

The Storm of Poverty Reduction Strategy in Africa: Chronology of Experiences from South Africa

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Abstract

The paper present the trend of government programmes and interventions used in tackling the endemic problem of abject poverty. The pluralistic nature of these programmes is encouraged by the dynamic socio-economic circumstances within South Africa domain. Concerns raised from “Towards a Ten Year Review” emphasised the necessity to harmonize all Government’s development programmes under a single structure or “Social compact”. In view of the importance of agriculture, particularly for developing countries, a large aspect of the development discourse around agriculture has been focused on poverty alleviation. Across all nine provinces, the noticeable and critical problem is poverty which the government needs to contend with and address. The challenges faced presently in the reduction of poverty are numerous. Key programme responses of the South African government considered in this paper are: Legal context, Reconstruction and Development Programme (RDP), Growth, Employment and Redistribution (GEAR), Local government transformation, Land reform programme, Skill support and Development Programme, Farmer support and Extension services, Support for emerging farmers, National Public Works Programme (NPWP), Integrated Sustainable Rural Development Strategy (ISRDS), Social grants and unemployment, Education and poverty reduction, Agriculture Black Economic Empowerment (AgriBEE), Provincial Growth and Development Strategy (PGDS), Local Economic Development (LED) and Donors’ in poverty alleviation through Official Development Assistance (ODA).

Keywords: poverty reduction, strategy, chronology, sustainable development, growth and programmes

1. Introduction

Agriculture is important for the provision of food, feed for animals, and raw materials for industries, employment for able bodied men and women and foreign exchange earnings for most African countries. Agriculture is the main stay of most African economy and a way of livelihood of poor rural community. Agriculture; value added (% of GDP) in Sub Saharan Africa was 12.69 in 2008, and in 2009 it increased to 13.11 (World Bank, 2010). The 2012 Africa Millennium Development Goals (MDGs) report Titled “Assessing Progress in Africa towards the Millennium Development Goals 2012,” asserted that Africa has made remarkable progress toward targets on HIV/AIDS, primary education, poverty reduction and women’s empowerment. The report also indicated that both the number of poor and the poverty rate declined. Also the number of Africans living under US\$1.25 per day decreased from 56.5% to 47.5%, while the number of poor people fell from 394.9 million to 386 million between 1990 and 2008. However, the report drew attention to numerous challenges and problems, including income inequality, feminization of poverty and high population growth, which undermine poverty reduction efforts in Africa. Many have the perception that poverty in South Africa is common to rural dwellers because there is a strong linkage between agricultural productivity and poverty alleviation. This is not true because most urban household are below the poverty datum line. Nevertheless, agriculture still remains a panacea in reducing poverty in Africa. However, apart from using agriculture as the primary tool for poverty reduction, past and present government in Africa have been storming on measures that best suit the reduction of poverty.

There are documented reports that are crucial in directing government policies and programmes towards poverty reduction during the transition to democracy. The common issue in these reports were the discrepancy in the diverse interpretation of poverty within the spheres of government (Everett, 2003). The commission of inquiry mandated to come up with a comprehensive approach to poverty reduction, recommended the use of legal and constitutional context (Taylor Commission’s Report, 2002). In 2007, the government signed a summarised

discussion paper prepared by Policy Coordination and Advisory service - titled "Towards an Anti-poverty Strategy for South Africa" as an operational document for developing all inclusive strategy directed at alleviating poverty. The document accepted that poverty in the country seemed to be decreasing but not very satisfactory (Government of South Africa, 2003). In the last decade, South Africa government has made concerted effort to support most poverty stricken homes by proportionally increasing the public allocation to social security and social grants from R10 billion in 1994 to R70 billion in 2006 (PCAS, 2003; Manuel, 2006). The report by Public Service Commission (PSC) titled "Audit of Government's Poverty Reduction Programme and Projects" the PSC recommended that the term 'poverty reduction' be used to label packages and initiatives that have an emphasis on 'refining the value of life of persons and families with no earnings, and are incapable of meeting the basic necessities of life (PCS, 2004). As an on-going effort towards poverty reduction, the South African government have initiated the expansion of public health care, infrastructures, shelter, water and electricity for its citizenry. To realize the full capacities of these poverty reduction strategies, numerous methods have been applied in South Africa. However, several of these strategies were implemented at the National level while others fell within the ambit of provincial government and local authority. The area of focus covered chronologically by this paper are: Legal context, Reconstruction and Development Programme (RDP), Growth, Employment and Redistribution (GEAR), Local government transformation, Land reform programme, Skill support and Development Programme, Farmer support and Extension services, Support for emerging farmers, National Public Works Programme (NPWP), Integrated Sustainable Rural Development Strategy (ISRDS), Social grants and unemployment, Education and poverty reduction, Agriculture Black Economic Empowerment (AgriBEE), Provincial Growth and Development Strategy (PGDS), Local Economic Development (LED) and Donors' in poverty alleviation through Official Development Assistance (ODA).

2. Materials and Methods

2.1 Legal Context for Poverty Reduction

The South African Constitution (Act 108, 1996) is the only legal and policy document, which form the basis for the approaches to the fight against poverty which was adopted by government since 1994. A number of fundamental human rights enshrined in the Bill of Rights (Section 27 (1), a and b) are as follows: "the right to access health care services, including reproductive health and social security". It also stated that each Province must take rational jurisdictional measures, within its existing funds, to recognize these rights. In view of the past injustices associated with South Africa's apartheid history, the constitution gave other rights, which include the right to equality, human dignity, life, political rights, freedom of trade, a healthy environment, adequate housing, and a right to property (Constitution of the Republic of South Africa, 1996). The constitution also outlines the foundation for land reform which is also widely seen as a remedy in addressing poverty. Decentralisation is defined generally as the handover of power, resources and assets from upper to the lower tiers of government. Decentralisation of governance which entails cooperative governance was adopted to substitute the existing government structure in South Africa. The decentralised government includes: National, provincial and municipal. Decentralisation of governance leads to efficiency in administration where people's needs and preferences are identified (Ostrom et al., 1993). As the local government received more administrative authorities and assets; its ability to have a positive influence on poverty were enhanced. Following decentralisation policy, South Africa recorded remarkable progress in infrastructure and housing construction for the poor, even though the amount of progress attained has been queried (Heller, 2001). Decentralisation has the prospect in reducing poverty *via* the promotion of access to opportunities, enablement, safety, and rights of the impoverished (Von Braun & Ulrike, 2002). The South Africa Millennium Development Goals (MDGs) report for 2007 asserted the social wage package which includes: free primary health care, education, support for housing, electricity, water and the provision of sanitation must be pursued vigorously with the aim of ameliorating poverty.

2.2 The Reconstruction and Development Programme (RDP)

The Reconstruction and Development Programme (RDP) prepared in 1993 became at that period, the primary government policy document directed toward poverty reduction towards the 1994 democratic election. The main focus of the RDP was basically for poverty reduction and redressing inequalities prevalent among the citizen of South Africa. Amongst other packages embedded in the RDP document were availability of water, jobs, education and health care services (Aliber, 2003). The realization of these programme priorities was made possible because of the macro-economic environment prevailing at that time.

2.3 Growth, Employment and Redistribution (GEAR)

Weak economic growth between 1993 and mid 1998 resulted in the decline of formal employment by 12% and 6% job losses in the manufacturing sector. Construction and mining had their share of job losses as 21% and 27%

respectively (CSS, 1994; Stats, 1999). In response to these challenges which coincided with the 1994 election, the government partially opted out of the RDP programme with the closure of its offices in 1996. The GEAR strategy, launched by government in 1996, was aimed at job creation and economic growth through reduction in the amount of debt South Africa must pay back each year on loans (deficit reduction). Given that GEAR crucially places higher priority on debt reduction and reducing social spending, it is questionable whether GEAR will address the needs of the poorest (Oldfield & Parnel, 1998). According to Aliber (2003) GEAR was considered as unsuitable programme in addressing the country's economic woes and its attendant social problem of joblessness and poverty. Additional analysis of contradictions between the RDP and GEAR shows that some critics of GEAR (Kepe, 2002; Aliber, 2003) described the RDP as a programme that have been completely forgotten. The government position was that the RDP represents a united and justifiable idea for the formation of the post-apartheid culture, while GEAR is the macro-economic policy which will monitor development packages of the government concerned with realizing the the goals of the RDP (Mbeki, 2003). Coleman (2001) listed programmes that show government commitment to social spending toward poverty reduction as access to clean water, clinics, electricity, telephone, primary health care, child support grant, and disaster relief programmes. The same source concluded, however, that the GEAR only achieved one singular objective of decreasing fiscal deficit. The actual annual economic growth, formal sector employment growth, and investment projections have not been achieved in line with GEAR estimation.

2.4 Local Government Transformation

The pre-1994 local government authority in South Africa was characterized by inadequate democratic process, racism and distorted planning (Oldfield & Parnel, 1998). The concepts of co-operative governance in which local, provincial and national governments are separated have been enacted into law. Therefore, the new role of Local government as mandated includes: creation of employment, enhancing economic growth and poverty reduction within their domain (Oldfield & Parnel, 1998). This new role encompasses giving priority to the basic essential needs and the advancement of community development. In this dispensation local government authority was to take the centre-stage and play an important role, which could not be legally hindered or compromised by provincial or national government (Bekker & Leide, 2003). There were two distinct phases of Local government transition since 1994. These phases include: (a) the transition period from 1995 to 2000 and (b) the establishment of complete local Municipalities in December 2000 (Ntsebeza, 2003). The latter part was marked by the drawing of new Municipal boundaries and the merger of many urban rural Municipalities. In this phase also, the existing Municipalities were reduced from 834 in 1995 to 284 by 2000 and this followed by the reduction of the number of councillors (Cousins & Kepe, 2004). The period between 1995 and 2000 witnessed a number of problems that emanated from institutional change, lack of experience with democracy, lack of confidence and skills (Cousins & Kepe, 2004). According to Manor (2000), most newly created local Municipalities were poverty stricken especially the former homelands with very small revenue base and unfunded mandates of poverty reduction and service delivery. The newly created Local Municipality was not too different in operation from the old local government. However, some of the system of old local government were still in use but new procedures, and tools to deliver services, build infrastructure, and create local economic growth in integrated and participatory ways were adopted. Some of the new mechanism, which was designed to allow the new Local Municipal to achieve the post-apartheid objectives of economic growth, poverty reduction includes unified plans for development. In the interim, the unresolved tension between the RDP and the GEAR macro-economic framework alluded to earlier still remains a battle at the newly created local government.

2.5 Land Reform Programme

Agricultural productions contribute to family earnings for majority who can access productive land. Many rural household in South Africa continues to participate in farming, making it an important occupation in rural communities (Hunters et al., 2003). During the apartheid period, there were forced removals of black South Africans from their native homes in accordance with the rural area Act of 1913 and 1936. Movement control policies into urban areas and the creation of Bantustans (which relocated individuals to demarcated areas) restricted movement and access to labour markets for many black South Africans (Lahiff, 2008). The major challenge for the democratic government at this time was for the government to put in place appropriate policies which will amend the partialities of compulsory removals and the denial of access to land during the apartheid era, which exacerbated poverty and food insecurity in most communities. This explains why the South Africa government introduced the Land reform programme in 1994. The land reform programme which stemmed from section 25 of the Bill of Rights was published as a 'white paper' in 1997. The white paper states amongst others that "racially-based land policies were a cause of insecurity, landlessness, and poverty among black people"

(Department of Land Affairs, 1997). The land reform had three broad dimensions namely: land restitution, land redistribution and land tenure reform.

2.5.1 Land Restitution

The Restitution of Land Rights Act 22 of 1994 was one of the major parts of law enacted by the post-apartheid government. In effect, this Act addresses property loss due to unfair discrimination resulting after the implementation of the 1913 Land Act. According to the land restitution Act 22 of 1994, claimants have a choice between restitution and the return for land lost. If claimants opt for the compensation option they are provided with restitution optional Grant of R3 000 per household. In terms of the restitution option they receive land as well as a Settlement Planning Grant which is calculated as a percentage of the value of the claim. The objective of the Settlement Planning Grant is to enable the claimants to appoint advisers or professionals to help in developing the land and also transfer the skills necessary Sibanda (2001) and Hall (2004).

2.5.2 Land Redistribution

A pilot programme for land redistribution was instituted between 1995 and 1999. The goal of the programme was to assist the resource-poor to buy land by providing them with state grants. The design is premised on the 'willing-buyer, willing-seller approach' which was highlighted during the National land summit of 2005 (UNDP South Africa, 2005). In 2000, the redistribution programme was widened to include the Land Reform and Distribution Grant (LRAD), which allows households whose monthly income is less than R1 500 to access grant of R20 000 to R100 000 depending on the potential beneficiary contribution to the land (Lahiff, 2005). The maximum value of the grant was put as R16, 000 per household and was supposed to be used to buy land from willing seller. Due to the high cost of land, individuals often pooled their grants to buy land as a group. The 'Comprehensive Agricultural Support Programme' (CASP) was introduced in 2004 with the overall aim to assist new land owners in retaining their land. The objectives were to provide support to beneficiaries through the provision of information and management skills; technical advice and skills support. The target groups included subsistence-based households, who are beneficiaries of land distribution programmes. By the end of 2007, 3 000 CASP projects were underway, with an estimated 230 000 beneficiaries. In total, land redistribution programmes were well formulated and well-funded but statistics suggest that only 5% of commercial farm land had been transferred (Tregurtha et al., 2010).

2.5.3 Land Tenure and the Extension of Security

Land tenure and Extension of Security of Tenure Act (ESTA) No 62 was implemented in 1997 with the primary objectives of securing farm workers' rights to tenure and to stop arbitrary evictions. Prior to the passage of this Act, farm owners had the right to terminate and the same time evict farm workers from their houses. It was a common practice then for farm owners to evict workers after terminating their contract of employment. These farm workers therefore lost their source of income as well as place of living the same time. The ESTA Act makes provision for lawful eviction whereby the farmer and the farm workers have certain agreed responsibilities. It also offers farm workers long-term tenure rights through the purchasing of land with the assistance of the state government. This long-term tenure only applies to individuals and households living within land allocated for agricultural purposes and consent has to be obtained from the owner of the land as well as all the workers employed on the land. However, available evidence suggests that a large number of workers have left farming and voluntarily moved to urban areas or former homelands since the implementation of the ESTA Act because of farm owners' hostility towards the tenure security Act and economic pressure (Hall, 2004). The Act witness a lot of criticism as farm owners replace permanent workers with seasonal or casual workers to avoid violation of the provision of the Act that makes them provide permanent workers with permanent tenure. Following the enactment of the ESTA Act, evidences shows that agricultural employment has declined coupled with an increase in farm worker evictions. However, some farmer workers now enjoys security of tenure as permanent staff.

2.6 Skills Support and Development Programme

The Sector Education and Training Authority (AgriSETA) assist in the provision of skills, establishment of learner ship and the development of learning materials. The Agricultural Education and Training was the main programme of the National Department of Agriculture (NDA). The primary focus was to train and enhance skills of both commercial and subsistence farmers. The commercial farmers and the subsistence farmers with divergent needs are the stakeholders in AgriSETA and this composition has affected service delivery. Another teething problem was inadequate revenue base due to a limited number of clients paying for skill improvement fee.

2.7 Farmer Support and Extension Services

The use of agricultural sector and extension education in alleviating poverty in South Africa is glaring because of the available naturally endowed resources. The services given by Extension to farmer's impacts significantly to increased agricultural productivity, food security and effective management of natural resources (FAO, 2003). The Farmer Support and Extension Services are prescribed in the agenda of the National Department of Agriculture's policies but the actual services are provided by the nine provinces. The primary objective of the extension services as prescribed by National department of agriculture is to develop the potentials of farmers through providing technical advice, information and training. Technology plays a pivotal role in the agricultural setting but the gap between available technology and farmers' expertise remains wide (OECD, 2006). The National Education and Training Strategy for Agriculture and Rural Development (DA, 2005a) highlighted the numerous problems that must be settled to allow for proper positioning of extension services in South Africa. These includes: the improvement of the ratio of staff to farmers, distance and geographical area between farmers and the linkages between farmers cooperatives and extension service providers (Department of Agriculture, 2005a). In a report titled "The state of extension and advisory service within the Agricultural Public Service: A Need for Recovery" asserted that the ability of Provinces to convey extension support to farmers were already unreliable (Department of Agriculture, 2008).

2.8 Support for Emerging Farmers

The emerging farmers were faced with lack of skills, experience and finance as key issues hindering success in agricultural development. However, the skill development support discussed above is aimed at improving the agricultural sector, while some initiatives of financial institutions were specifically aimed at improving access to finance for the emerging farmers. Micro Agricultural Financial Institution of South Africa (MAFISA) was established in 2004 and the pilot phase was carried out in Limpopo, Eastern Cape and Kwa-Zulu Natal and by July 2007 the programme was expanded to cover the country. The success story of MAFISA was noticeable at the pilot stage which ended in March 2007. It was recorded that 5 170 farmers received loans, which is more than the targeted number of 2 000 farmers. Analyst stated that the default rate on the repayment of the loans was as high as 40%. The administration of the loans to the farmers was the sole prerogative of the Land Bank but this mandate was marred with fraud resulting in the loss of an estimated amount of R 17.5 million involving 27 projects. Other challenges included high interest rates charged on loans and inadequate capacity within the agency. Land Bank could not review and appraise the success or failure of the exercise because of the fraudulent activities.

2.9 The National Public Works Programme (NPWP)

South Africa witnessed an increased rate of poverty and job losses since the advent of democracy in 1994. National Public Works Programme (NPWP) was considered as another tool to fight against this social malaise of poverty. A number of countries have applied the NPWP successfully in fighting poverty and unemployment and South Africa also recorded good achievement in the adoption of this strategy. The objectives of the NPWP in South Africa include: employment generation, poverty alleviation, development of social amenities, skill development and community empowerment (Adato & Haddad, 2002). The NPWP embraced participatory and sustainable development which requires that areas identified as having higher unemployment rate as well as those with severe infrastructure backlogs be accorded priority. Within those areas, the programme also set out criteria as to whom, amongst the jobless, gets job and which groups or communities without certain infrastructures get access to them. However, irrespective of the successes recorded, NPWP programme witnessed a major criticism of being demand driven and unable to reach the poorest communities (Adato & Haddad, 2002). According to Hadda and Zeller (1997), inadequate poverty data, poor administration, and loss of confidence and support among medium and higher income groups were listed as the underlying causes for the demise of public works package.

2.10 Integrated Sustainable Rural Development Strategy (ISRDS)

The South Africa government in 2001 introduced another poverty reduction strategy known as the Integrated Sustainable Rural Development (ISRDS) to function side by side the Urban Renewal Strategy introduced earlier to fight poverty. The simultaneous introduction of these policies reflected a break from the preceding policy frameworks, firstly it reflected and identified the differences in nature and extent of urban and rural poverty, and secondly the new policy had a 10- year implementation period. These programmes allow for the selection of areas considered as worst off with regard to under development. For example in Eastern Cape, areas identified and selected were UKhahlamba, Alfred Nzo, Chris Hani and OR Tambo District Municipalities (Eastern Cape Provincial Government, 2001). The targeting of poverty reduction was the main goal of the dual programmes. The communities chosen for these development initiatives are properly screened to make sure that they are actually linked with inadequate physical infrastructure (Coleman, 2001).

2.11 Social Grant and Unemployment

The South Africa government implemented an efficient system of social allowance, targeted specifically to vulnerable class, mainly the less privileged, the old, children, and people that are incapacitated (Aliber, 2003). During the apartheid era, old age pension was also recognised as poverty reduction strategy and it laid the foundation for successive government to continue to address the needs of the elderly. Increased unemployment and poverty was distinct as the key persistent development problems in South Africa. Overall acceptance of the meagre social allowance by recipients made the government to increase funding from 2.9 million in 1994 to 13.4 million by April 2009 (Leibbrandt, 2006; Woolard et al., 2010). Within the economic spectrum, payment of grants and other forms of allowances targeted at the less privilege rose from 2.9% of GDP amounting to 4.4%, which is three times more than the average spending of 1.4% of GDP in developing economies (Leibbrandt et al., 2010). The introduction of 'Extended Public Works Programme (EPWP) in 2004 was another government short-term measure towards poverty reduction. As at 2008, EPWP made headway by providing averagely 1 million job openings amounting to a wage bill of 1 million; however, the National treasury were optimistic then that more can be done. Therefore, recommendations were made for municipalities to adopt a more rigorous approach in service delivery to the people. In a comprehensive review of poverty trends to date, result shows that there are noticeable successes as poverty rate decreased from an average of 32% in 1993 to 28% in 2008 (Leibbrandt, 2006; Woolard et al., 2010). The implication of this minimal decrease was that those below poverty line had some improvement in their well-being but seemingly the most vulnerable group had little or no improvement in their well-being (Leibbrandt, 2006; Woolard et al., 2010). The fluctuating poverty phenomenon is obvious in the perspective of population increases. The numbers of urban poor has increased by 4.7 million, while the number of rural poor declined by 770 000. However, analyst suggested this trend is attributed to migration from rural to urban areas.

2.12 Education and Poverty Reduction

Education was identified as a weapon for long term poverty reduction strategy. School enrolment in South Africa has been steadily on the increase since the School Act of 1996 which made education mandatory for all children aged 7 to 15 years. To add impetus to the school act, the Education amendment Act of 2007, introduced fee exception, where parents were either exempted from fee paying or are encouraged to send their child to schools designated as non-fee paying. The school feeding programme initiated by the government allows children who have been enrolled in the primary school access to one meal a day. This opportunity was allowed in 18,000 primary schools throughout the nine provinces with about 6 million school children as beneficiary. The impact of this programme was that 95% of children were registered in 2004 and secondary school enrolment also increased (Republic of South Africa, 2007).

2.13 Agriculture Black Economic Empowerment (AgriBEE)

AgriBEE is a broad-based black economic empowerment framework for agricultural development among Black South Africans. The primary aim of AgriBEE was to abolish ethnic discrimination and to address previous injustices against previously disadvantaged racial groups in the agricultural sector. The outline of the policy was published in July 2004 by the Department of Agriculture. The areas of coverage and application of AgriBEE includes: "the entire value chain in the South African agricultural sector, all economic activities relating to the provision of agricultural inputs, services, farming, processing, distribution, logistics, and allied activities that add value to agricultural products" (Kepe, 2004). A Code of Good Practice was initiated within the act and Charter Councils was also instituted to monitor progress of BEE through the use of a scorecard. This scorecard identifies seven categories namely organizational control, ownership, fair play in equity, skills improvement and social investment. Critics observed that the AgriBEE undermined existing objectives by paying attention to land rentals and granting of access as opposed to ownership of land (Lahiff & Cousins, 2004).

2.14 Provincial Growth and Development Strategy

One of the primary objectives of the Provincial Growth and Development Strategy (PGDS) is the expansion of agricultural economy in support of the poor with the aim of poverty reduction. The PGDS provides government specifically with ways to "do things differently" and disrupt the sequence of poverty. The concept of a development in this context is entrenched in MDGs approved by the United Nation. South Africa is not an exception to the UN initiatives; however, development interventions are considered and measured along the prescribed international standard. The MDGs are: "eradication of extreme poverty and hunger; achievement of universal primary education; promotion of gender equality and empowerment of women; reduction in child mortality; improvement of maternal health; combating HIV/AIDS, malaria and other diseases; ensuring environmental sustainability; and developing a global partnership for development". Within this UN policy framework, the South Africa government mapped out targets for national service delivery and poverty alleviation

to include hitherto: “all households to have access to clean water by 2008; all household to access decent sanitation facilities by 2010; every household will have access to electricity by 2012; and 30% of white owned land will be distributed for sustainable agricultural development by 2014” From a provincial perspective, agriculture is viewed as a key economic driver towards building the agrarian economy. Part of the argument advanced by the PGDS was that South Africa is still under developed as compared to other middle income countries, and that the development of agriculture is seen to have high potential (Eastern Cape Provincial Government, 2004). Provincial government were allowed to initiate development programmes. For example the Eastern Cape PGDS’s long-term targets to 2014 are outlined as food self- sufficiency in the province and seeking a decrease by 80% in the total of households living below the poverty line. The strategy towards achieving this objective entails raising maize production in Alfred Nzo, OR Tambo, and the north-eastern parts of Amathole District Municipalities (ECPG, 2004). However, stagnation in agriculture, rural underdevelopment, increased levels of poverty and joblessness, remains a daunting challenge in most provinces.

2.15 Local Economic Development (LED)

The Local Economic Development (LED) programme allows local governments to manage their resources by entering into partnership with non-governmental organization with a view of generating new employment and enhance economic activity in the area (Nel, 2001). LED has been extensively practiced in many developed countries several decades ago. The objective of LED is to seek local solution to local problems. In 1993, the United Nations Development Programme (UNDP) estimated that an average of 48.5% of the South Africans is below the poverty line. Human development index (HDI) encompasses the mean value of the totality of human growth and attainment in three notable dimensions which includes: health, education and earnings. The HDI for South Africa was put as 0.73 in 1995 but decreased to 0.67 in 2003. An improvement of HDI has a robust influence in the physical well-being of a country (UNDP, 2003). The Local Government Transition Act of 1993, as amended in 1996 places an obligation on municipal authority to come up with Integrated Development Plans (Nel, 2001). The promulgation of the Municipal Act, 32 of 2000, allows for the consolidation and entrenchment of LED in the development discourse in South Africa (RSA, 2000). LED is still new in South Africa, with much of the policy changes dating back to 1994 and 1995 (Mawson, 1997). However, instances of relative success can be noticed, in the area of poverty alleviation and employment generation (Nel, 2001). Although a lot of changes occurred at the local government level, it is however, unfortunate to note that local government is still grappling with institutionalising LED notwithstanding the existence of Acts and bye-laws seven years before now (Nel, 2001).

2.16 Donors’ in Poverty Alleviation through Official Development Assistance (ODA)

IMF’s World Economic report (April 2009) asserted that South Africa remains an Upper Middle Income Country (UMIC), in addition the 2007 Mid-Term Report on MDGs, also reported that the country is ‘on-track’ towards achieving many of the MDGs mandate by 2015. However, despite these seeming successes income disparity and the occurrence of HIV/Aids remains the main problem; with many donors supporting and playing an active role in the country. The ODA is a donor induced source of assistance available to South Africa towards poverty reduction. The ODA could be in the form of monetary, human and technical assistance aimed towards poverty alleviation at all levels of government. South Africa presently collects an average of R1.7 billion yearly from donor countries (Ewing & Guliwe, [nd]). The main objective of the ODA is partly to assist recipient country in poverty alleviation and to promote economic development. “Aid that comes in a form of technical cooperation would affect the quality of a nation’s labour force through the provision of training and imported skills which is essentially for economic growth and poverty reduction, if an enabling environment is allowed to exist” (Ijaiya & Ijaiya, 2004). The level to which diverse aid modalities are applied in South Africa is complex to quantify as some are tied while others are not. Tied aid defines official donations or loans that bounds procurement to firms in the donor country. South Africa is a recipient of ODA from OECD members’ countries with the exception of Austria and Portugal. In addition, South Africa gets aid from China/Taiwan, Flanders, Greece and Kuwait, and from other multi- lateral donors (KFF/UNAIDS, 2005). The majority of funding for HIV/AIDS still comes from ODA (G7 and Europe) and accounted for almost R2.7 billion of a total of R3 billion funding committed for HIV/AIDS between 1998 and 2008 (Ewing & Guliwe, [nd]). The tying of aids erodes pride of ownership of an enterprise and hinders not only development initiatives but also the ability to move out of poverty with increased dependency syndrome. The aid from Netherland to South Africa is untied and this allows for efficient management and flexibility.

3. Conclusion

The paper shows succinctly that there have been numerous attempts with poverty reduction strategies but no one strategy have been accepted as ideal. From the numerous strategies highlighted, it is evident that South Africa government has adopted a multi-pronged approach to the reduction of poverty which remains a social malaise that

has been endemic despite several years of storming for perfection. Concerted effort should be made towards a synchronised strategy that would be enduring and amenable to the peculiar circumstances of African society. Poverty reduction must be the serious concern of government, donors, civil society and NGOs. In addition, data to comprehensively review the impact of poverty reduction measures must be put in place.

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