and approaches useful for developing a reliable and systematic understanding of socio-economic development and Public-Public Partnerships and Public-Private Partnerships. The aim is to identify the main theories/approaches applicable to social and economic development and legislative developmental interventions. Furthermore it provides a brief background to the socio-economic development shift in South Africa.

2.2 THE COMMUNITY AND POVERTY IN SOUTH AFRICA

South Africa, which is classified as a developing country, is immensely hampered by a high level of extreme poverty experienced by its community. Poverty in South Africa is measured according to provinces, districts, race, gender and groups. South Africa has millions of people who live in poverty and who experience inequality insofar as access to economic, political and as symbolic power is concerned. The focus of both the public and the private sector should be more on intensifying and identifying the actual community needs and expectations, and relate that with state planning - via municipal Integrated Development Plans as information source documents prior to planning any interventions.

Poverty is mostly recognized when people see it, but only few are able to give a definition that will be generally accepted. After decades of attempting to eradicate poverty, little success has been achieved. In fact, the balance between poverty and non-poverty in the
world has remained the same. When looking at the state of poverty within a nation, particularly in the Third World, one finds a debate distinguishing between rural and urban poverty. The two broadly defined forms of poverty can be articulated into: case poverty and community poverty. The first one is mostly found in affluent societies where the individual family suffers poverty; their poverty is very visible compared to the living conditions of the individuals and families do not share in the general well-being of society.

Community poverty, on the other hand, manifests itself where almost everyone in a community is poor. In this instance the living conditions of the more affluent individuals or families are more visible compared to most of those living close to them. Community poverty is found mostly, but not exclusively, in rural areas and in informal and squatter areas in cities. Because of the fact that so many people are so visibly poor, this type of poverty is also referred to as “mass poverty” (De Beer & Swanepoel, 2000).

The picture most people have of Third World poverty is of overcrowded cities surrounded by squatter settlements. The truth of the matter is this picture reflects only part of the magnitude of the poverty problem. Most of the third World poor live in rural areas. Poverty is largely a rural phenomenon. Poverty in South Africa differs according to provinces, environments, gender, race and age group. A very high percentage of the South African population is objectively poor. As in the case with unemployment, poverty affects mainly Africans, and to a lesser degree, coloured people. Rural Poverty is endemic among the poor households in the Third World - and manifests itself in a number of ways, amongst others malnutrition, hunger and disease. The groups that are affected include the landless, the near-landless, female-headed households and children.

According to Fryer (2006:1) levels of poverty and unemployment in South Africa are critically high, despite the country’s status as an upper middle income country, and out of a population of 46 million people in South Africa, 48% of people were living in poverty in 2002 according to the national poverty line (MLL: Minimum Living Level) of R354 per month adult equivalent (1995 value). The current MLL (2011) is around R 1 100. In 2002, 23% of people were living on less than two US dollars a day (UNDP, 2003). In 2004, 41% of working age people were unemployed according to the expanded definition of unemployment, and 26.2% according to the narrow definition (Labour Force Survey, 2004). As of the current year, 2012, the Dollar rand exchange is R 8.52 to $1 (one US Dollar). $ 2 (2 Dollars translates to R 17.04).
The official definition of unemployment is that only those workers who have actively sought work in the last four weeks and not been successful are considered unemployed. If (for instance, due to past frustration or due to a lack of resources to travel to a town to look for a job) a worker has not actively sought work in the last four weeks such people are strictly and officially speaking, deemed not to be unemployed. They are also not employed, but constitute “discouraged” work seekers.

According to Fryer (2006:6), levels of unemployment are central markers of levels of poverty in South Africa. Over the last decade, there has been a steady increase in levels of unemployment in South Africa. Unemployment rose from 34.3% of the total working age population in September 2000 to 40.5% in March 2005. The likelihood of being employed in South Africa is still heavily influenced by race, geographic location, sex and levels of skills.

The number of working age people in March 2005 was estimated to be 29.5 million people. Of the total of 22.8 million black South Africans of working age, just over half (11.8 million) were economically active. 8 million of these people were working and 3.7 million people were unemployed. This must be compared to a total of 2.1 million economically active White South Africans where out of a total of 3 million, 2 million were working, and 107 000 of these were unemployed (Labour Force Survey in Makhalane, 2008).

Of the 4.2 million unemployed workers in South Africa, 1.6 million have been looking for a job for more than three years. 2.5 million of the officially unemployed people have never before worked. Of these, the largest single section (41.5%) has been looking for a job for at least three years (Labour Force Survey, 2008).

This therefore gets to a point where one would say that the poor are trapped in a cycle of poverty. Most Southern African countries inherited a dualistic socio-economic structure whereby a modern sector resides side by side with a subsistence sector, and the latter provides livelihoods for the majority of the population in the region.

2.2.1 The Income Perspective (Poverty)

This perspective basically categorizes people as poor if their income falls below a defined income measure. The poverty income line is defined as the level at which households have enough income for a specified amount of food, housing and transportation. Depending on how complicated the analysis is, the income line is adjusted for regional variations. This
becomes important when comparing urban and rural communities, the fact that people in urban areas need more money than in a small town or rural areas (Davids, Theron & Maphunye, 2005: 38). Many South African poverty surveys use income as a way of defining poverty. In South Africa income is also used as the basis on which eligibility for grants and subsidies such as pensions and housing is calculated. The problem associated with the income perspective when it comes to understanding poverty is that the very poor tend to depend on non-income sources of support. Secondly, the distribution of income within a household usually discriminates against women.

This therefore, brings across the fact that income perspective cannot be a hundred percent measurement tool for poverty level, as there are people who do not have the stated income at their disposal but are not in poverty. For example, in some communities where elderly people still believe in having all things done at home, like ploughing Etc and where they only buy cooking oil, not all experience poverty.

The overall birth of poverty can be loosely referred to as enforcement of the modernization theory as the country of South Africa has become westernized.

2.2.2 The Basic Needs Perspective

In South Africa, the right to basic needs is firmly constituted as a key need to every citizen and not as a privilege. This therefore implies that this perspective is an influential international perspective on poverty, especially in the context of the “developing world”, where millions of people live without access to clean (unpolluted) air and water, an adequate and balanced diet, physical and emotional security, and culturally and climatically appropriate clothing and shelter( Liebenberg & Theron 1997:121-131 in Davids, 2005: 39). There are a number of well known poverty indicators that have originated from the basic needs perspective, such as access to portable water, literacy, life expectancy and nutrition levels. A significant proportion of the South African population does not have access to basic material conditions of survival such as water, sanitation and electricity. These people live mainly in the Eastern Cape and Limpopo provinces (both of which are dominated by the legacies of the former “homelands” in terms of land area and population composition).

As much as other perspectives on poverty are highlighted, there is still a strong emphasis on first satisfying the elements of deprivation as defined from a basic needs perspective. Further issues are addressed by the social exclusion approach.
2.2.3 The Social Exclusion Perspective

The social exclusion perspective is derived from the “First World”. In these societies most people’s basic needs may have been met and there may be little income poverty, but there may still be deprivation and vulnerability. Social exclusion refers to the fact that despite welfare and general wealth, there remains a group that is excluded from the mainstream benefits of the society and is thus prevented in some way from fully enjoying the general prosperity. Social exclusion therefore refers to the relational dimensions of poverty rather than the distribution of income. (Burkey, 2000: 13). As such the society is interested in inequality, which very often is the cause of poverty.

In the social exclusion literature there is a focus on economic indicators, especially employment. Employment is seen as serving the multiple functions of providing an income, conferring social legitimacy and granting the individual access to full citizenship rights - in other words, inclusion in the system. All in all, indicators of social exclusion emphasize political, social and economic components of poverty and inequality and are thus either multi-part or composite indicators. The main advantage of this perspective is that it attempts to address wide-ranging issues that are responsible for poverty in society.

2.2.4 The Sustainable Livelihoods Perspective

Sustainable livelihood is still a big challenge in South Africa, especially in the Eastern Cape Province where most of the communities demonstrate their dissatisfaction with protests in trying to make known what are constituted as their basic needs. However, the mentioned perspective stresses the participation of individuals and communities in defining and solving their own poverty. The assumption is that people are not poor or vulnerable in the same way and that identifying local variations in poverty or deprivations is crucial in shaping effective development strategies. By focusing on vulnerability or the inability to cope with hardship rather than on poverty per se, the issues that emerge may not be the lack of an income or even unemployment, but rather factors such as the breakdown of the family or social problems like alcoholism (Davids, 2005).

Consequently, the importance of this perspective as an indicator for development is not just about which issues are covered but also who decides, who measures and who formulates the indicators (Hussen, 2002).
2.2.5 The Human Development Perspective

This perspective uniquely puts more emphases on holistic understanding of poverty in terms of which anti-poverty actions enlarge people’s life choices. This refers to enabling individuals to lead a long and healthy life, in which they are educated and have access to a decent standard of living. Included in this notion of poverty alleviation is ensuring that human rights are upheld and that political and social freedoms are secure (Burkey, 1999).

2.3 THE CONCEPT WELL-BEING AND POVERTY

According to the World Bank (2000), “poverty is pronounced deprivation in wellbeing.” This of course asks the questions of what is meant by well-being and of what is the reference point against which to measure deprivation? One approach is to think of well-being as the command over commodities in general, so people are better off if they have a greater command over resources. The main focus is on whether households or individuals have enough resources to meet their needs. Typically, poverty is then measured by comparing individuals’ income or consumption with some defined threshold below which they are considered to be poor. This is the most conventional view—poverty is seen largely in monetary terms—and is the starting point for most analyses of poverty.

A second approach to well-being (and hence poverty) is to ask whether people are able to obtain specific goods to consume: Do they have enough food? Or shelter? Or health care? Or education? In this view, the analyst goes beyond the more traditional monetary measures of poverty: Nutritional poverty might be measured by examining whether children are stunted or wasted; and educational poverty might be measured by asking whether people are literate or how much formal schooling they have received. Perhaps the broadest approach to well-being is the one articulated by Sen (1987), who argues that well-being comes from a capability to function in society. Thus, poverty arises when people lack key capabilities, and so have inadequate incomes or education, or poor health, or insecurity, or low self-confidence, or a sense of powerlessness, or the absence of rights such as freedom of speech. Viewed in this way, poverty is a multidimensional phenomenon and less amenable to simple solutions. For instance, while higher than average incomes will certainly help reduce poverty, these may need to be accompanied by measures to empower the poor, or insure them against risks, or to address specific weaknesses such as inadequate availability of schools or a corrupt health service.
Poverty is related to, but distinct from, inequality and vulnerability. Inequality focuses on the distribution of attributes, such as income or consumption, across the whole population. In the context of poverty analysis, inequality requires examination if one believes that the welfare of individuals depends on their economic position relative to others in society. Vulnerability is defined as the risk of falling into poverty in the future, even if the person is not necessarily poor now; it is often associated with the effects of “shocks” such as a drought, a drop in farm prices, or a financial crisis. Vulnerability is a key dimension of well-being since it affects individuals’ behaviour in terms of investment, production patterns, and coping strategies, and in terms of the perceptions of their own situations.

2.3.1 Transforming a Legacy of Discrimination: Rural South Africa

The new democratic acts were established with the aim of adjusting the legacy of discrimination experienced by a lot of Africans then. The term “Poverty” and ‘Rural” are closely related to each other, due to the fact that rural was a dumping place of “unworthy” people and those who could not do anything. During that time most of the South Africans were not well educated and the systems of the previous regime could easily influence and shift the identity of the country, South Africa. The two concepts will be discussed in much more detail in the rest of this chapter.

Rural South Africa originates from a legacy of forced separation of racial communities and restricted landownership for the Black African majority population of the Country. The 1913 Natives Land Act which became law on June 19, 1913 decreed that African land ownership be restricted to 7 percent (though this was increased in 1936 via the 1936 Native Trust and Land Act) of the country and barred Africans from buying land in 93 percent of South Africa set aside for white control. The act did this through the enactment of legislation that created a distinction between white-owned areas and native reserves or scheduled areas.

2.3.2 The Concept “Rural”: A South African Perspective

The concept “rural” is largely understood in different ways and perceived by different sectors and the areas claimed to be rural either academically or political or even otherwise. This therefore, implies that there is no national, provincial or local definition for rural areas. Quite interestingly, Statistics South Africa loosely classified the proclaimed municipalities (largely the cities and “white” towns and their associated “township”) as urban and the rest being rural. The Rural Development Framework adopted by the ANC led government in 1997,
during a recovery make up, defined rural areas as "sparsely populated areas in which people farm or depend on natural resources, including villages and small towns' they are dispersed throughout these areas. In addition they include large settlements in the former homelands, created by apartheid removals, which depend for the survival on migratory labour and remittances".

Notably, South Africa is largely rural in nature and by definition many of its nine provinces are mostly agriculturally fertile. Large numbers of the South African population live in rural communities and most of them are really in extreme poverty.

2.4 LEGISLATIVE FRAMEWORK FOR SOCIO-ECONOMIC DEVELOPMENT

South Africa is largely proclaimed by the Constitution of the Republic of South Africa 1996 as a democratic country. The policies that continue to set out the guidelines on socio-economic development perspective are discussed as follows:

2.4.1 South Africa as a Developing Country

Under the Constitution of the Republic of South Africa, 1996 Section 40(1) local government becomes one of the three spheres of government, with others being national and provincial government. In essence, local government becomes the closest sphere to the heart of the public or community within which needs arise from the basis of the environments in which the people find themselves. Therefore, it is of utmost importance to first have a background on local government in South Africa - in line with major legislative guidelines which advocates local economic development. Local government can be defined as "...that level of government which is commonly defined as a decentralised representative institution with general and specific powers devolved to it by a higher tier of government within a geographical area" (Ismail et al, 1997: 3).

It should be noted, however, that according to the Constitution of the Republic of South Africa, 1996 40(1) local government is recognized as a district sphere of government and as such its powers are derived from the Constitution and other statutes and not derived from provincial and local spheres. This implies that municipalities are assigned original powers.

The introduction of the Reconstruction and Development Programme (RDP) in 1994 became the first initiative in way of responding to the first step of local economic development, and
the Growth, Employment and Redistribution (GEAR) of 1996; and the Accelerated and Shared Growth Initiative of South Africa (ASGISA) of 2006 also became the key directive policies of a developmental state.

The second sphere of government is the provincial government which advocates for the alignment of the national priorities with the provincial and local sphere in so much that the policies or programmes are developed in line with what the rural communities require most. However, this sphere also holds its own originated powers from the Constitution on coordination and implementation of government’s priorities.

SA is characterized by a number of factors that impose an immense challenge to every sector to play a critical role, and amongst the factors, two that are mentioned are; SA economy not being vibrant enough to enable its people to improve on it, and unemployment is still at a high rate but is progressively going down.

2.4.2 Socio-Economic Development Shift in South Africa

In the current democratic dispensation, as a developmental state, the socio-economic policy framework demands the building of a caring society. To a considerable extent, there is absolutely no study that can be scientific without first being predicated on models which existed before. As a result, the above sub-topic would therefore address the history of developing South Africa and its constitutional framework with regard to the state not working in isolation, but rather engaging itself in collaborative acts in order to realise the countrys’ ultimate goal - which is to make sure that all the citizens of the county have access to the basic services. South Africa, since1994, has been undergoing a process of transformation from an apartheid system into a democratic society. Apartheid was a political system that geographically, institutionally and socially separated South African society along racial lines. Van Niekerk (2002:34) defines apartheid, which was formally instituted as a government policy in South Africa in 1948 as a “...value system, a form of government, and policy of racial segregation”.

According to Section A1 of the White Paper on Local Government, 1998, the Group Areas Act, 1957 (Act 77 of 1957) was one of the key pieces of legislation of apartheid used to institute strict residential segregation and saw the compulsory transfer of Black people to the so called "own group areas". Similar acts were also promulgated to entrench the apartheid policy of discrimination and included legislation that promoted a segregated government by
having different government structures according to race. For example, having separate
governments to govern the Black/Bantu areas as well as having separate amenities for
different races.

segregation (own management for own areas), together with the policy of influx control
(made possible by the pass laws), limited the extent to which more affluent white
municipalities would finance the servicing of disadvantaged Black areas that remained
under-developed. Many of these “Black areas” are still under-serviced and for many, some
of the most basic services such as water, electricity, shelter and sanitation are still an elusive
“luxury”.

Local government revenue historically was self-generated through, for example property tax.
For the white municipalities, this was favourable since they had small populations to serve
and had economic resources to tax. This was, however, problematic for black municipalities
since retail and industrial developments were restricted in black areas, limiting their tax base
and ultimately their income with which they would have met the needs of the people they
serve. The apartheid policy ensured that revenue and expenditure was directed towards the
development of the white minority (Reddy, 1996:53). Hence, service delivery in these
disadvantaged areas remains one of the major challenges facing national government and
municipalities in their quest to redress these past imbalances.

2.4.3 The LED draft Policy (2002)
The title of the 2002 paper (Refocusing Development on the Poor) is an explicit and bold
statement of pro-poor LED. The document adopts a defined ‘pro-poor’ stance and though
not opposing more conventional business-focused activities, argues that in the light of the
country’s economic and social situation that overtly ‘pro-poor’ development interventions
must be the priority for local governments to pursue. It is also important to note that ‘pro-
poor’ LED is also referred to as ‘developmental LED’ (dplg: 2002). The challenge identified in
the document is the need to develop pro-poor LED methods which can address both poverty
and entrenched inequality.

In pursuit of this ideal the document identifies the following goals/objectives for local
governments:
- to establish a job-creating economic growth path;
▪ to embark on sustainable rural development and urban renewal; and
▪ to bring the poor and disadvantaged to the centre of development.
▪ In order to achieve this, it suggests that LED needs to be holistic, innovative, creative and redistributive.

The document argues for developmental LED. In terms of understanding what this involves, the document states that non-developmental LED takes place when equity is not addressed and social objectives are secondary. Instead, pro-poor options should entail a greater measure of redistribution, carefully designed to maximise local social and economic development objectives’ (dplg, 2002: 9) and new investment should be directed so as to maximise integrated development, generate high quality jobs, and ensure clean production processes. In order to promote Developmental LED, the following broad interventions are advocated:
▪ Foster Community-Based Development;
▪ promote links with wealthy and poor redistribution areas;
▪ human capital investment;
▪ delivery of infrastructure and services to those most in need;
▪ plug leaks in the local economy - i.e. buy-local and try and prevent money leaving the area
▪ retain and expand local economic activity; and
▪ Identify a ‘lead’ LED strategy for an area.

In order to achieve the above, the policy suggests that local government needs to focus on Capacity Improvement Instruments; Market Expansion Instruments; and Cost Reduction Instruments. From an institutional perspective, the document argues that municipalities should establish an LED Unit and that there are defined roles which a local government can play in terms of LED. The functions of an LED Unit are to coordinate municipal activities, to manage the LED strategy, to monitor projects, to coordinate all stakeholders, to manage the LED budget and to create an LED data base. The four identified roles for such a unit are to coordinate, facilitate and stimulate LED and to act as an entrepreneur/developer.

2.4.4 The Constitution of the Republic of South Africa (1996)
In South Africa the supreme law upon which all other laws are based is the national Constitution. The Constitution recognizes local government as a distinctive sphere of
government, and Section 153 mandates municipalities to ‘give priority to the basic needs of the community, and to promote the social and economic development of the community; and participate in national and provincial development programmes’. The Constitution makes provision for establishment of municipalities.

Section 152(1) (e) of the Constitution obliges local government to ‘encourage the involvement of communities and community organisations in the matters of local government’. This elevated status of local government and the associated participatory rights of citizens is a clear reflection on just how far policy and authority is devolving. To this end, Schedules 4 and 5 of the Constitution also specify the competences allocated to the three spheres of government.

2.4.5 Local Government Transition Act (1993)

The Local Government Transition Act, 1993 (Act 209 of 1993) mapped out three phases of transition. These phases are described below;

- **Phase 1** - The pre interim phase (1994-1996), which prescribed the establishment of local forums and structures by combining the existing apartheid councils with oppositional formations structures to negotiate the appointment of temporary councils that will govern municipal elections.

- **Phase 2** – The interim phase (1996-2000), began with municipal elections of 1995 and lasted until the local government system was established. The phase was called the interim phase because it precede the establishment of democratic municipalities in terms of the Constitution of South Africa, 1996. The interim municipalities were intended to democratize and unite the country by combining the formerly urban areas with the formerly White, Coloured and Indian areas.

- **Phase 2**– The final phase (period after 2000), refers to the period after the year 2000 when the establishment of a new local government system for South Africa was established and demarcation of municipal boundaries were resolved and finalised.

The Local Government Transition Act (1996) assigned various powers and duties to local governments relating to service provision and required metropolitan councils specifically to promote socio-economic development, the equitable distribution of municipal resources and the delivery of services, with a developmental focus in mind.
2.5 COMMUNITY PARTICIPATION IN DEVELOPMENT CONTEXT

Democratically, South Africa after its liberation has in every way tried to deal with the term “community participation” in both theory and practice but this hasn’t been dealt with accordingly. The above is intently observed by the number of formal and informal protests which have manifested during the year and yester-years, where they symbolize the dissatisfaction by the community. However, the issue of community participation is increasingly receiving attention in South Africa, from both government and civil society sectors. Public participation is an idea whose time has come. Throughout the world, and especially in Africa, public participation is seen as a means to (i) enhance development and service delivery, (ii) improve governance and (iii) deepen democracy. Before exploring these in more detail we begin with a more basic question: what is participation?

While there are many definitions, a useful starting point is the World Bank definition which states: ‘Participation is a process in which stakeholders influence and share control over development initiatives and the decisions and the resources which affect them’. Notably this definition directly links public participation to development; probably the most common context in which public participation is invoked (Tapscott, 1996).

Van de Waldt and Knipe (2001:142) define community participation as an active process in which the clients or those who will benefit, influence the direction and implementation of a development project aimed at improving the welfare of people in terms of income, personal growth, independence and other values regarded as valuable. The community should become actively involved by using its own initiative in implementing development activities. Community participation is therefore much more comprehensive than simply actively helping in a project. It involves empowerment of the community. Empowerment means that people’s skills are improved so that they can become more effectively involved in the development process. It also means that the community can make its own decisions and take action as regards its own needs and actual conditions. The community itself knows best what the prevailing conditions are and what problems are being experienced and it therefore knows best how to address these circumstances and/or problems.

Van de Waldt and Knipe (2001) in Makhalane, 2008, further suggest four types of knowledge that are applicable to the social study of development:

- **Social Development** refers to the knowledge acquired and processed by individuals as a result of their daily involvement with other people and local institutions. This leads to
community experiences which in turn to become customs and otherwise it is always quite important to take into consideration the social understanding of the community as they are the ones who really have a close attachment with the environment they in which they find themselves.

- **Scientific knowledge** refers to factual tested experiences and solutions to a given problem. This brings across a suitable concept that all research of scientific outcomes, should always be well examined and tested to the very last end. That will ultimately bring about information that is accurate and can further be researched or improved.

- **Transformation Knowledge** occurs when the social knowledge and scientific knowledge combine in an attempt to create some opportunities for development or to improve their knowledge around the community or institution matters or factors.

This in its totality, strongly suggests that people although from different schools of knowledge as outlined above, always come together and out of that a need or an opportunity arises and each school of knowledge runs its course for the best of the community. It is necessary for communities to play a pro-active role in the development of their own community, which then successfully puts a continuous learning element and improved participation and involvement amongst the citizens.

Notably, the significance of public participation in the dominant development model has become consolidated over the last ten years, as experience has proven it works better than the ‘external expert stance’ approach. Hence, whether one is talking about budgeting in Porto Alegre, Brazil or the Kerala state of India, or health delivery in rural Bangladesh or urban Britain, public participation is seen as a central component necessary to meet the ends of human development. Public participation is also justified in respect of two other purposes, both political. These other purposes are (i) strengthening states and (ii) deepening democracy which have grown, as governments have pursued unpopular wars. As political life has become dominated by parties and powerful lobby groups, public skepticism and distrust have grown, and participation in political life has declined.

Similar problems are, arguably, evident in South Africa with both declining participation rates in national elections and clear dissatisfaction by many important groups with key aspects of national policy, as well as the spate of protests against poor local government performance noted above. Some authors argue that the solution to this ‘democratic deficit’ lies in
increasing public participation in government both by communities directly and through civil society.

Participation in the development process and in the developmental projects must always incorporate the views of the community and especially during the planning phase till the decision making phase, to ensure that every citizen is aware of what to expect as advocated by the Batho Pele principles.

In conclusion, public participation is a national, continental and international practice linked to development, but also state-building and deepening democracy. The South African government justifies public participation in local government in all three ways. Hence the 2005 Draft National Policy Framework for Public Participation states that public participation ‘could be promoted in order to make development plans and services more relevant to local needs and conditions’ (development), ‘in order to hand over responsibility for services and promote community action’, (state-building) and ‘to empower local communities to have control over their own lives and livelihoods’ (democracy). These points are mirrored in the White Paper on Local Government’s affirmation that citizens must participate in local government as ‘consumers and service-users’ (development), ‘partners in resource mobilisation’ (state-building), and ‘voters’ and ‘participants in policy processes (democracy)’.

### 2.5.1 Constitutional and legislative Requirements for Public Participation

The obligations on the local sphere to consult are more developed. Hence Section 152(1) of the constitution states that ‘local government must encourage the involvement of communities and community organisations in the matters of local government’. This implies going beyond just consulting communities as an aid to deliberation. In this regard the Municipal Systems Act 2000, section 16, obliges municipalities to ‘develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose (a) encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in (i) Integrated Development Plan; (ii) the performance management system; (iii) performance, (iv) the budget (v) and strategic decisions relating to services’. In addition to requiring local councils to consult communities on key municipal processes, the Municipal Structures Act of 1998 establishes ward committees. Consisting of ten people and chaired by the ward councillor, ward committees are intended to act as the main means of communication between the council and local communities.
Importantly, while the requirements of the Municipal Structures Act and the Municipal Systems Act are the most important concerning public participation in municipalities, there are many other acts that apply to many other municipal functions, albeit in more modest ways. For example, the Municipal Finance Management Act (46 of 2003) requires the Annual Report of a municipality be made public. Another example is Chapter 4 of the Promotion of Access to Information Act (2 of 2000), which governs community access to municipal information.

Importantly, a close reading of the legislation reveals that the opportunities created for public participation whether through ward committees or public meetings, are overwhelmingly forms of public consultation rather than the actual participation of civil society or local communities in decision making or implementation. As with national and provincial legislatures, the law makes it very explicit that decision-making power resides with municipal councillors, and responsibility for implementation remains with officials. Of course, deliberation is very important to the democratic process, but it is not equivalent to either voting or implementing the decision taken by the vote.

2.5.2 Public Participation Policy Development and Implementation

The insight that, by design, public participation in South Africa is mostly limited to public consultation is confirmed by a review of key public participation policies. Further, it is notable that policy development has lagged behind legislation by some five to seven years, and indeed there still remains no final national policy on public participation. The first policy to be adopted relevant to public participation was the Batho Pele (‘People First’) policy of 1997 which aims to ‘get public servants to be service orientated, to strive for excellence in service delivery and to commit to continuous service delivery improvement’. In the words of the policy, ‘it is a simple and development workers’, whose role is ‘to maintain direct contact with the people where they live and to ensure that government sharply improves the qualities of the outcomes of public expenditure.

All the policy documents surveyed place significant weight on the value of active citizenship and the importance of meaningful inclusion in municipal decision making to help realise this active citizenship. However, there are few practical mechanisms identified through which meaningful public participation is to be achieved, other than ward committees.


2.5.3 Public Participation and Consultation

As mentioned in the latter part of the study that for every policy which guides the process of public participation and consultation it is of utmost importance to follow up and conduct some follow up after the policy in ensuring that the public is well consulted and fully participate in their government. However, this begins with first educating the public about their rights and the role and mandate of the local government as gazetted. Craythorne (1993:86) states that local authority is a public body that exists to serve the public and which therefore needs to communicate with the public it is designed to serve. Communication is a two-way process. In fact, the underlying meaning of communication is the imparting of information, ideas or feelings. This simply means that a council which operates secretively is not going to be a successful communicator because it will expect a one-way flow of information, and as is the case with human beings, where there are two people, and one communicates and the other remains silent. The council has to allow the public to communicate and also communicate with them to ensure that there is a two-way flow of information; this would then lead to some debate which will finally arrive at an agreement or accommodative decision that will talk directly to the needs of the public at large.

Redford in Craythorne (1980;34) sees participation as one of the tenets of democratic morality, which raises three problems, namely; (1) who shall participate; (2) the scope of participation which ranges from elections to single issues; and (3) the problem of the interests of the few in particular policy confrontations. In essence, the problem is one of a balance in the representation of interests of varied constituencies.

In the context of what is currently happening in the South African local government sphere based on the above theory one would say that the local authority does not really understand what is it that people need by the number of high protests simply for major basic needs; therefore it can be deduced that right in the beginning there had not been a proper consultation and participation of the public in regard to what they need most. The aim of consultation as outlined in the Batho Pele principles, is to be at the heart of what the public needs by means of first going to where they are and trying to interpret the environment they find themselves in and then find out from them what they need in the short term and in the long-run.

Furthermore, Craythorne (1993:87) suggests that if a council is to embrace a policy of communication, there must be a purpose or goal behind the policy, otherwise there will be a
great bustle and much movement, leading to nothing. Public expectations will have been awakened to no purpose, and the voters will become angry. The municipal Systems Act is quite specific on the need for community participation. The words “community participation” derive from section 152(I) (e) of the Constitution, which requires municipalities and community organisations to participate in the matters of local government. The provisions on community participation in the Municipal Systems Act therefore have a constitutional base (Craythorne, 2006).

2.6 SOCIAL DEVELOPMENT

The social inability of the community in South Africa is a major challenge; although the ANC led government has tried immensely to improve the social conditions of the citizens through the establishment of some people-driven programmes and others like, government grants etc (RDP) as mentioned in the preceding parts of this study. The non-stop protest by relevant communities in the past few weeks, points out clearly that the poverty-gap is increasing greatly and it is sad to note that such protests come as a result of what the voters were promised by government (before elections and shown in the ANC Manifesto). Furthermore, most of the rural communities in the democratic SA are still experiencing extreme social discomfort which is proved by a number of protests throughout the country. In response to the socio-economic challenges, the South African government has got it clear that such developments cannot be met by government in isolation but that it requires extensive collaborations with other bodies such as, the private sector, NGOs, CBO, and civil society to partner in a good spirit of improving the general welfare. In many ways, there are also social commentators who feel that the resources are there but it is how government prioritises that needs rigorous interrogation.

Social development is the advancement of the society in a manner where a society is able to make sense of the environment it finds itself in and is further able to interpret its opportunities for further development. This relates to all social activities that attend to social standards of the human beings to ensure improved general welfare and a better life for all. Social needs relate to a number of requirements most of which are basic in the terms of needs, for example, the cultural activities, sporting, the oneness of the community. This can be best practiced through the involvement of the ward councillors, traditional leaders etc.

approaches in all kinds of social concerns and requires skills in interpersonal and group communication which relate closely to social work skills. Community participation can be exercised through locally based organisations, enabling education to take place, and avoiding general political influences or social assumptions such as gender oppression. Local government wishes should be balanced, thereby creating social justice. Social development is a continuous development-driven process to ensure empowered institutions for a sustainable development. This goes hand in hand with the human needs and expectations and at the same time with the developed social-oriented policies. These policies should talk directly to the well defined environmental (development) opportunities which translate into the core needs of the society. The plan is to promote the well-being of the citizens thereby creating rewarding lives, and an improved social economic standard. Social development plan should be compatible with society’s economic development priorities and objectives. Development is distorted when social progress is not aligned with economic development. Social development is unlike the forms of welfare in that it does not deal with individuals by treating or rehabilitating them to existing structures. Rather, it aims to affect wider groups such as communities or societies and the social relations which take place in those societies. It seeks to follow a process of social change through deliberate human action.

The developmental framework demands that service delivery be inter-sectoral and integrated between the various government departments and sectors. The collaboration and coordination is possible only if it is reflected in attitudes, behavior and values that promote a developmental approach (social development model, 2005).

The social development department as mandated is the custodian of the overall social development agenda which is to ensure that all the social matters of the community are prioritized and implemented. In doing so, the social agenda should also integrate the economic development pillar in order that the community members can be best empowered to contribute to their individual economies in a larger extent. What further becomes important is the proper engagement and involvement of the community based organisations, which are significant with regards to socio-economic development matters.

2.6.1 The Social Welfare and Culture Environment
The social well-being of the community cannot be a once-off thing, but requires an extensive continuous process of participatory planning. This means the policy on social welfare development has to address the intimate rights and national priorities of government in
relation to the community overall expectation. And this becomes crucial as most of the protests are the result of non-participation by the community targeted. The Constitution of the Republic of South Africa 1996, goes on to make provisions that the social well-being of citizens is to be of key priority and relevant programmes should be in place. As articulated in the RDP (1994) Base Document the first responsive policy on social welfare challenges, the local government sphere and every public entity was required to urgently deal with extreme poverty – which is the cry by the most vulnerable citizens of the democratic South Africa. The major step or intervention towards social development initiatives can be briefly categorized as follows:

**Infrastructure Plan**- this plan becomes a key to any development as of the fact that, it is significantly impossible to provide certain social services without having an infrastructure plan, which will obviously be the anchor to the actual development. The infrastructure programmes make provision for basic and household needs, including water, sanitation, energy, housing, health and education.

**Social Security System**- ensures that grants, old age pensions, disability grants, child support grants, foster care grants, care dependency grants and school feeding programs are well coordinated. Job creation measures and skilling, promotion of small, medium and micro-enterprises (SMMEs), job summit programmes and land redistribution as well as maintaining macroeconomic stability, fiscal prudence and managed trade liberation. A range of social and human rights have also been secured through an internationally lauded Constitution, offering legal protection to the poor, vulnerable and marginalized (Social Surveys Africa, 2006).

Most importantly, municipalities exist to serve and meet the needs of the society or the community in the specific geographical jurisdiction. Thus, local government is influenced by the social and societal environment factors, trends and changes that take place in the given jurisdiction. Social factors such as demographics, population, growth, age distribution, life expectancies, birth rate, gender composition, regional shifts in population, employment and unemployment rates, education levels, services provision levels and lifestyle changes are important (Higgs et al, 1986:147). These factors combined will help point out priority areas and priority services to be provided for the given community.

With regards to the social dimension, Craythorne (1997:15) observing the demographics of South Africa, reveals that it is in some ways third world and in other ways first world particularly in light of the greater contrasts of wealth and poverty. The poor being mainly
people of colour namely the Black, Coloured and Indian people. The local government is the community government that is “closest” to the heart of the people, and the provision of the most basic services such as water, electricity and roads are the responsibility of the municipality. Therefore, the municipalities should be aware of the nature and needs of the population of its area, be open and responsive to those needs, adopt balanced policies of fairness and justice in all interest, and avoid being prejudicial or sectional in exercising these responsibilities (Craythorne, 1997:15).

_Culture_ is one of the most important concepts when describing the social environment; this has huge influence on social community knowledge. Schaefer et al, (1992: 67) defines culture as socially approved behaviour and includes a society’s beliefs, values and attitudes. Culture encompasses aspects such as role definitions between men and women, and behavioural norms and patterns acceptable to that community. Robbins (1991:72) provides a similar definition of culture and argues that culture implies”… a system of shared meaning which involves aspects such as shared values and beliefs. These shape goals, needs and way of life”.

Elements of culture include firstly, language, which is often referred to as the foundation of culture as it is the medium used to communicate and transfer meaning in society. Language can be in the form of the spoken word, written words, as well as signs/symbols. Secondly, norms are defined as “… established standards of behavior maintained by society” (Schaefer et al, 1992: 67). It is a generally accepted behaviour. For example, it is generally acceptable across all societies that stealing is unacceptable and this is also reflected in the laws of society, and should it occur should be followed by some or other punishment. Such laws are enshrined in the Constitution of a country as well as other Acts of law promulgated by the government of the day on behalf of society. Thirdly, culture is values, which are society’s conceptions/beliefs of good or bad, desirable and undesirable, important or unimportant or essential or non-essential. The term value is often used when referring to something considered worthy and desirable. As that is it may, in setting up the social well-being agenda of the community, culture and its factors need to be taken into high consideration.

To put matters in perspective, the Department of Social Development receives a little more than eight percent (8 %) of government spending. All this allocation is administered at provincial level. The centerpiece of the Social Welfare System and the key instrument of redistribution is the National Old Age pension grant. This is distributed to over two million
South Africans in the fight against poverty in the poorest rural communities. Other important transfers include the Child Support Grant, which reaches a little under 800 000 beneficiaries. This grant reduces the intergenerational perpetuation of poverty, and has assumed an extra significance given the increase in the number of orphans as a result of the HIV and AIDS epidemic.

Butler (2004:78) shares that, “…the Department of Social Development also manages Disability grants and foster care grants, with the former reaching some 50 000 South Africans and the latter more than ten times that number”.

In addition to these various social assistance transfers, the Department of Social Development runs a Poverty Relief Program, which adopts a community-based approach to poverty alleviation. This program has a primarily rural bias, and is aimed at providing short-term employment for women. The White Paper for Social Welfare (1997) provides Social Welfare policies to target poverty prevention, alleviation and reduction and the development of people’s capacity to take charge of their own circumstances in a meaningful way.

2.7 POVERTY ALLEVIATION/ DEVELOPMENT INITIATIVES

One of the key priorities of the ANC led government is rural development responding to the call made by the grass-root citizens with regards to basic needs and social amenities. However, rural development can be fairly understood to be multi-dimensional, encompassing the provision of services to the most vulnerable, improving income generation opportunities (thus vibrant economies), and also enhancing physical infrastructure, social cohesion and human security - within rural communities, and active representation in local political processes, and effective provision of services. These factors cannot just be attained by government in isolation but with integrated collaborations such as Public-Private Partnerships, Public-Public Partnerships and NGOs etc. The aim would be to avoid duplication of service delivery both infrastructure and otherwise, as this would result to incomplete projects and so forth. However, the latter forms of partnerships will be discussed more intensively in the latter part of the study.

Sustainable Development Concept:

The concept of sustainable development was coined by the IUCN (International Union for the Conservation of Nature) report of 1980. It describes sustainable development as:
“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED in Davids, 2005).

This definition is extremely broad, but it shows that the resources should not be used to such an extent that they may affect the future use of resources of generations to come, although it is impossible to estimate what their needs will be. This definition also implies that sustainable development merely includes the well-being of human beings. The strategy will be sustainable to the extent that it contributes to increased local growth - and that rural areas will also be able to access resources of their own. Consequently, sustainability in this regard implies effective and efficient participation by all role-players to ensure that the key projects and activities undertaken talk directly to pre-determined priorities at a local level (The Integrated Sustainable Rural Development Strategy, 2000).

Minnaar and Bekker (2005) fairly concur with Davids (2000), by stating that sustainable development (SD) is a concept that can be defined as the principle of ensuring that our actions today do not limit the range of economic, social, and environmental options for future generations. These being socially desirable, fulfilling people’s cultural, material and spiritual needs in most satisfactory way.

- Economically viable; able to stand on its own but without costs exceeding income

The socio-economic development equilibrium means meeting the basic or core needs of all and extending to all the opportunity to satisfy their aspirations for a better life. Needless to mention the fact that, this equilibrium point of socio-economic development is still far from being met as of the current state of South Africa in terms of its poor ability in project or policy implementation plan.

There are quite a number of policies with their implementation plans in place and but there are some other implementation plans are un-implementable because of their structure. For, example; the BBBEE (Broad Based Black Economic Empowerment) policy, these policies of government, when it comes to economic development, are not in line with the private sectors’ policies; there may be a franchise opportunity from one of the franchisers and there is money supplied by government supporting such entities. Franchise would require about R1.5m cash and that’s their policy and yet you get the entire total amount funding from government.

Social Surveys Africa (2006) in (Makhalane, 2008) further unlocks sustainability as the ability to provide for the needs of a population without damaging the ability of the future generations to provide for them. Thus sustainable development consists of two pillars of
ideas; economic development and consumptive use of the world’s natural resources in ways that are sustainable. This therefore means that having such resources there has to be a plan in place to transform these from raw materials into finished products (beneficiation), but due to high levels of skills scarcity in major industries beneficiation locally still remains a challenge for SA. However, a common thread running through the above definitions is the importance of sustaining the work that groups or organisations undertake in the interests of a community. This goes hand in hand with the achievement of the organisation’s or group’s goals, which translated into its impact, as well as its sustainability.

The importance of the poverty alleviation programmes implementation plan can positively contribute to sustainable development and rescue the community from extreme poverty. The poverty alleviation initiatives can strongly help the community to be skilful so that they are able to further their individual or collective developmental needs in the long run. Every programme should meet the requirements of socio-economic development in the most sustainable manner. In an agricultural perspective and rural development the key would be Agrarian transformation, food security and capacity building which will ultimately contribute to job creation.

After the first democratic elections held in 1994, South Africa had to find ways of urgently improving the socio-economic status of the South African community which suffered large disparities resulting from the previous political dispensation. In the following sub-sections, developmental initiatives established by an ANC led government since 1994 will be discussed with the view of tracking down the progress made from 1994 to date.

2.7.1 The Reconstruction and Development Programme (1994)

The unbanning of the liberation movements and the release of Nelson Mandela in February 1990 ushered in an era of socio-political change in South Africa. Then after some long negotiations the majority of South Africans in the first democratic elections in April 1994, with voting taking place on 27 April 1997, gave the government a mandate to implement the Reconstruction and Development Programme (RDP) of 1994. This became the first initiative by way of responding to the larger socio-economic development challenges facing the country at that time. The RDP Base Document was the African National Congress election manifesto of 1994 after winning the first democratic elections ever in South African history. Consequently, the RDP Base Document (ANC, 1994), became the RDP White Paper on Reconstruction and Development (September 1994). It was designed to provide a broad
framework for South Africa’s new development vision, priorities and operational procedures and it aimed to both lay a basis for subsequent laws and actions to address the extreme social and spatial inequalities engendered by years of apartheid, and to promote overall development (ANC, 1994). In a radical break with the past, the RDP was promoted essentially as a ‘people-driven process’, focusing on the people’s most immediate needs, and in turn, on their energies to drive the process of meeting these needs.

The RDP also placed considerable emphasis on grassroots empowerment, suggesting that, ‘development is not about the delivery of goods to a passive citizenry, but rather it is about active involvement and growing empowerment’ which integrates ‘all levels of the state together with non-governmental organisations and community-based organisations’ (Lyons & Smuts, 1999: in Mpengu, 2010). The RDP as such emphasises the fundamental links between participation and pro-poor economic development.

According to Davids et al (2005), the RDP therefore refers to an “integrated socio-economic policy framework” which aimed at addressing the following:

- Empower people in all avenues so that they could become more developmentally independent in the long run
- Build local capacity through development support,
- Initiate developmental programmes and projects on a participatory basis, and
- Address the injustices of the past regime caused by both colonialism and apartheid.

Ever since then, RDP became an acronym on everyone’s lips and communities who responded eagerly to the government’s call to participate in their own development. People were playing their neglected or ignored part in the envisaged “people-driven development” process. After all the high expectations it soon then became apparent that the government did not have at its disposal the capacity to respond to the enthusiasm for change at grassroots level. The sad part about the RDP was that it had different meanings for different people - that is everyone in South Africa, from business people, the government to the ordinary people, often had conflicting expectations about this policy.

Mpengu, (2010) argues that the “legacy of apartheid cannot be overcome with piecemeal and uncoordinated policies. The RDP brings together strategies to harness all resources in a coherent and purposeful effort that can be sustained into the future. These strategies will be implemented at national, provincial and local levels by government, parastatals and organisations within civil society working within the framework of the RDP’.
However, it can therefore be deduced that the main issue around the RDP policy was not necessarily its implementation but that it should also be looked at from different angles, thus, as a first developmental initiative by an ANC led government that was so good. There is, however, still mental damage which cannot be dealt with within sixteen years of freedom, taking into account the damage of more than 300 years.

The RDP stresses, “the democratic government will reduce the burden of implementation which falls upon its shoulders through the appropriate allocation of powers and responsibilities to lower levels of government, and through the active involvement of organisations of civil society”. Therefore, the RDP laid a policy basis for enhancing participation through local government and provided principled support for grass-roots action (Mpengu, 2010).

2.7.2 The Growth, Empowerment and Redistribution

In a new democratic country after the RDP Base Document of 1994, there followed a process in creating a sustainable economic development by first establishing a constitutional democratic government which was constituted in terms of the provisions of the Constitution of the Republic of South Africa, 1996, as three equal spheres of government; namely, the national, provincial and local spheres of government. Initiatives on innovative economic development became a reconstruction programme not only of the national and provincial spheres of government, but also of the local sphere which is the closest to the people it governs and delivers municipal goods and services to. For example, section 152(1) (c) of the Constitution of the Republic of South Africa, 1996, provides that the local sphere of government which is constituted by 283 wall-to-wall municipalities must “improve social and economic development” of the people.

In the second process, a number of legislation and policies providing for development and mechanisms to be used with the aim of improving the local economic development (LED) in an inclusive, shared and equitable manner were introduced. Policies that were introduced by the ANC led democratic government and serve as policy directives for economic development are: the RDP of 1994 as mentioned earlier, the Growth, Employment and Redistribution (GEAR) of 1996, and the Accelerated and Shared Growth Initiative of South Africa (ASGISA) of 2006. The relevant legislation to the local spheres of government which were introduced and provided for the appropriate mechanism for enabling sustainable growth of local economies by developmental local government in partnerships with other
stakeholders such as the private sector and civil society movements are: Local Government; Municipal Systems Act, 2000 (Act 32 of 2000); Municipal Service Policy of 2000; Guidelines on Municipal Service Partnerships of 2006-2010; and National Framework for Local Economic Development in South Africa (NFLED) of 2006-2010.

The new recent regime of South Africa has formulated and implemented a number of national polices since 1994 to address poverty and exclusion that have led to the development of the cutting across PPP at the local government level to improve service delivery. These policies are RDP, GEAR, and ASGISA etc. However, more focus will be on GEAR as it was the second socio-economic policy document. This policy became a supplementary document focusing on economic development.

The Growth, Employment and Redistribution (GEAR) strategy is a macro-economic policy of the state which came into effect in 1996. The government introduced GEAR as directed by the two policy documents of the ANC; namely, Ready to Govern (RTG) and the RDP, to address the macro-economic imbalances, including the budget deficit inherited from the past regime. The government views GEAR as the strategy to finance “development with its own resources rather than depend on borrowed money”. Binza, 2001, views that the role of government has to shift from being a major player in socio-economic development to the one of being a facilitator.

The preceding view can be further elaborated upon by simply touching on the fact that government is not present to primarily work for the communities, rather be a platform for every kind of development and also to work with the communities thus collaborative development. Therefore, the government would facilitate the economic conditions through fiscal restraint, and budgetary reform, to mention a few. GEAR is a strategy to produce a “competitive fast-growing economy and create more jobs” (Parnerl et al, 2002:60). The two members of the Alliance who viewed GEAR as a neo-liberal policy and a betrayal of the revolution of the people, did not welcome this strategy (COSATU, 1998).

There is a distinct difference between the RDP and GEAR. The latter stresses the vital role for non-state players in socio-economic development and service delivery, in particularly the private sector. It further places emphasis on growth. Manuel (2002: 134) has stated that:

“Growth and development require capital investments; and these reside primarily in the private hands. Therefore, a developmental state has to define and regulate its interaction with private capital in such a
way that mutual benefit can be derived. This includes an industrial policy (GEAR) that helps to direct private capital into crucial sectors of the economy”.

The RDP stresses the importance of the state as the major player in the economy. It relies more on the development goals which the state has set itself to achieve. This view was shared by Mandela in 1995, in the preface to the White Paper on Reconstruction and Development Programme: “the interdependence of the objectives of the reconstruction and development on the one hand and growth on the other is now widely accepted, not only within the government and the Parliament, but by the South African society” (Republic of South Africa, 1996: 24).

GEAR was introduced in 1996, as South African’s macro-economic policy to place the country in a “high economic growth path” with a projected economic rate of 4-6% by 2000 (GEAR, 1996:6). GEAR proposed a medium-term plan that aimed at loosening the “bolts” that constrained the economic environment. GEAR aimed at improving the economic growth and employment through:

- A GDP growth rate of 6% per annum by the year 2000;
- Job creation to rise steadily until about 409 000 jobs annually by the year 2000;
- An average real investment growth of about 11.7%;
- An inflation rate reaching 7.6% by the year 2000, which was later revised to a band of between 3-6% after adoption of inflation targets;
- An increase in foreign direct investment equivalent to almost 4% of GDP;
- The restructuring of public sector assets (privatisation);
- Flexible labour markets; and
- Redistribution of wealth and elimination of poverty (GEAR, 1996: 62)

It is argued that the opposite has been achieved with regard to these set targets. For example, with regard to economic growth, the growth rate declined from 3.2% in 1996 to 1.7% in 1997; 0.7% in 1998, and picked up to 4.5% in 2006 (South African Reserve Bank, 2006:8). Pillay (1996:5) states, “if we are to create jobs and thus solve the unemployment rate and generally transform our economy we must reverse the trend towards minimising the role of government in the economy”, and create opportunities for the maximum involvement of the private sector in improving economic activities which aimed at developing a world class economy where jobs are created and poverty and unemployment are combated.

It can be concluded that GEAR managed to reduce budget deficits, and the government can concentrate on improving investment in social development. During the Budget Review in
Parliament on 26 February 2003, the Minister of Finance announced that “the macroeconomic projections of the country signalled a positive assessment of the recent performance of the economy and an optimistic view of its future. However, reducing unemployment and ensuring that economic growth and development benefit all communities remained the government’s policy challenge (Manuel, 2003: 5).

2.7.2.1 Recent Macro-economic Performance

The growth performance of the South African economy has improved considerably over the years. Following the years of economic decline, real gross domestic product rose by 1.3 percent in 1993; 2.7 percent in 1994 and 3.3 percent in 1995. This stronger growth occurred in all secondary and tertiary sectors, although agricultural and mining experienced declines in 1995.

A marked increase in real fixed investment has been a welcome feature of the upswing. Private consumption expenditure also firmed as income rose and consumer confidence improved. In contrast, real government consumption expenditure, which increased sharply until 1994, leveled off in 1995. Export volumes stagnated in 1994 and then rose by an impressive 8 percent in 1995, while real imports have increased at an annual rate of 16 percent since 1993.

Inflation in 1995 declined to levels last seen in the early 1970s. The annual rate of increase in consumer prices has been below 10 percent for three years. Positive real interest rates and containment of money supply growth have been important factors in combating inflation. However, the formal sector employment has responded sluggishly to the economic recovery. Formal non-agricultural employment declined throughout the period 1989 to 1994 and appears to have increased by little more than 50,000 during 1995. Furthermore, employment in unregulated sectors of the labour market appears to be on an upward trend. The post-election period has seen considerable movement in the balance of payments. A net capital inflow amounting to R31 billion was recorded between mid-1994 and the end of 1995. The bulk of this inflow has been portfolio investment, which is comparatively mobile and sensitive to shifts in market perceptions. The balance on current account moved into deficit over this period as imports, particularly capital goods, rose strongly.

The decline of economic growth was caused by various factors; namely, political instability; sanctions; the segregation policy of the past government, which resulted in exclusions, poor governance, and the dependency of black people and the former homelands of the pre-1994
government. In addition, economic development was the sole responsibility of the central government, as the former government had limited patience in making a move towards decentralisation (Sparks, 2003: 17; Hirst & Thompson, 1999: 54; Reddy, 1999:21). There is, however, a great expectation created by the new government to create jobs in order to combat poverty, unemployment and underdevelopment. Therefore, the role of local government is considered to be that of “facilitating economic growth and providing an enabling environment for the private sector to create jobs” (IDP of Tshwane, 2003/04:50).

2.7.2.2 Negative Aspects of the GEAR Strategy: A researcher’s View

Higher economic growth has not yet been translated into significant employment creation. This is to some extent to be expected, as many firms began the upswing with substantial unused capacity and economic restructuring aimed at improved international competitiveness that has required cost reductions, including some shedding of labour. However, in the absence of rapid employment growth, unemployment has increased, and the distribution of income exhibits an increasing dichotomy between those inside the formal economy and those on its edges. Accelerated economic growth associated with stronger employment creation is the key to continued progress towards an equitable distribution of income and improved standard of living for all.

It is quite clear as the latter part brings out a projection of 4-6% of the economic growth, that South Africa, at heart had a drive towards social and economic development in the most possible degree. However, it was of course, a good and a very interesting thinking but needed a lot of ground understanding of the overall environment in which the general public find themselves. South Africa has not really achieved what it initially hoped for, rather a lot of concerns continued to be at every mouth and door discussions by the alliances and the other political parties. Furthermore, the private sector opinion has been evident that it was poorly factored in developments and establishment of this strategy. Needless to mention the fact that, the community which always becomes the key beneficiary of such development lost contact with the government, and as a result there are no traceable indicators that the poor have been benefitting from these initiatives. This therefore, turns to bring forth the whole idea of the importance of public participation and involvement even at the plenary stages. Furthermore, the implementation of the poverty alleviation projects needs to consider a number of aspects of sustainable development in respect to organisation empowerment and strength. The implementation plan has got to further embrace the habit of assessing the organisation environment, performance and the monitoring and evaluation system or plan.
2.7.3 Organisational Capacity towards Sustainable Development

Many of the Community Based Organisations fail to achieve their objectives due to the absence of consistent skilling. Sustainability cannot be measured out in the air. It requires a well formulated set of performance measures which emanate from the key strategic objectives of the organisation. Organisational environment also translates into the overall-conduciveness of the working environment. At the same time sustainability is about creating conditions in which benefits endure under any changing conditions. The idea of organisational sustainability relates to the capability of an organisation to learn to adapt to any changing circumstances in the real world e-business. What becomes so important about an organisation and its sustainability is its capacity status in relation to the pre-selected objectives. That is, sustainability cannot be real without having capacity in every developmental angle. Fryer (2006:6) identified so called “insightful agility”. In an increasing unpredictable world, insightful agility is an organisation’s ability to recognise, understand and adapt, in sustainably-oriented ways, to changes which determine the specific context in which it operates. Awareness without action is fruitless and action without awareness is futile” (Social Surveys Africa 2006 in Makhalane, 2008: 23).

As a result of the extreme poverty and underdevelopment, lots of additional funds by Parliament for poverty alleviation programmes across the government spectrum have been committed as from the 1997 but a great deal still needs to be done. However, there are hidden factors that hugely contribute to meeting the community service standards, such as immigration, high birth rate, illiteracy and other factors (Patel, 2005). The programmes were aimed at women, youth and people with disabilities. Over the same period, a total of 416 programmes were funded including 51 additional food security projects spent for poor rural provinces. The programme focused mainly on microenterprise development which translates to a fact that capacity building in micro-economic development is critically important to ensure a successful outcome.

Poverty alleviation and eradication.

The National Development Agency (NDA) is a section 3A statutory organisation, which was established by the National Development Agency Act (Act No. 108 of 1998) in November 1998. The NDA is listed under schedule 3A of the Public Finance Management Act (PFMA) and reports to the Parliament of the Republic of South Africa through the Minister for Social Development and is mandated to carry out the following:
To contribute towards the eradication of poverty and its causes by granting funds to civil society organisations for the purpose of:

- **Carrying out project or programmes aimed at meeting development needs of poor communities**
- **Strengthening the institutional capacity of other civil society organisations involved in direct service provisions to poor communities.**

Secondly, promote consultation, dialogue and sharing of development experiences between civil society organisations and relevant organs of the state. Debate on development policy and undertake research and publication aimed at providing the basis for development policy (NDA, Strategic Plan 2010-2013).

In the financial year 2009/10, the NDA Board approved an amount of R89, 953 851 million which gave 72 community development projects a lifeline aimed at eradicating poverty. A record from 2003, a total amounting to R290.8 million was allocated to the NDA and resources were also committed to the respective provinces for social development projects, emerging farmers, cross-cutting health and HIV and AIDS initiatives. However, what becomes more important is the allocation made to the projects against the outcomes. As of the above information, NDA has received almost R550 million in funding of which R400 million was then committed to various projects (The Star 23/6/2004 in Makhalane, 2008: 24).

The total amount received by NDA and the amount approved by NDA for projects is yet still to be tested against the impact of these socio-economic projects, especially those agricultural projects as the focus point of the study. The Social Surveys Africa (2006) provides that in the early 1990s, there has been an increased focus on assessing the success and performance of the civil society organisations and these factors argue the trend analysis.

Civil society organisations have tended to argue that they are more cost effective than governments in reaching and serving people who are poor and/or marginalised. However, this statement by Makhalane (2008) requires a critique as of the fact that civil society organisations are far less costly than the public and private sectors. Furthermore, civil society organisations are mostly located in geographic community areas where citizens find themselves. It becomes critical also to note that local civil society organisations can better understand the environmental factors that contribute directly or indirectly to development. One would bring across the idea that, each and every community has got its own strong
points of rural development and now the intended development should be undertaken in such a way that uses community assessment tools.

The assistance by the international funders or donors has increased the realisation of the direct challenges facing the developing countries such as SA, although SA is a dualistic country. Most of the local civil society organisations (third sector) are largely funded by the international donors. And now what becomes so important is the organisational capacity in terms of financial management skills, and other crucial management skills. Risk management tools should therefore also be taken into consideration as South Africa is unfortunately gaining the reputation of having a high corruption rate, thus hindering socio-economic development and people end up suffering severely.

All in all, this means that civil society organisations need to continually venture and improve the organisation’s systems, continuous learning, skilling and capacity building, thus improve all the core section of the organisation such as human resource, finance department, and technical. However, the contribution made by the civil society organisation is of course fairly convincing and it is true that government cannot deliver the social and economic services to the people in isolation.

2.8 SOCIO-ECONOMIC DEVELOPMENT STRATEGIES

The socio-economic development has two pillars of discussion. These being social and economic perspective and each consist of its individual factors/strategies for development. Strategies for sustainable development are all those plans or systems designed to improve the current state of development towards the desired standard. For example, the Millennium Development Goals (MDGs) have, as one of their main goals, to halve extreme poverty by 2014. The reality is that currently people are experiencing high levels of poverty and yet there are plans in place, but to strive towards the achievement of the pre-selected goals there must be a further refinement and improvement on the current strategies. To get to the bottom dimensions of socio-economic development strategies the following thoughts will be discussed and examined. Far beyond any question it is so crucial to point out “poverty measurement” as one of the strategies, secondly visit a study by the Anne Arude Country Public School (AACPS in Makhalane, 2008: 25) who share some points and lastly visit the local economic development pillar strategies.
2.8.1 Poverty Measurement plan (Social Pillar)

It is important to measure poverty as previously defined to determine the extent to which it has affected the various communities. It takes time, energy, and money to measure poverty, since it can only be done properly by gathering survey data directly from households. Why, then, do we need to go to the trouble of measuring poverty? At least four good reasons come to mind.

2.8.1.1 Keeping Poor People on the Agenda

Perhaps the strongest justification is that provided by Ravallion (1998), who argues, “[A] credible measure of poverty can be a powerful instrument for focusing the attention of policy makers on the living conditions of the poor”. Put another way, it is easy to ignore the poor if they are statistically invisible. The measurement of poverty is necessary if it is to appear on the political and economic agenda.

2.8.1.2 Targeting Domestic and Worldwide Interventions

A second reason for measuring poverty is to target interventions. Clearly, one cannot help poor people without knowing who they are. This is the purpose of a poverty profile, which sets out the major facts on poverty (and, typically, inequality), and then examines the pattern of poverty to see how it varies by geography (for example, by region, urban/rural, mountain/plain), by community characteristics (for example, in communities with and without a school), and by household characteristics (for example, by education of household head, by size of household). A well-presented poverty profile is invaluable, even though it typically uses rather basic techniques such as tables and graphs.

Probably the most important operational use of the poverty profile is to support efforts to target development resources toward poorer areas. However, which regions should command priority in targeting? This question can only be answered at a highly aggregate level by most survey data (like the Socio-Economic Survey of Cambodia (SESC) of 1993–94 or the Cambodia Socio-Economic Survey (CSES) of 1999) because of the limited number of geographic domains that are typically sampled. For example, in the CSES 1999, poverty is lowest in Phnom Penh, (Cambodia’s largest city and capital) where the headcount poverty rate was 15 percent compared to the national poverty rate of 51 percent. The survey data can sometimes be combined with more detailed census data to allow for much finer geographic targeting.
A good poverty profile also makes employment targeting possible. The ability of the vast majority of households in Cambodia to escape poverty will depend on their earnings from employment. The highest poverty rate was found among people living in households headed by farmers (46 percent in 1993–94 in Cambodia). By contrast, Households headed by someone working in the government are least likely to be poor; in these occupations the poverty rate was 20 percent (1993–94). This would suggest that policies that aim to reduce poverty through enhancing income-generating capabilities should be targeted toward the agricultural sector.

The relationship between poverty and education is particularly important because of the key role played by education in raising economic growth and reducing poverty. The better educated have higher incomes and thus are much less likely to be poor. Cambodians living in households with an uneducated household head are more likely to be poor, with a poverty rate of 47 percent in 1993–94. With higher levels of education, the likelihood of being poor falls considerably. Raising education attainment is clearly a high priority to improve living standards and reduce poverty.

The relationship between gender and poverty may also indicate another targeting strategy for poverty reduction. In Cambodia, about 25 percent of the population lives in households headed by women. Perhaps surprisingly, the CSES 1999 data show that the poverty rate was slightly lower among female-headed households (48 percent) than among male-headed households (52 percent). In this case, targeting interventions based on the gender of the head of household would not help to distinguish the poor from the non poor. Targeting is also important at a worldwide level. Institutions, including the World Bank and aid agencies, have limited resources, and would like to know how best to deploy those resources to combat poverty. For this, they need to know where in the world poor people are located, and this in turn requires viable information on poverty in every country. All developed countries, and about two-thirds of developing countries, have undertaken nationally representative household surveys to collect information on consumption and/or income; in many case, these surveys have been repeated over time.

Successful efforts to target policies and programmes to help poor people also require an understanding of why they are poor. This is not simply academic curiosity: it is integral to the process of finding workable solutions and managing tradeoffs. For instance, does a tax on rice exports help the poor? We know it will favour urban residents who eat rice and will hurt rice farmers, but more information is needed before we can conclude that the policy would help poor people. Or will providing outboard motors help poor fishermen? It might simply
lead to overfishing and so be of no long term help. Will providing sewers in slums help the poor residents, or might it worsen their lot as higher rents force them to move and provide a windfall to landowners? Questions such as these cannot be answered adequately without viable information that measures poverty, even if this is only the first step toward developing solutions. At the heart of policy formulation therefore, should be a rigorous process of determining all scenarios with regard to cause and effect – inclusive of intended and unintended consequences.

2.8.1.3 Monitoring and Evaluating Projects and Policy Interventions

More generally, the third reason for measuring poverty is to be able to predict the effects of, and then evaluate, policies and programmes designed to help poor people. A policy that looks good on paper—new opportunities for microcredit for the poor, for instance—may in practice not work as well as expected. To judge the effects, one would ideally like to monitor the effects of a policy on poor people and evaluate the outcomes in comparison with a control group. Rigorous analysis of this kind is needed both to improve the design of projects and programmes and to weed out ones that are not working.

Information on poverty is also helpful in understanding the politics of many government policies. By collecting information on households and their economic status, one can assess who uses public services and who gains from government subsidies. If programmes are cut or there is retrenchment of the public sector personnel, poverty data provide information on the effects of these plans. Using information on poverty, one can assess the impact of different policies. The identification of the gainers and losers goes a long way toward determining who will support, or oppose, a given policy.

South Africa has a major challenge thus, programmes and projects are there even policies are so promising but the only challenge for most of government initiatives is the implementation of such projects. A lot of money is allocated to various projects but the same cry from the communities is still continuing, as the result of corruption by the officials and politicians who are just out there for money, and lining their pockets. At the same time most projects are not even monitored and evaluated to measure their impact as aligned to the objectives. A monitoring and evaluation plan/or system has to be in place for every project to be able to test the outcomes at the end of the day without any hidden agendas.
2.8.1.4 Evaluating the Effectiveness of Institutions

The fourth reason for measuring poverty is to help evaluate institutions. One cannot tell if a government is doing a good job of combating poverty unless there is solid information on poverty. This does not only apply to governments. “Our dream is a world free of poverty,” writes the World Bank, (2000: 47) and its first mission statement is “to fight poverty with passion and professionalism for lasting results.” The institution’s success in pursuing this goal can only be judged if there are adequate measures of poverty.

When evaluating projects, policies, and instruments, our concern is with poverty comparisons, the title of Martin Ravallion’s influential monograph (Ravallion, 1992). In this context, we typically want to know whether poverty has fallen (a qualitative measure) and by how much (a quantitative measure). Such comparisons are surprisingly difficult to do well—often they are not robust—and require close attention to issues of measurement.

Measurement is necessary but not sufficient. It is also important to think clearly and systematically about how the position of poor people may be improved, and to act accordingly.

2.8.1.5 The Anne Arundel Country Public School (AACPS) (2005)

The socio-economic development strategies are broad-based relationships/partnerships that foster collaboration, such as public–private partnerships (PPP) and Public Public Partnerships (PPP) as discussed below. It should also open up every sector participation towards sustainable development by all sectors including; civil society organisation, NGOs, religious groups and other development-oriented organisations. There should also be a thorough identification of core stakeholders who will participate even during the planning stage up to the final implementation stage.

2.8.2 Local Economic Development Pillar

Local economic development refers to the economic status of development of the community, thus alluding to how vibrant are the economies for the community to take up developmental growth initiatives. However, a recent study by Binza (2010) views that LED is about creating a platform and environment to engage stakeholders in implementing strategies and programmes. The goal of LED is to stimulate local employment opportunities in sectors that improve the community, using existing human, environmental or natural and institutional resources. The local economic development plan can be further discussed by
referring to the LED Policy: Refocusing Development on the poor (2002: 6) which identifies six strategic interventions that municipalities can adopt in order to achieve the developmental outcomes of poverty alleviation, job creation and redistribution of wealth.

2.8.2.1 Development and Maintenance of Services and Infrastructure
Section 96 (i) (a) of the Municipal Systems Act, 2000 (Act 32 of 2000) specifies the need for a municipal council to choose a service delivery mechanism that will “… most effectively and rapidly extend municipal services to un-serviced or under serviced residents and communities in the municipality with the best quality service, at the lowest overall cost to the municipality, residents and consumers”. This is known as the engine of economic development, as there would be no stimulation of the economy without water, electricity, sanitation, roads and other key facilities, such as, health, recreation, housing and settlements and education facilities. Infrastructure development is one of the most important requirements by the Municipalities as most of the local economic development initiative cannot be just delivery outside infrastructure.

According to Mpengu (2010:43), local economic development can create job opportunities for the poor and can stimulate economic activity that results in more permanent jobs. The impact of infrastructure and service provision can be both short term and long term.

2.8.2.2 Retention and Expansion of Existing Businesses
The Policy Paper on Local Economic Development (2002:8) requires municipalities to give attention to retaining and expanding existing businesses of a municipality. The investment by the municipalities in providing training assistance to the local businesses, would ultimately improve the economic growth of the municipalities and that can be measured by seeing expanding businesses and better life enjoyment by the citizens, job creation and shared growth. Retention and expansion strategy can have a most positive impact on the economic space of development. A well coordinated Retention Policy would attract more businesses to run their businesses and in doing so locally unemployed people would benefit.

2.8.2.3 Small, Medium and Macro Enterprises Development
Blakley (1994:203 in Jackson 2002:45) states that this is the sector that has shown great employment potential in South Africa over the past few years. Municipalities are, therefore, expected to provide professional advice and assistance to small businesses in the areas of management, marketing, accounting, financing, human resources and problem solving. This SMME sector is most likely to contribute significantly in local economic development. This
sector participates in the national economy through stimulating economic growth by creating jobs, enhancing poverty alleviation and promoting social stability, thus helping to redistribute wealth throughout the economy.

As stated in the White Paper on National Strategy for Development and Promotion of Small Business in South Africa (2005, 17), the government assigns the SMME sector a key role in South Africa’s socio-economic transition. In particular, SMMEs are seen as a driver to:

- Address the problem of high unemployment in South Africa as they have the capacity to create employment;
- promote domestic competition by creating market places for localities in which they can grow until they identify a need for expansion in response to demand changes, and to be internationally competitive because of their flexibility;
- redress the inequalities inherited from the apartheid period - in terms of patterns of economic ownership and restricted career opportunities for black employees;
- promote and ensure black economic empowerment because the majority of SMMEs are still owned or controlled by those members of society who were privileged in South Africa’s past; and
- SMME’s play a crucial role in peoples’ efforts to meet their basic needs in the absence of social support systems during the restructuring processes – which refers in particular to the micro-enterprise segment in South Africa and especially survivalist activities characterised by low entry barriers for inexperienced job seekers.

To support this sector, government needs to invest heavily both financially, and in training and skilling to the very last end. Although, government has tried some means to improve the status of the SMMEs by introducing public entities such as; Eastern Cape Development Corporation (ECDC), Industrial Development Zoning (IDZ), Accelerated, Shared Growth Initiative for South Africa (ASGISA) and other entities in support of this sector. However, business empowerment of this sector in the form of business skills becomes crucial for sustainability purposes.

2.8.2.4 Community-Based Economic Development.
According to the Department of Provincial and Local Government (2003: 39) the central objective of the CBED is the alleviation of poverty and improving the capabilities of the disadvantaged in particular, and also the creation of sustainable livelihoods for communities in question. Community-based economic development focuses on combining employment,
training, mentoring and enterprise development, to enhance access to, and creation of jobs, resulting in self-sufficiency for disadvantaged communities (Mpengu, 2010:46).

2.8.2.5 Industrial Recruitment and Place Marketing

The economic vibrancy of the municipality and at the same time putting the municipality on the map through advertising and other local means can attract new industries to the municipality. The municipality has got to know exactly how it should market its wares / assets/ attractions, in order to attract interest and investments. Factories and individuals consider a number of factors before making such a decision. These include the cost of living and that of production, proximity to local markets for products, situational location of suppliers, accessibility of research and development institutions, access to transport networks, and most importantly, whether the municipality offers good infrastructure and services. The availability of recreational facilities can influence such decisions, together with the quality of schools, education centres, and social risks, such as violence and crime and health facilities (Reddy 2003 in Mpengu, 2010). This therefore means that the municipalities have to have a very clear retention strategy so as to attract those still in-between.

2.8.2.6 Human Capital Development

The improved Local Economic Development can better be maintained and achieved through proper investment; these investments being directed to human capital development such as skills development, education, health and other amenities. As South Africa has a huge gap of unskilled labour and this could be translated into possible failure in business initiatives. This therefore, makes skilling the core focus point of the LED strategy, and that becomes very relevant to people so that they are able to make a living as they would then be employable and skilled for most of the jobs made available. There are explicit linkages between promotion of living wages, human capital development and economic development, since a well paid, healthy and well educated workforce would be more productive than otherwise (LED Policy Paper, 2002: 7; Reddy et al. 2003:182).

2.8.3 Socio-Economic Development

The existence of theory in the research world gives birth to research work or execution to those who pursue knowledge and philosophers in this regard. Willing (2001 in Binza, 2009: 73) agrees that ‘without theory there is no research’. That is theory can be regarded as a wakeup call of knowledge pursuit that will ultimately translate into research.
The theories of the LED can be traced back from the scholars of public administration. What is true is that public administration has always been there for a very long time - probably since the existence of humankind, because public administration cannot just take place in the air but where there are people involved. Public administration occurs when the minimum of two or more people get together in with one mind and vision for a given goal. Various theories relating to Local Economic Development will now be discussed in detail.

2.8.3.1 Public Choice Theory
Public choice theory provides insight into how public decision making occurs, and it analyzes the (constitutional) rules that guide the collective decision-making process. Of note is that the rules are made before political activity gets underway. Buchanan and Tullock (1962:11 in Binza 2010) are of the view that the public choice theory "replaces... romantic and illusory... notions about the workings of governments [with]... notions that embody more skepticism". Public choice theory emerged in the early 1950s, as a subfield of the Economics and Public Administration disciplines which focused on the study of taxation and public spending as government’s responsibility. This theory was introduced to effectively deal with problems that were considered to be constraints to service delivery and (local) economic development.

The Public Administration and Economics scholars believe that the public choice theory is used to “analyse people’s actions in the market place and government’s institutions where policy decisions are made as a means to study their actions in collective decision making processes (Binza, 2009: 78).

2.8.3.2 New Public Management theory
New public management is the introduction of the new approach for government to deliver services to the people in the most cost effective manner. Government can better do that by adopting the private sector models that they use in providing goods and services, and doing business “unusual” for better service delivery.

The call for a reduced, effective, efficient and economical state, and the involvement of the private sector in the development programmes and provision of public goods and services resulted in the development of the new public management theory (NPM). This theory brings into light the idea of open collaborations from all the sectors, which is exchanging of skills and ways of doing things, not that government can best deliver on the municipal service in isolation but with emphasis on partnerships.
It is notable that the NPM theory is output-driven and not input-driven (Binza, 2009). The New public Management theory consists of four elements as drawn from a study by Binza (2009:128) as follows:

- a much better and larger use of alternative market-line service delivery mechanisms like outsourcing, privatisation, partnerships, joint ventures, etc.;
- Intensified organisational and spatial decentralisation of the government and production of services;
- A constant theoretical emphasis on the need to improve service quality; and
- An equally relentless insistence on attention to the wishes of individual service users

The essence of the NPM theory is that governments should become flexible, linear, efficient, effective and economical, to improve the quality of life of all people (Minogue, 1998:139; Fox et al, 1991:8). The view is that linear governments should achieve value for money (VFM) in carrying out their developmental programmes, as the emphasis is on financial management to ensure that governments take responsibility for the financial consequences of their actions and decisions, and for satisfying the unlimited and changing needs of the people with the finite resources at their disposal (Dresner, 2002:14; Lawton & Mckevitt, 1994: 194; Binza, 2009:83).

2.8.4 Theories of Poverty (Socio Perspective)

The poverty concept as explained above and being a global challenge, has its own origins from theories that existed before. Belzuidenhout (2004) brings across briefly the poverty theories discussed below in relation to social development:

2.8.4.1 Deficiency Theory

This theory can be traced back to Social Darwinism, which Spencer (1820-1930) opined about that the poor are poor because it is the nature’s way of eliminating those who are not “Fit” to make room for those who are, and who are therefore entitled to the rewards of wealth. Later on down the line, this idea was adopted by Jensen (1969, 1980) and Hernstein (1971, 1973) who then suggested that the poor are impoverished because they do not possess the same intellectual endowment as the more affluent members of society.
2.8.4.2 Cultural Poverty Theory
This theory is characterised by its ability to adapt to the impoverishable conditions; the poor develop a lifestyle that is transmitted from one generation to the other. This usually occurs through socialisation, where the poor in turn develop their own subculture and features, for example the way their children are raised, future prospects, how they spend money and view education in a larger context. This theory argues that the poor differ in values and lifestyle from those who are better off or are well to do.

2.8.4.3 Structural Poverty theory
This theory shares the view that society, this attempt to organise its social, environmental, economic and political spheres, creates poverty or makes certain kinds of people who are more vulnerable to it. For people to organise themselves is quite simple, as the conditions of life in turn also contribute to such, for example the existence of the so called ‘lower class, and middle and top classes” have directly influenced and caused divisions within the communities because those who can not afford are likely to get together and the same applies to those who can afford

2.8.4.4 Conflict Theory
This theory is mainly characteristised by individual, community, and group conflict for various causes, which could be political issues which are mostly common. There are those who have and want to maintain their wealth, power, privileges and other social rewards at all cost. The view is that such hunger for power gives birth to unnecessary conflict especially in politics.

2.9 THE INSTITUTIONAL ROLE PLAYERS IN SOCIO-ECONOMIC DEVELOPMENT
The effectiveness and efficiency of social and economic development implementation comes as the result of collaborations by various stakeholders. Government separately cannot meet the socio-economic desires of all the communities, therefore, the combination of efforts get to be a progressive aspect towards sustainable socio-economic development. All these efforts are mainly made in response to the high level of unemployment in the Eastern Cape and SA at large, and at the same time the fight against the extreme poverty experienced by the South African communities. Below are the role players or contributors who are
progressively bringing about a rapid change in socio-economic development and sustainability.

2.9.1 The Public Sector

The public sector, generally viewed as the citizen/state sector that addresses the delivery of the municipal services to all citizens of the Republic of South Africa as constituted. The developmental state of South Africa in the post-apartheid era had to follow a process of creating a sustainable economic development, and at the same time or after which establish a constitutional democratic government constituted in terms of the provisions of the Constitution of the Republic of South Africa, 1996. The following three equal spheres of government came into being; national, provincial and local spheres of government. The idea behind the process was to ensure that each sphere has its own well constituted developmental agenda and they are interdependent and interrelated. Section 152 (1) (c) of the Constitution of the Republic of South Africa, 1996, provides that the local sphere of government which is constituted by 283 municipalities must “improve social and economic development” of the people. In a recent study Mpengu (2010) suggests that it is the national governments’ role to make sure that the local government institutions (as the key facilitators at the grassroots level) are capacitated and transformed to play a very developmental role in South African’s point of view.

Cloete (1998:3) uses the word “state” to refer to a “territory with a population consisting of a community independent from and not part of another sovereign political entity, with public institutions it maintains law and order and provides public services for the maintenance of the community and to promote the general welfare of the population”. Yundelman (1983:17) distinguishes between the “state” and “government” by defining the state as encompassing the legislative, executive and judicial functions, i.e. the institutions that make and enforce public policy, symbolically and actually. In contrast “government” signifies only the executive branch of the state.

Phrases such as “public interest” are ambiguous and subject to various interpretations, which have implications for authentic public participation. In South Africa, previously the public interest was often interpreted as excluding black people when it came to policy formulation relating to national development prior to 1994. It is therefore not at all surprising that in post-1994 South Africa, the role of the state is purposefully geared towards promoting the development of all South Africans.
The public sector normally includes all institutions and organisations which operate within
the three branches of government, and are engaged in the implementation of government
policy and the administration of laws within the three spheres of government and are
ultimately accountable and responsible to a political authority like cabinet or parliament. All in
all the public sector therefore includes all national state departments and provincial
administrations, public enterprises, municipalities, institutions of higher learning, research
agencies and a number of control and regulatory institutions which fall within the different
branches and spheres of government. The public sector primarily designs and implements
policies and programmes that aim to fulfil the government’s broad social and economic
development objectives (Schacter, 2004). These developmental objectives are usually
determined and prioritised by the political party in power, through the implementation of the
political mandate granted by the electorate. ANC led government has based its objectives
and priorities on the ANC manifesto. For example, the key priorities for the department of
Agriculture and Rural Development are; Rural Development, Agrarian Transformation, Land
Reform Support and Food Security as from the departmental mandate (Dept of Agriculture
and rural Development Annual Performance Plan, 2010/11).

Of the many general roles of the public sector two are briefly discussed for the benefit of this
study as follows (Towards a Ten Year Review 2003):

- Formulates Social and Economic Policies: the core departments within the civil service,
  formulate and enforce policies that cover virtually everything the government does. Policies
developed by the political objectives and ideologies of the government of the day, reflect its
social and economic goals.
- Designs and implement public programmes: policies are realised through the designing and
delivery of public programmes and projects involving the delivery of public services, the
production of goods, or transfers of resources to individuals, organisations or other spheres
of government.

The preceding two key roles of the public sector reflect the mind of the state in accordance
with the needs of the community, aiming at improving the socio-economic status of the
grass-root development. The role of the public sector in development can take various forms
depending on how the state sees its role in development. The government should actively
promote people-centred development and support the people’s development initiatives
through an enabling policy, and by providing expertise, as well as infrastructural and
financial support (Swanepoel, 1997a: 62). This simply that government should have
implementable policies with a clearly simplified platform for sustainable developments.
2.9.2 Private Sector

Private sector refers to that part of the economy which is both run for private profit and is not controlled by the state (Mpengu, 2010:41). This sector is largely profit-oriented in nature and formularised as minimising cost and maximising profit, which is for every cost incurred there must be a return yield to keep up with the demands of the owners and the sustainability of the company. The private companies have now their own constituted responsibility called “social responsibility” in response to every sector’s role in socio-economic development. The fact behind this method is challenged by a fact that as much as these companies make money the same companies are boosted by the communities far beyond every aspect of reality and fact. The private sector social responsibility or corporate social responsibility (CSR) as it is known is relatively new in South Africa. It can be traced back from the year 1972 when it received a first formal public mention during an inaugural address at the University of Cape Town Business School (Charney, 1983:44).

The 1976 Soweto uprisings gave birth to the consideration of the corporate social responsibility and this led to the acceptable codes of employment practice by companies. Further forward motion was given to the establishment of the Urban Foundation in 1977, the growth and formal recognition of the black trade union movement in 1979, and the acceptance of the Sullivan Code in 1976 by American companies operating in South Africa. Now today, a wide belief stands that all major businesses have a responsibility to help enhance the living conditions of not only their employees, but also society at large.

Interestingly enough, a study by Struwing (1994:81) and Fig (2002:83) view that South Africa business representatives are moving away from the term “social responsibility” towards “social investment” because they interpret “responsibility” as an obligation imposed on companies with reference to past misdeeds. Business representatives often argue that the responsibility of companies is to abide by laws and pay taxes therefore they prefer the term “corporate social investment” (CSI). Fig (2002) disagrees with the interchangeable use of CRS and CSI, arguing that whereas CSI (or philanthropy) has to do with how a certain amount of a company’s profits is spent on worthy causes external to the company, CSR is primarily about how those profits are made in the first place and who benefits internally and externally. The Second King Report on Corporate Governance (2002), states that companies should place social considerations on their boardroom agendas.
Lastly, despite the international trend towards greater CSR, there also seems to be some degree of resistance against it. Those who oppose the idea of CSR usually put forward some of the following arguments in support of their resistance (Mersham et al, 1995:88):

- Social service has an economic impact and efforts to improve the quality of life of society are primarily the responsibility of government not the private sector.
- A company has an economic responsibility only towards its shareholders, i.e. to support goods and services in a manner that will maximise profit.
- The financial cost of the CSR is too high. This high cost may force certain companies to withdraw from the market, leading to higher unemployment.
- A company is a specialised economic unit which does not necessarily have the capacity (or skills) to address social problems.

I strongly disagree with the above arguments as they highly impose a negative pressure on government thus leaving every individual waiting upon government (laziness merger). At the same time people have got to be empowered to make sense of what they have and how positively they can contribute towards their individual socio-economic requirements.

2.9.3 Non-governmental Organisations (NGOs)

The incompetence, corruption and repression which revealed that social development cannot be achieved through public sector policies led to development of the non-governmental organisations. Equally disappointed, the private sector has not shown much willingness to contribute towards poverty alleviation or empower the disadvantaged (Farrington & Babbington, 1993:2). Consequently this led to the identification of the third sector to focus on poverty alleviation, strengthening civil society and encouraging public participation in grassroots development in ways that go “beyond the capability” of the public and private sector.

NGOs are just private, self-governing, non-profit organisations promoting people-centred development. They are responsible to their donors and to the communities they work with or for. The NGOs are primarily in the forefront (supporting wing) to simply render assistance to individuals or developing communities in order to promote sustainable development at grassroots. This sector of NGOs is committed to the idea of community capacity building through participation and social learning.
2.9.4 Community Based Organisations (CBOs)

A few years ago NGOs were generally regarded as CBOs and the two concepts tended to be used interchangeably. During the early 1980s and 1990s a distinction was drawn between NGOs and community-based organisations (CBOs), and the complex relations between them. A study by Pieterse and Simone (1994:6) states that CBOs refer to a wide-ranging number of community organisations that are distinctive in that they usually have a clear membership; and define their role in relation to a specific geographical area within which their members reside. Furthermore, CBO is an organisation that provides social services at the grass-root level. In terms of this broad description, civic organisations, stokvel associations, cultural associations, sports organisations and sewing cooperatives are all examples of CBOs. To bring a well simplified meaning of these third sectors organisations the policy makers saw it fit to make a decision on what to call “civil society organisations”. Swilling and Russel (2002:6) policy-makers and key NGO partners settled on Non-profit organisations (NPOs) –a depoliticised term that transcends the NGO-CBO discussion and delineates the boundary between the third sector and the private sector. Such organised community organisations are also major stakeholders in Socio-economic development agenda with pieces of legislation, including the Constitution, and thus stipulate their participation in developmental matters.

2.9.5 Development Institutions

International and national development institutions are jointly development institutions which are involved in various, very diverse development assistance programmes throughout the world. The ultimate aim is to respond to a global challenge facing mostly Africa, thus extreme poverty and underdevelopment. The South Africa’s national development institutions include, National Development Agency (NDA) to mention one. NDA is a public entity which is primarily mandated to contribute towards the eradication of poverty and its causes by granting funds to civil society organisations. The Africa’s development institution is the New Partnership for Africa’s Development (NEPAD and its main focus is in uplifting the SADC region developments).

A number of official development agencies in the developed world provide resources for development to the developing world in the form of official development assistance (ODA); these include the international development institutions such as the World Bank, and the International Monetary Fund and several other players. These institutions play an important part in development, and their multi roles in the promotion, funding and overall enhancement
of development cannot be overlooked. This is particularly so in view of globalisation, as a result of which the economies of countries around the world are becoming increasingly intertwined (Mhone & Edigheji, 2003).

2.9.6 Civil Society Organisations Involvement

Civil Society organisation involvement in socio-economic cannot be emphasised more than enough, as they are also the key role-players in their own environment. Citizens are simply located in the grassroots level and civil society becomes the voice of the community in larger extent. Communities differ in many ways, such as culture and practices and therefore, local civil society can easily interpret the sensory with regards to the environment and sustainable development initiatives.

A relevant study by Makhalane (2008) provides the role of the civil society organisations in socio-economic development briefly as follows:

Civil society plays an increasingly important role in governance and development around the globe. No sector can perfectly and accurately meet all the needs of the community at once and in isolation, especially with the three spheres of government. It has been to the advantage of the citizens to have some pieces of legislation guiding the social responsibility phenomenon. Stated simply, civil society organisations also have to closely bridge the gap between the two sectors (private and public sector) in ensuring that the voice of the communities are head and attended to in a most effective and efficient manner.

The speech by the Minister of the Department of Social Development in which the role of the civil society organisations in South Africa is identified as “social watch” and “service delivery” neatly captured two roles for South African Non-Profit Organisations in current government policy for the sector (Swilling & Russel, 2002). A concurring statement would further certainly bring across the idea that civil society organisations are at the heart of the community and can really relocate with the needs of the people there and they are the ones that are able to communicate simply with the people, in terms of language and otherwise.

While the discourse of Civil Society Organisations playing the dual role of both partner and critical evaluator exists, many CSOs have struggled to walk this middle path with government, often because their funding is independent of government. One of the clear roles of CSO in SA is one of promoting development at the lowest level of government,
further assisting in the building of a society to enable citizens to live in a society where basic needs are met. These CSOs bridge socio-economic challenges that the state cannot immediately respond to, also services that are due to be delivered to the communities but CSOs take a stand in support of government initiatives.

One of the important roles of CSOs is ensuring that there is citizens’ participation in the democracy, getting grassroots voices heard at the highest sphere and the average citizen’s ability to shape the world and particularly the state and the market. The third sector (NGOs and CSOs) are the implementers for government. At the same time these organisations should be capacitated and empowered in a most effective and efficient manner thus bringing about a rapid change in the real world of development.

2.10 INTERNATIONAL CASE STUDY: BOTSWANA EXPERIENCE

As mentioned in the latter part of the study, poverty is a global challenge facing most of the developing countries, and likewise Botswana is also working so hard in response to the socio-economic development challenges. The population of Botswana is 1.7 million which is perceived as small (Central Statistical Office, 2006). A small population provides a small market base, which makes it difficult to foster a diversified and stable economy. Its advantage is in spreading resources over a small number of people, which may result in adequately meeting the needs of everyone. Botswana’s population growth rate was at 3.5 per cent in the 1980s and 2.5 per cent in 2001 and ultimately -0.04 per cent by 2006. Life expectancy at birth declined from 65.2 years in 1993 to 56 years in 2007 with male life expectancy being 53 years and 59 years for females (Population Census 2001). Although Botswana has a small population against huge South Africa population it is still addressing the poverty challenge but in fairly considerable manner.

2.10.1 Economic Growth and Poverty

Economic Growth is regarded as key to poverty reduction. Poverty is a widely defined term, and most definitions take its multidimensional aspects into consideration. According to the World Bank (2000), poverty is a lack of power to command resources. Its multidimensional phenomenon makes the poor face multiple deprivations due to the interaction of economic, political and social processes. Beyond the lack of income, the multidimensional concept of poverty refers to disadvantages that those afflicted are subjected to when trying to access
productive resources such as land, credit and services (e.g. health and education), to vulnerability (to violence, external economic shocks, natural disasters) and powerlessness as well as social exclusion. The poor lack adequate food, shelter, education and health, deprivations that keep them from leading the kind of life valued by everyone. They are also often exposed to ill treatment at institutions when seeking services and are powerless when trying to influence key decisions (Oyugi, 2008).

Although growth is a prerequisite to poverty reduction, poverty may also hamper sustained growth. According to Perry et al. (2006), a 10 percentage points drop in poverty levels, other things being equal, can increase economic growth by one per cent. In turn, a 10 percentage points increase in poverty levels will lower the growth rate by one per cent and reduce investment by up to eight per cent of GDP. This is so because the poor are in no position to engage in many of the profitable activities that stimulate investment and growth, thus creating a vicious circle in which low growth results in high poverty and high poverty, in turn, results in low growth. As attested by poverty levels and country growth rates, presented below, reduction in poverty rates has been lower than anticipated, even when countries registered relatively high growth rates (Oyugi, 2008).

Botswana has experienced four decades of high real per capita income growth in the last decade - more than 7 per cent per annum on average. Sound macroeconomic policies and prudent use of diamond revenues have made Botswana one of the fastest-growing economies in the world over the three last decades and it has now achieved middle-income status, making it globally the best economic performer over that period. Botswana is often hailed as one of Africa’s success stories of sustained economic growth, which is grounded in good governance, political stability and prudent macroeconomic management. From humble beginnings as one of the poorest countries in the world at the time of attaining independence in 1966, Botswana harnessed diamond rents in the 1970s as an engine of growth and the economy dramatically progressed to its classification in the late 1990s as a “middle income country” by the World Bank.

2.10.2 Poverty Status in Botswana

In Botswana, a study on Poverty and Poverty Alleviation, undertaken by the Botswana Institute for Development Policy Analysis (BIDPA) in 1997, reported that the national poverty rate had declined sharply from 59 per cent in 1985 to 47 per cent in 1994. In 2002/03 national income poverty was estimated at 32.89 per cent, and subsequently in 2005/06 at
30.2 per cent (Central Statistical Office 2006). While poverty reduction was rapid between 1985/86 and 1993/94, it significantly slowed down between 1993/94 and 2005/06. Another feature is the highly skewed income distribution with a Gini coefficient of almost 0.6, implying that the benefits of growth are not equitably distributed (Central Statistical Office 2004).

2.10.3 Poverty reduction Strategies
Botswana just like SA has shared its own individual strategies which are said to contribute to poverty reduction. Oyiga (2008) identifies the three strategies and will be briefly discussed:

2.10.3.1 Education and Literacy
Education plays an important role in human development by empowering people to improve their well-being through increasing their productivity and potential to achieve higher standards of living. Education has been a priority for Botswana since independence. Remarkable achievements have been made in primary and junior secondary schools alike. At both levels enrolment rates are close to 100 per cent, with girl pupils outnumbering boys. Adult illiteracy has fallen below 20 per cent for both males and females. It is estimated that in 2003, 81.2 per cent of the population were literate, with a larger percentage of females (81.5 per cent) than males (76.1 per cent) being literate. Literacy levels in urban areas tend to be higher than in rural areas: in 2000, 83.3 per cent of those in urban areas were literate compared with 64.1 per cent in rural areas (UNDP, 2005). Further, literacy rates for adults (15 to 65+) increased from 68.9 per cent in 1993 to 81 per cent in 2003 and reached almost 90 per cent in 2006. The 2004 Status Report of the Millennium Goals concludes that Botswana has achieved universal access to primary education, which currently consists of a ten-year basic education system (Government of Botswana /United Nations 2004 in Oyiga, 2008).

2.10.3.2 Health
There is a two-way relationship between health care and poverty - poverty means an increase in health care costs due to disease prevalence caused by lack of education on preventable diseases as well as nutritional habits; on the other side sick people will not be economically productive hence intensifying poverty. Therefore, good health is seen as reducing poor families’ economic and social vulnerability, thereby providing a healthy and productive labour force for the nation to create broad-based economic growth. Good health enhances productivity and self reliance. Botswana has achieved remarkable advances in the health status of its population since 1966. There has been expansion of health services
through government investment in health infrastructure and in the training of health personnel. Health expenditure in the past two decades has averaged 5-8 per cent of the national budget. Given the need to serve a sparsely distributed population, most of the investment in physical health infrastructure has gone into developing an extensive primary health care outreach system.

The steady increase in health spending reflects the commitment of the government to providing improved health services and fighting HIV and AIDS. Botswana’s health care services were hospital-based until 1973, when the government accepted primary health care (PHC) as the most appropriate strategy for the attainment of health for all. The concept PHC is based on promotive, preventive, curative and rehabilitative health care services. This strategy has been followed in the past in national development plans as well as in the current NDP 9 (2003/04-2008/09).

2.10.3.3 Water and Sanitation
Access to water and good sanitation are central to reducing poverty. In Botswana, almost 100 per cent of the population is said to be currently enjoying access to safe drinking water. In 1983, almost 84 per cent of urban dwellers had access to safe drinking water, rising to 100 per cent by 1988. Similar progress has been made in rural areas. In 1983, only 46 per cent of the rural population had access to safe drinking water. By 2000, however, the coverage had reached 90 per cent and 97 per cent by 2006. Equally impressive achievements have also been registered in the expansion of sanitation and other social and economic infrastructures. The government of Botswana provides sanitation services with the aim of improving the general public health conditions of the Batswana. A major step in that direction has been the passage of the Waste Management Bill of 1998, in terms of which a sanitation and waste management department was established.

2.11 THE PUBLIC-PRIVATE PARTNERSHIP AS MODEL FOR IMPROVED SOCIO-ECONOMIC DEVELOPMENT
Before any further discussion it is both critical and important to start up with a general meaning of the concept “Public-Private Partnership" with regard to socio-economic development. At the same time, it is necessary to provide the background to the arrival and development of the PPP in the democratic South Africa. PPP was first introduced in South African local government when developmental local government was established in 2000.
However, this approach was originally adopted when the first democratically elected President of the Republic of South Africa, Mr Nelson Mandela, began his presidency, armed with a growth and development plan to revitalise the economy, and to accelerate delivery of public goods and services in an effective, efficient and equitable manner (Binza, 2009: 27).

Rebault (2001:51) writes that PPP started when both the market and government failed to create and redistribute “economic benefits to the people who need them, with specific reference to the poor and for-profit organisations to improve their bottom line. Individualism in the market system put more sterner on the economic status of the local communities and the country at larger. Partnerships are of a great consideration in any project to be undertaken. Illustration can be drawn from the FIFA Soccer World Cup in South Africa - government in isolation would not be able to host such a big event, but the private sector, NGOs, and others had to pull up their socks (as part of social responsibility) in partnering with government in organising such an event. The worse part of it companies are mandated by law to have social responsibility

The plan consisted, among other things, of the following interrelated strategies: reduce government spending, deregulation, stabilise economic growth, and turn over some of the national government functions to provincial and local government. The plan was to reduce the size and scope of government, and to increase the involvement of the private sector in the provision of municipal services and infrastructure. The plan called for “open and constructive relations between the [metropolitan] government and the private sector” to put the country into a high economic growth path (Remney, 1975 in Binza, 2010: 24).

The importance of partnerships cannot be stressed enough. The task ahead is too formidable for any single institution or set of institutions to tackle. Everyone has a role to play; private sector, public sector, civil society, non-governmental organisations, academia, multilateral and bilateral donors, and development organisation (Mills, 2002: 171). PPP is a “partnership between the public and private sector for the purpose of delivering a project or service traditionally provided by the public sector” (Ireland’s Department, 2001:11). Binza (2009:26) writes that public-private partnership as “model” is a unique socio-economic and political experiment whose outputs deserve great attention in efforts to assist South African metropolitan governments in improving and enjoying the momentum of sustainable local economic growth and development, good governance, and the political goal of prosperity for all. In isolation government cannot effectively and efficiently provide all the municipal services without targeted partnerships with other stakeholders. Because at the end of the
day the private sector has a lawful social responsibility with regards to socio-economic development.

What can be gleaned from the above definitions is that a PPP involves a legal agreement signed and binding to the parties concerned, to provide for the duration of the partnership, stating the value of the projects and the beneficiaries of the projects. The involvement of the private sector in both the provision of services and economic development is not new (Sall & Parker, 2003:14). By allowing each sector to do what it does best, public services, infrastructure and local economic growth can be provided in the most economical and efficient manner possible. Metropolitan governments around the world have been using the private sector to build and maintain roads, schools, harbours, railways, hospitals, prisons and airports, and to provide waste management services (Shah, 2005: 139). The involvement of the private sector in both provision of services and economic development is not new (Sall & Parker, 2003:14). The view is that PPP recognised that both government and the private sector have relative advantages to the other in the performance of specific tasks.

PPPs are widely internationally recognised by most of the countries like the United Kingdom, United States of America, Australia, China etc. This therefore implies that partnerships are as significant and relevant as a key tool for the betterment of service delivery by government, and it becomes relatively aligned to the national program of action. Partnerships offer long term sustainability approaches to enhance social infrastructure thus promoting the sustainable livelihood. The development and implementation of PPPs is one of the results of steps taken by different democratic governments towards economic and institutional liberalisation in response to globalisation and prescriptions of the Breton Woods Institutions (BWIs), such as the World Bank and the International Monetary Fund (IMF).

The public-private partnership model is a unique socio-economic and political experiment whose outputs deserve great attention in efforts to assist South African metropolitan governments in improving and enjoying the momentum of sustainable local economic growth and development, good governance, and the political goal of prosperity for all. By assessing the best international public administration and economic practices and theories, this study offers suggestions to improve the outcomes of PPP systems and processes in the local sphere of government. Arguably, the identification of the most appropriate PPP model to accelerate growth and development of local economies and service delivery is more than a convenient government instrument. It is also a target of political opportunity for the government led by the African National Congress (ANC) to be seen improving the socio-
economic conditions of the people in an equitable and cost-effective manner (Binza, 2009:26).

2.11.1 FORMS OF PUBLIC-PRIVATE PARTNERSHIP

Grimsey and Lewis (2004), furnishe the study by suggesting six forms of P-P partnerships with their descriptions which are mostly used by countries like Australia, Canada and Britain.

2.11.1.1 Build Operate Transfer (BOT)

An agreement where the private sector takes primary responsibility for financing, designing, building and operating the PPP project or concessionaire for the period of the concession. After the private sector has earned its capital and profit, it then transfers the control and ownership to the municipal government.

2.11.1.2 Build Own Operate (BOO)

An agreement where the private sector finances, designs, builds, operates controls and tasks ownership of the PPP project in perpetuity.

2.11.1.3 Leasing

The financial risk is transferred to the private sector. The municipality designs and builds the facility and leases it out or contracts it to the private sector which takes a primary responsibility for operating and maintaining the facility. A leasing contract is the most usual form of PPP in the local government.

2.11.1.4 Joint Ventures (JV)

Both the private and public sector with specific reference to the metropolitan government form a partnership to jointly finance, own and operate a facility or project for a specific duration. The Japanese government considers JVs as a “third sector” approach to local economic development, with the public sector considered to be the "first sector" and the private sector the "second sector" respectively (Grimsey & Lewis 2004:11).
2.11.1.5 Management Contract or Operations

The private sector is partially involved in the provision of infrastructure-related services or partially manages the operations of the facility for a period specified in the contract. Management Contract or Operations can take the following forms of PPPs; namely, Design Build Finance and Operate (DBFO); Operate Maintain and Manage (OMM); Operate and Maintain (OM). The length of the management contract ranges from 5-15 years).

2.11.1.6 Cooperative Arrangement or Public-Private Cooperation

These are informal partnerships between the public sector, which is in this regard the metropolitan government, and the private sector. The metropolitan government provides fiscal incentives and guarantees to attract the private sector to invest in physical or infrastructural development in their respective areas.

As mentioned earlier partnerships have legal support, so the above six forms form part of the terms and conditions of becoming involved in any of the contract partnerships. This further explains the fact that agreeing on the form of partnership to be ventured into holds a sacred importance so that both parties are well aware of all the outcomes and consequences attached to the agreement and decision. In PPP, local government is enabled to draw on private-sector expertise and transfer the risks to the private sector. In addition, the private sector is able to provide the kind of capital required for development without the local government borrowing. PPPs have produced the most savings and improved efficiency and effective service (Shah, 2005:141). Local government must request its council or appoint a regulatory body to "regulate prices to protect the public or customers and taxpayers from inefficient and unfair price increase in particular cases where the private sector provider has no competition" (ibid.:142).

Improving local economic development through PPPs is a "necessary evil" initiative because every PPP project, like any other project, is risky (Charoenpornpattana & Minato 1999:436). However, when there is "high certainty" of the success of the project, the local economy will register a growth increase. On the other hand, low certainty leads to high risk both to the project and the economy. The difference between risk and uncertainty is that in the case of the former, the “probabilities of the various future outcomes are known” and in the case of the latter, the “probabilities of the various future outcomes are merely wild guesses because the instance in question is so entirely unique that there are no others, or not a sufficient
number, to make it possible to form a basis for any inference of value about any real probability in the case we are interested in" (Grimsey & Lewis, 2004:148).

The framework for assessing PPP components (definitions and dimensions) was drawn up in the early 1990s from the experiences of five developed countries; namely, Australia, Canada, the UK, Ireland, and the USA. It is suggested that the components of the framework be included in all PPP documentation, but be developed in such a manner that the framework is tailor-made to suit the socio-political and economic environments of the country or metropolitan municipality in which the PPP project will be constructed.

### 2.11.2 Components of PPPs

It would appear that prior to the 21st Century the philosophy of public governance was, by and large, increased dependence on the public sector and increased distrust of the private sector (McMurray, 2006: 239). These sectors were perceived to be so distinct from each other, so much so that their functions were also distinct with very little, if any, cooperation between them. In the first instance, PPP can be seen as a different method of procuring public services by combining the best of the public and the private sector with an emphasis on value for money and delivery and of delivery of quality services to the public. Secondly, PPP is a formal partnership between public sector organisations and the private sector and through this arrangement, government works directly with the private sector to jointly pursue common goals that should benefit the general populace as well as the participating organisations, at the same time meeting the legal social responsibility. Therefore PPP is an institutionalised form of cooperation between the public and private sector organisations and this cooperation involves a joint definition of specific target and clear allocation of resources and responsibilities as well as the determination of areas of competence between the public and private sector. Moreover, PPP is a long term collaborative relationship between the organisations in the public and private sector.

The involvement of the private sector in the public sector domain is not a new phenomenon because governments have for a long time used the private sector to undertake public sector projects. Public sector managers mostly operate in an environment that is focused primarily on service delivery and this is likely to result in lack of commercial orientation on their past. This could lead to public sector projects being pruned to cost and time overruns due to lack of business prudence in the public sector Grimsey and Lewis (2004:92).
In essence, PPPs can be viewed in terms of four broad components; namely, the public sector, the private sector, members of the public and the partnership agreement and will be briefly discussed shortly. The agreement between the public sector and the private organisation is very important in determining the success of any partnership between these sectors. In particular, the agreement should deal with what society expects from service providers and the commercial limits of such services (Hans, 2001:402). It is the agreement that coins the two sectors together in a harmonious, collaborative and synergetic relationship. In the partnership agreement, it is expected that the nature and scope of the activities of the partners be defined as well as the limitations of each of the partners. All these means should aim at addressing the socio-economic development of all the communities, at the same time the wealth of the country has to be shared accordingly. An agreement will naturally be in the form of a contract that spells out the expected conduct and/or obligations of each partner. The ground rules of the partnership are also spelt out, as part of the agreement, to ensure optimum cooperation between the public and private sector partners (Pongsiri, 2002: 489).

2.11.2.1 Public partner
Stated simply, public partner is the public sector (government departments, public entities, etc.) and this could be a city, town local authority or any public organisation with a need for a particular facility and or service and a need to access the resources of a private sector organisation in order to implement some public policy. Notably, the public sector has its own strengths and/or assets that it brings to bear upon the partnership. The public sector is an integral part of the governmental hierarchy which constitutes the legal authority in the execution of public policies in the country. It is the function of the state to establish and maintain a sound legal-regulatory framework within which public and private activity can take place in an orderly manner. Policies to engage or not engage the private sector in public service delivery are predominately determined and implemented by the public sector, and the nature and scope of private sector involvement are determined at policy level by the public sector which is also the custodian of such policies (Reeves, 2003: 166).

The public sector has some expectations from the partnership, in particular, the public sector is motivated to provide services in partnership with the private sector because “the main rewards from partnering with the private sector are improvement of programme performance, cost-efficiencies, better service provisions, and appropriate allocation of risks and responsibilities” (Pongsiri, 2002 : 489). Therefore, the result of PPP is better value for money which is achieved when there are significant improvements in the quality of service
and its delivery to the taxpayers. The state of affairs is very likely to enhance public sector accountability to the electorate to the extent that they are happy with the public service. They are likely to feel, that their money is properly used to serve their interest. Making the public feel good about service provision may very well be the ambition of every government regardless of its political ideology.

2.11.2.2 Private partner
As mentioned in the latter part of this section, PPP projects include functions such as project design, construction, financing and operating the resultant facilities to provide public services. This simple means that such projects require multi skills and/or expertise particularly from the private sector and hence the establishment of a special purpose vehicle (SPV) for the purpose of executing the project.

The private partner brings to the partnership several strengths. In particular, the private sector is known to be replete with resources and has the capacity and/or skills with which to acquire more economic resources for productive activities. Capital goods are normally found in the private markets because they are predominantly manufactured by the private sector. It is also in the private sector where much of the new technology is developed (Scharle, 2002: 228). In addition, the private sector is generally perceived to be dynamic and innovative so much so that the global technological development is, by and large, attributed to its creativity and dynamism. For PPPs to be successful, the cooperation and support of the public is vital. To this end, a member of the public should be regarded as an important component of PPPs.

2.11.2.3 Members of the public
The public receiving (or with the potential of receiving) services through the PPPs constitute a significant part of the partnership arrangement. In particular, the public can break or make the partnership and therefore it is important for the public to be in a position to embrace the provision of public services through PPPs and be in a position to provide feedback on service delivery (Carley, 2006: 252). It may also be added that people generally look to their government and the private sector organisations for enhancement of their well-being through employment creations and the provision of social services. At the same time, the public elect political office-bearers some of whom form government. The elected cohort so therefore are accountable to the public and as such public policy formulation and/or enactment should take cognisance of the will of the people (Anderson, 1990: 81).
2.11.2.4 PPP agreement

PPPs do not just occur in a vacuum but in the context of agreements where two parties have existed. An agreement is normally in the form of a contract that spells out the expected conduct and/or obligations of each partner (Kroukamp, 2004:39). To a large extent the agreement should define the nature of the partnership and the commitments of each role player. In this regard, it would be expected that the agreement would join together various elements of the partnership into a dynamic whole. As part of the agreement, the ground rules should be spelt out to ensure optimal cooperation. Importantly, and since that PPPs are engaged in major projects, it should be assumed that the agreement will be complex so much so that each partner would engage legal experts when developing the PPP agreements.

2.12 PUBLIC-PUBLIC PARTNERSHIP AS A SOCIO-ECONOMIC IMPROVEMENT PLAN MODEL

The improvement of the socio-economic status of the local communities also requires the government departments and public entities to partner in most programmes. The idea around this form of partnership is to try by all means to avoid the duplication of programmes and avoid cost implications where the funds could have been used for something else. A typical example would the system used by the private sectors that minimize cost and maximize profit. It is impossible for any organisation to operate in deficit or with a negative balance on its budget as that would simply mean that a path towards destruction is being established. In this context it becomes very important to allude to the fact that all these key socio-economic issues are mostly occur in the local sphere of government, thus local municipalities at the grass-root level. Citizens are well entitled to all basic services as per the constitution, meaning that everyone has got a right to water, sanitation and shelter etc. Therefore, government has to find ways of progressively responding to all needs of communities who are in different environments. Although South Africa is still under construction it has made its footprint a most measurable indicator. For example, most rural areas have got electricity and water etc going back from 1994 to date. However, there are still undeniable cries from the beneficiaries of municipal services in all sectors due to the slow-speed of service delivery. Moreover, this simply means that local government still needs to work on public participation before getting into Public-public partnerships, simply because the government of today that ought to bring about rapid change in delivery of
services still faces high levels of self-centred individuals who see personal empowerment and forget the reasoning beyond.

The view of Public-Public Partnership can be unpacked as a structured approach of getting into an agreement regarding a certain project that will benefit the general citizens and form a partnership with government departments. For example, the case of Sustainable development must be people-centred. Korten (1990) in Turok et al, (1994:11) defines people-centred development as a “process by which members of a society increase their personal and institutional capacities to mobilise and manage resources to produce sustainable and justly distributed improvements in their quality of life consistent with their own aspirations”. The challenge is for local authorities to synergise the promotion of economic growth which expands the material base, with human development, in order to sustain growth and development. This calls for investments in economic growth to be on a par with investments in human development (UNDP, 1996:6).

2.13 CONCLUSION

Stated simply, South Africa as a developing country still has a long way to go towards eradicating poverty and staging a winning battle against it. There is also the challenge of uprooting the causes of the extreme poverty. This can be better undertaken and achieved through various forms of interventions by the private sectors, NGOs and civil society. This is because such phenomenon requires a participatory approach by all the spheres and sectors as mentioned in the latter section of the study. Needless to mention the fact that the South African government has continued in ensuring that it does not operate in isolation but brings on board some development-oriented organisations (such as NDA). The implementation of the socio-economic development projects should be with a monitoring and evaluation tool or system to test their contribution in the lives of the community. There have been a number of socio-economic development projects implemented since 1994 making South Africa a better place to live in, but the major challenge as alluded to above is still the scarce undertaking of impact assessments. Consequently, impact assessment cannot be over emphasized because the essence of doing a project is to hit the key strongholds of poverty and indicators that have to be measurable.

Socio-economic development in a democratic South Africa is still in the development agent of the ANC-led government and through Public-Private Partnerships and Public- Public
Partnerships (PPPs) a better sustainable and shared growth can be made possible. Involvements by everybody in development brings about a rapid improvement in social and economic status of the communities. The introduction of local economic development initiatives are also of the same importance in improving the economic state of communities through LED strategies which also require every sector to contribute in various ways.

Notwithstanding the fact that, the fight against the extreme poverty in the SADC regions still continues without reservation, as long as other poverty factors are not addressed, struggle will continue but will also require communities to up initiatives in response to their grouped and individual challenges that they face in their daily lives.
CHAPTER 3
RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter explains the description of the methods used in assessing the impact of the funded National Development Agency Agricultural projects in the Amathole and OR Tambo Districts Municipalities. The rest of the chapter deals with the research methodology including the instruments/tools used to collect data.

3.2 RESEARCH DESIGN

The study was conducted using the following research methods:

3.2.1 Qualitative Research Method

Qualitative research is an “inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem [such as poverty, unemployment, and economic growth] (Mouton & Prozesky, 2001: 270).

The researcher made use of the abovementioned method mainly for two reasons:

- This method made it possible to view and learn how people (projects beneficiaries, those on committees and the generally affected public) perceive and interpret their sensory and perception around the impact or dents made by the projects
- It enabled the researcher to spend extensive time in the field, which allowed him to gain "insider" perspectives on how the NDA intervention improved the impact by the agricultural funded projects in the Amathole and OR Tambo Districts.
3.2.2 Quantitative Research Method

In quantitative research the suffix “quantity” connotes measurement which is, in essence, objective and quantifiable and this is the kernel of this approach to research (Bryman, 2004: 76). The quantitative research method was used to supplement the qualitative research methods, limited to descriptive statistics.

3.3 SETTING AND SAMPLE

3.3.1 Setting

Data was collected from the following District Municipalities.

3.3.1.1 Amathole District

According to Section 153 of the Constitution of the Republic of South Africa, (1996) mandates the municipality to:-

a) Structure and manage its administration and budgeting and planning process to give priority to the basic needs of the community and to promote the social and economic development of the community and;
b) Participate in national and provincial development programmes.

In response to the above, municipalities have a legislative planning mechanism that has to be adopted by the municipal council (Chapter 5 of the Municipal Systems Act No. 32 of 2000). This base document provides all the developmental aspects of community well-being. Furthermore, IDP as a strategic development plan is reviewed annually to guide all development in a municipal jurisdiction and inform municipal budgeting and resource allocation. It also plays a pivotal role in informing all planning processes of the other spheres of government (National and Provincial) as well as all state owned enterprises.

According to the Amathole District Municipality IDP review (2008/09: 11) the Amathole District Municipality (ADM) occupies the central coastal portion of the province, amongst the six districts municipalities. The Amathole District in historical terms covers the former administrative areas of the Eastern Cape, namely the former Transkei and Ciskei homeland areas and the former Cape Provincial areas. The district as it stands in the heart of the Eastern Cape, is home to about 1.7 million people and its economy is dominated by Buffalo
City, which comprises the coastal city of East London, historical King William’s Town, and the provincial administrative capital of Bisho. The Amathole district has eight local municipalities (LMs) and each contains at least one service centre; namely, Mbashe (former Idutywa), Mnquma (Butterworth), Great Kei (Komga), Amahlathi (Sutterheim), Ngqushwa (Peddie), Nkonkobe (Alice, Fort Beaufort), and Nxuba (Adelaide, Bedford).

Sectors that provide formal employment in the district are public services (75,000), manufacturing (27,000), trade (25,000) and agriculture (17,000 jobs). Over the last few years the economic growth of the district has been slightly slower than the national average. The poverty levels in the district have recently increased although there have been some gains in the Human Development Index. The district HIV-prevalence rate is similar to the provincial rate.

Amongst many factors, three are briefly discussed; namely, Critical Economic Infrastructure, Creating Jobs and Livelihood opportunities in the Amathole District Municipality as referenced from the Growth and Development Summit (GDS) (2007).

**Critical Economic Infrastructure and Business Development Services:** The GDS (2007) put more power on emphasising that the ADM should strengthen partnerships with the Small Enterprise Development Agency (SEDA), the Eastern Cape Development Corporation (ECDC) and with other development agencies in the delivery of non-financial support to SMME’s. This actually underscores the importance of the Public-Private Partnerships (PPPs) and Public-Public Partnerships (PPPs) service improvement models. The right of existence of these development agencies (as development centres) should aim at promoting entrepreneurship. The Small Enterprises constitute the demand side of the market for Business Development Services, including micro, small and medium enterprises that are primarily profit-oriented. The Amathole District Municipality needs to strengthen its involvement in supporting the BDS market, facilitate greater entrepreneurship growth and development by providing funding and facilitating. Importantly, the key role is to provide the enabling policy, legal and regulatory environment within which Business Development Services markets can flourish and that will ultimately contribute to job creation.

The **critical economic infrastructure**, at the heart of industrial development in ADM, and indeed beyond, is the growth and success of the East London IDZ. The concept of the ELIDZ (East London Industrial Development Zone) was introduced to establish a defined industrial zone in which unique support measures would apply. It is associated with a major
harbour and/or airports, and where manufacturing would be encouraged to respond to, and meet the needs of, the growing international market. An amount of close to R300m (three hundred million rand), has already been injected in infrastructure in the ELIDZ including logistics, infrastructure, industrial space, and social infrastructure GDS (2007:44). There are still a number of infrastructure initiatives that are in the progress stage with some completed and to mention the few below:

Construction of the Automotive Supplier Park- the first cluster in the zone was completed within six months ensuring that suppliers could meet Daimler Chrysler’s requirements for their VW models etc.

Pursue Investor pipeline in

- Bio-fuel is one of the key priorities of ASGISA which has been identified as having significant potential for the Eastern Cape at large, particularly in the former homeland (secondary economy) areas of the province. The project is aiming at producing 100,000 litres of oil, in the first module, to be exported with a potential job creation of between 10,000 and 15,000 workers.

**Creating Jobs & Livelihood opportunities:** the Amathole District Municipality is dominated by the community service sector with manufacturing only marginally larger than the trade and finance sectors. The structure of the economy has remained static between the period 1996-2005, although the trade and finance sectors reported the largest individual growth rates over this period.

According to global Insight, unemployment has increased from 1996-2005 in all areas. However, Buffalo City has the lowest level of unemployment (45%) with Ngqushwa (77%), Mbhashe (76%), Nkonkobe (66%) and Mnquma (65%). The key priority economic sector in Amathole is livestock farming which is relevant to the study and requires a detailed Action plan, specifying investments to be packaged, timelines and milestones, stakeholders and responsibilities to be identified. Animals and animal products are the dominant farming activity in the district, accounting for 72% of agriculture. There is a potential to improve livelihoods from livestock in the former Bantustans through livestock improvement programmes (marketing, branding, generic improvement etc).

**Poverty Levels**

The number of people in poverty is an indicator of individuals who reside in households whose total income falls below a particular level. The level used here is based on Global
Insight data which uses the Bureau for Market Research (BMR) Minimum Living Level (MLL) that ranges from R893 for a single person household to R3314 for an eight person household (ADM GDS report, 2007).

**Figure 1:** Map indicating poverty levels in the ADM.

![Map indicating poverty levels in the ADM](attachment:image.png)

Source: Mpengu (2010)

The above figure shows the poverty levels, indicated in different colours, as per the local municipalities.

### 3.3.1.2 OR TAMBO DISTRICT

The OR Tambo District stretches from the Indian Ocean coastline in the south-east (the Wild Coast) to the Mahlahlane and Basiya Mountains in the west, and from the Umthamvuna
River in the north to the Mbhashe River in the south. The whole OR Tambo District forms part of the former Transkei Bantustan. This District consists of seven local municipalities; namely, Mbizana, Mhlontlo, Port St John’s, Ntabankulu, Nyandeni, King-Sabata Dalindyebo and Qaukeni. The District is accountable to about 1.7million people. The District is densely populated (more than 100 people per square kilometre, predominantly rural (93%), with dispersed homesteads (making basic services provision expensive). Access to basic services is relatively low GDS (2007:9).

The GDS (2007) furthers shows that the GG per capita of the District is only 30% of the Provincial average, and rates of unemployment and poverty are very high. It is correct to qualify the OR Tambo District as one of (amongst others) the highly dented districts when it comes to extreme poverty and inability of the economic conditions to enable the communities to make a living from it. However, at the same time the economic rates are low and the District lacks an economic hub. Private sector activity is largely restricted to the trade sector and a small timber industry by a backward (communal) land tenure system and a physical planning system still in its infancy.

**Critical Economic Infrastructure:** The same IDZ based in East London is not limited to the Amathole District only but was also established to respond to the Eastern Cape economic requirements.

**Business Development Services:** Compared to the Amathole District as outlined previously the OR Tambo District is under severe pressure when it comes to business developments, notwithstanding the fact that it is not the non-vibrancy of the environment but that it requires well thought out planning that will align the social and economic needs of the communities.

“Facilitating BDS markets development means conducting an assessment of the BDS market, identifying weaknesses and opportunities, and identifying interventions that could stimulate the provision of more and more relevant BDS product offering”(ORTDM GDS report, 2007). The OR Tambo District Municipality needs to strengthen partnerships with the Small Enterprise Development Agency (SEDA), the ECDC and other national institutions in the delivering of financial and non-financial support to SMME’s, with more focus on the following key business support centres; information, advice and referrals; business registration; business plans etc. Such interventions are meant to support the community economic growth potential.
Job Creation and Livelihood Opportunities: In the context of high unemployment and poverty rates, there is clearly an urgent need for new investments to create jobs and improve livelihoods in the OR Tambo District. Based on existing economic activity, market opportunities and present resource/assets/skill bases the particular industries offering potentially include:

Livestock- (primarily cattle, sheep, and goats) is very important in the District, but generally provides very low incomes compared to commercial livestock farming elsewhere in the province. Livestock farming is currently supported by the Provincial Department of Agriculture and Rural Development through construction of stock dams, dipping tanks, shearing sheds, fencing (under CASP) and veterinary services etc.

Ntinga Development Agency, in addition to the support by Department of Agriculture and Rural Development is also supporting livestock farming. This District is suitable for dairy farming and it is capital and skills intensive. This simply means that collective efforts are of great value in line with sustainable development, thus socio-economic development. The involvement of the private sector, NGOs, and Community Based Organisations (CBOs) is important, taking us back to Chapter 2 that brings Public-Private Partnerships and Public-Public Partnerships as models for improved social and economic transformation. The municipalities should be able to attract investors (SMMEs) to establish opportunities for employment to the local citizens, thus contributing to a share of socio-economic growth.

Poverty and Unemployment Levels: Levels of household grant dependence in OR Tambo District are significantly higher than the provincial average of 64% with three quarters (75%) and more of households receiving social grants. The exception is King Sabata Dalindyebo (KSD) where 63% of households rely on social grants. The district contains 24% of the Eastern Cape’s population and has a population density of 91 persons per square kilometre. This varies widely across municipalities, from 48 in Ntabankulu to 208 in Nyandeni. At least more than 75% of the people live below the minimum living level. The highest concentrations of people living in poverty are found in Flagstaff 85.3%, Mqanduli 84.5%, Port St John’s 83.6%, and Ntabankulu 83.2%. Unemployment in the district is 77% and this increases in certain rural areas to almost 90%. The following provides an analysis of unemployment in the district.
### Table 1: Employment Status

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Unemployment Rate Percentage (%)</th>
<th>Unemployed Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mbizana</td>
<td>75.6</td>
<td>23,786</td>
</tr>
<tr>
<td>Ntabankulu</td>
<td>88.9</td>
<td>18,327</td>
</tr>
<tr>
<td>Qaukeni – Flagstaff</td>
<td>89.0</td>
<td>16,058</td>
</tr>
<tr>
<td>Qaukeni – Lusikisiki</td>
<td>79.5</td>
<td>36,951</td>
</tr>
<tr>
<td>Port St Johns</td>
<td>78.6</td>
<td>9,570</td>
</tr>
<tr>
<td>Nyandeni – Libode</td>
<td>75.6</td>
<td>18,447</td>
</tr>
<tr>
<td>Nyandeni – Ngqeleni</td>
<td>76.9</td>
<td>17,739</td>
</tr>
<tr>
<td>Mhlontlo – Tsolo</td>
<td>72.0</td>
<td>13,749</td>
</tr>
<tr>
<td>Mhlontlo – Qumbu</td>
<td>73.4</td>
<td>12,902</td>
</tr>
<tr>
<td>KSD – Mqanduli</td>
<td>87.7</td>
<td>16,260</td>
</tr>
</tbody>
</table>

Source: STATSSA, Census (2001)

The key sectors in the district as defined by their contribution to GDP include the public service sector 59.6%, business 7%, retail 6%, wholesale 18%, financial 3%, tourism 2%, and insurance 1.6%. Approximately 18% of the economically active population is employed informally with wholesale providing 57% of these informal jobs.

The dominance of the public sector in the region’s economy reveals the limited production base of the area. Mthatha represents the most significant economic development and employment node within the district. The economy of the O.R Tambo District hinges on the following four key economic drivers; namely, Agriculture, Tourism, Forestry, as well as Marine culture and Aquaculture. The District Municipality has engaged in programmes related to the above in line with the LED strategy of the District as well as using the integrated sustainable rural development strategy approach. The Provincial Growth and Development Plan identify agriculture as the key driver of local economic development in the district. Agriculture is composed of two components, i.e. Livestock and Crop Development. While agriculture makes up only 50% of the Eastern Cape GDP, it provides 12% of the Province’s formal sector employment. Within the Eastern Cape agricultural economy, the livestock and livestock products group is the single biggest sub-sector with an estimated gross income value of R2.4 billion per annum. This represents 70% of the Eastern Cape’s gross agricultural income. Livestock farming within the OR Tambo District Municipality is by far the biggest livestock farming practice in communal farming in the whole country, 631 674 cattle, 732 478 goats and 1 225 244 sheep IDP(2008/2009).
Table 2: OR Tambo District Municipality Livestock farming

<table>
<thead>
<tr>
<th>Livestock</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle</td>
<td>631 674</td>
</tr>
<tr>
<td>Goats</td>
<td>734 478</td>
</tr>
<tr>
<td>Sheep</td>
<td>1 255 244</td>
</tr>
</tbody>
</table>

With the above (see Section 3.2) overview in mind, it is appropriate to focus on research methodology. The following sub-section in regards to research methodology will extend to analysis of ethnography, grounded theory, action research, survey research and the research methods preferred for the study.

3.3.2 Sample

Terre Blanche and Durrheim (2002:274) state that sampling is a “process used to select cases for inclusion or participants in a research study”. The sample for the study was drawn from six National Development Agency funded projects which consists of the following:
- Project Members and
- National Development Agency Officials

3.3.2.1 Biographical Information of the Respondents

Six projects of the study are located in the Amathole District and one from the OR Tambo District, and the NDA development managers/officials.

3.3.1.1.1 Gender

The project members the study targeted and interviewed were both males and females inclusive from the two districts respectively. Thus, males constituted 71% and females 29%. The NDA representation consisted of 0% male and 100% female due to the nature of work requirements.

Table 3: Project Members Demographical Information/representation

<table>
<thead>
<tr>
<th>DISTRICT MUNICIPALITY</th>
<th>NO. OF PROJECTS</th>
<th>PROJECT MEMBERS</th>
<th>RACE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>MALE</td>
<td>FEMALE</td>
</tr>
<tr>
<td>Amathole</td>
<td>5</td>
<td>66%</td>
<td>25%</td>
</tr>
<tr>
<td>OR Tambo</td>
<td>1</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6</td>
<td>71%</td>
<td>29%</td>
</tr>
</tbody>
</table>
The above table clearly shows that these projects are largely owned and run by the previously disadvantaged black community and their beneficiaries and are rural communities. Males are found to be dominant in terms of numbers 71% and women only 29% in both districts, although women are most vulnerable in the society.

<table>
<thead>
<tr>
<th>Location</th>
<th>Male</th>
<th>Females</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>East London</td>
<td>0%</td>
<td>100%</td>
<td>NDA Development Managers</td>
</tr>
</tbody>
</table>

The above table shows that women constitute 100% in terms of the employment set-up and work load responsibilities. This therefore, justifies that the two officials from NDA were/or are responsible for the individually sampled districts in terms of projects allocation and area of specialisation.

### 3.3.2.2 Inclusion Criteria

In order for the project to be sampled and be included in the study it had to meet the following:

- Agricultural Project
- National Development Agency funded project
- Duration of 2years minimum in operation

### 3.4 DATA COLLECTION METHODS

The following methods were used for data collection.

#### 3.4.1 Document Review

The researcher reviewed the following documents for the purpose of the study:

- NDA Strategic Plan 2010-2013
- Annual Reports and Progress reports on the implementation of the project activities and the budget were also be reviewed
- The Business Plan for Each Project.
- The OR Tambo District IDP 2008/09 and GDS 2007;
3.4.2.1 Interviews

To gather information from the project members and NDA development managers both in the Amathole District and OR Tambo District Municipalities, the researcher made use of semi-structured interviews.

Interviews were used as an instrument for the following reasons:

- Obtain detailed information about personal feelings, perceptions and opinions
- Enabled the researcher to observe some non-verbal behaviour in line with the study itself
- They allow more detailed questions to be asked, and usually achieve a high response rate

3.4.2.1 Interview Procedure (Project Members)

The project members’ interview schedule consisted of 34 open-handed questions and each project was represented by a minimum of two project members. A tape recorder was used throughout the interview. Each interview took approximately 30-45 minutes. The interview was undertaken in the project site. The interview schedule for project members focused on the following headings:

- Project Introduction
- Management structure of the project
- The Impact, Outcomes and Sustainability of the project
- Lessons learnt
- The project beneficiaries

The interviews for all the projects were conducted in the project sites for convenience purposes for the project members.

3.4.2.2 Interview Schedule (NDA Officials)

The interview schedule for the NDA official consisted of 19 open-handed questions. Each District was represented by one official in accordance with the NDA setup of responsibilities. A tape recorder was used throughout the interview. The interviews took approximately 15-20 minutes each, and the interview was held in the NDA provincial offices. The interview schedule for the NDA official articulated into the following sections:

- Funded project background
- The impact of the project
➢ Sustainability factors
➢ Overall lessons learnt

The National Development Agency official’s interviews were held in the NDA provincial offices also for convenience.

3.4.3 Data Analysis

The data have been analysed using thematic content analyses (qualitative-frequencies as well as percentages) and graphs which were limited descriptive. Transcription of the recordings was used.

3.5 ETHICAL CONSIDERATION

Prior to the research, a letter was written to the National Development Agency Provincial office requesting permission to conduct research on the NDA funded agricultural project in the Amathole District and OR Tambo District Municipalities. The letter clearly stated that information obtained would only be used for the purpose of the study, and permission was granted (Annexure A).

Before the interview, a project information sheet accompanied by a consent form was sent to the participants. The information sheet consisted of all the information with regard to the study (see Annexure B). Furthermore, respondents were interviewed using the interview sheet or schedule which contained the required information relevant to the success of the study (Annexure C). Respondents were assured that participation was voluntary. If the respondent decided to participate, he/she had to sign the consent form and return it to the researcher. On the basis of the consent, data collection then followed.

This research was conducted within the generally acceptable values and norms of the scientific community, since human beings are the object of study in this project. Importantly, before the study could be conducted, ethics clearance was sought from the NMMU Ethics Research Committee and was granted (see Annexure D). In addition to this, ethical values such as voluntary participation and informed consent, no harm to the participants, anonymity and confidentiality guided the researcher in the execution of this project. In essence, participants were informed that information obtained from this study would be treated as strictly confidential and that under no circumstances would it be used for any reason other
than academic purpose. Consequently, participants were also informed about the availability of the findings after its completion.

### 3.6 CONCLUSION

This chapter focused on research methodological issues and a distinction has been made between research methods and methodology. Methods refer to the actual ways in which data are collected, interpreted and reported whilst the latter (methodology) refers to the study of, or a theory of, the way that methods are used. Two approaches to research methodology in social science, namely qualitative research and quantitative have been analysed in this chapter. In general, qualitative research focuses on how individuals and groups perceive and understand their social world and construct meaning from their experience. It seeks an in-depth understanding of human behaviour and situations. In essence this chapter discussed the methods used to collect data. Qualitative research combined with document review research methods with the use of interviews was adopted. The population was identified from where the sample was derived. Sampling techniques ensured representativeness and relevance of the target group to this study. Interviews were held with officials from the NDA and project members from the two identified district municipalities. The researcher also deemed it necessary to review or examine some documents like IDPs, annual reports, as well as other relevant documents of the municipalities concerned.
CHAPTER 4
RESULTS AND DISCUSSION

4.1 INTRODUCTION

This chapter focuses on the presentation of data collected during the course of the research, and an analysis of the responses will be provided. Data collected may be meaningless or irrelevant until they have been properly presented and systemically analysed in order to translate them into knowledge. In the context of this study, attention will be given to the objectives of the study outlined in Chapter 1, and thereafter aligned with the findings of the study. The following are the objectives which the researcher set to attain by means of this study:

1. To assess the impact of the NDA poverty eradication projects in Amathole and OR Tambo Districts, with specific reference to the agricultural sector
2. To determine the necessary skills and knowledge for NDA funded civil organisations to successfully manage and implement poverty eradication projects;
3. To draw conclusion and make recommendations on, implementation, sustainability, monitoring and evaluation of funded NDA poverty eradication programs in order to bring about the desired impact.

The purpose of this chapter is to present and analyse data collected in the context of socio-economic development interventions. The first section presents the biographical information of the respondents, whereas the second part provides qualitative analysis in the form of presenting the results based on interviews that were conducted. Third to this, an analysis of the responses from the NDA development managers is provided.

The rest of the chapter reports on the views and perceptions of the respondents on socio-economic development interventions in the Amathole and OR Tambo Districts.

4.2 RESULTS OBTAINED FROM THE PROJECT MEMBERS

The following themes were identified from the results obtained from the project members who took part in the study. Notwithstanding the fact that, some of the project leaders saw it irrelevant for them to participate in the study as qualified by the subject information that clearly states that participation is voluntary.
4.2.1 Case Study of the Six Projects

The projects visited are those located in the Amathole and OR Tambo Districts having met the criteria of being agricultural projects, funded by the National Development Agency and operating for a duration of two years. Out of the six projects, five (5) are in Amathole District and one (1) in OR Tambo District respectively. It is also important to note that the two districts are of different environmental set-ups which mean that the environmental factors that impact on the effectiveness of these projects would also be different.

4.2.2 Biographical Information of the Respondents

The number of respondents includes the project members of the six projects identified in both Districts (Amathole consisting of five projects and OR Tambo with one project); and the NDA development officials.

4.2.2.1 Gender

Gender identification becomes critical in making the sample representative and was done accordingly. All the project members the study targeted and interviewed were both males and females including both project members and NDA Development officials. Thus, males constituted 71% and females 29% of the sample respectively.

At the level of the funded community projects, responses show that executive management committees are headed by males, although the majority of the members are females. Such large differences in gender representation clearly show that males are more privileged to have acquired or inherited skills from past generations to serve in the executive. This is observed to be influenced by cultural norms that automatically give a man an upper hand on leading, leaving the females with a relative small percentage to have a portfolio representation. It is, however, important to note that females hold the majority of 65% of the membership which actually deals with daily operations of the project whilst males hold the minority of 35% of the membership. This simply means that females may need to be empowered with certain skills to enable them to also on the executive. At the same time these members are also the owners of the projects which makes it viable for most projects. Figure 2 below shows the gender breakdown and power allocation within these projects.
4.2.3 The Management Structure of the Project

The study results show that all the projects have management committees, where most of the committee members are also highly involved in the operational side of the project that makes it more stable. The interviewed respondents were directly involved in the establishment of the project committee also the establishment of the project or organisation. Project committees are established for the purpose of ensuring effective and efficient implementation of the projects. These committees consist of the actual beneficiaries of the projects. These committees are elected constitutionally, as all these projects co-operatives are run as such. Stated importantly, these committees are elected democratically and all the project members are satisfied with the way committees are established. At the same time if the committees are not elected constitutionally a lot of unnecessary conflict begins to emerge certainly leading to failure.

“Yes a project has a management committee and this researcher was highly involved as a facilitator and referee of the project within the community and played a catalyst role in monitoring it. It also has its own finance committee”.

It is pleasing to state that all (100%) projects visited have a management committee which actually ensures the smooth running of the project in realizing the pre-determined goals and objectives. The results show that 92% of the committee members have their role and
responsibility very clearly defined and at the same time 87% state that management meetings are held every month. If there is something important that has to be attended to and also for the sake of clarity, weekly and then further quarterly meetings are held. 97% believe that the project is run according to the constitution and this is evidenced by one respondent who said.

“Sihlutha esiswini kanye nasepokotheni-meaning that we get full in the stomach and even money wise”.

Table 5 provides an illustration of the management structure of the projects and how well are they run,

Table 1: Project Management Structure

<table>
<thead>
<tr>
<th>Key Project Performance Indicator</th>
<th>Frequency/or Yes or No</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existence of project committee</td>
<td>Yes</td>
<td>100</td>
</tr>
<tr>
<td>Clear roles and responsibilities</td>
<td>Yes</td>
<td>92</td>
</tr>
<tr>
<td>Management meetings:</td>
<td>Monthly&amp;Quarterly</td>
<td>87</td>
</tr>
<tr>
<td><strong>Total: Overall Status Quo</strong></td>
<td></td>
<td>93</td>
</tr>
</tbody>
</table>

This sample implies that local people are also benefiting from the projects and that translates into a effective and committed committee, which looks into the needs of the community, and at the same time making it a point that its members are encouraged to put more effort into the project itself. In an overall rating, 93% of the projects are well run, running according to the constitution which outlines objectives and aims, values etc.

4.2.4 Skills and Knowledge of the Management Committee

The abovementioned terms are a great cause for success or failure of any projects, especially when the management committee lacks project management skill and knowledge. The results show that 95% of the respondents and the members of the committee have the necessary skills and knowledge to carry out their duties, leaving 5% not quite sure about them but refer to certain individuals outside the project itself. However, these are the responses of the project members:

“Yes definitely, from nothing to something because it didn’t have any knowledge before, but through the assistance of these workshops, training, courses which normally take two weeks the management committees got to be empowered".
“No I don’t think that they have all the necessary skills to run the project, as we sometime just experience some major problems and even minor but unable to resolve as the result some people left the project long ago, but it was during its inception”.

It can be deduced that the key element for project sustainability is the effectiveness of the management. In projects areas such as cooperative management, committees are elected not based on their personal capabilities, and skills and knowledge but on the grounds of how well respected they are in the area etc. This means that these committees are not appointed as such they are elected. For this reason, there may be some resultant conflicts. At the same time serious concerns may arise when it comes to the implementation of the project under their guidance. At the same time as one of the respondents mentioned in the preceding sections, that there is a lot of training that the committee attended on how to manage the project. Even the Department of Agriculture and Rural Development has some training that it provides to the farmers, however, the respondents view it differently.

“these trainings take a very long time to be provided to us, and this frustrates us big time, as we have to push in line with the NDA contract and the same time if they do not provide us with training, the NDA contract may end and then we lose as the result of non-delivery buy [by] the Department of Agriculture and Rural Development”.

The poverty alleviation projects are characterized by conflicts, yet training on conflict management is hardly provided to the project members. Poor management and a lack of appropriate methodologies to manage the project can easily lead to wasteful expenditure, at the same time causing the late start of the project. The administrative skills are lacking in some projects as there is no safe-keeping of files nor is there evidence that a file is kept for every meeting or the minutes thereof. There are also no files kept for other receipts.

4.2.4.1 Corporate Governance

As mentioned in the former part of this section, how the project is undertaken is of a great importance in order to measure the effectiveness and efficiency of the management committee, and whether it is following its constitution. At the same time the constitution has to be open and simple enough for the project members so that it can easily be interpreted, as most of the members are illiterate. The study shows that 98% of the respondents believe that the project is managed according to their constitution. They participated in the development of the constitution which serves as a legal document listing every detail of the
projects. On the other hand the 2% that is uncertain still concurs to views made by the project leader.

4.2.5 The Impact, Outcomes and Sustainability of the Project

As the primary aim of this study, it is significantly important for the projects to have contributing factors to the community; namely, the impact which can be measured through the actual outcomes or by conducting impact assessments of the projects. Furthermore, impact is measured by the level of employment that came about as a result of the project. Importantly, plans or strategies around the project sustainability continue to be a major element to ensure a continuous sustainable socio-economic development and shared growth. Most of these projects are well funded by different institutions but if there are no sustainability plans of these projects it implies that they are doomed to fail and there has been unjustified funding towards those projects.

In response to the impact and the outcomes of the project, the study shows that 92% agree that the impact of these projects in local communities is quite good in terms of job opportunities and project contributions to households’ poverty reduction. The following response came from one the respondents:

-Has the project increased employment?
“Yes certainly, it started off with 10 workers, and took baby steps by cultivating 3, 4, 10 up to 52 hectares [hectares] and then employment increased as we cultivated more hectares [hectares]”

With regards to project contribution to the household poverty status:
“Yes, after we have reaped the crops everyone who works here goes home with something, and I always encourage them “Bhuti”-Brother that they even open the “Spaza Shops” to sell for themselves. As I mentioned to you “Bhuti” that they say sihlutha apha esiswini nasemapokotheni- meaning that every project member gets enough food to eat and even to sell”.

It goes without saying that these projects bring a rapid change in the lives of people in their locations, and poverty levels have decreased significantly while at the same time employment is increasing. The impact in relation to the actual outcomes of the projects is
positive that is, it is measurable and the socio-economic development in these areas has improved.

Sustainability of the project- sustainability is not just the matter of nice words but the actual plan that will keep the project growing in every avenue of business processes. The response from the study shows that 98% of the respondents fully believe that the projects have a strong potential of being sustainable. 2% of the respondents believe that poverty alleviation projects cannot be sustainable due to lack of commitment from the project members. At the same time some just want to enjoy the benefit without having to work that is to invest their time and energy.

The project participants expressed their views as follows:

“Yes, the project has the potential to sustain itself, as we are still utilizing the funds from our funders but as the researcher (who is participant observer in a sense) stated before, we do not have a withdrawal slip but a deposit. We keep on depositing whatever has been collected through the sales of project. Here, so that when this funders we going other guys out there-we have no problem, it’s almost self sustainable”.

“The Human resource component is very important as we do things on our own, so that when the funders or anybody leaves we not going die, no one who is working here who is not the owner of the project, so there is no way that this project can fail”.

“Certainly Yes, we running two accounts, the cheque account that is dealing with grant funding from NDA and then when we resell, get those funds into savings account, that is as the NDA grant decrease the savings increase so we trying sustainability”.

It is quite interesting to note that a large number of the respondents are of the view that the projects have a potential of being sustainable. One of the most interesting things is how the project plans for sustainability have those different accounts to ensure that in the event that the funder’s term ends they will be able to sustain themselves in this regard. What also became so aspiring is how two major projects are run where sustainability plans or strategies are in-place so that they are able to take care of the members without compromising the key objectives and aims of the project. Table 2 below presents sustainable reasons for the project as viewed by the project participants.
Table 6: Factors contributing to Project Sustainability

<table>
<thead>
<tr>
<th>Factors</th>
<th>Frequency (f)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skilled Members and capacity building</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Financial Resources</td>
<td>12</td>
<td>38</td>
</tr>
<tr>
<td>Community involvement</td>
<td>10</td>
<td>35</td>
</tr>
<tr>
<td>Stakeholder support</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>37</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The results above show that, 38% of the respondents believe that with financial literacy by the project committee members the project can be sustainable. This is evidenced by the establishment of the finance committee as quoted in the above project member’s views. At the same time the 35% involvement by the community also contributes to the sustainability of the project. The study further shows that 13% of the respondents believe that infrastructure development would also lead to the sustainability of the project. Furthermore, 10% of the respondents understand the importance of skilling and capacity building, and believe that the project would be more sustainable if skilling remained on the agenda. A mere 4% of the respondents believe that continuous support by the stakeholders would certainly sustain the project.

It is pleasing to note that the respondents strongly believe that sustainability can be certainly realised through financial resources management and the support from the community. This therefore implies that the two sustainability factors are of significance in the success of the project thus ultimately improving the socio-economic development of the local communities. If a project is well supported by the community chances are slim that it will fail, however, if communities just want to be taken by hand then success shall follow. The reasoning behind this is the fact that these communities are rural and characterized by high level of illiteracy so continuous engagement is required. Therefore, public participation and involvement in the establishment of a project must be taken seriously by the funders and likewise the government. The study revealed that 98% of the respondents anticipate that poverty alleviation projects will be sustainable if all things remain the same. Stakeholder participation is therefore one of the contributing factors in project sustainability. It is also a highlight to note that the capacitating of the project members is still relevant for sustainability. Capacity building remains the major contributor in ensuring consistency and knowledgeable members. Almost all government developmental base documents put emphasis on capacity building in order to improve the performance of the organisation. The Social Survey Africa (2006) also
agrees by showing that capacity is very important in determining sustainability, other factors including finances result from this.

The National Development Agency makes its intervention by providing funding to the projects, therefore project members should be able to make use of the available budget and be able to source funds from other donors. Likewise, one of the projects funded by three funders has all the necessary sustainability plans. The project member is certain that his project will not fail. So on average the intervention by NDA is making major dents in response in the fight against poverty and is ensuring improved socio-economic development.

It then be deduced that these projects are self-sustaining.

4.2.6 Access to the Targeted Market

Although there are various departments that provide assistance with regard to access to the market, it is absolutely essential for every project during its inception to take into consideration the markets for its products. That will enable the planning process to go smoothly and lead to the achievement of the pre-selected aims and objectives. On that note the study shows that 98% of the respondents are confident that their products have a destination (market). The remaining 2% view that differently but with uncertainty based on lack of understanding of the business processes with regards to markets and selling. The project target market is the local people and the question that related to markets was answered by one of the respondents saying that:

“Our target market was Kei market in Mthatha but unfortunately our products can’t reach simply because, Shoprite, sparks wholesalers, boxer superstores even hawkers but [buy] from us so our products get finished right locally”.

“Our target is local community including business, we sell our vegetables to them and sell the chicken for about R50 each then out of those sales we give 50% to the members and with the remaining 50% we save and re-order for sustainability. All in all we don’t have any problem with market”.

The study shows that the projects have their markets at locally. However, their initial target was not limited locally but due to the large number of buyers locally that makes it difficult to supply other regions. What becomes so interesting about this is that the supermarkets and superstores and spaza-shops buy from these local projects simply because they pay less
and get fresh vegetables or products without them having been kept for sometime in the fridge. The local businesses are therefore saving a lot of money as the result of having local projects that they supply. These projects are located in different districts but it is pleasing to note that the only that is located in the OR Tambo District is doing excellently. It is receiving all of its support from the local funders and the province and is sustaining itself well.

Those projects that are located in the Amathole district seem to struggle a bit compared to those in the OR Tambo District. However, the OR Tambo District is well known for being rural with higher levels of poverty. It is also important to note that the interest shown by the local supermarkets simply signifies that the products are of a good quality. Projects are encouraged to have a contract with their buyers. With the continuous support of these projects in every aspect of their operations, they can have rapid impact on the socio-economic development of the local community, even for the larger district. That would be their contribution to the GDP provincially.

### 4.2.7 Income Generation

In relation to sustainability, a self-sustaining project should be able to provide for its members. The income generation means that the project will further ensure daily operations and maximize profits. The income generated by the project is distributed amongst the members to address the challenges of insufficient income, but without compromising sustainability. A project cannot distribute all its income to its members without thinking ahead therefore the other portion of the income ensures that the project activities are carried out effectively and efficiently.

The results show that 99% of the respondents believe that having participated in these projects they have been able to make a good living from them, and far beyond that they have fresh vegetables daily, thereby improving their own health. These ultimately contribute to food security in those areas. Only one percent of the respondents think and feel that they are not getting enough income from the project income. However, the only agricultural project based in the OR Tambo District has a hundred percent (100%) satisfaction from its members that their lives are improved daily. This is because all project members are the owners of the projects. The committee and everyone is hands-on on the daily operations of the projects and this sets it apart. With those that are in the Amathole District there are uncertainties in this regard, which may be due to the fact that people from these communities are exposed to the least economic vibrant region where their expectations are
set high. Notably, one of the projects has about 120 members who constitute a certain ward - that is there is involvement of different communities who come with different agendas and hopes. The project members benefit from the project every month and so that implies that sustainability is there and that would mean improved commitment from members.

Lesson Learnt:
“A lot and lot of challenges, first of all when engaging a lot people, once you start talking they look anxious but when you actually start working you notice that they only concentrating on money- emnothweni, now you need to convince them that you have to work for it. But we make it a point that every member gets something after everything”.

“I learnt really that if the project has been initiated by the owners themselves it becomes a successful project like this one, it has a potential to be sustainable, in actual fact it is sustainable for there no one out from here except the agricultural officer and the matter of fact he is not doing anything he is just part of the family”.

4.3 RESULTS OBTAINED FROM THE NDA DEVELOPMENT MANAGERS

This section is based on the structured interview through recordings with the National Development Agency Development Managers. The interview had about nineteen questions that took about 15-20 minutes. National Development Agency is mandated to improve the socio-economic development of the rural communities through funding. NDA is the main funder of these identified agricultural projects. The following themes were identified from the results obtained from the officials of the National Development Agency.

4.3.1 Background to the NDA Funded Projects

The study shows that, 100% of the NDA development managers clarify that projects apply for funding via Trulso as a specialist on agricultural issues. At the same time some communities organize themselves and register cooperatives and approach the NDA for funding.

With regards to the feasibility of the project, NDA conduct a due-diligence to show how the applicant can effectively implementing the objectives; look for what kind of programme and who is going to be a beneficiary.
The stakeholders that work with NDA are the Local Municipalities, District Municipalities and when it comes to an agricultural project, the department of agriculture becomes the key. The roles and responsibilities of each stakeholder are clearly defined to ensure and improve the project processes and to improve the organisation of the established projects.

One of the managers stated that:
“Yes roles are clearly defined at the beginning of the contract but down the line one would then not perform as expected. There could be many reasons, change of the officials who doesn’t have a background or there might be no MOUs and those needs to be recorded”

The above implies that there is a process breakdown with regards to the poverty alleviation project as it is supposed to be at the top on the agenda. This further indicates, to put it in simpler terms, that all the pre-determined roles and responsibilities were meant to be undertaken by some of the departments. Some project members were concerned at how the public entities work with the relevant departments.

4.3.2 The Impact of the Funded Projects

According to one of the NDA development managers, the projects objectives are 100% achievable with regards to a project located in the OR Tambo District. This is made possible through commitment by the project members and not only relying on the NDA - they also have a role to play in this regard. The NDA development managers actually talk directly to the beneficiaries in order to find out whether the project really benefits them or not. In measuring or assessing the impact of the projects, the NDA development managers monitor and evaluate the project from its establishment or from the start of the contract, and often have quarterly reports on the progress of the projects. This is done in order to check whether the aims and objectives are being progressively met as per the agreement.

The effectiveness of the projects requires both the funders and project members to have clearly defined roles and responsibilities which goes with the given expectation in realisation of the both the funder’s objective and of those of the projects. The study shows that development managers put more emphasis on three factors:

Capacity building on corporate governance, organisation structuring and employing best practices, together with exposure visits to other projects that are doing well are important in
order to benchmark some important strategies and approaches that may assist the project to move forward.

4.3.2 Sustainability Factors

Development managers agree that these projects are certainly sustainable from the development angle. The results show that 100% of the respondents are confident that these projects are sustainable as a result of their hands-on approach and at the same are motivated by the high level of commitment from the project members.

The respondents stated that;

“Yes they are sustainable, because they are making income, have a stable market, know how to maintain that market, the involvement of Trulso has also played a big role and the project is well known in the area. I just also hope that they will still up running in the next ten years”.

Lesson Learnt

“I have learnt that people do differ and programs do differ from village to village, their needs are not the same, they can have the similar take but the approach is not the same, I have also learnt that people from rural areas once you equip them with knowledge and take them by the hand and show them, they have that spirit to hang to see the difference”.

The national development agency has managed to follow its mandate based on what the project members themselves say about the NDA. At the same time although the performance of the NDA in relation to projects may not be one hundred percent it is at least close to being accurate. All the above can be summarized by making a note that the socio-economic development in the Amathole and OR Tambo Districts through the poverty alleviation projects has improved in a most measurable manner and the performance of these projects has also improved. So, the effective use of Public-Private partnership and the public-public partnership can take the socio-economic development priority into greater heights and both these two need to be seriously implemented to see some improvements in the local communities.
4.4 DEVELOPMENT MANAGERS AND PROJECT MEMBERS RESULTS
BREAK EVEN: IMPACT AND SUSTAINABILITY

This small section examines the views and results of the National Development Agency-Development Mangers and the Project Members, based on their respective responses as outlined in the foregoing paragraphs. This is important in measuring the extent to which the two views leverage or break even.

Figure 3 below provides the results in specifics to project impact and sustainability.

![Figure 3: Project Impact and Sustainability Break even](image)

The statistics above in Figure 3 point out very clearly that the two views or opinions of both the project members (beneficiaries) and Development Managers (thus the NDA funding institution) match up with regards to project sustainability. It also implies that the project members are satisfied with the services of the National Development Agency with regard to financial resources, skills development and other development amenities. As shown above 98% of the project members and 100% of the NDA-development managers responses on impact and sustainability break even at 99%. This therefore, means that the NDA funded projects are sustainable and have a huge impact in their individual areas of production. That is, these projects will be able to sustain themselves even after the end of the NDA financial muscle.
4.4 CONCLUSION

This chapter presented the results of the study. This was done through the presentation of the biographical information of the respondents. Qualitative interpretation of results based on the interviews that were carried out with project members was also provided. The chapter concluded by reporting on the views and perceptions of the project members and NDA development managers on assessing the socio-economic impact of the NDA funded agricultural projects in the Amathole and OR Tambo Districts. The next chapter focuses on the general conclusions of the study and recommendations emanating from there.
CHAPTER FIVE
SUMMARY, CONCLUSIONS, LIMITATIONS OF THE STUDY AND PROPOSAL

5.1 INTRODUCTION
The value of any scientific study should be reflected in the conclusions and proposals it culminates in, and these must be contextualised in terms of the research problem and/or research questions on which the study was based. The purpose of this last chapter is therefore to draw the study to its end by presenting a summary, a number of conclusions, limitations to the study, and proposals derived from both the literature review and the research findings. All this revolves around the socio-economic impact analysis of the NDA agricultural funded projects, in the Amathole and OR Tambo Districts. A summary of the study is made in this chapter, presenting conclusions, limitations and proposals.

5.2 SUMMARY
The inventions by all the sectors in the circle of socio-economic development have received attention due to the fact that the public sector has often been under attack for a number of perceived shortcomings. The reasoning behind that is clearly because the fundamental purpose of the public sector and the concomitant public administration is to improve the quality of life of the citizens by provision of the necessary public services. In this regard, Hughes (1998:9) observed that governments in some countries were too large and therefore utilised the scarce resources. Such governments were too large because they were involved in just too many activities and were largely plagued by inefficiency. At the same time, the public confidence in the ability of government to carry out numerous tasks in an efficient and effective manner is on the wane, necessitating a change in the way government business is conducted (Shafritz & Hyde, 1997).

In essence, the study aimed at assessing and analysing the socio-economic impact of the National Development Agency funded projects in the Eastern Cape Province, with specific reference to the agricultural project in the Amathole and OR Tambo Districts respectively. The study looked at and intended to assist both government and other public entities in joining forces in a fight against the extreme poverty experienced by the rural communities, and on the other hand help to identify and address the major challenges that affect successful implementation of the poverty alleviation projects in a sustainable manner. The objectives of the study were to assess and analyse the socio-economic impact of NDA
funded agricultural poverty eradication projects, and to explore challenges and constraints that affect the achievement of the desired outcomes. The study intended to determine the necessary skills and knowledge that are needed by NDA funded civil organisations to successfully manage and implement poverty eradication projects. The study was conducted in the Eastern Cape, Amathole and OR Tambo Districts. In response to the research objectives and the hypothesis, a detailed literature review of the concepts around poverty was thoroughly discussed. In actual fact it gave a broad overview of the socio-economic development (SED). It explored the legislative framework for SED amongst other legislations, the Constitution of the Republic of South Africa, and 1996 White Paper on Local Government, 2000; Local Economic Development Policy Paper, 2002 and other pieces of legislation. The nature and meaning of socio-economic development and its factors explored in detailed, and examined a thought around rural South Africa and the community. Moreover, role players as well as strategies of socio-economic development were identified and discussed in this chapter. Furthermore, international experiences from Botswana were also captured in this study. Socio-economic development models such as Public-Private Partnerships, Public-Public Partnerships to enhance service delivery also received due attention.

The study was conducted using the qualitative methodology. The researcher targeted project members from six poverty alleviation projects, funded by the National Development Agency. Development Managers from the NDA were included in the sample. The researcher used purposive sampling to draw the sample of the study. The researcher selected the sample of the study based on his knowledge of the population. The data for the study was collected from semi-structured interviews from the existing document. The documents that were reviewed included the National Development Agency Act, NDA Strategic Plan 2010-2013, The OR Tambo District IDP 2008/09 and GDS 2007; and Amathole IDP 2008/09 and GDS 2007 and Annual Reports and Progress reports on the implementation of the project. The interviews were transcribed verbatim and analysed to illuminate the participants experience with project implementation. Qualitative data were analysed using thematic and content analysis; the explanations fix/ findings were presented, making use of tables with descriptive statistics such as frequencies of occurrences and percentages to present the data.

The results of the study were discussed in accordance with the themes that were identified around the issues discussed in the literature review, which led to the research questions. Quotations from the interview transcripts were used to substantiate the themes. The research findings showed that the project participants have enough income to provide for
their families. The majority of the project members make a good living from involvement in the projects and this benefits the larger community in terms of being able to get vegetables after they have been reaped. Some community and project members end up opening small spaza-shops or sell the same produce on the streets. About 90% of the cases in these projects make a big mark in these areas, although there is always a room for further improvement.

The major challenges or a red-alert factor is non-communication between the funders and the project stakeholders, who in turn disappear down the line as mentioned by one of the development managers and qualified by the project members. The project member made it clear that if they did not have any sustainability plans their project was going to fail, because the all the project members need to be trained on crop production and other capacity building areas, such as administration, corporate governance and financial management. The Department of Agriculture and Rural Development had promised to provide technical assistance in this regard but to date, their promises have not been fulfilled. At the same time the OR Tambo District based project has members who are satisfied. Its members are all trained in different fields, like crop production and many more. However, this is balanced by more than two funders at the same time with highly committed members with good project management abilities and skills who are also the owners of the project. The support from the community has also played a very significant role in ensuring that the project continues to be the source of healthy living.

With this in mind, the socio-economic status of the local community and district is improved through these community based organisations. These projects as legal entities are running according to the constitution and managed by the elected committees. The study shows that the management committees do have knowledge and skills to manage the projects. It is evident from the findings that management committees were trained to provide leadership that will ensure the sustainability of the projects. However, 10% of the participants in these projects still feel that they need more training and the projects need more financial intervention to ensure growth in the industry, as most of the projects are only funded by one institution, that is the National Development Agency.

A larger number of respondents viewed that poverty relief projects have a strong potential of being sustainable. The sustainability of these projects is attributed to the financial support and community support provided by the local communities and various sustainability factors were also identified and discussed. These include the availability of skills, financial resources, support from the stakeholders and availability of infrastructure.
The study further showed that the development managers from the National Development Agency were always involved in the poverty alleviation programme, and at the same time made sure that they were visible to the members for further assistance apart from the quarterly reports designed to monitor and evaluate the performance of the project. The role of development managers is to champion and facilitate the community development programmes and these officials are involved full time in the implementation of these projects as facilitators and transferring the skills.

As mentioned earlier on, the back seat taken by other stakeholders in this regards remains the key factor and this may negatively dent all the government goals. The study showed that the local offices of the department up to district level, including the Department of Agriculture and Rural Development seem to be actively participating in the programmes but are not helping the project members with technical expertise at all.

The development managers from the NDA feel that the seriousness and implementation of the Public-Private Partnerships and Public-Public Partnerships would actually improve the performance of these projects. These two models are there to enhance the socio-economic status of the rural communities, that is sharing resources and otherwise. They still feel that more funding towards capacity building is still to be undertaken through the involvement of other stakeholders. Development Managers further believe that the set objectives of these projects are achievable, for both officials and project members do have the skill and knowledge to achieve the objectives.

In summary, the study identified the following factors that would contribute in enhancing the sustainability of Poverty Alleviation Projects:

- Invest in Capacity building of the project members
- Community participation and involvement in any local-oriented development
- Participation of communities in the identification, planning and implementation of the projects
- Stakeholder participation with clear roles and responsibilities in the implementation of the project
- The availability of resources, such as financial and infrastructure to successfully implement the project
- Ensure sound sustainability and marketing plans or strategies
- Availability of the Monitoring and Evaluation system
- Specialized unit for Project Impact Assessment
- Participation and Involvement of the Sector Departments throughout the project stages
It is important that the National Development Agency, be aware of the above factors.

5.2.1 The Study

National economies can be characterized in terms of the public sector organisations, private sector, and the non-governmental organisations (Box, 2004:33). Where the public sector’s orientation is public service delivery that is politically driven within a specific social, cultural and economic environment, the private sector is predominantly profit driven and functions under the auspices of market forces (Box, 2004: 33). All this suggests that the values of these two sectors are incongruous with each other. However, the focus of the study was to assess and analyse the socio-economic impact, with extent to which the two sectors could be harmonized, by way of PPPs, in the quest to improve the socio-economic impact of the agricultural project funded by NDA. Consequently, the nature of public sector as conceived in this treatise is summarized below.

5.2.2 Public Sector

The public sector has been viewed, in this study, as the totality of organisations that are politically established and maintained with a view to promoting the quality of citizens’ life through the provision of public services (Hughes, 1998:7). The sector serves to determine and pursue, among others, social and economic goals with a view to developing economic conditions and social services for the citizens to promote the common good (Van Niekerk et al, 2001: 243). As a result, the public pursued government objectives that are derived from the needs, demands, and legitimate expectations of the society through the legislative, executive, and judicial sphere of government authority.

5.2.3 Private Sector Organisation

Private sector organisations are established primarily to serve the interest of the shareholders. In order to achieve their objective, the private sector organisations have developed a culture, and amassed professional knowledge as well as entrepreneurial skills to enhance the capacity to deliver their mandate (Muller, 2003: 1120). Some of these organisations have acquired the necessary capital goods to enhance their productivity in order to heighten their returns on investment. It can therefore be inferred that, to the extent
possible, the profit seeking private sector organisations will cease to operate if prospects for making profit are perceived to be non-existent (Kerr, 2003: 11).

5.2.4 Public-Private Partnerships

PPPs entail the use of private sector capital and expertise in the provision of public infrastructure and/or services through a legal contract in which the private sector works collaboratively with the public sector organisation.

5.3 CONCLUSION

This section draws the discussion down to the conclusions of the Socio-Economic Impact Analysis of the NDA funded projects in the Eastern Cape, with specific reference in the Amathole and OR Tambo Districts taking more focus on the agricultural projects.

The provision of public infrastructure and the associated services is a major concern to governments due to the role such services play in the governments’ broader socio-economic objectives. However, organisations in the public sector continue to face increasing demands for more and better public services whilst, in the same breath, experiencing financial difficulties in acquiring the necessary resources to deliver such services. Stated simply, the most profound failure of government is in the means to accomplish identified goals and such means could be resources and/or processes that are essential in optimally achieving the identified ends.

Amathole and OR Tambo Districts are largely rural municipalities that are located in one of the poorest Provinces in the country. The Municipalities are characterized by a high unemployment rate and a lack of basic skills required for socio-economic development resulting in high levels of poverty. The project participants are unemployed youth and women and some depend mostly on the project for their well-being. Whilst, some project members depend on social grants as their main source of income at the same time the projects are able to take care of its members. As the result project members are at least able to provide for their families, although human needs are not rigid but change as more money is put into the pocket.
Socio-economic status is best achieved when all the developmental factors are followed and taken into cognisance. Project members participate in the establishment of the poverty alleviation project which means that the community is largely aware of its challenges and needs, and in simpler terms they know what they want as a community, even individually. They also participate in the planning of the project and are part of decision making. This promotes ownership of the project by the project members, and everyone becomes the visionary in this regards. Project members often take a big step by becoming actively involved in the daily operations, and the moment they are involved and participate as owners, that will ultimately translate into project sustainability.

Sustainability of the poverty alleviation projects is measured by the amount of skills and knowledge of the project members, and the ability to use those skills in a most effective and efficient manner. The most effective project implementation factors include, project management, financial management, and business management skills. These poverty alleviation projects are actually established to promote socio-economic status of the target beneficiaries. The benefits to the members from the projects contribute to the lowering of poverty levels within the households. Management committees are best established or formed to provide a strategic direction of the project and setting up of strategic objectives for successful implementation and improved livelihood. The inability of the project committee members to provide effective leadership affects the sustainability of the projects.

Sound facilitation of the project in a sustainable manner requires that the development managers have skills and capacity. The development managers have been found to be skilful and well trained in providing further assistance to their clients, and that is evidenced by the projects themselves. One of the key failure sources of most projects is the absence of Monitoring and Evaluation with technical expertise. The NDA has played a great deal in ensuring that the projects are performing well through its sound M&E system that has enabled its projects to be well established and grounded. At the same time the development managers are showed to be more hands on in the implementation of the project in different supportive angles. An integrated approach that will put on board the community, project members, funders and other key or relevant stakeholders needs to be encouraged more to ensure the sustainability of the projects.
5.4 RECOMMENDATIONS

The following are the recommendations of the study:

5.4.1 Recommendations pertaining to Socio-Economic Development Strategies and Sustainability of Poverty Alleviation Projects

Socio-economic development is everyone’s business in ensuring that the well-being of the citizen is improved. Local Economic Development (LED) has been identified as a key means of improving the economic prospects of South African citizens. The purpose of LED is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation.

Although the study acknowledges the efforts and initiatives as well as intervention by the National Development Agency in ensuring and promoting the Socio-Economic Status of the rural, much more is still need to be done in realising Section 153 of Constitution of the Republic of South Africa 1996. In view of the foregoing, the following proposal is made:

5.4.1.1 Embrace PPPs in Improving the Rural Socio-Economic Status

It has been shown that it is quite possible to engage the private sector, in the form of partnerships with the public sector, in order to expand the scope and improve the quality of the provision of social and economic needs of the rural communities. The National Development Agency needs to embrace the PPPs model in order to ensure that the project members are able to receive intense training in order for them to be able to carry out projects that are sustainable. There are quite a number of factors that become critical in the development and establishment of the community-based project, one such would be infrastructure development, and such activity often requires a lot of money. Those stakeholders that are involved in socio-economic development should adhere to the project implementation plan process and PPPs agreements, which will eliminate an element of surprise where most stakeholders are visible during the initial stages, but later on are nowhere to be found. A binding document will necessitate the establishment of the implementation task team that will ensure all the signatories are performing as agreed which will also monitor the implementation plan or agreement throughout the project’s progression. Through PPPs the government should have a lot of projects established to enable every
community to improve its own socio-economic status, and contribute to food security at the same time.

The National Development Agency as a public entity should invest in already existing community owned initiatives and employ an Integrated Local Development Plan that will bring together every potential stakeholder by means of education from the traditional house to ensure that the assistance provided by NDA is relevant to what the community views as most important. The NDA should also undertake a so called community environment scan as it is important to know exactly how the community members interpret their perceptions about the environment in which they find themselves. The SWOT analysis will then tell the NDA researcher where to put what, and when to do that.

A legislation enforcing integration and stakeholder participation should be reviewed. Integration and stakeholder participation and involvement are important to sustainable development. Each stakeholder has a role to play not only to participate but to be involved, which means there are resources that are expected of each stakeholder therefore NDA as the custodian should have a template or system that identifies what will be expected from which stakeholder and agreed to in principle. As mentioned above, without collaboration and integration of services, investment in community development will remain a futile exercise, characterised by duplication of services, unnecessary competition among service providers and waste of resources.

Project Management Committees should be intensively trained in order to execute all their duties in a most profound manner. Human development is an important way of getting everyone to have a vision about the project; this should be in line with the project management and financial management. The Agency should also look into the issue of conflict management amongst the project members including the committee, as most of the community projects are characterised by conflicts. It is important for the committee to go for conflict management training. One of the best things to do is to take the members by the hand and in so doing transference of skills takes place.

The key important tool is that communication strategy between the NDA, the relevant Local Department and the project members should be highly improved because project members felt that they were not getting the support they should be getting. From the initial stage every department is represented but when it comes to the actual implementation, the project members are left unattended which may lead to the failure of the project. Because some stakeholders provide technical support apart from funding, there should be a link or
alignment between the two to ensure proper and effective implementation of the project towards sustainable development.

5.4.2 Recommendations for Future Research

The current study focused on the Socio-economic Impact Analysis of NDA funded projects in the Amathole and OR Tambo Districts, which were referred to in those agricultural projects. In appropriation of the latter, the researcher recommends that further research focusing on Socio-economic development intervention by NDA be undertaken in all six districts. The study should first focus on one District with all different kinds of projects funded by the National Development Agency, and then focus on those that are agricultural in all six districts and by doing so it will lead to a comparative analysis in terms of how other Districts respond to the socio-economic challenges. At the same time the Poverty Alleviation Programme cuts across all the sector departments, so a detailed PPPs implementation plan is proposed as a model for integrated socio-economic development. Lastly, future research can also stretch across other development agencies with regards to social and economic development of the rural community.

To a larger extent, consolidation of the impact assessment reports/studies and the development of the implementation plan of the recommended actions for the next study is also proposed.

5.5 LIMITATIONS

The focus of the study was restricted by various factors/limitations. It is important that such factors be explained. The interventions by public entities such NDA in response to the socio-economic challenges facing government are of great importance in a developmental state like South Africa. Furthermore, the impact by those interventions is also crucial to note as to determine the extent of the performance towards sustainable development. However, the researcher has been unable to conduct the study in all the districts in the Eastern Cape Province due to time and financial constraints hence it is confined to the Amathole and OR Tambo Districts, only focusing on the Agricultural interventions.

There are other development agencies in the province that provide assistance to the poverty alleviation project, just like the National Development Agency. The impact in a larger extent can be determined from the project funded by NDA.
The value of any good research findings depends critically on the accuracy of data collected. Data quality can be compromised via a number of potential routes. Some project members were reluctant to participate in the study and some did not want to participate although they may not say it aloud, which has been shown through their non availability, postponing interview schedules and sometimes not answering phones. Apart from all the above limitations, most of the members participated very well; the researcher managed to get maximum information in relation to project sustainability and the socio-economic impact thereof.

5.6 CONCLUSION

This chapter gave a summary of the study. Conclusions have been drawn from the findings. The proposal was made by the researcher for both those that enhance Socio-Economic Development and for future study. Lastly, limitations of the current study were identified and outlined accordingly.


Social Surveys Africa. 2006. *Development of Sustainable Framework*. Strategy and Indicators for NDA. Braamfontein:


**LEGISLATIONS AND WHITE PAPERS**


Shared Growth Initiative of South Africa (ASGISA) of 2006.
Municipal Service Policy of 2000 Guidelines on Municipal Service Partnerships of 2006-2010


Public Finance Management Act (PFMA)

ANNEXURE A

(Permission to conduct study)
ANNEXURE B
(Subject information sheet for respondents)
Appendix A

Subject Information Sheet for (NDA) Development Managers

Hello

My name is Siviwe Mditshwa; I am a Master’s student in Public Administration at the Nelson Mandela Metropolitan University (NMMU). As part of my degree I am conducting a research study on Socio-economic Impact of the funded National Development Agency projects.

The main aim of this study is to analyze the socio-economic impact of the National Development Agency funded projects in the Amathole District and OR Tambo District.

I wish to invite you to participate in my study. Please note that your participation is voluntary and that non-participation will have no negative consequences. Should you decide to participate in this study, you will need to take part in an interview with me to discuss a few issues on socio-economic impact of the poverty reduction projects. You will also participate in focus group discussion to discuss as a group the issues that relates to NDA intervention and sustainability factors on poverty relief projects.

Please note that you can withdraw from the study at any time, should you feel that you do not want to continue. If you feel that some of the questions are too personal or if you feel uncomfortable answering them, you have the right to refuse to answer should you wish to do so. The principle of confidentiality will be highly maintained as your responses will not be shown to anyone other than me and my supervisor. No identifying information will be included in the final report.

Your participation in this research study is highly important as it will contribute towards effective implementation of the projects and ensure sustainability.

The outcomes of this research will be sent to the National Development Agency and all other stakeholders that took part in the study. You can be able to access the study results if you wish so.

Yours faithfully,

Siviwe Mditshwa
(Researcher)
Tel. 0719973710

Professor T.V. Mayekiso
(Research Supervisor)
041 504 2017
Hello

My name is Siviwe Mditshwa; I am a Master’s student in Public Administration at the Nelson Mandela Metropolitan University (NMMU). As part of my degree I am conducting a research study on Socio-economic Impact of the funded National Development Agency projects.

The main aim of this study is to analyze the socio-economic impact of the National Development Agency funded projects in the Amathole District and OR Tambo District Municipalities.

I wish to invite you to participate in my study. Please note that your participation is voluntary and that non-participation will have no negative consequences. Should you decide to participate in this study, you will need to take part in an interview with me to discuss a few issues on socio-economic impact of the poverty reduction projects. You will also participate in focus group discussion to discuss as a group the issues that relates to NDA intervention and sustainability factors on poverty relief projects.

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Your participation in this research study is highly important as it will contribute towards effective implementation of the projects and ensure sustainability.

The outcomes of this research will be sent to the National Development Agency and all other stakeholders that took part in the study. You can be able to access the study results if you wish so.

Yours faithfully,

Siviwe Mditshwa
(Researcher)
Tel. 0719973710

Professor T.V. Mayekiso
(Research Supervisor)
041 504 2017
ANNEXURE C
(Interview Schedule for Project Members)
Appendix C

INTERVIEW SCHEDULE FOR PROJECT MEMBERS

A. Project Introduction

1. What is the core business of the project in brief?
2. What are the aims & objectives of the project?
3. How long has the project been running
4. What are the participants’ demographics, e.g., age, gender etc.?
5. What are the training needs?
6. How the project is funded apart from NDA funding?
7. What kind of projects does the project have in its operations?

B. Management structure of the Project.

8. Does the project have a management Committee?
9. Were you involved in the establishment of the committee?
10. Does the committee possess the necessary skills and knowledge to implement the project?
11. Are the roles and the responsibilities of the committees clear?
12. Does management hold its meetings?
13. How often does the committee hold its meetings?
14. Is the project running according to its Constitution?

C. The impact, Outcomes and Sustainability of the project.

15. How has the project increased employment?
16. Has it managed to skill employees or staff?
17. How does the project contribute to your household poverty status?
18. What are the tangible outputs of the projects in terms of production?
19. Are there any management systems in place, and trained users?
20. Would you safely say that the compensation from the project is making any difference?
21. How does monitoring & evaluation undertaken measure the outcomes and impact of the project?
22. Is the project sustaining itself?
23. If yes, why?
24. If no why?
25. What is target the market for its products?
26. Does the project generate enough income to provide for its members?
27. Are there any benchmark sustainability strategies from other relevant civil organizations?

D. Lessons learnt

28. Were there any serious interventions which affected the project in either a positive or negative way?
29. What have been the most important outcomes of this project and did it achieve what it set out to do?
30. Were there any particular barriers or enablers that were crucial to the success or failure of the project. If so, which ones and how?
31. What have you learnt from doing this project?
32. What advice would you give to other projects or tutors wanting to carry out a similar activity?
33. Were there any unexpected hidden costs – whether financial, staffing, time?
E. The Project beneficiaries

34. Did the Project members/beneficiaries enjoy the project / activity experience?
ANNEXURE C

(Interview Schedule for NDA Development Manager)
Appendix D
INTERVIEW SCHEDULE FOR THE NATIONAL DEVELOPMENT AGENCY
(DEVELOPMENT COORDINATORS)

A. Funded Project Background
1. How are the funded projects identified?
2. How does NDA look into the feasibility of the project?
3. What are the key stakeholders you are working within the implementation of the Poverty Relief Program?
4. Is the role of each stakeholder clearly defined?

B. The impact of the funded projects.
5. Are the projects’ objectives achievable?
6. Is there any impact made by the Poverty Reduction Projects to the targeted beneficiaries?
7. How does NDA monitor and evaluation the projects to measure it against targets or plans?
8. Does NDA have any tool to measure such impact?
9. What is your role in measuring the impact?
10. What do you think needs to be done in order for the project to be more effective?

C. Sustainability Factors.
11. Do you consider the projects to be sustainable?
12. If yes, why?
13. If no Why?
14. What is the role of the Department of National Development Agency in ensuring that projects are sustainable?

D. Overall Lessons learnt
35. Are there any serious interventions which affected the project in either a positive or negative way?

36. What have been the most important outcomes of this project and did it achieve what it set out to do?

37. Are there any particular barriers or enablers that were crucial to the success or failure of the project. If so, which ones and how?

38. What have you learnt from doing this project?

39. What advice would you give to other projects or tutors wanting to carry out a similar activity?
ANNEXURE D
(Application for Ethics approval)
**APPLICATION FOR APPROVAL**

**NMMU RESEARCH ETHICS COMMITTEE (HUMAN)**

<table>
<thead>
<tr>
<th>TO BE FILLED IN BY A REPRESENTATIVE FROM THE FACULTY RTI COMMITTEE:</th>
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<tbody>
<tr>
<td>Application reference code:</td>
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<td>Resolution of FRTI Committee:</td>
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<td>Resolution date:</td>
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<td>Faculty RTI representative signature:</td>
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### 1. GENERAL PARTICULARS

#### TITLE OF STUDY

a) Concise descriptive title of study (must contain key words that best describe the study):

   A Socio-Economic Impact Analysis of Selected National Development Agency Funded Projects in The Eastern Cape Province

#### PRIMARY RESPONSIBLE PERSON (PRP)

b) Name of PRP (must be member of permanent staff. Usually the supervisor in the case of students):

   Prof. Thoko Mayekiso 17th Floor Main building, Office of The Deputy Vice Chancellor (Research and Engagement), NMMU, Port Elizabeth, 6031

c) Contact number/s of PRP: Tel: 041 504 2017

d) Affiliation of PRP: Faculty Arts; Department (or equivalent): Office of the Deputy Vice-Chancellor (R&E)

#### PRINCIPLE INVESTIGATORS AND CO-WORKERS

e) Name and affiliation of principal investigator (PI) / researcher (may be same as PRP):

   Siviwe Mditshwa Gender: Female

f) Name(s) and affiliation(s) of all co workers (e.g. co-investigator/assistant researchers/supervisor/co-supervisor/promoter/co-promoter). If names are not yet known, state the affiliations of the groups they will be drawn from, e.g. Interns/M-students, etc. and the number of persons involved:

   Type names and affiliations of co-workers here

#### STUDY DETAILS

g) Scope of study: Local

h) If for degree purposes: Not for Degree

i) Funding: NMMU Research Grant

   Additional information (e.g. source of funds or how combined funding is split): Personal Funding

j) Are there any restrictions or conditions attached to publication and/or presentation of the study results? YES

   If YES, elaborate: (Any restrictions or conditions contained in contracts must be made available to the Committee)

k) Date of commencement of data collection: October 2010 Anticipated date of completion of study: Three
Objectives of the study (the major objective(s) / Grand Tour questions are to be stated briefly and clearly):

The objectives of the study is primarily to discover impact-knowledge. The objectives of this research are:

- To assess and analyse the socio-economic impact of NDA funded agricultural poverty eradication projects
- To determine the necessary skills and knowledge that are needed by NDA funded civil organisations to successfully manage and implement poverty eradication projects
- To explore challenges and constraints that affect the achievement of the desired outcomes
- To evaluate the formulation, implementation and overall management of poverty relief projects by the National Development Agency.
- To explore the various project sustainability options that can be used to improve socio-economic status of the province.
- To draw conclusion and make recommendations on, implementation, sustainability, monitoring and evaluation of funded NDA poverty eradication programs in order to bring about the desired impact.

Rationale for this study: briefly (300 words or less) describe the background to this study i.e. why are you doing this particular piece of work. A few (no more than 5) key scientific references may be included:

The province of the Eastern Cape, a home to huge population is highly rural and characterized by unspeakable extreme poverty levels experienced by the rural communities. There have been a number of developmental interventions in the province in response to the Millennium Development Goals (thus halve extreme poverty by 2014) but people are still finding themselves in bad conditions which translate into poor service delivery at the end. The access to basic services is a key right of everybody and not a privilege as constituted, this therefore, brings across close comparative analysis of the socio-economic development in this democratic age in South Africa as to what extent do the society's general welfare is being developed. In essence, the undertaking of this study is primarily to analyse the socio-economic impact as of the development interventions by the National Development Agency (NDA) and look into the socio-economic factors for sustainable development. The first two policies, RDP and GEAR came about with a document aim of having to empower communities and uplifting the local economic development, but the projects themselves were not involving at all; meaning it was just a survival of the fittest. Because the monitoring and evaluation system could not found to be a tool that would progressively measure the involvement of the targeted group, and the project impact against the principles of Batho Pele. The incomes of those poor communities are constrained because the rural economy is not sufficiently vibrant to provide them with remunerative jobs or self-employment opportunities. Worldwide, the pervasiveness of poverty and poor delivery of basic services in rural areas of developing countries continue to constrain development efforts.

METHODOLOGY

Briefly state the methodology (specifically the procedure in which human subjects will be participating) (the full protocol is to be included as Appendix 1):

Research methodology refers to “. The how of collecting data and the processing thereof within the framework of the research process (Brynard et al, 1997:27). Thus methodology refers to the tools, procedures and techniques used in the process of inquiry (Babbie et al, 2001:647). The methods of data collection in this research will be qualitative in nature. The following methods will be made use of: Interviews and Document Review. Six projects will be identified in order to draw a sample of the study, and the projects that will be identified are those that are and were funded by the National Development Agency. The focus will be on the agricultural projects irrespective of the categories but not of the same category and both gender civil organisations. Notably, Agriculture directly contributes to the rural development pillar, so the researcher works in Rural Development and Agriculture. These projects categories have a direct impact on poverty reduction and are most suitable in answering the research questions. The projects that will be identified are those located in the Amathole and OR Tambo Districts as to make some comparisons in the data presentation and analysis, for these two districts...
have socially and economic differences in terms of poverty levels and otherwise. The Researcher also believes that six projects are enough to provide the information that will give answers to the research questions. Both genders will participate depending on the structure of the organisations and participants will have to be above 18 years of age to take part in the study. In this study, interviews will be used as method of collecting data from the respondents. The interviewer himself will approach the respondents, where the questions will be asked and the respondents will provide answers to the researcher. The researcher will be very alert in recording the replies and the process of recording will be conducted in a manner that will not intimidate the respondents. One of the benefits that the researcher will enjoy is the direct conversation with the respondents which will then enable the researcher to observe some non-verbal behaviour in line with the study itself. The nature of interviews will be one-on-one and interview schedule will consist of both open-ended and closed-ended questions. The most useful interview format for conducting this research study is the semi-structured. This means that the interview is not highly structured, as is the case of an interview that consist of closed-ended questions, nor it is unstructured, such that the interviewee is simply given a license to talk freely about whatever comes up. In this study, the interview (semi-structured) offers topics and questions to the interviewee, but are carefully designed to extract the interviewee’s ideas and opinions on the topic of interest, as opposed to leading the interviewee towards preconceived choices. Then the documents that will be reviewed among others are the NDA Strategic plan, Annual reports. Most importantly, Informed Consent Form will be completed.

**2. RISKS AND BENEFITS OF THIS STUDY**

a) Is there any risk of harm, embarrassment or offence, however slight or temporary, to the participant, third parties or to the community at large? **YES**
   If YES, state each risk, and for each risk state i) whether the risk is reversible, ii) whether there are alternative procedures available and iii) whether there are remedial measures available.

b) Has the person administering the project previous experience with the particular risk factors involved? **YES**
   If YES, please specify:

c) Are any benefits expected to accrue to the participant (e.g. improved health, mental state, financial etc.)? **YES**
   If YES, please specify the benefits:

d) Will you be using equipment of any sort? **YES** If YES, please specify: **Tape recorder**

e) Will any article of property, personal or cultural be collected in the course of the project? **YES**
   If YES, please specify:

**1. TARGET PARTICIPANT GROUP**

a) If particular characteristics of any kind are required in the target group (e.g. age, cultural derivation, background, physical characteristics, disease status etc.) please specify:

b) Are participants drawn from NMMU students? **YES**

c) If participants are drawn from specific groups of NMMU students, please specify:

d) Are participants drawn from a school population? **YES** If YES, please specify:

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Min: 50  Max: 60
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<td>e)</td>
<td>If participants are drawn from an institutional population (e.g. hospital, prison, mental institution), please specify:</td>
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<td>f)</td>
<td>If any records will be consulted for information, please specify the source of records:</td>
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<td>g)</td>
<td>Will each individual participant know his/her records are being consulted?  <strong>YES</strong>  If YES, state how these records will be obtained:  <em>Records will be obtained through the Provincial Manager of the NDA, as only the NDA documents will be reviewed</em></td>
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<tr>
<td>h)</td>
<td>Are all participants over 18 years of age?  <strong>NO</strong>  If NO, state justification for inclusion of minors in study:</td>
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