EVALUATION OF INCOME GENERATING/POVERTY ALLEVIATION PROJECTS

BY

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ABSTRACT

Poverty alleviation is not only a South African problem; it is a global concern as well. After 16 years of democracy, poverty and unemployment are still major issues facing South Africa. Poverty is not evenly distributed in South Africa; it is largely concentrated among black Africans. This study examines the impact of income generating projects in alleviating poverty and sustaining livelihoods in Buffalo City Metropolitan Municipality South Africa. The study also demonstrates the impact of income generating projects and challenges that face these projects and makes recommendations on identified challenges. The critical question is whether the income generated meets the needs of project members and their households. Qualitative and quantitative methods were used and a questionnaire was distributed in three projects. The research findings revealed that the projects are at the heart of alleviating poverty given the fact that these projects are formed by (a) marginalised community members, (b) very low income, (c) large family size, (d) widowed breadwinners and (e) ageing group. A limitation to the study is the fact that it was small scale; therefore findings cannot be generalized to the whole Eastern Cape and South Africa. Future aspects of the study include training of project members on marketing and project management skills.

Key words: Poverty Alleviation, South Africa, Eastern Cape, Black Africans, Projects, Income generating, qualitative and quantitative research, sustaining, low income, challenges.
DEDICATION:

This work is dedicated to my late mother Mrs Vuyelwa Bizela for her prayers and moral support. Although she was illiterate she valued education.
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DECLARATION

I Phoziswa Portia Mali (210206950), hereby declare that the thesis for Masters in Development Studies is my own work and that it has not previously been submitted for assessment or completion of any postgraduate qualification to another University or for another qualification.

Phoziswa Portia Mali
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CHAPTER 1
INTRODUCTION

1.1 Context
The government of South Africa has initiated programmes to fight poverty since 1994 by implementing various strategies which include income generating projects (IGPs) (Public Service Commission, 2007). Beneficiaries of these projects are usually unemployed people of both genders including people living with disabilities (White Paper for Social Welfare. 1997). The main objective of the projects is the generation of income. Project members are expected to be able to earn income. Income is not necessarily wages – wages you get paid by an employer. But projects such as cooperatives do not always pay wages, sometimes they distribute the profit) so as to be able to take care of their basic needs. This study examines the impact of IGPs in alleviating poverty and sustaining livelihoods in Buffalo City Metropolitan Municipality, East London, King William’s Town and Mdantsane Township. Three IGPs namely Nonkuthalo Poultry, Bambanani Bakery and Promised Land Farming have been selected as case studies. This study will be guided by questions that include: How do IGP generate income? Does the income generated meet the needs of project members and their households?

1.2 Rational and background of the study
Poverty alleviation is not only a South African problem; it is a global concern as well (World Bank, 2004). After 16 years of democracy, poverty and unemployment are still major issues facing South Africa. Poverty is broad and multi-dimensional. The World Bank (2004) categorises poverty in the following manner:
- Absolute poverty was described as a ‘situation where incomes are so low that even a minimum standard of nutrition, shelter and personal necessities cannot be maintained’
- Relative poverty refers to people whose basic needs are met, but still experience levels of disadvantage compared with others.
- Chronic poverty is when the household expected income falls below the appropriate poverty line.
Poverty is not evenly distributed in South Africa; it is largely concentrated among black Africans (Wright, 2008). Eighty four per cent (84%) of black African people are
poor; sixty per cent (60%) coloureds are poor, twenty per cent (20%) of Indians and thirteen per cent (13%) of white people are poor (Wright, 2008). The issue of growing unemployment also contributes towards increasing levels of poverty. Unemployment is structural and persistent in South African because there is a fall of formal sector demand for unskilled labour in relation to supply (Public Service Commission, 2007). The reason for this fall is due to changes in the economy emanating from a decline in the importance of primary sector, technological change; liberalisation and entry into global economy (Public Service Commission, 2007). To tackle the challenge of poverty and unemployment, the government has initiated the Vukuizenzele programme under the Social Development Department and the Siyazondla programme under the Department of Agriculture. The White Paper for Social Welfare, (1997) articulates the aim of Income Generating Projects: These programmes are aimed at alleviating poverty and creation of employment. The South African government injects funds through these departments yearly to fund various income generating activities. In so doing government encourages the communities to engage themselves in these kinds of initiatives in order to improve their standard of living. It is against this background, that this study seeks to evaluate the impact of income generating projects in addressing poverty in Buffalo City Metropolitan Municipality. This study will also examine challenges facing these IGPs.

1.3 Problem statement of the study

Theoretically, income generating projects have the capability to alleviate poverty by generating income and create job opportunities and thus sustain livelihoods. However, pilot observation by the researcher indicates that though these projects are being implemented to eliminate poverty so that vulnerable people are self-sustainable, the Buffalo City Metropolitan Municipality income generating projects face numerous challenges. Therefore this study seeks to examine the socio-economic impact of the Nonkuthalo poultry, Bambanani and Promised Land Farming IGPs and the challenges they face. The study will also make recommendations in an attempt to address identified challenges.
1.4 MAIN QUESTION

What impact do income generating projects have in poverty alleviation and sustaining livelihoods in Buffalo City Metropolitan Municipality?

1.5 Sub-foci questions

In order to fully explore the main question, the following sub-questions will be addressed:

- How do income generating projects generate income in Buffalo City Metropolitan Municipality?
- Does the income generated and other material benefits meet the needs of the project members and their households?
- What constraints are the income generating projects facing and how can these be addressed to make the projects more successful?

1.6 RESEARCH OBJECTIVES

MAIN OBJECTIVE

To explore the impact of income generating projects on the beneficiaries and the challenges they face.

SUB-OBJECTIVES

- To explore how income generating projects generate income in Duncan Village.
- To investigate whether income generated and other material benefits meet the needs of project members and their households.
- To examine constraints that the income generating projects are facing and design strategies to address these constraints.
1.7 JUSTIFICATION OF THE STUDY

The Eastern Cape has been identified as one of the poorest provinces in the country. Literature informs us that of the nine provinces, the Eastern Cape is the second poorest province. The purpose for conducting this study is primarily to examine the impact of Income Generating Projects in Buffalo City. The study also aims to design strategies to be applied to enable IGPs to become more effective and sustainable so as to reduce poverty in Buffalo City Metropolitan Municipality.

1.8 DELIMITATION OF THE STUDY

The study will focus on three state-funded income generating projects, namely Nonkuthalo poultry, Bambanani bakery and Promised Land Farming that are based in Buffalo City Metropolitan Municipality. The Buffalo City is a metropolitan municipality situated on the east coast of Eastern Cape Province, South Africa. It includes the towns of East London, Bisho and King William’s Town, as well as Mdantsane and Zwelitsha townships. Bambanani bakery project is at Phakamisa Township south east of Zwelitsha, Promised Land Farming is in Mdantsane south west of East London and Nonkuthalo poultry is at Chalumna Village east of East London. The two agricultural projects that will be the case studies for this study are Nonkuthalo poultry with 12 members and Promised Land Farming with 9 members. The third case study will be a bakery project called Bambanani with 8 members. These projects have been in existence from 2006.
CHAPTER 2
LITERATURE REVIEW

2.0 INTRODUCTION

Both developing and developed countries are facing the challenge of poverty eradication and this is a necessary requirement since development cannot be sustainable without it (UN, 2004). United Nations (2004, 1) further asserted that “concrete and concentrated measures are required at all levels to enable developing countries to achieve their sustainable development goals”. According to UN each country has the primary responsibility for its own sustainable development and poverty eradication. However, there is still no general agreement on how to define economic growth and development goals; no how best to measure socio-economic changes in developing societies (Martinussen, 1997).

There is an agreement in terms of defining economic development as “a process whereby the real per capita income of a country increases over a long period of time while simultaneously poverty is reduced and the inequality in society is generally diminished” (Meier, 1989, 26). It is argued that this definition of economic development embodies a wish in principle to improve the living conditions and the welfare of all citizens of a society (Martinussen, 1997). This was disputed by other economists (Long, 2001) who believed that increased incomes should be regarded as a means to improve human welfare not as an end in itself. To these economists increased incomes and national economic growth were crucial preconditions for improvements in standard of living (Martinussen, 1997). However, Long (2001) asserted that the fight against poverty and unemployment needs the partnership of stakeholders. Moreover he also claims that poor people know best their economic and social needs and problems, and have insights and ideas about what might be done to solve them. Therefore participation of the poor and marginalized would be designed to benefit the poor (Long, 2001). It is suggested that a bottom-up approach should be adopted if government wants to eradicate poverty and the related socio-economic problems (Long, 2001).
2.1 CONCEPTUAL FRAMEWORK

2.1.1 POVERTY
Poverty is a condition that can only be defined by “comparing the circumstances of one group of people or an entire economy with another” (Webster, 2002, 26). This means that for one to be considered poor she or he has to be compared to one who is not, for example one has to be below the living standard of non poor. Literature defines this as “relative poverty”. The concept of absolute and relative poverty will be used as the study evaluates the impact of one of the strategies that seeks to eliminate/alleviate poverty.

2.1.2 POVERTY ALLEVIATION
Poverty alleviation is “shorthand for an intervention aimed at a sustained improvement in the economic status of the poor, by raising incomes and creating new opportunities for employment, which in turn bring about increased consumption, savings and investment” (Riddell, 1990:48).

2.1.3 COMMUNITY
Community is defined as “people within a geographical bounded area, involved in social interaction with one or more psychological ties with each other and with the place they live in” (Mckendrick, 1987:76). This concept will be used to refer to the people of Buffalo City Metropolitan Municipality in Phakamisa Township, Mdantsane and Chalumna Village.

2.1.4 INCOME GENERATING PROJECTS
These are considered to be those activities that are likely to directly result in the creation of income through the sale of goods or services (Patel, 2005). These projects differ from one another; they can be agricultural, sewing, construction projects etc. The concept will be used throughout the study as the main objective is to evaluate the impact of this strategy in alleviating poverty.
2.1.5 SUSTAINABLE LIVELIHOOD

Sustainable livelihood is “a way of thinking about the objectives, scope, and priorities for development, with the ultimate aim of reducing poverty” (Poverty Environmental Net, 2008).

2.2 THEORETICAL FRAMEWORK

The study uses Midgley Social Development Approach as its heuristic theoretical tool. Social development is a process of coordinated social change that promotes the wellbeing of the population as a whole and of disadvantaged groups within it. Its objective is to improve health, education employment; standard of living etc. and focus on outcomes to bring about change (Midgley, 1995). It does not deal with individuals by providing them with goal or services or by treating them but it focuses on the whole society and on wider social processes and structures. Midgley (1995) further argues that the Social Development Approach is comprehensive and universalistic. Midgley (1995) in unpacking the Social Development Approach claims that the approach has a unique feature of linking social and economic development efforts; they are like two sides of same coin because these are interrelated. The implications are that without economic prosperity, no country can be able to provide for all the social need of its citizens. The Social Development Approach takes “a whole of life and the whole of government” to improve the social well-being of people (Midgley, 1995). In essence this means being aware that people have different needs at different stages of their life. It is crucial that the governmental departments are working together with other stakeholders that are involved in community development to get better results.

The approach seems to lay a platform where government departments work hand in hand in terms of social and economic development. In Buffalo City the Department of Social Development and Department of Agriculture are of the main funders of income generating projects mentioned above, the Department of Agriculture provides technical supports especially on agricultural projects like poultry, vegetable garden etc. The Department of Labour funds training by providing relevant training whereby beneficiaries will acquire skills, for example a poultry assistant course for poultry
projects and a garment making course for sewing projects, so that members have sound knowledge of what they are doing to produce good quality products.

**Development**

Development is a goal that virtually everybody believes in; the idea of the developed society has effectively become a synonym for the good society. Development is defined as a process of change from a less desirable to a more desirable kind of society (Allen & Thomas, 1992). According to Midgley (1998) it is a process of social change resulting in urbanization, the adoption of a modern lifestyle and new attitude. In addition, it has a connotation which suggests that the development enhances people’s incomes and improves their educational levels, housing conditions and health status. For most people development means economic progress.

In Africa and Latin America many millions of people’s lives are still characterized by poverty. Midgley (1998) asserted that “housing conditions in many third world cities are horrible; the spectre of starvation haunts millions of rural dwellers, homeless children roam the streets, too many young people still die of premature deaths and labour exploitation of both adults and children is wide spread”. World Bank (2004) revealed that poverty increased in many parts of the world. The phenomenon of persistent poverty in the midst of economic wealth is one of the problematic issues of development today. This kind of situation is also found in the Eastern Cape, South Africa, particularly in rural and underdeveloped areas like Phakamisa Township, Mdantsane and Chalumna Village under Buffalo City Metropolitan Municipality.

“The belief that social development can best be promoted by governments, their specialized agencies, policy makers, planners and administrators form the basis of the statist approach to social development. Drawing on collectivist ideology, advocates of the statist strategy believe that the state embodies the interests of society as a whole and that it has a responsibility to promote the well being of all citizens” (Midgley, 1998,10). Social welfare policies and programmes are developed and aimed at prevention, alleviation and reduction of poverty and the development of people’s capacity to take charge of their own circumstances in a meaningful way.
Social Development is a vehicle for building a caring and integrated system of social-development services that facilitates human development and improves the quality of life for all people, in particular those living in poverty or confronted by other vulnerabilities (Madi, 2007). This is done by collaborating with other government department, non-governmental organisations (NGOs), the business sector etc. to ensure that the strategic objectives are implemented. Therefore funds are being injected to programmes aimed at alleviating poverty.

2.3 POVERTY

Poverty is broad and multi-dimensional as it can be categorised into three types which are absolute, relative and income poverty (World Bank, 2004). The study will only consider relative and absolute poverty.

2.3.1 Absolute poverty

“Absolute poverty refers to the person’s biological needs for food, water clothing and shelter” (Browne, 2006, 321). This means that the person considered to be in absolute poverty should be lacking the requirements for a healthy physic. Subsistence poverty is commonly associated with the Third World because in the First World, issues like under-nutrition are hardly seen. Browne (2006) argues that it is unlikely in Britain to see people living in absolute poverty. In the Third World, absolute poverty is commonly associated with rural people. Aliber (2002) asserted that in South Africa, poverty is attributed to colonialism and apartheid, and the most affected areas are poorly resourced provinces the majority of black people. In the light of this, people in rural areas are the ones who are subject to absolute poverty.

2.3.2 Relative poverty

Relative poverty refers to the “people who have slipped out of the mainstream of social life, almost unnoticeably, without being the stereotype paupers in rags and tatters” (Browne, 2006, 324). This means if a person does not meet the standard of living of his or her society, s/he will be considered in relative poverty. Living standards may be context-specific. For example in the First World a car may be a
luxury. Relative poverty focuses more on the status of each person. Browne (2006, 324) asserts that “this type of poverty is the condition where individuals or families are deprived of the opportunities, comforts, self-respect which the majority of people in their society enjoy”. In countries like South Africa, this may mean a person is in relative poverty when she or he cannot afford to send children to school, buy decent clothing, etc. So, relative poverty does not focus on biological aspects of poverty, its focal point is affordability of the approved standard of living of a certain society (Patel, 2005).

2.4 CAUSES OF POVERTY

Poverty has many causes; like the general low productivity level of the economy which creates and sustains severe poverty (Martinussen, 1997). Hurley, (1990) asserts that there are powerful procedures that make certain people weaker than others in the struggle for a livelihood. The following section therefore discusses the causes of poverty. These include: Social exclusion,

2.4.1 Social exclusion

Social exclusion is defined as the situation whereby certain groups are systematically underprivileged because they are discriminated against on the basis of their race, gender, disability, age etc. (Thomas, 2005). For example certain groups in society are systematically excluded from opportunities that are open to others. People that are excluded socially are being deprived the benefit of development. Looking at South Africa in the apartheid era, state institutions were deliberately discriminating in their laws, policies or programmes and that resulted in high rate of poverty concentrated among Black Africans. A study by Thomas(2005) revealed that discrimination hurt Black Africans materially, making them poor in terms of income, health or education by causing them to be denied access to resources, markets and public services. From this discussion one can conclude that if poverty is to be alleviated, people must be given a chance to take part in community development to grow and recognize their potential
Thomas (2005) further argued that individuals that are socially excluded do not have probability to seize opportunities available to others to increase their income and therefore will always be trapped in poverty and depend on social assistance. In his study he sums up this issues as follows “Though the economy may grow and general income levels may rise, excluded individuals are likely to be left behind and make up an increasing proportion of those who remain in poverty” (Thomas, 2005, 5).

2.4.2 Inadequate education

In nowadays, there is an accelerating demand for skilled people in the formal sector. People are employed according to their skills and abilities. Individuals that are not educated or skilled are hardly employed, if so will be in the lowest level of occupational hierarchy where the income received is not adequate to meet all the basic needs. The implication is that people that are not being able to meet their basic need are trapped in poverty (Oxaal, 1997). Inadequate education is one of the factors that cause poverty. It has been indicated that primary schooling, for example, helps to increase the productivity of peasant farmers, particularly when they have access to the other inputs needed to enhance their production. Earnings for self-employed are higher for educated than for the uneducated” (Oxaal, 1997, 7). It has been further argued that unskilled workers are not as productive as skilled co-workers (Oxaal, 1997).

2.4.3 Unemployment

Unemployment is defined neither as the economic condition whereby individuals actively looking for jobs cannot access this means being without work that is not in paid employment nor in self-employment but currently available for employment and seeking it (Griffiths & Rotheim, 2007). According to (Schrire, 1992), it is a situation whereby people are without jobs and they have actively looked for work within the past four weeks.

The unemployment problem is worldwide; even in developed countries, unemployment rates may be high and globally it has been found that there are 500 million people who are unemployed (ILO, 2009). When people do not have work,
they do not have any income; therefore, a rise in unemployment contributes towards increasing levels of poverty. Unemployment is one of the serious problems facing South Africa.

2.5. Adverse effects of poverty

2.5.1 Academic achievement

Poverty is detrimental to educational performance of a child particularly in early stages (Engle & Black, 2011). Children living in poverty do not focus in class and have poor memory and this contributes negatively in their capability to learn (Madi, 2007). However, these children tend to drop out from school when they reach adolescent stage. This kind of situation is very common in poorer communities (Madi, 2007). According to American Psychological Association (2011) “the drop out rate of students living in low-income families was about 10 times greater than the rate of their peers from high-income families (8.8% versus 0.9%). Schools in poorer communities do not have enough resources to meet the learning needs of their students and assist them in fulfilling their potential. Inadequate education contributes to the cycle of poverty by making it more difficult for low-income children to lift themselves and future generation out of poverty”.

2.5.2 High crime rate

Unemployment has an adverse effect in the community because of increased crime rates (Saunders, 2002). The society we are living in is ill, is no longer harmonious, people are always scared. Barker (1999) asserts that “lack of employment has serious consequences for a society, not an individual alone; it increase frustrations and lead to individuals to embark on risks”. Unemployment and poverty is the catalyst to those that are affected by them to commit crime especially in South Africa because people do not have self-respect and they also lack respect for other people (Public Service Commission, 2007).
2.5.3 Health hazards

Poverty causes malnutrition, diseases etc. because unemployed people lack income to meet their basic needs (Madi, 2007). Individuals that are trapped in poverty suffer disproportionately from hunger, disease and lower life expectancy (Kosmas, 2010). It is stated by the World Health Organization that hunger and malnutrition are the single gravest threats to the world’s public health and malnutrition is by far the biggest contributor to child mortality, present in half of all cases (Kosmas, 2010). Those that are living in poverty and unemployed mostly have mentally disorders because limited access to health care and also suffer from poor physical health.

2.5.4 Lack of shelters and substance abuse

People who have lower-incomes or no income do not afford accommodation. Some of these people end up living on the streets or in public places such railway stations, old buildings etc. Madi (2007, 49) asserted that “in urban areas many people build shacks is squatter or informal settlements and that kind of accommodation may leak rain and dust, and some are too small for the number of people living in”. People who are homeless are at higher risk for substance abuse like drugs and alcohol and it is found that the homeless population is mostly made up of women and among them are drug users (NCH, 2009). According to NCH (2009, 1) “high rate of mental health problems is among homeless substance abusers and these individuals use illegal drugs to medicate themselves in an attempt to feel better”.

2.6 Income generating projects as a strategy to alleviate poverty

Attempts to eradicate poverty have been made worldwide without success (Martinussen, 1997). In 1999 the World Bank and IMF introduced Poverty Reduction Strategy Papers (PRSPs) “to enhance domestic accountability for poverty reduction reform efforts; a means to enhance the coordination of development assistance between government and development partners” (World Bank, 2004). PRSP is a strategy that is used to set required standard for a country with regards promoting growth and reduce poverty and also to provide financial help when the need arises. “Its key contribution is to focus attention on country’s specific constraints to
development” (World Bank, 2004, 9). Progress towards the Millennium Development Goals assessed through PRSPs (World Bank, 2004). The World Bank and other development agencies came in with approaches to address poverty which are:

- Investment in housing improvements
- Basic services such as education, water and sanitation and health infrastructural development
- Income generation

For the purpose of the study focus will be on income generating projects IGPs. Madi, 2007 cited from Gabara, defined income generating projects as those activities that are likely to directly result in the creation of income through the sale of goods or services. IGPs are initiatives that are geared to help the communities to secure income to meet their basic needs and be self-reliant. Sustainable livelihood and people-centred are suitable approaches to achieve the main objective of IGPs. In addition, German (2009, 1) asserted that it is an “integral requirement that development projects must be socially, economically and ecologically sustainable”. Studies have been done by number of development organisations that promote income generating strategies to alleviating poverty (Myers, 1999). These studies (De Beer & Swanepoel; Kodozo (2008) revealed that these interventions vary and failure is the challenge that brings the question of sustainability into the centre of attention. For example De Beer & Swanepoel (2000) asserted and argued that in South Africa and the rest of the peripheral countries, poverty alleviation interventions are short lived and the beneficiaries soon return to their previous equilibrium of poverty.

From the study conducted by Kodozo (2008) it has been observed that income generating projects are essential to stimulate the economy, however, beneficiaries’ social involvement must not be ignored, as they are the ones who know best their own economic, social needs and problems. He suggests that beneficiaries must be involved throughout from the infancy stage of the project up to maturity. Moreover he cautions that if this is not the case the project is likely to fail because community or project members were not involved in the establishment phase. The implication of Kodozo’s (2008) study is that in any income generating project, members must not
only be implementers, they must take ownership of the project. Otherwise, government or donors may inject huge amounts to these projects, but they will have no impact in reducing poverty, hence the main objectives of the project will not be achieved.

2.7 Successful example of IGP

Phiri (2008) asserted from his study of income generating projects in Buffalo City Municipality that the project beneficiaries were united and committed to the projects. They were all hard working, striving to meet the objectives of the project. They had an arrangement which allowed them to receive a free supply of vegetables from their production, thereby increasing their food security. In some projects, the arrangement was that those members who were living in absolute poverty received a bigger share of the free vegetables than their relatively better off counterparts. Socially members benefited enormously as they shared ideas, gave each other advice, shared problems and consoled each other. Besides social benefits, members were trained in different skills which were relevant to the project by the Department of Labour. The Skills Development Act (1998), Section 10, states that the Department of Labour needs to provide employment and training services to the unemployed and work seekers.

2.8 Limitations of income generating projects

Income generating projects have limitations. As stated above, the government of South Africa is injecting resources into these projects, but there are limitations of resources, capacity, marketing etc. The study investigated further the challenges these projects face.
CHAPTER 3

RESEARCH METHODOLOGY AND METHODS

The study was both qualitative and quantitative in nature. Qualitative research refers to social research based on field observation analysed without statistics (Dooley, 1995). He further stated that the subjects may or may not know that they are being observed for social research purposes. According to Neil (2006, 1) “qualitative research explores the richness, depth, and complexity of phenomena”. The goal of this method (qualitative) is mostly informed by interpretivism, and “makes assumptions that the qualitative approach is a way to gain insights through discovering meanings by improving our comprehension of the whole” (Neil, 2006, 1). The researcher specifically adhered to this method because interpretivism assisted in terms of probing more information relevant to the study from the participants (Neil, 2006). Interpretivism is a criticism of “positivism which understands research from a quantitative perspective, involving counting and measuring of events and performing statistical analysis of a body of numeral data” (Matveev, 2002). Interpretivism “proposes that there are multiple realities, not single realities of phenomena, and that these realities can differ across time and place” (Neil, 2006). By conducting this kind of study, the researcher was provided with opportunity to engage a small number of respondents.

Such qualitative analysis entailed a detailed analysis of the impact of income generating projects on the livelihoods of their beneficiaries. This approach is “appropriate as the ultimate aim of this qualitative research is to offer a perspective of a situation that reflects the researcher’s ability to illustrate or describe corresponding phenomenon” (Myers 2000). One of the greatest strengths of the qualitative approach in this study is the richness and depth of explorations and descriptions (Myers, 2000). Another major strength of qualitative approach is the depth to which explorations are conducted and descriptions are written, usually resulting in sufficient details for the reader to grasp the curiousness of the situation (Myers, 2000). Simply put, it investigates the why and how of decision-making as compared to what, where and when of quantitative research (Bailey, 1987). Qualitative methods are also effective in identifying intangible factors, such as social norms, socioeconomic status,
gender roles, ethnicity and religion, whose role in the research issue may not be readily apparent (Denzin & Lincoln, 2000).

However, the qualitative approach has also some weaknesses. Since we maintain our humanity throughout the research process, it is largely impossible to escape the subjective experience, even for the most seasoned of researchers (Bailey, 1987). As we proceed through the research process, our humanness informs us and often directs us through such subtleties as intuition or “aha” moments (Bailey, 1987). Speaking about the world of human experience requires and extensive commitment in terms of time and dedication to process; however, this world is often dismissed as ‘subjective’ and regarded with suspicion (Babbie & Mounton, 2001).

Another weakness of the qualitative method is the issue of bias (Babbie & Mounton, 2001). It is very difficult in this case to prevent or detect if researcher induced bias. Its scope is also limited due to the in-depth, comprehensive data gathering approaches required (Bailey, 1987). The positivist theorists question the validity of the qualitative approach in that the researcher’s perceptions are what observers are exclusively relying on. They are therefore, more susceptible to subjectivity, prejudices and selective perceptions (Bailey, 1987). According to Neumann (2000) qualitative and quantitative researchers have different approaches with regards to styles, meaning they approach the measurement process differently. Designing precise ways to measure variables is a vital step in planning a study for quantitative researchers. Qualitative researchers use a wider variety of techniques to measure and create new measures while collecting data.

The study employed also quantitative approach because it was measuring whether income generated from income generating project meet needs of the project beneficiaries. “Quantitative research is a study which attempts to describe social reality from an objective standpoint” (Grinnell & Unrau, 2008, 61). Quantitative data collection methods often employ measuring instruments and those measuring instrument consist of questionnaire, checklists, indexes and scales. The researcher employed a questionnaire as a measuring instrument for the study.
“The goal of quantitative method is mostly informed by positivism which is base on the assumption that social reality has an objective ontological structure and that individuals are responding agents to this objective environment” (Hurley, 1990). One of the strengths for this method is that it minimize subjectivity of judgement, participants will be free to express themselves. They are easy to control, recapitulate large number of questions and are more widely accepted as a form of evidence regarding program effectiveness (Bailey, 1987).

The limitation of this method is that data may not be reach as detailed as qualitative methods. Participants may have difficulty in term answering the questionnaires and may not provide all the information needed for interpretations of data findings (Bailey, 1987).

3.1 Research design and sampling

A non-probability sampling strategy was employed as the sample procedure. (Bailey, 1987) argues that this is a strategy in which the sampling unit does not stand the same probability of being chosen in the study. Purposive non-probability sampling was used in this study. Purposive sampling was appropriate because the researcher has knowledge of the population and its elements (Maree, 2008) This method of sampling is based entirely on the judgement of the researcher, in that a sample was composed of elements that contain the most characteristic, representative of the population (Maree, 2008). It assisted in ensuring that the respondents meet the criteria for being in the sample of this study. The weakness of purposive sampling is lack of wide generalizability (Bailey, 1987). Nevertheless purposive sampling enabled the researcher to interview people who fit the criteria of desirable participants (Bailey, 1987).

For the purpose of this research the sample was of beneficiaries of three income generating projects, namely Nonkuthalo poultry, Bambanani bakery and Promised Land Farming, that are under Buffalo City Metropolitan Municipality. The agricultural projects that were the case studies for this research are Nonkuthalo poultry with 10 members and Promised Land Farming with 9 members. The third case study was a
bakery project called Bambanani with 8 members. All the active members of the projects filled in questionnaires.

3.2  Research Methods

Research methods are the instruments which are used in order to obtain the qualitative and quantitative data for the research. The data collection instrument employed was a questionnaire.

3.2.2  Questionnaire

According to Bless and Smith (1995), a questionnaire can be described as a self-administered interview in which the instructions are self-explanatory and are open to the interpretation of the respondent” The questionnaires see Appendix 3, p50-55 were handed over to members of the projects. The questionnaires included close-ended questions that require the participants to choose categories. There were also open-ended questions that probed the respondents to answer further. Therefore the participants were free to respond to the questions in their own opinion and viewpoints by expressing their feeling and attitudes and by relating the question to their own experience (Bless & Smith, 1995)

There are several advantages of using a questionnaire as a research tool for this investigation. Firstly, research gathered information from all the 27 members of the three projects. This in turn has results in enhancing the quality of the data (Bless & Smith, 1995). Secondly they are less time consuming and cost effective. Every participant was asked the same questions. All the questionnaires were distributed to all 27 members. The researcher was interpreting in the vernacular language IsiXhosa for those members that were illiterate and were able to understand and the researcher also helped them in filling in the forms according to their responses. All the 27 questionnaires from three projects were returned back.
There are disadvantages with regards using questionnaires as a research tool. The possibility is that not all the participants will respond to the questionnaires. Secondly, the researcher may not gain further insight into the responses of the participants as she would in an interview.

3.3 Ethical Considerations

As researchers we have an obligation towards our colleagues, study population and the larger society (Maree, 2008). This is so because every research does delve into the social lives of other human beings (Berg, 1998); hence in every case study researchers have an obligation to ensure that the rights, privacy and welfare of the people that form the focus of the study are preserved. Such care is what is termed ethics. Babbie and Mounton (2001) asserted that “if you are going to do social scientific research then you need to be aware of the general agreements about what is proper and improper in the conduct of scientific enquiry”. Before distributing the questionnaires, the informed consent of all participants was sought and granted. Informed consent means individuals participate in an exercise by choice, free from any element of fraud, deceit, duress or similar unfair inducement or manipulation (Berg, 1998). During data collection the beneficiaries or members were not asked their names and it was not catered for in the questionnaire. Moreover, age was in a range so as not to reveal the exact age of members.
CHAPTER 4

RESULTS AND INTERPRETATION OF DATA

4.0 INTRODUCTION

This chapter presents the findings and interpretation of the findings on the impact of income generating projects in alleviating poverty and sustaining livelihoods. The presentation of the findings and interpretation of the data was done according to the structure of the questionnaire.

4.1 DEMOGRAPHIC INFORMATION

The following graph indicates the demographic information of the respondents in the study, namely gender, age range, marital status, population group per race and language.

4.1.1 GENDER CLASSIFICATION OF THE RESPONDENTS

The following chart signifies gender of participants.

The chart below indicates that 89% of the beneficiaries were females and 11 % were males. The chart indicates that there are more women than men.

**Pie chart Figure 4.0: GENDER CLASSIFICATION**
4.1.2 AGE RANGE OF THE RESPONDENTS

The following chart shows the age range of the participants

Pie chart 4.1: AGE RANGE

From the study it was revealed that 15% were beneficiaries between 18 and 25 years, 19% were beneficiaries between 26 and 35 years, 11% were beneficiaries ranging between 36 and 45 years, 11% were between 36 and 45 years, 7% were between 46 and 55 years and 48% were beneficiaries from 56 and above.

4.1.3 MARITAL STATUS OF THE RESPONDENTS

The following pie chart indicates the marital status of the participants

The chart below indicates that (55%) fifty five respondents were single, while (26%) twenty six of respondents were married or living together. (19%) nineteen percent of them were widowed.
4.1.4 POPULATION GROUP BY RACE OF RESPONDENTS

The following chart indicates the race of the participants:

The pie chart 4.3 below indicates that 100% of the respondents are blacks in the project under the study. South Africa has millions of people who live in poverty and who experience inequality as far as access to economic political and symbolic power is concerned. Seventy four percent (74%) of the South African population lives in poverty and sixty six (66%) of poor people are Black African (Statistic South Africa, 2003). This is evident from the graph below; the main objective of the income generating initiatives is to alleviate poverty.
4.1.5 LANGUAGE ABILITY TO COMMUNICATE OF RESPONDENTS

Table: 4.1

<table>
<thead>
<tr>
<th>Language</th>
<th>No of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>IsiXhosa, English and Afrikaans</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>IsiXhosa and English</td>
<td>9</td>
<td>33</td>
</tr>
<tr>
<td>IsiXhosa and Afrikaans</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>IsiXhosa</td>
<td>13</td>
<td>48</td>
</tr>
</tbody>
</table>

Table above indicates that 15% of respondents speak 3 languages which are IsiXhosa, English and Afrikaans, 33% speaks IsiXhosa and English, 4% that can speak IsiXhosa and Afrikaans and 48% speak IsiXhosa only.

4.1.6 EDUCATION LEVEL OF RESPONDENTS

The following graph indicates the highest level of education of the respondents.

Graph below indicates the respondent’s level of education. 11 participants between standard 8 and 9, 5 beneficiaries between standard 3 and 5, 4 beneficiaries never been to school, another 4 between standard 6 and 7, 2 beneficiaries between sub A and standard 2, and 1 beneficiary with diploma. There were no members with a
degree qualification. Only few project members have never been to school. Hurley (1990) asserted that the better-off usually receive a useful level of formal education and are trained in particular skills.

Bar graph 4.1: EDUCATION

4.2 SECTION B: ADDRESSING POVERTY

4.2.1 HOUSEHOLD SIZE

The following pie chart indicates the size of household of respondents, which is the number of people living with the respondents.

On the graph below (44%) forty four percent of the families had 5 to 6 members per household, while (37%) thirty seven percent had between 1 and 4 members, and (19%) nineteen percent had between 7 and 12 members. The largest numbers of households presented by 44% are respondents that are single, living with their children and siblings. In smaller households, respondents are staying with their spouses and sometimes with children.
4.2.2 ANYONE EMPLOYED IN THE FAMILY

The following chart indicates family members of the respondents that are employed.

From Chart 4.6 it is clear that for 81% of project members there was no one working in the family. Only 19% indicated that family members of project beneficiaries were employed. Based on the findings, it was evident that majority of family members of project beneficiaries were unemployed. The success of the project will go a long way in sustaining livelihoods for all these people. This is also supported by the fact that
81% of the project members had no family member who is employed to help in the family upkeep.

4.2.3 SOCIAL GRANT RECIPIENTS

The following chart signifies participants that are recipients of social assistance.

Pie chart 4.7: SOCIAL GRANT RECIPIENTS

The chart 4.7 indicates that (81%) eighty one percent of respondents received social grants. Only (19%) were not receiving social welfare grants.

4.2.4 TYPES OF GRANT RECEIVED

The following graph shows types of grant received by project members

The graph below indicates that 7 members from Nonkuthalo poultry received old age grant; 6 members from Promised Land Farming received old age grant and from Bambanani bakery there were no members received old age grant. With regard to child support grant, 6 members from Bambanani received child support grants, as did 1 member from Promised Land and 1 member from Nonkuthalo. 1 member from Bambanani received a disability grant because he was partially mentally retarded. Therefore most of the respondents rely on government grants to assist them to live sustainable lives. Only a few members did not rely on government assistance. The project members who received grants were 22 (81% of project members).
4.2.5 RESPONSIBILITY OF THE RESPONDENT IN THE FAMILY

The following chart signifies the responsibility of the member in the family.

As indicated from the graph, 67% of the beneficiaries were breadwinners responsible for supporting the family, while only 33% were not responsible. It was clear from the study results that a large number of the respondents are responsible for maintaining their families even though many of them are old-age pensioners and dependent on social grants.
4.2.6 INCOME RECEIVED FROM PROJECT

The following chart indicates the income received by respondents from projects.

It is evident from the graph below that 63% of the project members are not receiving income from the projects. Those who are not receiving income are members of the Bambanani bakery and Promised Land farming projects. The income generated by these two projects was not sufficient to be shared among the members. Bambanani project which was funded by Department of Social Development with R250, 000.00, is required to use it only for input. Only when they generate a profit of R40, 000.00 will they receive income. In the case of Promised Land Farming the little income they generate is ploughed back into the business. This indicates that members of Bambanani bakery and Promised Land Farming do not receive income from the projects.

Only 37% of respondents that have received income from the project, and these are the members of the Nonkuthalo poultry project, who receive R1500 once a year in June.

Pie chart 4.9: INCOME RECEIVED
4.2.7 INCOME RECEIVED ON AVERAGE

Only members of Nonkuthalo poultry project were earning income of R1500.00 per year. The other two projects were not yet receiving income. The bakery project members were sharing confectioneries, for example bread, cake, and muffins that are not sold for the day. The vegetable gardening project (Promised Land Farming) was sharing vegetables amongst the members if there is an enough harvest. The project also helps the community by donating vegetable to people living with HIV/Aids and to the school they use to grow their vegetables. While only one of the three projects had generated cash income for its members, the other two projects contributed to the livelihoods of the households of the members with food to meet their nutritional needs.

4.2.8 BASIC NEEDS MET

The following chart indicates needs met by respondents from the projects.

Bar graph 4.3: NEEDS MET

Bar graph 4.2 above indicates that all the 27 members from all three projects were able to meet the basic need food, only 3 members from Nonkuthalo project that a were able to meet basic need education; 5 members also from Nonkuthalo project
that have ability to meet basic need electricity and 6 respondents from Nonkuthalo project that are able to meet other that is clothing. All the project members from three projects are unable to meet basic needs such as health and municipal services.

4.2.9 BENEFITS RECEIVED OTHER THAN INCOME

The members have embraced the idea of income generating initiatives because it kept them busy, reducing the rate of unemployment and crime. Socially the members are benefiting enormously as they shared ideas, gave each other advice, shared problems and consoled each other. Through these initiatives, many women in particular had gained a sense of self-confidence and self-worth. Those with no formal work felt empowered and less dependent on their spouses. The members of the Bambanani projects had been able to acquire skills, in how to bake cakes and loaves of bread. Simply put, the members have benefited socially, physically and emotionally.

4.2.10 LEVEL OF SATISFACTION REGARDING THE EXTENT TO WHICH YOUR NEEDS ARE BEING MET THROUGH THE PROJECT.

The following chart signifies level of satisfaction of respondents.

Chart 4.10 below indicates that 59% of project members were satisfied, 37% were dissatisfied and 4% were very satisfied. The satisfaction is mostly from social, emotional and physical benefit. For most of the members, especially the old members, it is better for them to be in the project because they are getting exercise, waking up early and walking to their project sites and also working. Some members who indicated dissatisfaction are those who do not benefit economically.
4.3 SECTION C: BACKGROUND OF THE PROJECT

4.3.1 YEARS THAT THE RESPONDENTS JOINED THE PROJECTS
The following graph below signifies the year participants joined the projects.

Bar graph 4.4: YEAR JOINED THE PROJECT

members joined in 2006 and 4 members joined in 2009. This means that the majority of members participated in the projects for more than two years and it also indicates that they are active members, which will impact on the sustainability of the projects in the future. There was an adjustment in order to induct and accommodate new members.

4.3.2 OCCUPATION BEFORE JOINING THE PROJECT

The graph shows occupation of respondents before joining the project.

The graph below indicates that for Nonkuthalo poultry, 3 members were part-time employed, 1 was self-employed and 6 members were unemployed before joining the project. With regards to Bambanani bakery 1 member was part-time employed and 7 members were unemployed. For Promised Land all the members were unemployed before joining the project. The majority were not employed when they joined the projects. The main objective of income generating projects is to create income, in so doing poverty will be alleviated. The main target groups for income generating projects are people who are unable to command sufficient resources to satisfy their basic need regardless of their gender, race, age etc. (Kwaw, 2006).

Bar graph 4.5: EMPLOYMENT STATUS BEFORE JOINING PROJECT
4.3.3 REASON FOR JOINING THE PROJECT
Most of the members joined the project to earn money because they were unemployed, as well as to acquire skills. The project is also a way of enhancing social skills and community peace building.

4.3.4 PHASE RESPONDENTS JOINED THE PROJECT
5 members from Nonkuthalo poultry joined the project at the initial stage and other 5 members joined the project during implementation stage, as far as Bambanani bakery 3 members joined the project in the initial stage and 5 joined during the implementation stage and 5 members from Promised Land joined in the initial stage and 4 joined the project during implementation stage. It emerged from the study that the reason other members joined the projects during the implementation phase was that some members left the project since its inception, when they realised that there was no income received, and did not have patience. Respondents also indicated that there were members that left because of ill health. The members that were still within the project are hoping that they will get income as soon as the project makes more profit.

4.3.5 PROJECT MEMBERS LEFT THE PROJECT
All the respondents indicated that there were members who left the project because they lost faith in the project as the returns were not yet obvious and there were also few members left because of ill health.

4.4 SECTION D: SUSTAINING LIVELIHOODS

4.4.1 PROJECTS CASH FLOW PROBLEMS
Respondents from Bambanani indicated that they do not encounter cash flow problems to run the project as they were funded by Department of Social Development, at the moment they were utilising the funds to buy inputs. The revenue generated so far was R30,000.00 in their savings account but unfortunately it cannot be shared because of requirement from their funder that the revenue
accumulated should be R 40,000.00. From the funded amount they are able to buy input. The two projects Promised Land farming and Nonkuthalo poultry were encountering cash flow problems. Promised Land farming had revenue of R 500.00 from their savings account. Respondents indicated that they were funded by start material and equipment such seeds, spades, fork spade, rakes Buffalo City Municipality. They further indicated that the profit made was ploughed back in the project and was not even enough to run the project on day to day basis. Nonkuthalo poultry had revenue of R 750,00 in their savings account since they had already shared it in June 2011. This project was funded once by Department of Agriculture by production inputs such chickens and feed. Respondents of Nonkuthalo indicated that they share the money they generate among them once a year, not looking on profit and capital. The project members argued that they do not make enough money to run the business. Members of the projects encountered cash flow problems indicated that funding was not sufficient.

4.4.3 MANAGEMENT OF PROJECT FUNDS

Bambanani bakery project members bank the money on every second or third day depending on the amount made for that particular day. Members from Bambanani indicated that Department of Social Development also check their bank statements on the quarterly basis. Nonkuthalo and Promised Land Farming also keep their funds in the bank.

4.4.4 RECORD KEEPING FOR INCOME AND EXPENDITURE OF THE PROJECT

All three projects kept records of expenditure and income. Members indicated that they keep records of every cash flow, invoices, receipts etc. Project members indicated that there are auditors that check the financial records annually hence it is therefore crucial for them to keep these records.

4.4.5 MARKET FOR END PRODUCT

All three projects did have market for their end products. The community, schools and local clinics support them, but they also want to explore other markets. They
need to work hard to improve the quality of their end products to be able to sell to wholesalers like Shoprite.

4.4.6 Rating the Market for End Products
The chart below signifies the rating of the market for their end-product by respondents.

Bar graph 4.6: MARKET RATING

The graph 4.4 above indicates that 2 members from Nonkuthalo rated market as extreme bad, 2 project members rated it as bad, 3 members rated market as neutral and 3 respondents rated as good. From Bambanani project 7 members rated market as good and 1 members rated it as extreme good. Promised Land 7 members rated market as extreme bad and 2 members rate it as neutral.

4.4.7 TRAINING RECEIVED
The following chart signifies training received by participants.

The graph below indicates that all 10 members of the poultry project never received training, and the 9 members from the vegetable gardening project also never received training. It is clear from the graph that only bakery project members received training but they also indicated that the training was only for two days for one course called baking basic. They also received training of financial management and project management.
4.4.8 TRAINING BENEFICIAL OR RELEVANT TO THE CORE BUSINESS OF THE PROJECT

All members of the bakery project who received training indicated that the training was relevant to the core business of project. As mentioned above they were able to acquire baking skills, financial management and project management. The bakery was the only project which has a market, and which generates income so the training seems to have been effective as they were able to generate profit of R1500 in two to three days.

4.4.9 TRAINING REQUIRED

According to the Skills development Green Paper (1996), skills can be defined as the development of the necessary competencies, which can be expertly applied in a particular context for a defined purpose. Osborne (1996, 1) further argues that, “when people are trained well, there is little that cannot be done”. Participants from Two projects in the study were in need of training. Having such a group with the willingness to learn is encouraging to all stakeholders, as attitude contributes a lot in assimilation of knowledge. As revealed from study some joined projects not only to receive income and also to acquire skills. The poultry project members indicated that they require the following skills:
i. Marketing skills
ii. Broiler making skills
iii. Poultry Assistant Rural
iv. Agricultural Business Skills
v. Project Management

The vegetable gardening project members required the following skills:

i. Cultivation of vegetable
ii. Agricultural Business Skills
iii. Marketing skills and
iv. Project Management

4.5 SECTION D: PROJECT MANAGEMENT

4.5.1 RESPONSIBILITY FOR THE DAY TO DAY RUNNING OF THE PROJECT

In two of the three projects, members did not assign each other separate duties; instead they collectively worked on a given task before moving to the next one. In the true spirit of cooperation, they would for instance, prepare the vegetable beds together, bake together and then perform any other tasks together. In the third venture, the Nonkuthalo poultry project, each member was assigned a specific time slot when they would feed the chickens, hence they worked in shifts. This points to a great potential for sustainability as the departure of any member(s) due to any reason will not destabilise the operation of the project as everyone has an idea of how things work in the operation due to the ‘hands-on’ approach of every member.

4.5.2 RESPONSIBILITY IN TERMS OF MAKING DECISION AND WHY?

Decision was taken jointly by all members of all three projects. However, Bambani members where there was an undermining element especially by members who joined the project from inception. Other members claimed that these members
caucus before and come up with a decision. In all three projects the joint decision making was stipulated in the constitution. The reason was because of previous experience they had with individual members were assigned specific jobs, for example planning and financial management, who were bullying the other project members and took decisions on their own without consulting other members.

4.5.3 HOLDING OF MEETINGS

The bakery and poultry projects indicated that they hold their meetings twice a month while Promised Land Farming holds theirs only once a month.

4.6 SUMMARY

The research findings revealed that the projects are at the heart of alleviating poverty given the fact that these projects are formed by marginalised community members, characterised by very low income, large family size, widowed breadwinners and an ageing membership. Out of three projects, there was only one project where members were receiving a cash income from the project. Although two projects do not generate cash income, the nutritional needs of members were met because project members shared vegetables and baked products. They are not discouraged by the fact that they do not get income.
CHAPTER 5
CONCLUSION AND RECOMMENDATIONS

5.0  INTRODUCTION

Based on the findings of the study, the researcher draws conclusion and originates some recommendations. Discussion of the results is based on the themes discussed in chapter 4. Challenges that are faced and which can hinder income generating projects, are identified and recommendations are based on these challenges.

5.1  OVERVIEW OF THE RESEARCH

The research was an evaluation of income generating projects IGPs role in alleviating poverty and sustaining livelihoods in Buffalo City Metropolitan Municipality. The researcher wanted to know what impact these IGPs have in alleviating poverty, and the challenges that are faced by the members of these projects. The following items were covered in the study namely: demographic information; addressing poverty; the background of the projects; sustaining livelihood and the project management.

The main question of the research was “what impact do income generating projects have in alleviating poverty and sustaining livelihoods in Buffalo City Metropolitan Municipality?” The study was mainly qualitative in nature. Purposive sampling was used to select 27 participants. The literature of the study was based on the explanation of income generating projects, poverty and unemployment.

5.2  OVERVIEW OF THE RESULTS

The results of the study revealed that the income generating projects that were evaluated do not address the issue of poverty among their beneficiaries. There was only one project where beneficiaries were receiving income, however, even in this case the beneficiaries were not satisfied with the income they were receiving because they received only R1500 annually.
It was revealed from the study that respondents were still trapped in poverty due to the fact that even for those that received income, it was not sufficient to meet all their basic needs. Other projects’ beneficiaries do not receive cash income at all, but are hoping to do so in the near future. They receive some benefit from the projects in the form of food, vegetables and bread etc. which does help to meet their basic need for food.

5.3 DISCUSSION OF RESULTS AND CONCLUSIONS

5.3.1 DEMOGRAPHIC INFORMATION

It was revealed from the study that elderly people were showing interest to these initiatives, the status quo is the same as in the past where they were always the majority especially with regards to agricultural, poultry etc, projects. This was evident as the researcher used to monitor training that was funded by Department of Labour from these projects. Both men and women participated in income generation projects, however, females were the majority in most of the projects. There were 2 participants with tertiary qualification that were unemployed opted in joining projects.

5.3.2 THE RELEVANCE OF PROJECTS IN ALLEVIATING POVERTY

It emerged from the study that there was only one project (Nonkuthalo poultry) where members were receiving R1500 per year. The income they received is not sufficient and they are still dependent on social grants on a monthly basis to meet their needs. The members of Promised Land farming and Bambanani Bakery are getting nothing as far as income is concerned. The revenue from these two projects was routinely deposited into the particular projects bank accounts. Members feared that premature sharing of revenue might hinder growth of their projects. Participants from Bambanani Bakery further stated that a requirement from their funder Department of Social Development, is that the project must generate revenue amounted to R40 000 before they distribute income to their members. However, they projected that this year in December they will be able to, because the business is currently able to make
R1500 profit within three days. The study revealed that the majority of participants are breadwinners in their families, but are unable to support them as there are no monetary returns yet received from the projects. Participants were not discouraged by the fact that they do not receiving income because they were benefiting physically, emotionally and socially. The study revealed that poverty was not yet alleviated by projects that were under the study, but that they do have potential do so in the near future.

5.4 BACKGROUND OF THE PROJECTS

The majority of participants were in the projects from 2006 until the present. Members have perseverance and are hoping that these projects will turn into established businesses and be able to create more employment. It emerged from the study that 80% percent of members were unemployed when they joined the projects and the reason for joining was to get income and acquire skills to be self-reliance. According to the study, most members joined the projects in the initial stage, and only a few joined during the implementation and planning phases. Participants acknowledged the fact that there were members who left projects as the returns were not yet obvious and because of ill health.

5.5 SUSTAINING LIVELIHOODS

It emerged from the study that two projects encountered cash flow problems. One project did not encountered cash flow problems. This is strength as the project has the opportunity to expand and be sustained in the future. Furthermore, the study revealed that projects keep the profit in the bank and kept records.

The projects investigated were vegetable, poultry and bakery projects. The market for the bakery project was good and for other two projects market was not good as it was indicated from study. Community was the only market for their end product hence there is a need to explore other markets, for example wholesalers. According to participants this is only possible if all members receive training and have the ability to improve the quality of their end product.
5.6 PROJECT MANAGEMENT

All projects were managed well. Two projects were working as a collective not assigning task to individuals and one project assigned specific time slot with regards work to be done. Also decision was taken jointly by all members of all three projects. The success of the project depends on co-operation and teamwork spirit among the project members and this was evident from the projects that were studied.

5.7 CHALLENGES

The study revealed that there were challenges experienced by projects that were under Buffalo City Municipality. For instance agricultural project had challenges that included shortage of land, lack of proper gardening tools, whilst the poultry project have experienced challenge of shortage of material, for example fencing and adequate structure to keep their chickens. The bakery project had stock theft problem where members responsible for keeping keys steal from the project. The other challenge was that members of the two projects lack the skills relevant to core business of the projects.

5.8 RECOMMENDATIONS

The funders of the two projects (vegetable and poultry) should monitor the project and help when need arises as only one project that was monitored. Training is recommended for project members especially on skills that are relevant to core business of the projects, as they cannot run the project effectively and efficient. When project members acquire relevant skills the quality of their end project will improve and will be able to explore other markets. Skills training are a fashionable answer to many development problems. Stock count is recommended and there must be rotation in terms of keeping the property keys. The projects hold great potential in alleviating poverty and sustaining livelihoods, income generating for poverty alleviation.
Despite the challenges faced by the projects that were evaluated, they do show the potential to contribute to poverty alleviation if they can be supported to become sustainable projects in the future.
REFERENCES


Germany, B. 2009. **UNESCO World Conference on Education of Sustainable Development. Sustainable Development**.


Grinnell, R.M. and Unrau, Y.A. 2008, **Social work research and evaluation**. New York: Oxford University Press.


APPENDIX 3

QUESTIONNAIRE

Dear Respondent,

The following questionnaire is part of research work on **What impact do income generating projects have in alleviating poverty and sustaining livelihoods**. The research focuses mainly on understanding the impact of income generating projects in alleviating poverty in Buffalo City Metropolitan Municipality. It would be appreciated if you would complete the questionnaire and answer the questions as thoroughly as possible. All information provided will be treated **confidentially** and will only be used for the research purposes.

**Researcher: Phoziswa Mali**

### SECTION A: DEMOGRAPHIC INFORMATION

*Please tick with an X in the relevant box*

1. Your gender
   - Female
   - Male

2. Age range (years)
   - 18-25
   - 26-35
   - 36-45
   - 46-55
   - 56+

3. Your marital status
   - Single
   - Married
   - Divorced
   - Cohabitating
   - Widowed

4. Your race
   - Black African
   - Coloured
   - White

6. Indicate your ability to communicate in the following Languages

<table>
<thead>
<tr>
<th>Language</th>
<th>Speak</th>
<th>Read</th>
<th>Write</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xhosa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>English</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
If other please specify ..............................................................................................................

7. What is your highest level of education?

<table>
<thead>
<tr>
<th>Education Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never been to school</td>
</tr>
<tr>
<td>Lower primary level (Sub A to Std 2)</td>
</tr>
<tr>
<td>Higher primary level (Std 3 – Std 5)</td>
</tr>
<tr>
<td>Secondary school (Std 6 - Std 7)</td>
</tr>
<tr>
<td>Senior secondary school (Std 8 - Std 10)</td>
</tr>
<tr>
<td>Diploma</td>
</tr>
<tr>
<td>Degree</td>
</tr>
</tbody>
</table>

SECTION B: ADDRESSING POVERTY

The following set of questions relate to how the project you participate in helps you and your family. Tick with an X in the relevant box

1. How many people are living with you in the household?

<table>
<thead>
<tr>
<th>People Living with You</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-4</td>
</tr>
<tr>
<td>5-6</td>
</tr>
<tr>
<td>7-12</td>
</tr>
</tbody>
</table>

2. Is there anyone who is employed in the house?

<table>
<thead>
<tr>
<th>Employment Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

3. Is there anyone who is receiving a social welfare grant?

<table>
<thead>
<tr>
<th>Social Welfare Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

4. What type of social grants received?

<table>
<thead>
<tr>
<th>Social Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old age grant</td>
</tr>
<tr>
<td>Disability</td>
</tr>
<tr>
<td>Child support</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

If other please specify ........................................................................................................

5. Are you the one who supports the family financially?

<table>
<thead>
<tr>
<th>Financial Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
</tbody>
</table>
6. Do you receive income from the project?

Yes  
No

If yes, how often do you receive your payment?

Daily  
Weekly  
Monthly  
Other

If other please specify: …………………………………………………………………………………………………………………………….

7. How much do you earn on average?

Less than R100  
R100-R400  
R500-R800  
R900 – R1200  
R1300-R1500  
R1600 and above

8. Which basic need from below are met since joining project? Tick by X relevant box

Food  
Education  
Health  
Electricity  
Municipal Services  
Other

If other please specify: …………………………………………………………………………………………………………………………….

9. What other benefits do you receive from the project other than income?

…………………………………………………………………………………………………………………………………………………………
10. Will you please indicate your level of satisfaction regarding the extent to which your needs are being met through the project

<table>
<thead>
<tr>
<th>Level of satisfaction</th>
<th>1 (Very dissatisfied)</th>
<th>2 (Dissatisfied)</th>
<th>3 (Satisfied)</th>
<th>4 (Very Satisfied)</th>
</tr>
</thead>
</table>

SECTION C: BACKGROUND OF THE PROJECT

1. When did you join the project? State the year

2. What were you doing before you joined the project?

<table>
<thead>
<tr>
<th>Employed part-time</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td></td>
</tr>
</tbody>
</table>

3. For which of the following reasons did you join the project?

| To earn money |          |
| To socialize  |          |
| To learn new skills |    |
| Other         |          |

If other please specify: ..........................................................................................................................

4. When you join the project was it during:-

| Initial phase |          |
| Implementation phase |          |
| Not sure      |          |

5. Are there any project members who have left the project?

Yes
6. If yes, to the best of your understanding, why?
…………………………………………………………………………………………………………
…………………………………………………………………………………………………………
…………………………………………………………………………………………………………

SECTION D: SUSTAINING LIVELIHOOD

1. Has the project encountered any cash flow problems?
   Yes
   No

2. If yes please explain………………………………………………………………………………
…………………………………………………………………………………………………………
…………………………………………………………………………………………………………

3. Which department funded the project?…………………………………………………………
…………………………………………………………………………………………………………

4. What type of funding did you receive?…………………………………………………………
…………………………………………………………………………………………………………
…………………………………………………………………………………………………………

5. How do you manage your project funds?………………………………………………………
…………………………………………………………………………………………………………
…………………………………………………………………………………………………………

6. Do you keep records of your expenditure and income?
   Yes
   No

7. Is there any market for your end product?
   Yes
   No

If yes, how do you rate the market for your product? Tick with an X the appropriate Box

<table>
<thead>
<tr>
<th>Extremely Bad</th>
<th>Bad</th>
<th>Neutral</th>
<th>Good</th>
<th>Extremely Good</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

8. Did you receive any training for the operation of the project?
   Yes
   No
9. Was the training beneficial or relevant to the core business of the project?

| Yes | No |

If your answer to 4 is yes, how was the training beneficial?


10. If your answer is to 4 is no, would you then like to be trained?

| Yes | No |

11. What skill do you require?

.............................................................................................................
.............................................................................................................
.............................................................................................................

SECTION E: PROJECT MANAGEMENT

1. Who is responsible for the day to day running of the project?

.............................................................................................................
.............................................................................................................

2. Who is responsible for making decisions in the project and why?

.............................................................................................................
.............................................................................................................

3. How often do you hold project meetings?

<table>
<thead>
<tr>
<th>Never</th>
<th>Everyday</th>
<th>Once a week</th>
<th>Twice a week</th>
<th>By weekly</th>
<th>Monthly</th>
<th>Bi monthly</th>
<th>Quarterly</th>
<th>Yearly</th>
</tr>
</thead>
</table>

THANK YOU FOR YOUR PARTICIPATION
APPENDIX 1

ETHICS PROFORMA FOR TREATISE

Please type or complete in black ink

FACULTY: Business and Economics Sciences

SCHOOL/DEPARTMENT: Development Studies

I, (surname and initials of supervisor) _J Cherry

the supervisor for (surname and initials of candidate) PP Mali

(student number) _210206950 a candidate for the (full description of qualification) M.A (Development Studies)

with a treatise entitled (full title of treatise):

Evaluation of Income Generating Poverty Alleviation Projects

considering the following ethics criteria (please tick the appropriate block):

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is there any risk of harm, embarrassment of offence, however slight or temporary, to the participant, third parties or to the communities at large?</td>
<td>X</td>
</tr>
<tr>
<td>2. Are particular characteristics of the target groups required (e.g. age, cultural derivation, background, physical characteristics, disease status etc.)?</td>
<td>X</td>
</tr>
<tr>
<td>3. Does the data that will be collected require consent of an institutional authority for this study?</td>
<td>X</td>
</tr>
<tr>
<td>4. Will the participant’s privacy, anonymity and confidentiality be disclosed?</td>
<td>X</td>
</tr>
<tr>
<td>5. Will feedback be given to participants?</td>
<td>X</td>
</tr>
</tbody>
</table>
Please note that if any of the questions above have been answered in the affirmative the student will need to complete the full ethics clearance form and submit to the Faculty Ethics Co-ordinator.

hereby certify that the student has given his/her research ethical consideration and full ethics approval is not required.

________________________
SUPERVISOR / PROMOTER

_          __14/09/2011____________
DATE

________________________
HEAD OF DEPARTMENT

________________________
DATE

Please ensure that the research methodology section from the proposal is attached to this form.
APPENDIX 2

The Community Development Practitioner  
Department of Social Development  
East London  
5200

Sir/Madam

REQUEST FOR YOUR CONSENT TO PARTICIPATE IN THE RESEARCH STUDY

I am currently registered for the Master’s degree in Development Studies at Nelson Mandela Metropolitan University. My studies include a treatise with the following research topic: Evaluation of income generating projects – What is the impact of income generating project in alleviating poverty and sustaining livelihoods

I request your permission to participate in the research study and to interview project members of the above named projects. Participation is voluntary with the option of withdrawing at any stage of the process and there will be no negative consequences linked to non-participation.

Responses will be used for the purposes of the study only and I undertake to ensure that the information will be used in such a way that you cannot be identified. Therefore, the final report will not include identifying information.

Participants are not obliged to answer all questions. If they feel uncomfortable to answer any question, they may not answer it. By participating in the study, they would contribute towards the improvement of the role of community-based projects in poverty alleviation.

The research findings will be disseminated to the Department and the University.

Yours truly
P.P. Mali
STUDENT: NMMU


Signature

DATE

05 September 2011