Exploring The Challenges of Income Generating Projects funded by the Department of Social Development at Kwa-Nobuhle, Uitenhage, in the Eastern Cape

By

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A research report submitted to the Department of Development Studies in partial fulfillment for the requirements of a Master of Arts in Developmental Studies, Nelson Mandela Metro University - Port Elizabeth

Date:
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DECLARATION

I, Unathi Samora Filita, declare that the work “Exploring the challenges of Income generating Project funded by the Department of Social Development in the Eastern Cape, Kwa-Nobuhle, Uitenhage” is my work and that all the sources quoted have been acknowledged by complete references.

Signed: __________________________

Date: __________________________
ACKNOWLEDGEMENTS

Of greatest importance I would like to thank God Almighty for His strengths and His guidance, which has taken me this far. To God be the glory.

I am grateful to my supervisor Mr A. Mwamayi. His inevitable advice, constructive comments and continuous encouragement greatly facilitated my work.

My sincere thanks go to all the income generating projects at Kwa-Nobuhle for granting me the opportunity to conduct my study. Thank you for opening up and giving me the information I needed. I thank all the respondents of this study including those who assisted me during the information gathering process, without your support, honesty and tolerance, it would not have been possible to gather all the required data.

I would further like to thank my manager Mrs L. Nel, my supervisors Mrs T. Antoni and Mrs A. Segal and colleagues at Uitenhage Community Development Centre, for standing in for me whilst I was away focusing on my studies.

Special thanks go to my Boys Xolisile Sibusiso Emmanuel Jack and Lwando Jezi, for sacrificing your busy schedules by assisting me with typing I really appreciate that.

Last but not least, I would like to thank my special family, my fiancé (Zia) and friends for constantly supporting me with love and patience.
ABSTRACT

Income generating projects represent one strategy adopted by the Department of Social Development to alleviate poverty. The purpose of this study is to explore challenges of an income generating project funded by the Department of Social Development in Kwa-Nobuhle, Uitenhage of the Eastern Cape Province of South Africa. A sample of thirty respondents was drawn from ten income generating projects funded by the Department of Social Development. The sampling method of this study was purposive sampling. Data was gathered through semi-structured questionnaires. Related literature has been reviewed that focuses on income generating projects for poverty alleviation. Various recommendations have been made on the findings of the study.

The findings of the study indicated the need for regular visits from the officials of the Department, to conduct monitoring and evaluation. Project members also need training on financial management so they cannot mismanage their finances. The research findings indicated clearly that strategies that were used by the Department were not effective enough to achieve desired goals of poverty alleviation.
CHAPTER ONE

1.1 Background of the study.

Poverty is one of the alarming challenges that face our country and certain measures have been set aside to address the challenge. Sachs (2005:27) noted that up to about two hundred years ago, poverty was so pervasive worldwide that, except for rulers and large land owners who were a small minority, just about everybody was poor. For thousands of years there had been no sustainable economic growth worth mentioning in any country, only very slow change in living standards and slow growth in the total world population. The need to address poverty has forced the government to pay more attention to the poor so they can be helped and become visible instruments to live a better life and become self-resilient.

Projects that generate income have been established in the country to alleviate poverty. Community development has been positioned as the most appropriate intervention to combat poverty in South Africa. The Human Science Research Council argues that the proportion of people living in poverty in South Africa had not changed significantly between 1996 and 2001 (HSRC, 2004). The Eastern Cape had the highest proportion of poor people with 72% of their population living below the poverty income line, respectively. In reaching out to the millions of our people who live in conditions of abject poverty, some deprived of access to even basic resources, there has been a shift in approach, from welfare to a social development perspective. This paradigm shift is premised on the notion that people are the masters of their own destiny and, instead of helping the poor in the traditional way with hand-outs, it moves on to the development and empowerment of individuals, groups and communities, teaching them to be self-reliant (Social Development, 2006).
Income generating projects represent one strategy adopted by the Department of Social Development to alleviate poverty and foster sustainable development. However, poverty alleviation projects have had little impact on the poverty profile of the country, (Gathiram, 2005:125). There have been many challenges facing these income generating projects that are funded by the Department of Social Development. The Department of Social Development has funded many projects in the area, with the intention to address issues pertaining to poverty alleviation.

These projects are organised in a form of co-operatives in which groups of unemployed people especially the youth and women are encouraged to form themselves into organised groups and start income generating projects. These projects face many challenges such as misuse of funds, lack of skills and competence of members in implementation, poor record keeping and operating outside the framework of their business plans. This study will try to explore the different challenges of the income generating projects in Kwa-Nobuhle and the reason behind the failure to meet the goals of sustainable development when implemented under the Department of Social Development.

Mass poverty is a reality in South Africa. This situation has not declined in the previous years despite the government’s poverty alleviation efforts (Benjamin, 2005). Food shortage is often associated with low-income levels or the inability to generate an income, which means most households are unable to obtain food. Households that experience food shortages are often made up of family members who do not have jobs either as a result of retrenchment or due to lack of sustainable skills and poor education (Millennium Development Goals Report, 2008). Community projects were introduced by the Department of Social Development to alleviate against poverty through income generating initiatives.

The former Minister of Social Development, Dr Zola Skweyiya stated in his speech: “The mission of the Department of Social Development is to empower the poor and to secure a better life for those in need” (Department of Social Development, 2006).
One of the other strategies to achieve this mission is through income generating projects which are used in poor communities to generate income. Sadly many of these income generating projects fail to be self-sustainable.

The question that this research needs to address is mainly to explore why these projects do not become as successful and sustainable as they were formed to be? What are the challenges that these project are facing on how to alleviate poverty? What can be done to rectify these project challenges in order for them to become successful? In this study the researcher will try to explore the challenges and look closely at the sustainability or effectiveness of these income generating projects on how to alleviate poverty.

According to Patel (2005), most of income generating initiatives are micro-development interventions aimed at individuals, households and communities. The number of income generating projects that are funded by the Department of Social Development has increased over the years but their contribution in the community is very limited. In spite of the increase rate of these projects, poverty is today still ravaging many households.

This would cause one to question whether income generating projects are achieving the goals they originally set. Many of these community projects for development do not always attain the intended goals due to a number of challenges and lack of sustainability.

1.2 Problem statement

The Department of Social Development in the Eastern Cape has funded several poverty alleviation projects in the area of Kwa-Nobuhle in Uitenhage, most of those funded projects have since failed to show signs of sustainability and viability. According to Edwards and Hulme (1992:130 ) despite the growing reputation that Non-Government Organisation have won for themselves and their work for couple of years, their contributions to development remains limited. There are various evaluations of the success of income generating projects as they fall under the category of Non-Government Organisation.
Poverty alleviation is one of the priority programmes of the Department of Social Development (The Department) that was formulated in 2003 through the component of Sustainable Livelihoods. In an attempt to eradicate poverty, the Department has funded many income generating projects to improve economic activities. These income generating projects were introduced as one of the poverty alleviation strategies aimed at empowering South Africans towards achieving self-reliance. Income generating projects are funded by the Department with the intention to contribute towards poverty alleviation. However, poverty remains high and it’s not clear whether these projects are actually doing what they were originally set up for.

Thus, assessing the effectiveness of income generating projects in poverty alleviation in some communities is a positive step to take, hence this study is exploring the challenges faced by these income generating projects.

1.3 Aims and Objectives of the study

The primary goal of this study is to explore the challenges faced by income generating projects for poverty alleviation funded by the Department of Social Development, in Kwa-Nobuhle Uitenhage. The objectives and aims of this study are as follows:

- To evaluate the overall management of income generating projects by the Department of Social Development.
- To investigate and analyse the successes and failures of income generating projects funded by the Department of Social Development.
- To assess the role played by the Department of Social Development in capacitating the project.
- Examine the possible challenges of these projects faced which block them achieving their principal objective of alleviating poverty.


1.4 Motivation of the Study

The rationale of undertaking this study is to explore challenges faced by income generating projects at Kwa-Nobuhle, in order to provide information on how implementation can be improved in the future so that projects could be sustainable. It has been observed that most of the funded projects by the Department of Social Development are not sustainable. It is noted that living standards of the members of these projects have not improved as would have been anticipated. Members still struggle to put food on the table for their families. The Department has invested a lot of money in these projects with no tangible outcomes. Hence if the study is able to establish why this has been happening, the Department can review its strategy with the view to implementing the best practice from other projects.

It is therefore important to carry out an investigation of these Income Generating Projects to find out why their success has been so limited and why they have been failing to sustain themselves. In addition, other governments departments and NGOs are facing similar challenges when implementing poverty alleviation interventions such as Income Generating Projects and hence the findings could be used to gain insight into the causes of apparent failure.

Due to the scope and duration of the structured master’s dissertation, the researcher has limited his study to only ten income generating projects paying attention on their challenges.
1.5 Scope and Delimitation of Research

This study will be conducted at Kwa-Nobuhle a township that is located +/- 10km from Uitenhage. This is the biggest and fast growing township in the area.

In the past, members of the community were guaranteed jobs in the local companies, namely Volkswagen, Goodyear and Hella. However with the influx of job seekers to the town, it has become more difficult to find employment. The situation of unemployment has now reached crises levels hence the community has begun establishing income generating projects.

The study will focus on the running projects funded by the Department of Social Development.

- Isiqalo Bakery is a women initiative founded by women to fight unemployment and poverty amongst themselves.
- Uzuchume Women catering it’s an initiative by women to generate income for them.
- Masakheke Printing Services this is a project that was founded by young people to create employment for themselves.
- Bloza Bakery community project intended to create employment opportunities.
- Rockers Youth Information Centre it’s a youth initiative for job creation.
- Isingqusho Samakhosikazi it’s a women project for sewing traditional regalia’s.
- Syazenzela Car Wash this is a youth initiative to create job opportunities for them.
- Khayamnandi Women Co-operation
- Banje Omama Catering it’s a community project initiated by women.
Tinara Agriculture and Tourism Initiative this is a project for agriculture where the members of the community plough vegetables specialising with sweet potatoes.

The researcher hopes to get twenty respondents including the officials of the Department, in order to manage time when doing analysis.

The other limitation for this study is the fact that it’s only focusing on ten projects which will help to draw conclusion across many income generating projects. The study will try to bring insights on how income generating projects function, their contribution in poverty reduction and some challenges faced in running them. The researcher foresees the challenge of time.

The time given is not sufficient enough for the researcher to fully explore the projects since there will be a need to meet up with academic deadlines. The fact that the researcher is an employee of the funding department (Department of Social Development) this might create bias and may inhibit some participants from being open and honest. The researcher will conduct most interviews during lunch times and few interviews shortly after working hours in order to avoid work disruptions.

1.6 Definition of concepts

- Social Development: It is a process of planned social change designed to promote the wellbeing of the population as a whole in conjunction with a dynamic process of economic development (Midgey, 1998). Social Development is also defined as a process which involves the participation of the stakeholders, the harnessing of efforts of all individuals, the development of a sound network of institutions and the promotions and the promotion of solidarity.

- Embracing social policies and programmes, which link social welfare directly with economic development policies and programmes (Department of Social Development Service Delivery Model, 2004:17).
• Developmental: This is an integrated approach to services that emphasises the empowerment of individuals, families, groups and communities to manage human relations, social problems and needs optimally whilst building on their strengths.

• Developmental social welfare services are concerned with delivery of integrated social investment programmes and the purpose of these developments services is to promote social justice, building human capabilities and enhance human livelihoods in order for people to lead productive and fulfilling lives (Patel, 2005).

• Poverty: It has been referred to as a lack of command over a basic consumption needs that is, a situation of inadequate level of consumption giving rise to insufficient food, clothing and shelter (Ravallion and Badani, 1994). Poverty is about deprivation of resources, opportunities and choices and is linked to discrimination and unequal distribution of resources.

• Income Generating Projects: Income generating project are often synonymous with poverty alleviation projects in that self-help is one of the methods used in providing income or food need to sustain a basic individual and or community life (Mavalela, 1999:23). Verhagen as quoted by Mavalela (1999:23) states that self-help as any voluntary action undertaken by an individual or group which aims at the satisfaction of individual or collective needs or aspirations. All the programmes of the Department of Social Development are required to contain an element of poverty alleviation and income generating project are amongst the strategies employed to reduce poverty. Income generating projects are projects where beneficiaries come together in groups after they have gone through skills development training from the department (Department of Social Development, 2007).

• Sustainable Development: It can be defined as development which meets present needs without compromising the ability of future generations to meet their needs. It should include both social and economic dimensions of
Sustainable development is not only concerned with the needs of the present generation and present efforts in developing the communities but it should not compromise the survival of the future generations. Sustainable development emphasizes the government’s commitment to promoting the well-being of its citizens (Midgey, 1995).

- Monitoring and Evaluation: It is a continuous assessment and is an essential part of day to day management. Evaluation on the other hand is a periodic assessment that looks at efficiency and relevance of the project as well as the impact in the context of the stated goals (Aaker & Shumaker, 1994:2).
CHAPETR TWO: LITERATURE REVIEW

2. Introduction

The purpose of this chapter is to present a review of literature on the theoretical background of income generation, characteristics of successful income generating projects and the state of poverty in South Africa and its measurement as well as bringing out related theories to explain causes of poverty.

Neuman (2000:445) states that literature review is based on the assumption that knowledge accumulated that we learn and build on what others have done. Scientific research is a collaborative effort of many researchers, who have their results with others and peruse knowledge as a community. Bless (2006:24) states that the purpose of literature review is to sharpen and deepen the theoretical framework of the research, familiarise the researcher with the latest developments in the area and identify gaps in knowledge as well as weakness of previous studies. For the purpose of this study literature review is obtained from sources as books, journals, publish and unpublished papers.

2.1 Theoretical background of income generation

Income generation takes place in many forms. Originally, it was a term used only by economists to explain the intricacies of a nation’s economy. However, it is now quite widely used to cover a range of productive activities by people in the community. Income generation simply means the gaining or increase in income. There are many ways through which income can be generated, however, income generation does not always mean the immediate getting of money, although in the end we use money to place a measurable value of goods and services people produce. An example of income generation which does not lead to getting money would be a situation where a productive person produces enough food to feed him or her-self and the rest for the
family. Skills have been used to meet immediate needs and thus savings have been achieved. A money value can be placed on the food produced and so the food can be seen as income, (Rex and Subbarao, 1993).

Singh and Gilman (1999:539) have noted that despite the fact that more than half century of development strategies, a hundred centuries being targeted by development agencies experienced economic decline or stagnation, contrary to what was expected. Miltin (2000:204) attributed this failure to the increasing and changing nature of poverty.

Gilling and Jones (2001:303) also noted that the total number of people living in poverty had grown from 1.2 billion to almost 1.5 billion by 1999. Over 1 billion of the world’s population today live under unacceptable conditions of poverty a majority of which is concentrated in rural areas (World Summit for Social Development 2002:57) South Africa remains one of the most unequal countries in the world with about 35.8% of its population living below the poverty line of $1 per day (Hunter et al, 2003). With regard to poverty of income, it estimated that just fewer than three million households in South Africa lives on less than R1000 a month and half of the country survives on less than R20 a day (Monama, 2006). According to the UN (2005:9), five years after the millennium summit where the objectives of the Millennium Developments goals were reached, more than 1 billion people still struggle to survive on less than $1 a day. It is reported that roughly 550 million people are working, but cannot walk their way out of extreme poverty. They simple do not earn enough to feed themselves talk less of being able to deal with the economic risks and uncertainty they face (UNIFEM 2005:11).

The use of projects as means of alleviating poverty originated in western industrial societies and it became the universal language of international development in 1970s. Activities were separated or protected from routine administration or management, and given a special status and priority. In the aid business donors expected recipients to produce projects to be funded. If they could not or their projects did not meet certain standards donors were prepared to pay consultants or Non-Governmental Organisation (NGO)to shape the projects. In developing countries, it was first used for large capital construction activities (Smillie, 1995:40). As the uncertainties and complexities of
development became appreciated, projects tended to be more and more inclusive and multi-sectoral, particularly in rural development (Shepherd, 1998). The optimism that was raised with the creation of NGOs is however dying down, as many developing countries are not so much experiencing the positive fruits of their projects. The number of southern NGOs in particular has increased over the years.

However, the increasing scale in this sector as well as the growing reputation that NGOs have had, their contribution to development on a global level remains limited though there have been small scales success (Edwards and Hulme 1992:13).

The need for income generation and poverty alleviation are widely recognised in all sectors of government and social institutions Mubangizi (2008). In South Africa, the Department of Social Development is tasked with the responsibility of reaching the poorest of the poor. Poverty alleviation projects are mainly funded from the Poverty Relief Fund, which the National Treasury introduced in 1997, (World Summit for Social Development 2002:57). Patel (2005:153) states that since 1997 additional funds have been allocated annually by Parliament for poverty alleviation programmes across the government departments, in 2002/2003 this amount was 100 million. The programmes were targeted at women, the youth and people with disabilities. Over the same period a total of 416 programmes were funded including 51 additional food security projects, which were spent in rural areas.

Income generation intervention in urban areas of developing countries have been varied or even contradictory at times, but too often they have experienced failure. Hurley (1990: vi) and Chigudu (1991:2) stated that there has been considerable confusion among development workers concerning the term “income generation”.

The activities have ranged from women’s awareness-raising groups, small-business promotion schemes, cooperatives and job-creation schemes to sewing groups. Therefore in large number of cases, it appears that the primary objective is not necessarily income generation. On a different level, Hurley, (1990: vi) observes that
confusion arises because many people associate income generation programmes with a particular development ideology.

In many cases, those involved in income generating interventions, view poverty as a consequence of an individual’s lack of capital or training and equate achieving better income with development.

2.2 The experience of income generation strategy

Funds for activities have been flowing especially for women and the youth who are unemployed, but the experience has been one of failure. Chigudu (1991:3) notes that the challenges faced by income generating projects have been well documented and articulated at workshops and other meetings by local and international donors. The donor community and other Non-Governmental Organisation’s seem to agree that their well-meant efforts have not yet yielded the anticipated results, hence the need to go back to the drawing board. According to Chigudu’s analysis, very few income generating projects have been successful. She argues, however, that success or lack of it depends on how one defines success and the methods used to evaluate it. Hurley (1990: vii) stated that this lack of clarity arises because there has been no deliberate assessment of inter-relationships between economic and social objectives by the interveners and the participants. He further notes that the practical analysis by the interveners has not been based on the impact of the intervention on the lives of the participants and other poor people in the community rather on the assumptions, preconceptions and ideological preferences of the interveners. Even though there are success stories these have been clouded with challenges.

Hurley (1990:vii) emphasises that before beginning programmes that are intended to alleviate poverty by means of support for income generation initiatives, the interveners need to give careful thought to their objectives as well as those they wish to help. He notes, however, that income is not the only desirable goal, even for poor people.
Security and supportive social system within families, households and communities are among the other goals that people strive for. Backer (1995) found that rural enterprise projects have potential for job creation, although on a smaller scale, than that of manufacturing and service activities.

According to Morolong (2001:115) income generation programmes are the key components of poverty alleviation. As such, they must be planned and implemented in order to achieve the defined long-term objectives, being to restore and increase household productive capacity and income by providing alternative income generating capacity to households. With income generation, there is the transfer of both skills and capital.

Still in this light, Gibson (1993:188) says that there is generally a positive impact of income generation programs on poverty alleviation even though the poorest of the poor do not always benefit. This should however not be the case because these are somehow the neediest in society and as Fitzgerald et al, (Eds) (1997) points out, income generation programs must primary address the needy and that the results be measured against a predetermined benchmark of income. According to Ageways (2003) there are number of things which income generation can do namely, provide primary financial benefits, produce small, regular amounts of cash to meet some immediate needs including emergency food, schooling, hospital fees and wedding or funeral costs, lead to better nutrition and health, bring satisfaction and improve self esteem, strengthen social networks and prevent isolation. It also notes however that the projects are usually small and unlikely to earn enough to totally support one person, let alone a family. Another shortcoming of income generating projects is the fact that they fail if they are not well planned (such as lack of markets).
2.3 Characteristics of Successful Income Generating Projects

2.3.1 Skills and Knowledge
The success of an income generating project does not depend on the type of activity, but rather on the skill and knowledge of the individual or group setting up the income generating project and on the socio economic context. In particular, for the poorest of the poor it is important that a relatively low starting capital and low technical skills are sufficient to start an income generating project (Social Development, 2006:75). In addition, as Pickering et al (1996:59) notes that there is an immediate return from the activity. Other income generating projects requiring low capital and skills are vegetables gardening and small trade.

Fox (2004:126) observed that education and skills development are encouraged as many communities do not have the capacity to achieve the objectives they would like to set. In order to achieve these objectives, communities need to increase their skills and this can be done by capacity building training programmes as an example.

2.3.2 Quality of Training and Support
Hurley (1990:117) noted that from experience it is known that much depends on the quality of training provided by Non-Governmental Organisation’s, on training attendance, and the support the beneficiary gets from the organisation after having started an income generating project. However, acquiring skills takes time and effort.

Miltin (2000:206) adds that training helps to increase the capacity of the unskilled participants as well as securing higher rates of returns. Due (199:88), also observed in his study in Botswana that those entrepreneurs who had some business experience had higher returns than those without knowledge and support.
2.3.3 Use of Personal Savings
With regards to the starting capital, particularly for the poorest, it is preferable to invest in an income generating project with your own savings rather than take out a loan. Miltin (2000:206) gives an example of the food production projects in Dhaka.

They require a small amount of capital because of the abundance of raw materials and the accessibility to markets. Pickering et al (1996:57) gives an example of selling bananas in Uganda, which are a staple food. No capital injection is required, as all one has to do is to pick them from the trees which grow in the wild.

2.3.4 Accessibility of Funds
From surveys, it is known that the higher the starting capital, the higher the success rate of income generating project. Lahiri-Dutt and Sil (2004:266) argue that it is favourable to start with an income generating project providing immediate return and gradually shifts to other income generating projects with a longer term perspective. This is premised on from the findings of research done in India. Credit eases the financial strain, but the utilisation of the funds should also be supervised.

2.3.5 Engaging in Variety of Activities
To reduce the risk of failure, it is recommended that the participants engage in several income generating projects with immediate and long term returns. Pickering et al (1996:56) observed that the women they were studying all had other income-earning activities to ensure a flow of an income in the event that the other activity should fail. However this is debatable as some income generating projects which focused on one project also achieved considerable success, as all their energy and attention were directed towards succeeding.
2.4 Challenges face Income Generating Projects

Experience has shown, as Mulluccio, Hoddad and May (1999:2) observe that the projects initiated by the government institutions did not have the desired effect in the communities. According to Poggenpoel and Oliver cited in Holschester & Sewpaul (2006) the Department of Social Development has been unsuccessful in spending its allocation of poverty relief budget appropriately. These writers maintain that unless efforts are made to include the poor in the delivery process it is possible that poverty alleviation programmes will turn out to be programs run without beneficiaries inputting in the conceptualization, implementation and evaluation process. Direct results of these poverty alleviation programmes are unlikely to neither address the issues, nor will they empower the poor to any level that removes them from or substantial alleviates poverty (Mubangizi, 2004).

In South Africa and the rest of the developing countries, De Beer and Swanepoel (2003) observe that in practice poverty alleviation interventions are short lived and the beneficiaries soon turn to their previous equilibrium of poverty. Meyers (1999:128) notes that programme evaluations, performed after money and staff have been withdraw, show that the intervention was beyond the communities’ capabilities, hence they could not sustain it. Some of the projects have given funds, even in the absence of proper business plans or a market research being done, resulting in the embezzlement of funds or failure of the projects because there is no markets for the products.

Income generating projects represent one strategy adopted by the Department of Social Development to alleviate poverty and foster sustainable development. However poverty alleviation projects have little impact on the poverty profile of the country, (Gathiram, 2005:125).
2.4.1 Illiteracy

Due (1991:81) argues that lack of education can limit the entrepreneur’s ability to venture into complex projects or to extend their activities to more productive levels. A study in Botswana of small-scale entrepreneurs with limited or no formal education revealed that they did not want to take risks by taking complex ventures (Due, 1991:79).

2.4.2 Absence of Market Research

Most income generating projects begin production without really testing the market, so that when they try to sell their products, their prices were not acceptable to commercial buyers. The quality of the finished project is not very good either. Hurley (1990:49) notes that marketing finished goods is one of the most difficult areas for income generating project operations, especially if goods are not produced for the local market, such as handicrafts for export or furniture for the middle class clientele. Sometimes people are trained, but find nobody to employ them as there is very little demand for their skills. Often the training provided does not meet the objectives of the project members or relate to the market needs. Hurley, (1990:49) illustrates this point by giving an example of school leavers in Rwanda who were trained in carpentry, but could not find work or sell their products. Further, there is lack of transport and equipment to take finished products to the markets.

Pickering et al (1996:58) cite an example of a group of women that started to make bricks without first identifying the market. The group encountered difficulty in selling the bricks, nor could they recall how much they had invested in the project because of the poor record keeping.
2.4.3 Sustainability

Some organisations have offered fixed salaries, free premises, free training and free materials to start projects, yet they fail because there was no serious attempt at genuine profitability by either the group members or the organisation.

Hurley (1990:52) observes that these projects simply drain resources as they do little to improve the beneficiaries skills and there is no motivation to work harder as their salaries are guaranteed. If the aid were withdrawn, the women’s situation would still be the same as before the intervention. There is no plan therefore to ensure sustainability and viability in the long term. This has been the experience of many projects funded by the Department of Social Development.

Meyers (1999:128) also concedes that considerable research has been undertaken by a large number of development organisations that have been promoting the income generating strategy to alleviate poverty because of the need for development to be sustainable.

The studies have revealed that the experience of these interventions has been varied and too often been a failure, thus bringing the question of sustainability into focus. There have also been too many examples in the past of the development programming, that seemed to be making a difference as long as the staff and the money of the development organisation was present.
2.4.4 Lack of Assets

Lahiri-Dutt and Sil (2004:267) observe that most of the poorest prefer wage employment since they lack the necessary assets to start income generating projects and are averse to the risk. In particular, women often depend on support from their male family members in running the projects. Marketing products often remains a major problem. Because of their high load in the household and limited mobility, marketing often has to be done by male members of the family. In addition, the poorest in particular often lack necessary market information, forcing them to spend their savings and sell their assets for health expenditure, basic consumption needs or reconstruction of their houses.

As a result, they have no assets to invest in projects. Many of the poorest often being illiterate lack basic knowledge of business management and cost benefit calculation. In particular, in the starting phase of an income generating project in most cases they do not get the necessary support from the department.

This is a true reflection of some of the projects funded by the Department. After the initial growth period (first trench), the projects seem viable. However, the profits have not been used productively for the sustenance of the project. Some members thus leave the group, as they see no future.

This failure to thrive after the initial investment by Department of Social Development, has been attributed partly to the lack of self help attitude, general lack of knowledge on how to run projects, the methodologies utilised by the Department officials, and the lack of monitoring and evaluation from the government, Gathriam (2005:200).

Kaw (2006) reported that the major constraints faced by income generating projects were, misuse of funds, lack of co-operation, poor record keeping, and operating outside the framework of their business plans.
According to Alcock and Payne (2004) development programmes and projects suffer in many cases from a lack of efficiency and effectiveness. Lack of efficiency is reflected in adequate provision of technical and administration support and/or in poor management of programme funds. Programmes and projects have also on occasion been ineffective in that they have failed to achieve their objectives.

2.5 State of Poverty in South Africa

Poverty in South Africa differs according to provinces, gender, race, and age group. According to Butler (2002) a very high percentage of the South African population is objectively poor. As in the case with unemployment, poverty affects mainly Africans, to lesser degree, coloured and Indian People. Apart from correlation between race and poverty, other correlations are also conspicuous. Levels of poverty are much higher in rural areas than urban areas. In South Africa, although poverty is widespread, it is not evenly distributed. According to Wright (2008:16) poverty is concentrated among blacks, particularly Africans.

84% of black African population is poor, 60% mixed race coloured population is poor, 20% of Indian/Asian population is poor, and 13% of white population is poor. Some of the poor people who lived in rural areas have migrated to the cities.

This has resulted in the densification of urban poverty. Although the country has many years of freedom laying a foundation of the rapid advance in socio-economic development, millions of South Africans still live in conditions of poverty and vulnerability, (Strydom & Tlhlojane, 2008).

According to Hassen (2008:4) South Africans experience poverty daily, the rich experience it as they confront beggars on the streets and pass informal settlements on their way to work. Strydom and Tlhlojane (2008) conducted a study on the effects of poverty and found that poverty causes a number of social challenges such as divorce, violence and alcoholism.
However, while acknowledging that poverty can indeed be a casual factor in these social pathologies, a critique of this theory is that divorce, violence and alcoholism occur across all social strata and that often poverty is used as an excuse to explain negative social behaviour.

Among these injustices, poverty is particularly prominent and compounds all others. The existence of a socially conscious government in South Africa has firmly placed the need to address poverty high on the nation’s agenda. Policy development and resources set aside by government are testimony to the fact that the government is committed to providing a better life by fighting poverty, (Mubangizi, 2002). According to the Human Research Council (HSRC) in collaboration with Mr Andrew Whiteford, stated that the proportion of people living in poverty in South Africa had not changed significantly between 1996 and 2001. The Eastern Cape had the highest proportion with 72% of their population living below the poverty income line, respectively (HSRC, 2004).

Poverty in South Africa has strong in rural and regional dimensions, the common finding in the literature is that in South Africa, the majority of people living in rural areas are poor and the majority of the poor live in rural areas. Approximately 70% of people living in rural areas are living in poverty, compared to about 30% of people in urban areas.

Although less than 50% of the total population lives in rural areas, 70% of all poor people in South Africa live in rural areas (May,2000). What is also evident in the literature is that poverty is unevenly distributed among the nine province of the country.

For example, the 2003 Human Development Report found that, with the exception of Gauteng and the Western Cape, over half the population in all provinces live in poverty. The highest poverty rates are to be found in the Eastern Cape and Limpopo Province. The incidence of poverty in these two provinces is estimated to be 68.3% and 60.7 respectively. In Gauteng and Western Cape, where the proportion of the population below the poverty line is lower, poverty rates are estimated to be 20% and 28.8% respectively. Out of the 21.9 million poor in South Africa, 59% live in the three province of Eastern Cape, KwaZulu Natal and Limpopo (May,2000).
2.6 Poverty theories

Several authors have written diverse theories which all seek to explain what poverty is and the researcher will be examining some of the theories on poverty, which seek to explain the causes of poverty. Bradshaw (2006:7-13) identifies five theories of poverty. They include poverty caused by individual deficiencies, cultural belief systems that support subcultures in poverty, political economic distortions, geographical disparities, as well as cumulative circumstantial origins.

2.6.1 Poverty caused by individual deficiencies

Those who support this theory are of the opinion that the poor are responsible for their own poverty. Bradshaw (2006:11) points out that conservative theoreticians blame individuals in poverty for creating their own problems and argues that with harder work and better choices the poor could have avoided (and now can remedy) their problems. Islam (2005:2) equally argues that the poor are poor because they did not work hard, they squandered money on gambling, drinking and unnecessary luxuries and they had disorder of family life. They had no ambition, nor inner call for work, were fatalistic and suffered from “an intractable in educability” as the Brock Committee phrased it.

Other variations of the individual theory of poverty ascribe poverty to lack of genetic qualities such as intelligence that are not so easily reversed.

According to Weber (2001) religious doctrine that equated wealth with the favour of God was central to the Protestant reformation.

As such, those who are poor or disabled find themselves in such a condition because it is a punishment from God either because of their personal sins or that of their parents. The individualistic theory on poverty as seen from a moral perspective, Rainwater (1970) notes that the poor are afflicted with the mark of Cain, who suffer and must suffer for their moral feelings. He thus sees poverty as something which is deserving. This theory gained support from neo-classical economists that saw poor people lacking incentives for improving their own conditions. They argue that the core premise of this dominant paradigm for the study of the conditions leading to poverty is that individuals
seek to maximise their own well being by making choices and investment and that maximise themselves.

Economists like Gwartney and McCeleb (Organisation for Economic Co-operation and Development, 2001:35) argue that anti programs has rather increased poverty. They thus see welfare programs as something that protects individuals against the consequences of their own bad choices. Therefore, according to these economists, poverty continues to exist because of the too many welfare programmes which are not productive.

As such if people are left to face their poverty, the severity of it would make them to make such a choice, (Bradshaw, 2006:6-7). In fact, both Malthus and Spencer thought that only hunger could teach the poor civility and subjection, (Islam, 2005:2). Therefore, this theory suggests that the poverty of the poor is as result of their own behaviour and attitudes, which if left to face the consequences, would change them for the better.

2.6 Poverty caused by Cultural Belief System

The theory is linked with the first theory of individual deficiencies. This was developed by the anthropologist, Oscar Lewis in 1959, who based the theory on experiences in Mexico. It suggests that poverty is created by the transmission over generations of a set of beliefs, values, and skills that are socially generated but individually held. Individuals are not necessarily to blame because they are just victims of their dysfunctional culture.

Oscar Lewis, defined the culture of poverty as a set of belief and values passed from generation to generation. He further writes: “once the culture of poverty has come into existence, it tends to perpetuate itself. By the time the slum children are six or seven, they have usually absorbed the basic attitudes and values of their subculture, thereafter they are psychologically unready to take full advantage of changing conditions or improving opportunities that may develop in their lifetime”(Bradshaw, 2006:8). The poor have a way of life identified by a specific sub-culture. Lewis found 70 traits that underlay this subculture, which he classified these straits into 4 types. They are:
• Relationship between the subculture and the larger society: People either disengage or maintain distance from the larger society. They do not belong to labour unions or political parties, go to banks or hospitals or enjoy leisure facilities of the city. They have high mistrust of the dominant institutions of society (Bradshaw, 2006:8-9).

• Nature of the slum community: The slum community is characterised by poor housing and overcrowding and a minimum of organisational structure beyond the space of family. These institutions grow up mainly to meet their minimum needs. The slum economy is inward looking. It is embedded in pawning of personal goods, informal credit and use of second hand goods (Bradshaw, 2006:10).

• Nature of the family: bilateral kinship system, unstable marriage, multifocal family (Bradshaw, 2006:10).

• Attitudes, values and personality of the individual: The individual has a strong feeling of fatalism, helplessness, dependence and inferiority, a weak ego tuned to the gratification in the present and a strong preoccupation with masculinity, Islam, (2005:3). Kinwa(1994:11), argue this being the case, lack of motivation, resignation, attitudes of helplessness and fatalism make poverty inevitable. With this theory, the poor are not poor because they are economically deprived but also because they contain within themselves cultural and psychological shortcomings. They are trapped in poverty by a chain of interlinked causes. They were born poor and their poverty only begets more poverty. In fact, they find themselves in a vicious circle and it’s difficult for them to get out of it.

Islam (2005:2) argues that with the culture of poverty, an economic setting of cash economy is required, a high rate of unemployment and under employment, low wages, and people with low skills. Where there is neither voluntary or state support nor stable family, the low income population tends to develop culture of poverty against the dominant ideology of accumulation of the middle class.
The poor realize that they have a marginal position within a highly stratified and individualistic capitalistic society, which does not offer them any prospect for upward mobility.

In their search for survival, they develop their own institutions and agencies considering the fact that the larger society tends to ignore and bypass them. As such, the poor come to embody a common set of values, norms and pattern of behaviour, which I different from the general culture as such.

**2.6.3 Poverty is caused by Economic, Political, and Social Discrimination**

This theory is different from that advocated by conservative thinkers and the second theory being a culturally liberal approach. This third theory is a progressive social theory whereby theorists do not look at the individual as responsible for his poverty. Rather, they look at the economic, political, and social system which causes people to have limited opportunities and resources with which to achieve income and well being.

Attacking the individual theory of poverty, 19\textsuperscript{th} century intellectuals show how social and economic systems overrode and created poverty situations.

According to Bradshaw (2006:6), Emile Durkheim a sociologist showed that even the most personal actions (suicide) were in fact mediated by social systems. Discrimination was separated from skill in one after another area, defining opportunity as socially mediated. Taken to an extreme, radical thinkers argued that the system was flawed and should be radically transformed (Bradshaw, 2006:10).

This theory is what Islam(2005:4) referred to as the structural theory of poverty where he points out that the perspective of this theory has made clear that the identities of the poor based on age, sex, ethnicity and disability are socially constructed. Certain groups within the society become vulnerable because of discrimination. Therefore, regardless of their capabilities and competence, the poor are left to fall behind.

Davids et al., (2005:41) suggest that any attempt to eliminate structural poverty should involve a widespread redistribution of wealth and income, which would mean the
creation of improved social services, higher taxes on non-poor to pay for these reforms. Bradshaw (2006:11) also points out the fact that in a bid to eliminate structural barriers to create better jobs, there has been a focus on education and training of extensive man power as well as other programs. There have been some successes in this approach as well as perceived failures.

Worthy of note however is the fact that funding per student in less advantaged areas is far less than what is spent on students of more advantage areas.

2.6.4 Poverty caused by Geographic Disparities
This theory, relegates poverty to different milieux to include but not limited to rural poverty, ghetto poverty, urban disinvestment, southern poverty, third world poverty. The theory calls attention to the fact that people, institutions, and cultures in certain areas lack the power to claim redistribution (Bradshaw, 2006:9).

There has been so much association between development and poverty. The fact that rural areas for example, are not developed, they would hardly have access to certain opportunities which are concentrated in the cities. Therefore, by virtue of the fact that people live in such areas, they are bound to be poor.

This is also facilitated by racism and political indifference of the localities in which they flourish, (Bradshaw, 2006:12). Talking about spatial concentrations of poverty, Bradshaw, King, and Wahlstrom (1998) point out the fact that when there are facilities in an area, it attracts more facilities while on the other hand, the presence of poverty and the conditions leading to poverty or the consequences of poverty like crime and inadequate social services generate more poverty, (Bradshaw, 2006:12). Therefore, the poor are bound to be poor and can hardly come out of their poverty because all they attract is poverty.
2.6.5 Poverty Caused by Cumulative and Cyclical Interdependencies

This is the last and final theory of poverty. It is by far the most complex and to some degree builds on components of each other theories. This is the case because it addresses the individual and their community as caught in a spiral of opportunity and problems, and that once problems dominate they close other opportunities and create a cumulative set of problems that make any effective response nearly impossible. This cyclical situation looks at individual situations and community resources as mutually dependent. This theory has its origin in economics in the work of Myrdal (1997) when he developed a theory of interlocking, circular, interdependence within a process of cumulative causation that helps explain economic underdevelopment and development. Myrdal notes that personal and community well being are closely linked in a flow of negative consequences.

For example, at the community level, a lack of employment opportunities leads to outmigration, closing retail stores, and declining of local tax revenues, leading firms not to be able to utilize cutting edge technology and the inability to recruit new firms to the area, which leads back to a greater lack of employment. Therefore, any crisis can lead to a series of personal community problems including migration of people from a community. Thus the interdependence of factors creating poverty actually accelerates once a cycle of decline is stated. At the individual level, it is equally circle whereby, the lack of employment leads to lack of consumption and spending due to inadequate incomes, and to adequate savings (Bradshow, 2006:13).

This would mean that individuals can not invest in training, and also lack the ability to invest in business or to run their own business. This lead to lack of expansion, erosion of markets, and disinvestment, all further contribute to more inadequate community opportunities.
Added to these are health problems, failure to invest in education of children leading to vulnerability to illness and failure to get good jobs.

These are the result of the lack of income. Moreover, the lack of income as a result of the lack of jobs leads to deteriorating self confidence of the individuals, little or no motivation and sometimes may lead to depression, (Bradshaw, 2006:14-15).
These five theories of poverty can be summarised in the table below:

<table>
<thead>
<tr>
<th>Theory</th>
<th>What causes Poverty?</th>
<th>How does it work?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Individual</td>
<td>Individual laziness, bad choice, incompetence, inherent disabilities</td>
<td>Competition rewards winners and punishes those who do not work hard and make bad choices.</td>
</tr>
<tr>
<td>2. Cultural</td>
<td>Subculture adopts values that are non-productive and are contrary to norms of success</td>
<td>Peer groups set wrong values and reinforce wrong behaviours.</td>
</tr>
<tr>
<td>3. Political economic</td>
<td>Systematic barriers prevent poor from access and accomplishment in key social institutions including jobs, education, housing, health care, safety, political representation, etc.</td>
<td>Selection criteria directly or indirectly exclude some groups of persons based on inappropriate criteria.</td>
</tr>
<tr>
<td>Structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Geographic</td>
<td>Social advantage and disadvantages concentrate in separate areas</td>
<td>Agglomeration, distance, economies of scale and resource distribution reinforce differences.</td>
</tr>
<tr>
<td>5. Cumulative and cyclical</td>
<td>Spirals of poverty, problems for individuals (earnings, housing, health, education, self confidence) are interdependent and strongly linked to community deficiencies (loss of business and jobs, inadequate schools, inability to provide social services) etc.</td>
<td>Factors interact in complex ways. Community level crises lead to individual crises and vice versa, and each cumulate to cause spirals of poverty.</td>
</tr>
</tbody>
</table>

Figure 1

Source: Bradshaw, (2006:22)
2.7 Strategies aimed at addressing Poverty

Henrooit (2002) noted few strategies of addressing poverty and the following are typical examples:

- Poverty Alleviation: this is the work of lessening the suffering of the poor, meeting their immediate pressing needs with welfare handouts and social security, providing safety nets, dealing with widows, orphans, the elderly and the handicapped.

- Poverty Reduction: this is the task of lowering the numbers of those living below the poverty line. This involves providing people with jobs which pay wages above the poverty line, providing health and education services, providing credit for small business enterprises and other opportunities to rise above poverty line.

- Poverty Eradication: this is the challenge of restructuring society so that there is no longer growing poverty and absolute numbers of the impoverished decrease to minimal exceptional cases. This calls for planning, for setting priorities, for shifts in power, for restructuring society, for radical social and economic changes. This is basically the transformation of society through policies based on justice, compassion and inclusiveness.
2.8 Measuring Poverty

There are two schools of thought that have emerged over the years with regard to measurement issues (Klassen, 2000).

One school has defined poverty primarily in financial terms. Summarily poverty is interpreted in terms of the command over commodities that resources afford people via income and consumption (Lipton & Ravallion, 1995, Ravallion & Chen, 1997, World Bank, 1990). Furthermore, this school of thought contends that financial resources are just one of the several means to achieve well being, and efforts should therefore be directed measuring well being outcomes, rather than focusing on one of its imperfect proxies (Klasen, 2000). Against this background, it is therefore important to acknowledge that, just like defining poverty, there is no ideal or correct way to measure the extent of poverty within the society.

This is because a crucial role is played by the value of ethical judgements. Hence a number of poverty studies that have been conducted in South Africa produce results which are similar in terms of characteristics of poverty groups, but differ in terms of the degree of incidence among them.

Poverty can be measured at both national and global levels. Different methods have been used to measure poverty across the countries. Woolard and Leibbrandt (1999) for example, use private consumption expenditure as a way of measuring poverty and they also identify other ways by which poverty has been measured. These include: Per capita consumption, household consumption, per capita income, per capita food expenditure, per capita caloric intake, budget share food expenditure and average educational level of adult household members.

A common method used to measure poverty at country level is based on income or consumption levels. An individual is considered poor if his or her consumption or income level falls below some minimum level necessary to meet basic needs. This minimum level is usually called poverty line. What is necessary to satisfy basic needs varies across time and associates.
Therefore, poverty lines vary in time and place, and each country uses lines which appropriate to its level of development, societal norms and values, (The World Bank, 2007).

2.9 Different types of Poverty

According to the World Bank when measuring global level, poverty can be categorised as both absolute and relative with the same reference poverty line used, and expressed in a common unit across countries (Abiche, 2004:72).

2.9.1 Absolute Poverty

This is described as a lack of basic security, the absence of one or more factors that enable individuals and families to assume basic responsibilities and to enjoy fundamental rights. It is a situation where people’s total earning is sufficient to obtain the minimum necessities for maintenance of merely physical efficiency (Kinwa, 1994:8). Triegaardt (2006:3), also noted that absolute poverty implies that households are unable to meet the basic needs for survival. They are chronically hungry, unable to access health care, lack of amenities of safe drinking water and sanitation, cannot afford education for some or all children, and perhaps lack rudimentary shelter, and basic article of clothing like shoes. Absolute poverty is viewed as an objective and scientific definition that is based on the notion of subsistence.

In a narrow sense, it is a state in which a person cannot secure his long term physical survival (Kircher, 2002).

2.9.2 Relative Poverty

Relative on the other hand, is used in terms of a particular group or areas in relation to the economic status of the other members of the society. Poverty result from and even consists of a lack of basic securities, which include financial resources, as well as education, employment, jousting, health care and other related aspects. When the consequences of this insecurity are severe they lead to deprivation in new life areas, (Abiche, 2004:30). With relative poverty people might be able to afford basic necessities
but are unable to maintain the standard of living measure being used as the poverty line. An individual whose standard of living falls below this measure is considered poor, (Mlambo, 2000:7).

An alternate definition of relative poverty is based upon comparison, often with some notion of prevailing living standards in the community being researched (Ravollion, 1998). In other words, the relatively poor are those people whose income or consumption level is below particular fraction of the national average.

Based on the above mentioned types of poverty, it would therefore be safe to assume that the applicability of the definition of relative, and absolute poverty depends on the need for comparability between two countries and the overall wealth of a country (for instance, if the average person cannot even sustain physical survival, the relative poverty definition become meaningless). Furthermore, it attempts to illustrate the global progress in poverty reduction, preference is usually given to absolute poverty criteria in a narrow sense, while the assessment of national or regional poverty, absolute poverty in a broader sense or relative concepts are preferred (Kircher, 2002).

2.10 Conclusion

This chapter has presented a review of relevant literature on the theoretical background of income generation, the challenges faced by the project. Some important aspects covered in this chapter include the state of poverty in South Africa and its measurement and the theories of poverty.
CHAPTER THREE: METHODOLOGY AND RESEARCH DESIGN

3. Introduction
This chapter provides details of the research design, methodology adopted and analysis used in the study. The sample and data collection procedures and shortcomings the researcher faced also discussed. In addition, this chapter explains how data is captured and analysed, and discuss ethical issues associated with the study and steps to maintain ethical standards.

3.1 Research Design
According to Thyer as quoted by De Vos (2002) a research design is a blue print indicating the overall conduction of the study and it is composed of a number of steps. According to Babble (2001:89) a research design involves the planning of scientific inquiry-designing a strategy for finding out something. The study used a mixed research method, this means the study followed both qualitative and quantitative methods. Mixed research methods that combine elements of both qualitative and quantitative research methods, for depth understanding and verification (Creswell, 2003).

According to De Vos (2002:79) quantitative paradigm is based on positivism, in which takes scientific explanation to be homothetic. Its main aims is to measure the social world objectively, to test hypothesis and to predict and control human behaviour.

According to McRoy as quoted by De Vos (2002:79) qualitative research paradigm in its broadest sense refers to research that elicits participation accounts of measuring, experience or perceptions. Qualitative research method is particularly appropriate when gathering socially dynamic information related to human behaviour and interaction of people. That is how people make sense of their lives, experiences and their structure of the world (Abiche, 2004:9). According to O’Leary (2004:99) qualitative research is
value-laden and accepts an ad hoc process that accepts multiple realities through the study of a small number of cases. Qualitative researchers often rely on interpretive or critical social science and emphasize on conducting detailed examination of cases that arise in the natural flow of natural life Neuman (2006:151).

The two research designs were chosen in view of explorative nature of the study which aims to explore the challenges faced by income generating projects members and the officials of the Department of Social Development. Pons (1992) states that all social research is concerned with evidence and all statements made in research report should be based on evidence presented in it or on evidence from other sources which should be cited.

### 3.1.1 Sampling

Sampling is a familiar notion. In everyday life we talk of sampling when we refer to the process selecting things or objects when it is impossible to have knowledge of a larger collection of objects. In social research, sampling refers to procedures which involve some form of random selection of elements from a target population. The aim of sampling in social research is to produce representative selections of population elements (Mouton 2001:132). During the process of selecting or sampling the aim is to get a sample of that which is as representative as possible of the target population. Representativeness is the underlying epistemic criterion of a valid, that is unbiased sample.

For the purpose of this study purposive sampling will be useful. Purposive sampling is a non-probability sampling. According to De Vos (2002:207), purposive sampling is based entirely on the judgement of the researcher in that a sample is composed of elements that contain most characteristics, representative or typical attributes of the population. This type of sampling gives the researcher a chance of selecting cases with specific purpose. Babie and Mouton (2004:166) and Saunders et al (2003:173) state that the advantage of the purposive sample technique was that the researcher already had knowledge of the population and its elements under study. The limitation of this
selection however is that it is subjective, as it solely depends on the judgement of the researcher.

For the purpose of this study respondents should be involved in the income generating projects that alleviate poverty. The researcher will only select ten projects at Kwa-Nobuhle, Uitenhage. For the purpose of this study non-probability sampling technique is used, namely purposive sampling.

3.1.2 Target population

In selection or a sampling technique, the researcher ensured that he was able to make a confident generalisation of the larger population. The research population was comprised of the ten income generating projects in Kwa-Nobuhle, Uitenhage funded by the Department of Social Development. The beneficiaries of these projects are women and the youth. They are comprised of about twelve members each and every project identified three members to be interviewed together with five officials from the Department for Social Development.

3.2 Method of data collection

The researcher first contacted the members of the projects and the officials of the Department to request permission to conduct the study. The officials agreed to participate, and only requested a written letter for their files. The researcher will use semi structured interviews and short structured questionnaires to collect data from the members of the chosen projects and the officials of the Department of Social Development. A questionnaire will be given out to the members of the projects to collect primary data. The researcher will develop a set of semi structured questions in terms of broader conceptual frame work of the study.

All the participants will be seen individually during the interviews, the purpose of the research and the request for their consent will be requested. Appointments for interviews will be arranged with the individual participants.
3.3 Research instrument

This study utilised what Bailey (1987:174) termed semi-structural interviews. According to Bailey this method gives a researcher and participant a great deal of flexibility as the researcher is able to follow up particular interesting avenues that emerged in the interview and the participant is able to give a more detailed picture. According to De Vos (2004:302) researchers in semi-structured interviews are about to gain a detailed picture of a participants beliefs, perceptions or accounts of, a particular topic.

The researcher must have a set of pre-determined questions on an interview scheduled, but De Vos et al (2005:296) emphasises that the interview should be guided by the schedule, not dictated by it. This enables the participants to share more closely in the direction the interview is taking and they also introduce issues the researcher has not thought about.

The interviews were conducted with the aid of an interview guide, in the form of semi-structured, open ended questions. The interview guide served as a map for the path that would be followed by the researcher when dealing with the specific issues considered relevant to the field of study (Green, 2003:172). According to Holloway & Wheeler (1996:56) the interview guide focuses on particular aspects of the subject area to be examined. “Although the researcher’s aim is to gain the participants perspective they must remember that they need some control of their interview so that the purpose of the study can be achieved and the research topic explored” added Holloway & Wheeler (1996:56). The interview is divided into three sections, namely the respondent’s personal characteristics, the respondent’s perception on poverty, as well as the respondent’s views on the poverty alleviation projects for poverty alleviation. The interview guide was written in English and be translated in Xhosa during interviews. Face to face interviews were conducted through semi-structured questionnaires to ensure flexibility at the same time the researcher was able to observe and use his own clarification where necessary.
3.3.1 Recording interview data

Before conducting an interview, the researcher decided how the interview will be recorded. The following questions should help to determine which form of recording is appropriate for the research (Greenfield, 2002:214):

- How sensitive are the issues you the researcher wish to address? If roles were reversed, would the researcher feel comfortable?
- Does the researcher have the ability to record the interview in note form?
- Does the type of interview that the researcher is adopting require him/her to make notes to act as probes about certain topics as they arise?
- Does the researcher have the resources to have the tape recordings transcribed?

This can prove very costly in terms of the researchers own time or paying somebody to transcribe the interviews.

According to Greenfield (2002) three possible options are (1) note taking, (2) tape recording, and (3) a combination of the two. The common way of recording interviews has been with the use of tape-recorder. The interview can then concentrate on the topic and the dynamics of the interview (Kvale, 2007:93). Patton as quoted by Holloway & Wheeler, 1996:70 advises on conventions in the use of quotation marks while writing notes. Researchers use them only for full, direct quotation from participants. He suggests that researchers adopt a mechanism for differentiating between ones thoughts and the participants words. For the purpose of this study extensive note taking was used during the interviews.
3.3.2 Interviews
According to Rubin & Rubin (1995:195) interviews are about hearing how people see, understand and interpret their world. In social research interviews as method of collecting data is becoming popular. In this study semi-structured interviews was utilised to collect data from the respondents and the responses were recorded. The process of recording was conducted in a manner that was not threatening the respondents.

3.3.3 Questionnaires
De Vos (2007:166) defines a questionnaire as a set of questions on a form which is completed by the respondent in respect of a research project. He further states that personal questionnaires are handed to the respondents who complete it on their own, but the researcher is available in case of problems that are experienced. It is a data collection tool that is used to collect the information from the respondents.

The questionnaire consists of open and closed questions. Open – ended questions help the respondents to explain fully the difficulties that the projects are experiencing. Closed ended questions will help the respondents to be more discrete by answering yes or no answers. The purpose of a questionnaire was to find information obtained from the members of the project including the officials of the Department of Social Development.

3.3.4 Types of questions
When asking questions, researchers use a variety of techniques, According to Holloway & Wheeler (1996:58) in qualitative studies questions are as no-directive as possible but still guide towards the area of study which is of interest to the researcher. Researchers phrase questions clearly and aim at the participant’s level of understanding. Ambiguous questions lead to ambiguous answers and questions with double meaning are best avoided.
Patton as cited by Greenfield (1996:21) suggests that there are six kinds of questions that can be asked of people:

- Experience/behaviour questions: what a person does or has done.
- Opinion/value questions: to understand the cognitive and interpretive processes of people.
- Feeling questions: understand the emotional responses of people to their experiences and thoughts.
- Knowledge questions: to discover factual information the participant has.
- Sensory questions: questions about what is seen, heard, touched, tasted and smelled.
- Background/demographic questions: to identify characteristics of the person being interviewed.

The interview guide was divided into three sections, namely the respondent’s personal characteristics (background/demographic questions), the respondent’s perceptions of poverty, as well as the respondent’s views on the poverty alleviation projects that alleviate poverty.

### 3.3.5 Length and timing of interviews

Field & Morse as cited by Holloway & Wheeler (1998:56) advises that interviews should not be continued beyond an hour. However Holloway & Wheeler (1998:56) feel that the length of time depends on the participants.

According to them the researcher must suggest an appropriate amount of time so that participants can plan their day. Other participants, particularly older people or physically weak might need to break off after a short while, say 20 or 30 minutes. Participants such as children cannot concentrate for long periods of time.
All the interviews took approximately 1-2 hours. The interviews were arranged at the participant’s convenience. The researcher and the participants ensured minimal disruptions for example, for those interviews were conducted at the participants houses, efforts was made to conduct the interviews when the children are at school or when there is someone at home to care for them. During the interviews participants were asked to put their cell phones on silent or to switch them off completely.

3.4 Data analysis

The information that was gathered during the collection of data were analysed in a form of statistics, tables, and graphs. Babbie(2004:314) states that content of analysis is essentially a coding operation. In content analysis, communication-oral, or other coded or classified according to some conceptual framework. According to Craswell(1998:139) and Welman et al (2005:211) data analysis transforms data into findings. This process involved reducing the volume of raw information, sifting significance from trivia, identifying significant patterns and themes, and constructing a framework for communicating the essence of what data is revealed. The analysis involved a search for general statements about relationships among categories of data.

Welman et al (2005:212) emphasises that as the data is being collected, the researcher should be undertaking ongoing fine tuning to generate the most fertile array of data. According to Kerling as quoted by De Vos (2002:223) analysis means the categorising, ordering, manipulation and summarising of data to obtain answers to the research questions.

3.5 Ethical consideration

In light of the fact that this research study involved human participants, the following ethical issues needed to be taken into consideration. Apart from instrumentation and procedural concerns, collecting data from people raises ethical concerns. These include avoiding harming people, having regard for their privacy, respecting them as individuals and not subjecting them to unnecessary research (Mellville and Wayne, 2001:49).
Researchers have an obligation to ensure that participant’s wellbeing and health are safeguarded and their human rights respected.

This obligation is normally articulated as a set of principles, standards or behavioural expectations and conduct that prescribe to researchers how to approach and conduct themselves when undertaking research projects, but more importantly how to engage with and treat research participants central to such research endeavours. These principles, standards or behavioural expectations and conduct are commonly referred to as ethics. Per definition, ethics can be described as a set of moral principles which is suggested by an individual or group is subsequently widely accepted and which offers rules and behaviour expectations about the most correct and appropriate conduct towards experimental subject and participants, employers, sponsors, other researchers, assistants and students (Yegides & Weinbech, 2008:1).

Ethical guidelines for social research commonly concern the participant’s informed consent to participate in the study, confidentiality of the participants, consequences of participation in the research project and the researcher’s project and the researcher’s role in the study (Kvale, 2007:20).

### 3.5.1 Voluntary participation

Participation should always be voluntary and refusal to participate should hold no negative consequences. As stated by Babbie (2001:28) a basic rule in social research is that participation should be voluntary. It is also important the researcher provides all the necessary information in clear, intelligible and user friendly language.

At the outset, the researcher informed participants about the study, then sought consent and arranged interviews at suitable times for the participants. Participants are requested to sign a consent form, agreeing to participate in the study.

### 3.5.2 Informed consent

According to Gravetter and Farzano (2003) the general concept of informed consent is that human participants should be given complete information about the research and their roles in it. Obtaining informed consent implies that all information on the purpose of
the study, the research procedures, duration of participation, and the risks, benefits and financial costs and be given potential participants or their legal representatives so they can make informed decisions about participation.

Participants must be legally and psychologically competent to give consent and they must be aware that they may withdraw from the study at any time without any negative consequences. These requirements were adhered to in the present study.

According to Kvale (2007:27) informed consent entails informing the participants about the overall purpose of the investigations and the main features of the design, as well as of possible risks and benefits from participation in the research projects. Informed consent further involves obtaining the voluntary participation of participants and informing them about their right to withdraw from the study at any time. Holloway & Wheeler (1996:43) states that the process of informed consent is set firmly within the principle of respect for autonomy. This principle demands that participation is voluntary and that participants are aware not only of the benefits of the research but also the risks they take. Participants must be informed throughout about the voluntary nature of participation in research and about the possibility of withdrawing at any stage. It is useful for the researcher to anticipate the potential problem in the course of the research and consider their solutions.

The researcher must be aware that the research might threaten participants, superior or institutions, even if it is intended to have positive effect.

3.5.3 Confidentiality
Confidentiality implies that only the researcher and possibly one or two staff members are aware of the identity of participants and have made a commitment to safeguard the identity of the participant. According to Babbie and Mouton (2001) in a survey, the researcher can identify respondents but essentially promises not to do so publicly. The extent of limits of confidentiality also needs to be explained. Names and other identifying details need to be replaced with codes. In order to meet these requirements, interviews were conducted under conditions of privacy, within private boardrooms at the
two centres. Confidentiality was emphasized and the opportunity for participants to ask questions and to clarify issues was made available to all of them. Holloway & Wheeler (1996:46) suggest the following:

- Change minor details so that informants cannot be recognised.
- Provide participants with pseudonyms (or let them choose a pseudonym). Only the researcher should be able to link participant’s pseudonyms with their real names and identities on the tape recordings and transcripts carrying their stories.

Confidentiality is a separate issue from anonymity but also very important confidentiality implies that only the researcher and possible few relevant people (i.e. the supervisor promoters and translators) should be aware of the identity of participants. Yegedesis and Weinbach (1996:34) state that the ethical principle of confidentiality aims to try to safeguard research participants from damage, hurt, injury, injustice, discrimination that might come to them if their identities are intentionally or accidentally associated with any of the data collected.

### 3.5.4 Avoidance of deception

According to Neuman (2000:229) deception occurs when the researcher intentionally misleads participants by way of written or verbal instruction, the actions of other people or certain aspects of the setting. It is only permissible to withhold information about the study from participants or use deception if it is justified by the potential value of the research, however in such cases, participants must be debriefed in interviews immediately following the study.

### 3.5.5 The integrity of the researcher

The integrity of the researcher as a person is critical for the quality of the scientific knowledge and for the soundness of ethical decisions in an interview enquiry. Moral research behaviour involves more than ethical knowledge and cognitive choices; it encompasses the moral integrity of the research, and the researcher’s sensitivity and commitment to moral issues and action. Through interviewing, the importance of the researcher as a person is magnified because the interview is the main instrument for
obtaining knowledge. Being familiar with value issues, ethical guidelines and ethical theories may help in choices that weigh ethical versus scientific concerns in a study.

In the end, however, the integrity of the researcher—his or her knowledge, experience, honesty and fairness is the decisive factor. The role of the interview can involve a tension between a professional distance and a personal friendship.

Interviewers may identify with their participants so closely that they do not maintain a professional distance, but instead report and interpret everything from the participants' perspective: in anthropological terms, “going native”.

3.6 Conclusion

This chapter has covered the research methodology that was used by the researcher. The study used both qualitative and quantitative research methods. Purposive sampling was chosen as a suitable sampling procedure to draw the final sample of the study. Project participants were identified and they include officials of the Department of Social Development and the project members.
CHAPTER 4: PRESENTATION AND DISCUSSION OF FINDINGS

4. Introduction
This chapter focuses on the presentation, analysis and interpretation of data from projects that are funded by the department of social development of Kwa-Nobuhle, Uitenhage in the Eastern Cape. In this chapter tables and charts was emphasised.

The information in this chapter was obtained from the project members doing sewing, carwash, gardening, salons, and information technology. In short, researchers need to keep a keen sense of their overall project and think of their way through analysis. Thinking of one's way through analysis is a process more comprehensive and complex than simply plugging numbers or words into a computer. Reflexive analysis involves staying as close to the data as possible from the initial collection right through to the drawing of the final conclusions.

4.1 Data Analysis
The interview schedules and questionnaires were analyzed. The statistical methods used for data analysis were in a simple form of frequencies and percentages. The following were the findings as per questions used during the distribution of the interview schedule and questionnaires. Distribution of respondent's according to the information about the project.
4.1.1 Gender of participants

Figure 1

Figure 1 indicates that 67% of the projects members were women and 33% were males. This means the majority of participants in this study were women. This finding was expected since women are the ones who initiate income generating projects in the community. This figure illustrates that majority of community members who are involved in community projects were women. Women play a vital role in leading these income projects that alleviate poverty and food security becomes the important activity for women because food is a basic need for all. Although women's projects are innovative and useful, they are small in scales and have limited effect beyond the few women directly involved. Further criticism is that women’s projects have a limited impact on the position of women, and even less on the social and economic process which structure gender equality (Osman, in Sweetman, 2002:25).
The implication of this finding is that participation in these projects needs to be broadening to the wider audience as to broaden access to these projects. All participants were Black and this was not the intention of the researcher to discriminate against other racial groups. The community which the study was conducted and focuses on, was a black community. The focus of the study was on members of the projects for poverty alleviation in Kwa-Nobuhle.

4.1.2 Age of the participants

Figure 2

Figure 2 shows a total of 30 respondents aged between 20 to 50 years were reached for the study and among those, 17% of the respondents were between the ages of 20 – 29, 33% of the respondents were between the ages of 30 – 39, 33% of the respondents were between the ages of 40 – 49, 17% of the respondents were between the ages of 50 – 59. The research shows that the majority of the members of the projects are middle aged. This means that people that are involved in these projects are unemployed and await job opportunities.
4.1.3 Marital Status of participants

Figure 3 indicates a total of 30 respondents were reached for the study and among those 33% of the respondents were single, 33% of the respondents were married, 17% of the respondents were divorced, 17% of the respondents were widows and there were no other types. This means for this study the majority of respondents were single people.
4.1.4 Educational Level of participants

Figure 4 indicates 49% of the respondents had a matric level of education, 17% with no level of education, 17% with less than grade ten, 17% with tertiary education level.

This shows that the majority of the respondents had a matric level of school. It further reveals that the members of the project were not illiterate but unemployed and this could be the main reason for them to participate at the income generating projects. The findings confirm that the generation of income at the projects was a crucial factor for the survival of the members of the projects and their dependants.
4.1.5 Information about the type of the project

Figure 5 indicates that amongst the majority of the projects 22% were on gardening and 22% bakery and sewing, 16% were on hair salon and 9% were on car wash and 9% information technology. The study indicates that the majority of the projects were involved in agricultural activities like food gardening projects. Financial security becomes the important activity for the members of the projects. The project members benefited by means of getting fresh vegetables and bread to feed their families. Eradicating poverty is one of the priorities of the Department of Social Development to build better life for all. It is this income generating projects that help to alleviate poverty in the community and stimulate further growth.
4.1.6 Period of operation for the project

Figure 6 indicates that 50% of the projects were operating for the period between 1 – 3 years, 33% indicates projects that were operating less than one year and 17% of the projects were operating for the period of 3-6 years. There were no projects running more than six years. These projects were initiated and funded by the Department of Social Development through the poverty alleviation programme. There were no projects initiated by people with their efforts. The community needs were mostly identified by the professional rather than people themselves, whereas the literature on community development states that community members should identify their needs and problems. These results indicate that the projects that were identified did not exist for a long time.
4.1.7 Availability of business plan

![Pie chart showing developed business plans]

As indicated in Figure 7, 70% of the respondents reported having prepared and drafted business plans. The study also showed that 70% of the project members were in possession of business plans but they knew nothing about the issues written in the business plans. 30% of projects respondents do not have business plans they are just operating without business plans.

During the discussion with different respondents it became clear that the business plans were more drafted and prepared by the officials of the Department. There seems to be a lack of empowerment by the officials who were in charge of the projects.
4.1.8 Availability of constitution

As reflected by Figure 8 the findings of the study revealed that 95% of the projects had no Constitution and only 5% had constitutions. The project members did not have an insight into the content of the Constitution as it was a format of the Department, the members of the projects were only required to fill the blank space and missing words.

The researcher is of the opinion that the sustainability of the project could rely on the involvement of the members in the drafting their Constitutions. The Constitution is an important document of the project which states clear how the members should conduct themselves and what are the procedures the members need to follow. A constitution serves as a guideline and a disciplinary document for project members.
4.1.9 Needs assessment

Figure 9 revealed that the majority i.e. 95% of the project members did not participate in needs assessment and only 5% were participating. The respondents revealed that the officials of the Department of Social Development are the ones who do the needs assessment for the projects. For instance the project members were told on what kind of projects they needed to be involved in to alleviate poverty. Because the majority members of the projects were not involved in needs assessment there was no spirit of ownership. This is evidenced by the car wash and hair salon projects initiated by young people. The person who trained them would tell how much to charge per customer. However, because they could not get customers, they were told to charge half the original price, thus running at a loss. Some members of the projects were frustrated and decided to leave the projects. Members of the projects are the ones who are doing daily activities and it needs for them to fully participate in needs assessment. Weyers (2003:54) advises against starting a project and leaving it unfinished, as it dampens the community self esteem.
4.1.10 Members permanently employed

According to figure 10 it is clear from the analysis that a majority of 67% of project members were permanently employed and the 33% were on contract. Members of the project were employed permanently, however the money they receive is only to meet their basic needs, they only get stipend.
4.1.11 Training needs of project members

Figure 11 revealed that number of training needs required by the members of the projects in order to perform their duties to their best ability. The figure above indicates that 32% of the projects needed training on how to do a business plan, 17% needed a training on financial management, 17% needed a training on basic project management, 17% needed a training on capacity building and the other 17% needed a training on marketing strategies. The above mentioned on figure 4.11 are the basic need which members of the project need to sustain their projects. Fox (2004:126) observes that educational and skills development encourages many communities who do not have the capacity to achieve the objectives they would like to set. In order to achieve these objectives communities need to increase their skills and this can be done for example capacity building training programmes.
4.2 The significance of training

The respondents mentioned financial management as the most important training amongst all other forms of trainings. The projects did not have financial records to account for all their income and expenditures, even though their administration workers said they wrote them down.

As there were no records, it was difficult to determine how much profit was made and they could not recollect figures from memory.

One other project reported:
“Financial management became an important training to our project because we get to know how to control and use our finances effectively and be able to guard fruitless expenditure”

The researcher is of the opinion that people value money. This ties in well with the operational definition of income generating project. It refers to income generated through the efforts made by people in different projects and program activities. Agriculture activities in the form of gardening became the priority for poor people as this generated money for members of families.

4.3 Availability of skills among the project members

The study indicated that some respondents had required skills namely gardening, bakery, sewing, hair salon, information technology skills. On-going training by the officials of the Department of Social Development is necessary for the sustainability of the projects. Some projects had developed the human skill that involves project management and conflict management. Some of the projects were not successful because their skills were not competitive they identified a need for a refresher course to update their skills. Due (1990:81), argues that lack of skills can have many negative outcomes, which could include difficulties in costing and marketing products and limiting expansion into other more remunerative activities.
4.4 The following facts were reported by the respondents:

- Members of the project benefited from the programme. The members of the project gained skills in marketing and financial management. This made easier to run the project.

- The community purchase vegetables, bread, designs with affordable price from the projects.

- Project members had gained skills in fundraising.

- Project members also developed skills in sewing, hair salon, and information technology.

- Improvements of method in agriculture like proper ploughing of vegetables were also acquired.

- Although the majority of the projects reported positive remarks, however some negative results were noted from the study are as follows:

  1. One of the most contributing factors was that almost 90% of funds were granted to projects without prior training on project management, financial management, entrepreneurship, and basic business skills.

  2. Lack of monitoring and evaluation by the officials of the Department of Social Development through regular visits.
4.5 Problems encountered in the projects

During information gathering a number of problems were reported. Some of them are listed below:

- There was lack of commitment among the project members to attend meetings and participate in project activities. Discipline appeared to be a recurring problem in the projects, and some members did not come to work regularly and still expected to be paid out equally with those who had met their commitments.

- There was evident deterioration of income due to low production in projects.

- Some of the projects reported thefts of their products.

- Requisitions sent to the offices of the department, took a lot of time to be processed. They complained, however of non-responsiveness of the officials of the Department of Social Development when they approached them for skills training. This finding is similar to the findings of Carney (2002:23) that officials abuse their authority for their own benefit at the expense of the poor.

- There was lack of knowledge and relevant skills in project management. Conflict and corruption among members affected member’s morale in various projects.

- Non-payment of project members affected members since they thought they would be paid, instead of sharing profits after selling their goods.

- There was an absence of marketing strategy at the beginning of the projects. One particular issue that was made clear and as a drawback by the respondents was that the types of business that were encouraged by the Department were not suitable for competing in big business markets and creating jobs for other people as was expected. This meant that beneficiaries were not given the freedom to choose the type of projects they want to explore. Instead, the Department was prescriptive in terms of the type of project they were willing to fund. The projects did not have effective marketing strategies, hence sometimes failed to sell their produce, resulting in loss. Hurley (1990:49) stated that most of income
generating projects begins production without really testing the market, so that when they try to sell their products, their prices are not acceptable to the community and the quality of the finished product is not very good. He argues that marketing finished goods is one of the most difficult areas for income generating projects operations.

- Members sold the products on credit basis. This resulted on the loss of profits because of non-profit.

- Members tended to leave the project without prior notification. The members did not share same goals, hence each pursued his or her own agenda, for some it was just to pass time while actively seeking employment, for others it was resources that was donated by the projects.

- Start up funding is very limited and did not cover certain basic needs of the project.
4.6 Illustrate a number of perceptions about the income generating projects

![Perceptions on Income Generating Projects](image)

**Figure 12**

- Projects are designed to empower people with business skills

43% of the participants revealed that income generating projects were designed as an unemployment strategy. 37% of the participants revealed that income generating projects were designed to empower people with business skills. 20% of the participants revealed that income generating projects were designed to become a funding strategy for job creation. One lady explained that “they are projects to assist people with opening their business in future”

Another respondent stated that:

*These projects are designed to empower people with business skills*

- Income generating projects as an unemployment strategy.
43% of the respondents described an income generating project as strategy that the government is using to fight unemployment. They also seemed to have a good understanding of the projects.

- Strategy by the government to give funding for job creation and uplift the standard of living.

20% of the respondents felt that this was simply a government strategy to provide people with funding to improve the standard of living amongst the poor at same time create jobs for the unemployed.

37% of the respondents out of thirty interestingly reported that the strategy was meant for Black people. Following represent their comments:

“Projects to alleviate poverty by the Department of Social Development to empower community with skills and generation of income their target are Black community”.

The above mentioned responses were in line with strategy of the Department to address the priority needs identified in 2004, namely fighting poverty and building safe, secure and sustainable livelihoods. Even though the some of the respondents believed that income generating projects are meant for Black people, the guiding principles underpinning the income generating projects, are that these projects must target the most vulnerable groups and impact on the lives of the community as a whole (Department of Social Development:2007).
4.7 Strategies used by the department of social development in monitoring progress in poverty projects

The findings revealed that a majority of respondents, 20 (67%) reported their dissatisfaction with the monitoring tool that is used by the Department of Social Development.

90% of the respondents reported that the officials who are responsible for the monitoring did not monitor appropriately and visit regularly, they did not read through the monthly reports that outline the challenges that are faced by projects and they did not support the projects. This was reported:

“I think the Department does not plan and monitor properly, there are lot problems that were raised on the reports and there is nothing that was done”

Project “A” stated that:

“The requisition process took considerably a long time and this delay daily function of the projects”. The respondents illustrated that taking documents from one office to another for a signature is costly and make things difficult for the members of the project.

Some of the projects were satisfied about the monitoring that the Department of Social Development is offering to the project:

Project “A” made us cautious about how the funds of the department need to be utilized.

“The monitoring of funds is very important owing to the fact that project members as well as the officials could evaluate the progress and problem in the project.”
4.7.1 Project sustainability

The research revealed that out of thirty projects only ten projects (33%) that were making a profit and twenty projects (67%) were not making profit. One of the contributing factors was improper planning and implementation of the projects goals. Some of the contributing factors were that the policy of the income generating projects for poverty alleviation had a time frame to allocate funds to the projects.

There seemed to be confusion between providing members of the projects with skills that enabling them to generate profit for their projects.

The findings revealed that serious lack of skills among the members of the projects thus resulted in low production and insufficient income generated.

Project “A” stated that:
“The quality of the products produced is poor. It cannot command high prices so as to make reasonable prices”

The community could not purchase poor quality products. This resulted in project members selling their products in cheap prices.
The majority 90% reported that projects could be sustainable if they have received more funds.

The sustainability of the projects depends on the positive working relationship form projects members, project committee and staff involved in development. The sustainability also depends on the knowledge about the project and the interest on the part of project members.

**4.8 Summary of the study**

This chapter focused on findings in respects of the respondent’s demographic profile, information about the projects, perceptions regarding income generating project, the perceive impact in the quality of life of the beneficiaries. It has been clear that members of the project did not participate fully in the formulation of business plans as well as assessing their needs, hence the sustainability of their projects was questionable due to such factors. The main findings that emerged in this respect of these aspects are summarized in Chapter Five.
CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5. Introduction
This chapter presents a summary of the findings of the study, based on the results and analysis of data in the preceding chapter, a summary of conclusions are drawn and recommendations made. The primary aim of this study is to explore the challenges faced by income generating projects for poverty alleviation funded by the Department of Social Development, in Kwa-Nobuhle Uitenhage. The objectives of the study are also re-stated.

5.1 Restatement of the objectives of the study
The objectives and aims of this study are as follows:

- To evaluate the overall management of income generating projects by the Department of Social Development.
- To investigate and analyse the successes and failures of income generating project funded by the Department of Social Development.
- To assess the role played by the Department of Social Development in capacitating the project.
- Examine the possible challenges of these projects faced which block them achieving their principal objective of alleviating poverty.
5.2 Findings of the study

The following were the findings of the study based on information obtained from the respondents:

From the study it emerged that respondents appeared to have a clear understanding of the projects and government objectives for such initiatives. There was a clear understanding that income generating projects represented a government strategy to fight poverty, create jobs and uplift the standard of living. Respondents revealed that it's a strategy that is designed to empower people with business skills.

Unemployment was the main reason for participation in income generating projects. It emerged that the majority of respondents had a high school education. This finding suggests that participants of these projects are not illiterate but nevertheless could not find jobs to support themselves and their dependents. It is indicated from the findings that the majority of the respondents were educated with fifty percent (50%) having a matric qualification and seventeen (17%) with tertiary education.

Most of the participant’s reasons for participating in income generating projects were unemployed, alleviation of poverty and to gain skills and knowledge. The study reveals that a majority of the members are educated and unemployment was the reason for participation in the projects. These reasons were also regarded by respondents as the main advantages associated with participation.

It emerged from the study that most of participants were dissatisfied with the lack of clearly articulated expectations for projects on the part of the Department. They also felt that planning and monitoring by the Department of Social Development was not conducted appropriately.

Most participants felt that the officials responsible for monitoring the projects did not visit regularly and did not take time to thoroughly read monthly reports that outlined the challenges faced by the projects. As a result appropriate support and capacity building
was not provided. The respondents revealed that the responsible officials did not take time to read the reports that were submitted raising challenges that were never dealt with.

With regard to the target group, participants were of the opinion that only a small number for people were targeted, which could not alleviate poverty to the extent where most people would benefit.

Most participants were not empowered with financial management skills to be able to take their small business to the level of making substantial profits. The respondents revealed that financial management training became important to their project because they get to know how to use and control their finances effectively and be able to guard fruitless expenditure.

It also emerged that the types of business encouraged by the Department of Social Development were not perceived to be suitable for competing with big markets and creating jobs for other people as we expected.

Limited funding was perceived to be a major limitation hindering the abilities of projects to grow from ground. Participants felt that the funding that was provided was not sufficient to assist income generating projects as compared to the needs of the specific projects.

Despite the fact that there were challenges and limitations encountered by members of the projects during implementation of the projects, the Department as a service delivery model was perceived to be effective in alleviating poverty. Form the study it emerged that income generating projects did bring significant changes to the lives of the beneficiaries and that these projects enabled some of the participants to maintain their dependants.
However, other participants were reluctant to participate in future alleviation projects organized by other government departments as they were quite content with what they had achieved and also felt that they had invested a great deal in what they were presently doing in their businesses.

5.3 Concluding comment

In conclusion, income generating projects represent only one strategy for alleviating poverty and enhancing community development. Sustainability of income generating projects by the Department of Social Development is a serious challenge considering the size of the projects that are collapsing. From the findings we can draw conclusion that there was lack of regular monitoring and evaluation by the Department of Social Development. Decisions were taken by the Department of Social Development in implementing the income generating project without any involvement of members of the project in developing business plans and needs assessment and this could the other issue that caused the challenges.

5.4 Recommendations

5.4.1 Recommendations for the Income Generating Projects

The following specific recommendations among others should be considered in the efforts to sustain income generating projects for poverty alleviation:

- The constitution and the business plan become important documents for the projects. It is therefore necessary for the project members to be involved in drafting the documents. This would empower the members of the projects to work in line with the business plan and the constitution.

- The project members should be empowered by skills to identify and establish their needs. This would enable project members to plan, budget and implement activities of the project according to the planned activities.

- It is recommended that all project members be involved in initiating the work of the projects as well as assessing the on-going progress. The officials and the
members of the projects should monitor the work and provide progress in the management activities of the project.

- It is recommended that the income generating projects provide strategic leadership to the participants in income generating projects in terms of objective management of the projects. The potential benefit from this recommendation is that it would enable both the Department of Social Development and project members to make joint strategic decisions such as decisions on the type of projects to compete in big markets.

- A further recommendation is that income generating projects provide regular feedback on a monthly basis regarding financial spending of funding provided to projects. In this regard project participants would know exactly how funding was spent and for what purpose, thereby facilitating transparency and accountability on the part of the income generating project and on the other hand, project members would be enlightened in terms of budget issues.

- Potential beneficiaries should be thoroughly screened prior to their participation in projects. It is therefore recommended that criteria for selecting or targeting the correct beneficiaries should be determined. Mchunu (2002) indicated that the goal of targeting is to direct resources to those who need them most. It is therefore recommended that proper screening be a priority for the success and sustainability of community projects.

- It is recommended that well established market be identified for products produced from the project. The reason is that the findings have shown that a well established market is a critical factor in determining the success of poverty alleviation projects. It is clear that without a proper marketing strategy, projects struggle to move beyond the survival stages to reach a point where they generate enough profit to benefit project members (Zungu, 2006).

- Service Level Agreements should be signed with projects for accountability on the part of the project participants. Projects must have legal agreements with the department to spend appropriately in line with Public Finance Management Act.
• With respect to quality of products produced by projects it is recommended that the department assists beneficiaries to have their projects South African Bureau of Standards approved to be able to compete in big markets.

• Officials responsible for monitoring of projects need to spend time with project participants, read reports in order to understand the dynamics within projects and provide necessary support for the developing projects.

• The project members need to be motivated in one way or the other so that they can develop a sense of project ownership and work hard for the success of their own project.

5.4.2 Recommendations for practice

In order to improve service delivery and the level of income generating projects, it is recommended that project participants be seen as partners who are treated with respect. Moreover, communication needs to be as open as possible so that participants are involved in making joint decisions in terms of spending of the allocated budget.

A further recommendation is the need for officials to understand the fears or concerns of the members of the projects, so that appropriate support and encouragement is given for sustainability of the projects. With the agreement and active involvement of the projects members, financial reports and regular communication could be encouraged within the projects in order to facilitate the smooth running of the income generating projects.

5.4.3 Recommendation for future research

The findings of this study are not conclusive due to the very small no probability sample which precluded the generalization of findings to the broader population of persons living below the poverty line and participating in income generating projects. On the basis of the findings of the study the researcher wishes to recommend that this study be replicated on a much larger scale, covering a much wider geographical area.
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APPENDIX A: INTERVIEW SCHEDULE FOR PROJECT PARTICIPANTS

Section A: Demographic Information

A.1. Age
☐ Below 20  ☐ 20-29  ☐ 30-39  ☐ 40-49  ☐ 50-59  ☐ Above 59

A.2. Sex
☐ Male  ☐ Female

A.3. Marital Status
☐ Single  ☐ Married  ☐ Divorced  ☐ Widows  ☐ Other types

A.4. Educational Level
☐ No Education  ☐ Less than grade 10  ☐ Grade 10-12  ☐ Matric  ☐ University degree/Diploma and other

A.5. Do you have people depending on you?
☐ Yes  ☐ No

A.6. If yes how many?.................................

Section B: Information about the project

B.1. Project type
☐ Bakery  ☐ Gardening  ☐ Sewing  ☐ Hair Salon  ☐ Car wash

☐ Information Technology  ☐ Other types, please specify............................................
B.2. Target group

☐ Youth  ☐ Women  ☐ People with disabilities  ☐ Other types, please specify…………………

B.3. How long has the project been running?

☐ Less than 1 year  ☐ 1-3 years  ☐ 3-6 years  ☐ 6-10 years  ☐ More than 10 years

B.4 How much are you currently earning per month in this project?

☐ Below R300  ☐ R400-R700  ☐ R800-R1000  ☐ R1100-R1400  ☐ R1500-R1800  ☐ Above R1900

B.5 Does this project help you respond to your basic need?

☐ Yes  ☐ No

Section C: Project management

C.1. Do you have the business plan?

☐ Yes  ☐ No

If no, why? Support your answer:.................................................................................................................
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C.2. Do you participate in needs assessment of the project?

☐ Yes  ☐ No

If no, why? Support your answer:.................................................................................................................
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C.3. Do you have a constitution?

☐ Yes  ☐ No

If no, why? Support your answer:

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C.4. How many members are permanently employed in the project?

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C.5. What are the training services you need for your project?

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C.6. Do you think you have enough skills to perform your project activities?

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C.7. What are the problems encountered in the project? List some of them:

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C.8. Are you satisfied with the capacity building the Department of Social Development is offering?

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C.8. Are you satisfied with the financial monitoring carried by the Department of Social Development? Please explain:

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C.9. Do you think the project is sustainable? Motivate your answer:

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C.10. What are your measures to tackle challenges in the project?

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Section D: Perceptions regarding income generating project:

D.1. How would you describe the income generating projects?

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D.2. What is particularly good or bad about them?

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D.3. If there could be anything you could change about them, what would it be?

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D.4. Did your skill capacity improved since participating in this project? If so, please elaborate:
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Section E: Perceived impact of projects in the quality of life of the beneficiaries:

E.1. What are the reasons that led you to participate in the project?
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E.2. Are you able to maintain you dependants from the income you receive from the project?
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E.3. Did your life change in any way since participating in the project? If so, in what way:
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E.4. In your opinion do you think income generating projects are the best way in which poverty can be alleviated? If yes or no please elaborate:
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E.5. What do you think can be done differently to improve the present strategies?
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Section F: Officials of the Department of Social Development:

F.1. What is your educational Level

[ ] No Education  [ ] Les than grade 10  [ ] Grade 10-12  [ ] Matric  [ ] University degree/Diploma and other

F.2. Does your education involve project management?

F.3. Is the Community Development Programme your field of interest?

F.4. What is your role in the poverty alleviation programme?

F.5. Is the community capacitated enough to implement these project?

F.6. If no, what needs to be done in order to ensure effective implementation?

F.7. Are the processes and procedures clear for identification and implementation of poverty alleviation projects?
F.8. What is your role in the development of business plans of the projects?

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F.9. Is there any training that you see relevant for the practitioners for effective implementation of the programme?

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F.10. Are the projects objectives achievable?

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F.11. Is there any impact made by the poverty alleviation projects to the beneficiaries?

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F.12. Does the Department have any tool to measure such impact?

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F.13. What is your role in measuring the impact?

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F.14. What do you think needs to be done in order for the project to be more effective?

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Section G: Funding

G.1. What are the sources of funding for the project?

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G.2. Does the project prepare reports for the funders?
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G.3. How often does the project prepare the report for funders?
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G.4. What are some of the challenges faced with regards receiving funding?
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G.5. Do you get enough funds from these funders when needed?
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G.6. If not, are there project the organisation runs able to generate income?
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G.7. What financial systems are put in place to ensure proper management of funds?
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G.8. Do you know where to market your goods/services?
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G.9. Are you aware of the risk including extra transportation costs, cost in packaging as well as quality control requirement?
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G.10. Do you have a secured market that can generate enough income?
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APPENDIX B

Enquiries: Unathi Samora Filita
Tel: 041 9959 400
Cell: 073 3802125
Fax: 041 922 4117
Date: 31 May 2012

To: The poverty Alleviation Project Members/Facilitators/ Co-coordinators.

Dear Sir/Madam

Re: Research Study

As a requirement of masters in Developmental Studies (Faculty of Business & Economic Science) degree with the Nelson Mandela Metropolitan University under the supervision of Mr. A. Mwamanyi, I am conducting a study on the challenges that are faced by income generating project that are funded by the Department of Social Development. However I need some information on the challenges that are faced by the project. The study is therefore not an assessment of the project. I also humbly request your permission to engage the project participants in this study.

Attached please find a copy of some of the issues that I would like to know about your project.

All information will be kept confidential. Neither your name nor that of your project will be identified in the study. Your honesty in answering questions will be highly appreciated and your decision to participate in the study is voluntary.

Thanking you in advance for your consideration.

Yours faithfully

Unathi Samora Filita