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**THE CONCEPTS OF POVERTY
USED BY THE ANC GOVERNMENT
BETWEEN 1994 AND 2004**

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COMPULSORY DECLARATION

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

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ABSTRACT

The choice of how poverty is conceptualised can have a significant effect on who is defined as poor and consequently who is targeted by government policies aimed at poverty eradication. This thesis examines the discourses of poverty used by the ANC government in its first decade in power and analyses what concepts of poverty underpin those discourses. By examining what concepts are used, this thesis lays a foundation for understanding what effect (if any) the concepts of poverty used by the ANC government might have on its efforts to combat poverty.

Major policy documents and speeches outlining and assessing government policy and performance during the decade and ANC policy immediately before coming to power are analysed for the discourses of poverty they use. The different concepts of poverty that these discourses are drawn from are identified, enabling us to establish which concepts of poverty influenced policy. By far the most prominent and consistently used concept of poverty is income-based, but a wide range of concepts are used, including asset poverty, structural poverty, access poverty and Amartya Sen's freedoms-based concept. The diversity of concepts is not always skillfully handled and there is evidence that they are sometimes misunderstood or misinterpreted by policymakers. Often the choice of which concept is used appears to be determined by expedient factors. Income-based concepts feature particularly prominently in the early years when government is trying to cut costs, and employment creation through economic growth is promoted as the most effective means of reducing poverty – a solution that does not impose additional costs on the fiscus. Structural poverty features strongly during Mbeki's term, partly because the interest in the historic origins and racial dimensions of poverty link to his own political agenda. Access and asset poverty concepts feature most prominently towards the end of the period when government is assessing its own performance, as there is more tangible progress to show in terms of these measures.

The lack of a clearly defined or consistently used concept of poverty makes it impossible to draw a straight line between the concept(s) of poverty used by the government and their impact on policy and the poor. This is well illustrated in the disconnect between the focus on income-based concepts of poverty in setting policy goals at the beginning of the period and the prominence of access-based concepts in assessing government performance at the end of the decade. The choice of an income-based concept in policy making did not preclude the achievement of greater successes in terms of access and asset based concepts. In the South African case therefore the choice or prominence of different concepts of poverty is not a significant determinant of policy impacts.

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CHAPTER 1

INTRODUCTION

Government rhetoric on poverty often invokes the imagery of warfare. From the “War on Poverty” to the often quoted phrase, “pushing back the frontiers of poverty,” the party’s rhetoric makes it clear that reducing poverty requires a fight and the battle lines have been drawn. But just where are these battle lines? What is the “frontier” of poverty?

In essence that is the topic of this thesis: to examine where the ANC government has defined the battle lines in its fight against poverty. The metaphor of territorial warfare immediately shows its flaws as we attempt to locate these battle lines on the map. Poverty is not an enemy that exists on a geographic plane, it is not confined to a particular area but is rather diffused among the households and people spread across the country. The metaphor is perhaps better understood in terms of guerilla warfare, a type of battle the ANC government - with its history in the liberation struggle - should be very familiar with. In this war the battle lines are not drawn on a map but rather in terms of how the enemy is defined. Who is it that is targeted, who is in poverty and must be removed from that condition? That is the line that must be taken as the measure against which success and failure must be judged in this battle.

South Africa, unlike many countries, has not defined an official poverty line. There is no common definition of the ‘enemy’. This is not to say that government has not had any concept of poverty in mind when it has formulated its anti-poverty policies, though it has not made that concept explicit. Conceptualising what it is that a policy is targeting, and then defining what measures will be used as indicators of success can have profound implications for how subsequent policy choices are made. In the field of poverty research too, how poverty is conceptualized can have a big effect on who is thought of as poor and hence who is targeted in anti-poverty interventions. Franco and Harriss-White (in Laderchi et al. 2003) show that different definitions of poverty can result in very different groups of people being defined as being in poverty. Their study of capability poverty and monetary poverty measures in India and Peru showed that there are significant numbers of people who are classified as poor on one measure but not on the other. The lack of overlap between the classifications produced by these two poverty measures were also found to be robust to adjustments in the

level of the monetary poverty line used. How the 'frontiers of poverty' are drawn therefore affects not just how many people, but which people are defined as poor.

The choice of how poverty is conceptualised can therefore have a significant impact on who is considered poor and whether they are likely to benefit from interventions intended to target poverty. Understanding how the South African government conceives of poverty is therefore an important question that should be asked before analyzing the design of its anti-poverty interventions and for understanding who benefits from such policies and how we should evaluate the policies' successes and failures. While there is a substantial body of literature on poverty in South Africa, it focuses on questions of how many people are poor, who is poor and why they are poor, with much less attention paid to the underlying concept of what is meant by describing somebody as poor. Yet choosing a concept of poverty can have significant impacts on what the answers will be to those other questions. This thesis looks at the discourses on poverty in government policy statements in order to try to discern what concepts of poverty informed government policy between 1994 and 2004.

This thesis examines major policy documents and speeches that address the topic of poverty during the ANC's first 10 years in government and explores what concepts of poverty seem to inform those statements. In order to do this, the next chapter outlines the main features of the different concepts of poverty that appear in the current literature on poverty. Chapter three examines the ANC's major policy statements on poverty between 1990 and 1994 in order to establish the understanding of poverty the ANC brought with it when it came to power. Chapter four looks at the major policies and statements of the ANC government in its first decade in power between 1994 and 2004 to identify the trajectory of government thinking on poverty. Finally, chapter five draws conclusions on what concepts of poverty have been most influential and the significance of this for public policy.

CHAPTER 2

EXAMINING DIFFERENT CONCEPTS OF POVERTY

2.1 Introduction

Although poverty is widely discussed, analysed and studied in academic literature, what concept should be used in analysing and responding to poverty is a question that is intensely contested both internationally and in South Africa. This fierce contestation in part indicates how important and powerful the concept can be in the study of poverty. One of the reasons for this is that in defining a concept of poverty we are in effect defining what it is that society considers as being an unacceptable standard of living for its citizens - the choice of concept therefore tells us a lot about the values of a society. (SPII, 2007)

In order to be able to identify what different concepts are being referred to when government talks about poverty it is necessary to understand from the academic literature on poverty what different concepts of poverty exist. This chapter describes and discusses the major concepts of poverty used in the literature. Not all of the different understandings of poverty outlined below are mutually exclusive. Some ways of measuring and defining poverty will in practice incorporate aspects from several different concepts outlined here. The purpose of the following subsections is to highlight the most significant aspects of different concepts of poverty in the academic literature so that when we turn to examining the record of how the concept of poverty has been used by the ANC in government in the subsequent chapters, we can understand it in terms of these concepts. Not all of the debates in the literature can be fully explored here, instead the purpose of this short chapter is simply to sketch the major concepts of poverty available to South African policymakers so that we can understand the significance of the choices they have made. There is also an extensive body of literature on (and much debate over) the measurement of poverty in South Africa, this is not the subject of this thesis and so only a very brief summary of the major trends in poverty over the decade is provided at the end of this chapter.

2.2 Absolute poverty vs. relative poverty

One of the major choices to be made in setting out any concept or definition of poverty is whether it will be defined in absolute or relative terms. Absolute measures define poverty

with reference to absolute physical needs. They do this by defining some minimum set of requirements that a person¹ needs in order to live a life that meets some basic standard (whether that standard is defined in terms of mere survival or includes other factors too). A person is then said to be in poverty if they do not have those minimum requirements. This minimum can be very basic, or more generous, what is important for an absolute definition is that the minimum set does not vary between people. Examples include Booth and Rowntree's study of poverty in York in 1901 (considered to be the first attempt to define an absolute poverty line) and the World Bank's dollar-a-day poverty line (based on the value of national poverty lines in the world's 10 poorest countries). (SPII, 2007)

To set an absolute measure of poverty requires deciding what needs have to be covered if a person is going to be said to not be in poverty. Doing so requires judgements about the nature of what is considered to be a minimal acceptable living standard - an extremely tricky (and telling) judgement to make. One response is to base the measure on only those things a person needs to remain alive. As a result, many poverty lines set using an absolute concept of poverty are set at a very low level (relative to measures set using other concepts), as the Studies in Poverty and Inequality Institute (SPII) puts it, "At their most crude, poverty studies and definitions have resorted to identifying what goods a human being would require to prevent them from dying." (SPII, 2007) The precise level at which this subsistence level is set can have a major impact though, with a 10% shift in the number of calories required resulting in a change of up to 50% in the proportion of people considered to be in poverty in some developing countries. (Wilson and Ramphela, 1989)

Absolute measures do not have to be set at the most basic level and nutrition is not the only indicator they can use, needs for clothing, shelter, health and education costs among others can also be included. However as less essential items are added to absolute definitions of poverty so they begin to stray from their absolutist intentions. For example, beyond requiring a certain number of calories per day (usually between 2000 and 2500 for adults) for survival any choice of the actual foodstuffs required to meet this requirement will require making choices that may be informed more by cultural norms than the absolute need for nutrition. In cultures where wheat is a staple, the price of wheat/flour may be factored into a definition of

¹ In the literature some studies use households as their unit of analysis, while others use individuals. For the purposes of analysing concepts of poverty in this thesis the choice of unit of analysis is not important. In this thesis the two should be read interchangeably.

poverty even if the same number of calories could be obtained more cheaply from rice. (Landerachi et al. 2003)

Even the first supposedly absolute poverty line defined by Rowntree in York in the early 20th century included allocations for such culturally, but not nutritionally, required items as tea. (Landerachi et al. 2003) In South Africa historically, definitions of poverty often included a racial element, with for example Batson's work on poverty in Cape Town in 1938-1940 defining a poverty line in terms of "the barest minimum upon which subsistence and health can be achieved under Western conditions." (in Natrass and Seekings, 2010) And the fact that poor whites and coloureds did not live in the same areas as poor blacks (in whose areas housing was cheapest) posed additional problems for defining a basic cost of living - Batson used separate housing costs for different races in defining his poverty line. (*ibid*) Presumably then the democratic government would be particularly careful to not use a definition that repeats this distinction, but any attempt to establish basic needs in South Africa would inevitably have to confront cultural choices in defining a basket of basic necessities. The concept of an absolute definition of poverty is therefore more of an ideal type than a practically used one. In other words, some definitions of poverty that we observe in government policy may be based on the principles of the absolute concept, but it is very unlikely that we will come across an example of a pure absolute definition. Relative elements simply play too great a role in the way we perceive poverty.

The term relative poverty is used in two ways in the literature. One is simply to define poverty statistically as a relative proportion of the population, either with reference to the median income or as a certain fixed percentage of the population at the lowest end of the income scale. This is a very easy definition to apply, but not one that tells us much about the nature of poverty or allows us to record changes in poverty over time. (Govender et al. 2007)

For the purposes of contrasting with the absolute poverty, the second definition is more interesting and is discussed in greater detail below. This relative definition of poverty takes a "more subjective or social standard in that it explicitly recognises that some element of judgement is involved in determining the poverty level." (Alcock, 1997, in Govender et al. 2007) As we have already seen, the culture in which a person lives plays a big role in defining things as basic as their diet, and will have an even larger role in defining acceptable types of shelter, clothing and levels of education. In order to take account of this, relative

definitions of poverty define the indicators they use with reference to the cultural norms and tastes of the societies they operate in. (Govender et al. 2007)

One result of this is that relative definitions of poverty can look quite different in different countries, requiring a much higher standard of living to be above the poverty line in developed countries than developing ones. Relative definitions require judgements to be made as to what a socially acceptable standard of living is in a society, but unlike definitions that claim to be based on an absolute concept of poverty, relative definitions are explicit about what judgements they have made. Relative definitions are also changeable over time. What is considered to be a lifestyle or income above the poverty line today may be considered below the poverty level in future if the general level of welfare in society changes sufficiently to alter what is considered a minimum acceptable living standard.

Relative definitions allow for the fact that a person's dignity and status in society is defined, to a great extent, by their status relative to others, and not simply by their ability to keep themselves alive. A person who is so significantly worse-off than all their neighbours that they cannot participate as an equal member of the community can be considered to be in poverty under a concept based on relative poverty, even if on an absolute definition they would be above the poverty line (Govender et al. 2007).

Examples of measures of poverty based on an absolute poverty concept include the poverty line for South Africa proposed by the Minister of Finance in 2005 (as elaborated in Statistics South Africa and National Treasury, 2007). Other global poverty lines including the World Bank's "one dollar a day" poverty line (based on the median poverty line of the 10 lowest national poverty lines in their sample group being worth \$1,08 a day). Both of these measures are calculated using a budget standards approach based on how much it costs to purchase the goods required to live. (Noble et al. 2004; National Treasury, 2007)

2.3 Consensual poverty

Consensual definitions of poverty are based on a concept of relative poverty, "defined by reference to socially perceived necessities in terms of activities, possessions and access to services" (Noble et al., 2004). The approach was pioneered by Mack and Lansley in the

Breadline Britain Survey (1985). In this approach a survey is conducted to establish what are considered to be the ‘socially perceived necessities’ in a society and the results of this survey are then used to construct a national poverty line. This method works best in societies where most people value similar things, as this helps to ensure that a coherent set of indicators emerge from the survey. Noble et al (2004) provide three advantages for a consensual concept of poverty and suggest that such an approach could be appropriate for South Africa. The first advantage is that because the survey method allows for change in the poverty level over time the definition can be considered to be relative, thereby avoiding some of the limitations of absolute concepts. This concept will also always retain an absolute core, as nutrition and other basic needs would always appear in the survey results of what people consider necessities and it would be possible for poverty to be eradicated over time without requiring complete equality across society. The second advantage is that the survey provides a relatively objective basis on which to measure poverty, avoiding some of the seeming arbitrariness of other definitions. The third advantage, linked to the second, is that the process of conducting a survey makes the resulting definition somewhat democratic in origin.

This concept is not without its problems. Surveys of public opinion are notoriously erratic and questionnaires can be designed so as to lead their respondents, opening the validity of the resulting poverty line to questions on its supposed democratic credentials. Perhaps more troubling though is that indicators developed through such a method would not make allowance for individuals who choose alternate lifestyles, the method relies on having a homogenous society that all have the same perception about what the necessities of life are, individual choice and a heterogeneous society (both features of the South African context) are not really catered for in this concept.

2.4 Transitory versus Chronic poverty

Some authors find it useful to distinguish between households in a permanent state of poverty and those in poverty only for a shorter period of time. Those people who move in and out of poverty are considered to be in transitory poverty, while those who spend their whole lives, or most of their lives in a state of poverty are said to be in chronic poverty. The Chronic Poverty Research Centre adds that in addition to chronic poverty being of long-duration,

those in chronic poverty typically “transmit their poverty” to the next generation (cited in du Toit, 2005).

All of the other concepts of poverty outlined in this chapter can be paired with a discussion of whether the people they define as in poverty are in a chronic or transitory form of poverty (as they define it). This is therefore not a new concept of poverty so much as an additional consideration that can add another dimension to discussions of poverty. Measuring chronic poverty is typically done through a panel survey, in which the same households are interviewed at several points in time to gauge whether they have moved in or out of poverty (which could be defined with respect to any other concept of poverty) (du Toit, 2005).

The concept of chronic poverty is particularly useful in explaining changes in the poverty profile over time, in particular it helps us make sense of the situation of those who are found to remain in poverty over several years, as opposed to those who move out of (or into) poverty between different surveys (Govender et al. 2007). The distinction between transitory and chronic poverty can also have important policy implications, Owen Barder (2009) for example, argues that understanding this distinction can help policymakers target different types of interventions to assist those in each type of poverty. Those in transitory poverty may only need minimal assistance in order to regain their former lifestyles, while those in chronic poverty may require more substantial interventions, including possible wealth transfers, in order to lift them out of poverty. Barder also suggests that it might help policy makers to understand tradeoffs between interventions that have positive impacts in the short-term but little long-term impact (like distributing food parcels) and policies that have greater long-term than short-term impacts (like providing education).

2.5 Structural poverty

All of the concepts of poverty discussed so far are defined in terms of the symptoms of poverty without examining what causes these symptoms. The concept of structural poverty examines the causes as well as the symptoms of a household’s poverty.

Du Toit (2005) is critical of the use of the other concepts of poverty outlined above, arguing that as they are crude and superficial and do not speak to the many different aspects of

deprivation a household in poverty experiences. This is particularly the case because operationalising any of these concepts requires choosing an indicator (usually a money-metric indicator such as income or expenditure) and then using that one measure as a proxy for all of the complexity that may have been intended in the original concept being applied. Du Toit criticises most poverty studies for simplifying a complex and interlinked set of circumstances that make a household poor, and only reporting on poverty as though it is a one dimensional phenomenon, structural poverty is meant to provide a concept that can account for multiple factors that interact to determine whether a household is poor.

The concept of structural poverty is based on examining what it is in the structure of the local economy and society that determines a household's well-being. At the household level for example, an analysis of structural poverty might look at the assets a household has and can use to meet its needs. These assets can be both tangible, for example having an extra room they can rent out to generate income, and intangible, like the social capital that means that a household member is able to borrow from a wealthier member of the community. Understanding these assets and how their utilisation determines the quality of life of a household provides a deeper understanding of a household's situation than looking only at income, which can fluctuate quite widely. Moving beyond the household level, structural analyses examine the structures in a society that determine what access different households have to means of earning an income as well as other determinants of well-being, such as access to basic services, social capital and others (du Toit, 2005). Social exclusion plays a much larger part in the understanding of poverty in this concept, with the international literature showing those people with little social capital being much less likely to be able to move out of poverty (see for example Room, 1995 and Byrne, 1999). The concept of structural poverty is particularly important in a society like South Africa's where our history has created a social and economic structure that had the effect of keeping many black people in poverty in order to advance the interests of white citizens. Understanding these structures and how they can change and are changing could play an important role in poverty research in South Africa.

2.6 Capabilities

The capabilities approach to the study of poverty is derived from Amartya Sen's work on the study of development. Sen has proposed that development should be viewed in terms of the freedoms people enjoy (see for example Sen, 1983, Sen 1999A). Sen provides two reasons for viewing development in this way, first it focuses on the ends which make development desirable (for example the freedom to be able to feed one's family). Other models of development focus on the means of development, such as money or assets, but not on the ends. The second reason is that freedom is also instrumentally important to furthering development; people need freedom in order to be able to innovate, trade and generally create the things required for a society to develop and in turn allow people to enjoy additional freedoms.

Studies of poverty based on Sen's approach to 'Development as Freedom' (1999A) are based on the capabilities people have to do things people have reason to value. In other words this approach looks at what freedoms people are capable of enjoying given their situation, examining this question in terms of what is achievable in terms of their income, social position, access to free services and a range of other factors. This approach takes account of many of the considerations that the other concepts of poverty outlined above are based on. The capabilities approach does not necessarily look at the actual outcomes achieved, if a person is capable of purchasing a house but chooses instead to spend their days meditating in a cave then their lack of formal housing does not count them as being in poverty, what is important is that the person has the capability to make a choice as to which freedoms they wish to take up.

Sen (1999A) summarises three reasons for adopting this concept. First, it focuses on things that are intrinsically important to people such as their capability to achieve desired ends whereas income-based concepts are centred on something that is only instrumentally important to the ends people have reason to desire. Second, many of the ends people desire can be achieved through means other than increased income, by focusing on the ends people desire rather than the means of achieving them the capabilities approach can account for the effect of many more determinants of a person's capabilities than just their income (this is an important consideration for policy makers). Third, the impact of low incomes on the freedoms people enjoy varies greatly between different communities, indicating that there are

other factors that must be taken into account if we want to really understand what factors make a difference in people's lives. To support this point Sen provides the example of the contrast between incomes and life expectancies between the Indian State of Kerala and South Africa (and several other countries). In 1994, Kerala had a GNP per capita of less than US\$500 compared to a South African GNP per capita of US\$3 000, yet Kerala had an average life expectancy of more than 73 years, well ahead of South Africa's 65 years (and this was before HIV reduced life expectancy for South Africans). Clearly, income alone cannot account for differences in outcomes that people have reason to value (it seems reasonable to believe that most people have reason to value living a long life).

One of the great strengths of the capability approach in terms of whether it is an absolute or relative theory of poverty is that it includes both an absolute core as well as a relative component. Sen (1983, 1999A) concedes that if a person does not have the absolute basics to be able to live (such as food and protection from the elements) then other capabilities are meaningless to them. Therefore the capabilities approach allows for people needing to have their absolute needs met before their other capabilities are assessed in determining whether they are in poverty or not. But the strength of the capabilities approach is that its acknowledgement of this absolute core does not mean that it ignores the relative aspects of poverty. Indeed Sen (1983) is keen to emphasise that in order not to be in poverty people must also possess the commodities needed to participate without shame in society and to be able to meet social conventions.

Another advantage of Sen's work on viewing development in terms of freedom is that it allows a greater degree of interpersonal comparisons than the strict application of the Pareto rule that has dominated much welfare work in the second half of the 20th century. Sen argues that interpersonal comparisons should not have to be complete in order to be valid and useful and therefore his theory reintroduces interpersonal comparisons - which can be normative or descriptive (Prendergast, 2004). This enables this concept to be used in making tradeoffs regarding the relative benefits and losses to different parts of society.

There are several criticisms of details of Sen's concept of poverty. Martha Nussbaum (2003) argues that Sen's idea of development as freedom is too vague as it does not specify which capabilities are more important than others (beyond the core capabilities necessary for

survival). Nussbaum argues that the theory would be strengthened by prioritising the different forms of freedom and capabilities and that the order of priorities might appropriately be different in different countries. Sen has proposed that a democratic exercise is needed to weight the different priorities of a society and this therefore assumes that democracy is a necessary condition for operationalising the theory (Stewart and Severine, 2002). Sen does not see this as a serious problem with his approach however as people have reason to value democratic freedoms in any case and so achieving some form of democracy would most likely be required under this concept in any event. Fortunately for South Africa post-1994 this is a moot point as the country is democratic already.

While the concept of measuring poverty in terms of capabilities has enormous theoretic appeal, it has many practical obstacles. As Pressman and Summerfield explore (2002), the concept of using capabilities to measure poverty is not fully developed in the sense that it has not been successfully adapted into a mathematical model. Measuring capabilities requires measuring all the options that are realistically available to them - no small task, and one that would be almost impossibly difficult to do on the scale required to make statistically robust evaluations about poverty levels across a whole country. To date therefore the practical uses of this theory have been limited to studies that are inspired by the principles behind the capabilities approach, even if they do not succeed in accounting fully for people's capabilities.

2.7 Vulnerability

While it is not really a concept *of* poverty, vulnerability is none the less an important concept to understand in the description of poverty and anti-poverty policy. Vulnerability refers to a person's likelihood of falling into poverty, whatever concept of poverty is used (SPII, 2007). It is based on the ability of the person or household to withstand a shock to their way of life and find the means to respond to it without letting it push them into poverty. Du Toit and Ziervogel (2004) note the relationship between vulnerability and the structure of the systems people live in, observing that vulnerability is commonly a result of the properties of the structure of such systems. Vulnerability is also similar to the concept of chronic poverty in that both concepts assess how stable a household's position relative to the poverty line is over time.

2.8 The dimensions in which poverty is measured

One of the most important choices in how poverty is conceptualised is the choice of the dimensions in which poverty is measured. Poverty is not something that is only conceptualised and discussed in the abstract however. Policy makers, academics and the general public all want to see poverty quantified. The choice of measure can have a large impact on the results in terms of how many people (and which people) are recorded as being in poverty, but even more importantly for the purposes of this thesis, choosing an indicator (or indicators) by which to measure poverty entails a choice about the underlying concept that is being measured. The three most commonly used measures of poverty are money, assets and access. Each of these is outlined briefly in the paragraphs below, with a discussion of what the implications are for the concept of poverty that is measured.

2.8.1 Income

By far the most widely used measure is the money-metric measure of poverty, often referred to (including in this thesis) as income poverty. Income poverty measures attach a financial amount to the definition of the poverty threshold. There are two principal reasons for the popularity of this measure, the first is methodological, it is simply easier to collect data on the incomes of the population than it is to collect data on their assets access to basic goods and services. The second reason is that income is a good aggregator. Money can be used to purchase a wide variety of different things, so measuring a person's (or household's) income tells us their ability to purchase a variety of items that they might choose, without us having to make judgements about which items are 'necessary' or should form part of a definition of poverty. By measuring income we can evaluate the ability to purchase without having to impose any judgements on what is purchased.

Because income measures are not able to account for things that do not have a monetary value, using income as a measure can result in many of the things that people have reason to value, and that make a difference to their lives, not being captured. While no measure can capture all the dimensions of poverty, income-based measures are often presented without the caveat that they provide only a partial picture of poverty, (du Toit, 2005) which makes it worth noting as a criticism of the concept. Income-based measures are also inevitably very

concerned with material well-being, to the exclusion of other aspects of human fulfilment that a more holistic concept of poverty like Sen's freedoms-based concept would encourage.

2.8.2 Assets

Income cannot however provide a full picture of the resources available to a person. For example a subsistence farmer will be able to feed his family without earning any financial income, and a home owner has shelter even in the absence of income. Assets that are owned or available for use by a person or household therefore make a very substantial difference to their quality of life. Measures based on the assets people own or are able to use are therefore useful in explaining this dimension of poverty. To the extent that income correlates with assets, asset poverty can also act as a proxy for income poverty.

While not providing a complete picture of poverty, taking account of assets reveals important aspects of a household's situation. Assets, because they tend to be durable also provide a more stable measure than income, which can fluctuate quite significantly. Using assets as a measure can therefore be useful in differentiating between transitory and chronic poverty. (Govender et al. 2007)

2.8.3 Access

Measures of access poverty look at what a household is able to access in terms of nutrition, sanitation, shelter, healthcare, education and other goods and services even if they do not own or buy these things themselves. This concept is useful in explaining the importance and impact of social assistance and other non-income or asset-based transfers to poor households. Access concepts typically take account of the access a household has to things like clean water, healthcare, education, and even food. Deciding what items are included in an access measure opens up the concept to many of the pitfalls that the income-based concept avoids by measuring the ability to purchase rather than what is purchased. However, access-based measures are able to take account of the many things a poor household may be able to get without having to spend money. This is particularly important in measuring poverty as many anti-poverty interventions involve providing poor households with goods (such as food) or free services such as education and health. Income-based concepts cannot easily account for

the impact of this on the poverty profile, though it certainly makes a big difference in the lives of affected households. Access poverty is thus particularly useful as a concept able to note the types of social assistance provided. One could imagine that in a money-free socialist utopia where all citizens have their basic needs provided for by the state, that while income-based concepts would struggle to explain that people are not in poverty, access-based measures would have no such problem. Unlike income, which can be used for whatever purpose an individual chooses, access to services will entail far less choice and so this concept is not particularly good at accounting for the type of freedom-based concerns entailed in Sen's concept.

2.9 What changed on the ground? – a brief look at measurements of poverty over the decade

South Africa produced an abundance of survey data in the decade between 1994 and 2004, which makes it possible to measure changes in income and access to services over the period. Many academics have examined the data, which includes two censuses (in 1996 and 2001), regular labour market and household surveys, including the October Household Surveys and Labour Force Surveys and the 5-yearly Income and Expenditure Surveys in 1995, 2000 and 2005/06. Seekings (2006) provides a useful summary of the analysis of this data, citing at least seven sources that found (using income-based concepts of poverty) that “income poverty grew sharply in the late 1990s.” While the precise findings differed depending on the data and method of analysis used, the trend of increasing income poverty in the later half of the 1990s is widely agreed on. Exactly what happened after 2000 is more contested, with two sources, both using data from the All Media and Products Survey (AMPS) published annually by the South African Advertising Research Foundation (SAARF), finding that poverty declined. One of these studies, published by SAARF itself found that the proportion of people in their lowest income category had fallen from 20% to 5%, another study by Van der Berg *et al.* used the AMPS data as well as other sources and found that poverty declined after 2000, but his findings were rebutted by Meth who questioned the assumptions used to achieve these findings. Meth suggests that using more realistic assumptions would have shown that if there was a decline in poverty during the years of relatively strong economic growth after 2000, then it would have been much lower than suggested by Van der Berg *et al.* (Seekings, 2006) All of these income-based assessments used poverty lines based on a minimum level of

income, implying that they used an absolute method, but in reality defining that minimum level would have entailed at least some relative choices about what are defined as the required necessities for living.

Government succeeded in substantially redirecting its spending towards the poor during this period, with the proportion of GDP spent on social grants increasing from 2% to 4% (Seekings, 2006), and billions were spent on providing water, housing, electricity and sanitation to poor households as well as education and health services that benefited the poor. The 2001 Census and 2007 Community Survey both indicate that the number of households with access to basic services increased significantly over the period from 2001-2007, with the number of households with electricity increasing 40% for example and the number with access to water increasing 13%. (Stats SA, 2003, 2010) Access poverty therefore almost certainly declined over the course of the decade.

Bhorat, van der Westhuizen and Naidoo (2006) have compiled an asset poverty index from household poverty data. Their analysis provides a useful counterpoint to the income-based measures compiled by other researchers, showing a noticeable decline in asset-poverty between 1993 and 2004.

Accounts of the trend in poverty over the decade are thus quite different depending on which measure of poverty is used. While income poverty increased during the first half of the decade and may have either levelled off or decreased in the second half of the decade, when poverty is measured in terms of access or assets, there is a steady decline over the decade, with poor households substantially better off at the end of the period. The literature therefore shows us that there are multiple concepts of poverty that can be used, and that how we measure poverty can make a major difference to whether we see poverty declining or increasing over time. In the next two chapters we look at what concepts informed the way the ANC government used the term poverty, mindful of the significance the choice of concept can have.

CHAPTER 3

THE STARTING BLOCKS FOR GOVERNMENT'S ANTI-POVERTY POLICIES

3.1 Introduction

Coming to power in 1994, the ANC-led government had already spent several years researching and refining their policy positions, including their policies on poverty (which was consistently identified as one of the biggest challenges the new government would need to address). The most important policy documents that deal with the question of poverty in the period before the ANC's election are the Ready to Govern document published in 1992 and the Reconstruction and Development Programme (RDP) document published in 1994 in the run up to the elections, as an election manifesto. After the ANC won the elections and formed a government (together with the National Party and the Inkatha Freedom Party), a revised RDP document was published as a White Paper, the first official policy document of the new administration to deal explicitly with the problem of poverty. This chapter will analyse the way these documents use the term poverty and what concept(s) they seem to be drawing on when they do so in order to establish what view of poverty held sway in the future governing-party before they came to power.

Each policy document discussed in this chapter and chapter four is examined for both what it reveals about the discourse on poverty that is used, and what concepts underlie that discourse. The discourses used are identified and discussed in terms of the phrases they use to refer to poverty, identifying whether vocabulary from a discourse related to a particular concept outlined in chapter two is used – so, references to increasing freedoms as a means of poverty reduction would be an example of discourse drawn from Amartya Sen's concept of development as freedom. However, the use of a discourse drawn from a concept does not mean that that concept has been consistently used in the policy itself and so each policy statement is also examined for what concepts can be identified as informing the policy choices made. The prominence of discussions of poverty within each policy statement will also be discussed.

3.2 Ready to Govern

In *Ready to Govern* (ANC, 1992) the ANC uses the term poverty most often to describe the situation of a large number of South Africans, establishing that the ANC views ‘poverty’ as an appropriate term to describe the situation of a large number of South Africans. But what does that description mean?

Interestingly, the most commonly used concept of poverty in academic literature, in which poverty is defined in terms of a lack of income, is not explicitly used in the discourse around poverty in *Ready to Govern*, though it is likely that the authors of the document considered a lack of income as being implied by the term poverty. Where the term poverty is used it is most often linked to unemployment, malnutrition and disease, though from the way the document is written it is impossible to say what, if any, causal relationship the authors see between poverty and these other variables. ‘Poverty’ appears to be used primarily as a descriptor of the bad situation that many South Africans find themselves in, together with these other characteristics mentioned.

Where the document is specific about the characteristics of poverty and what interventions should be used to deal with it, the concept that seems to be the closest match to the way the term is being used in the document is that of access poverty. In the chapter on local government there is a call for the “subsidisation of essential services to those who cannot afford to pay” (section C.4), this appeal for subsidised services confirms that the ANC does not see poverty solely in terms of income. Poverty can also be reduced through the provision of additional services (rolling out services to un-serviced areas is also a big objective in the document) even if incomes remain unchanged. Access to services is therefore a key component of both the discourse and concept of poverty used in *Ready to Govern*.

Poverty is cited as a threat to people’s security in section Q.2. Interestingly, poverty is not seen as a cause of crime (as is common elsewhere) but rather as a direct threat to people’s security in and of itself. In this section, poverty is also linked to the abuse of people’s rights (presumably as something more likely to happen to those in poverty). The section also acknowledges the more conventional argument that poverty causes conflict between individuals and communities, but it is striking that the conceptualisation of poverty used in

this document takes such a broad view of poverty that it sees security as an element of poverty, something few authors acknowledge, Sen (1999A) being one obvious exception. This further emphasises the idea that the ANC's conception of poverty in the early 1990s was much broader than income poverty.

The most striking claim made about poverty in the Ready to Govern document is to be found in the preamble to the chapter on Social Welfare:

“The ANC, in keeping with its general commitment to an egalitarian society, rejects the dictum that the poor will always be with us. It believes that poverty is created by society and it can therefore be eliminated by society.” (Section I.1)

Unfortunately the document does not elaborate on the argument that lead its authors to conclude that poverty is caused by society and can be eliminated by it. Doing so would have revealed a lot about how the party conceptualised poverty, though it seems to be strongly implied that the ANC sees the origins of poverty in the previous social order of apartheid capitalism. The chapter on Welfare goes on to outline a series of rights (including food, shelter, education, health and employment) that all South Africans should be entitled to. Again, this would imply that poverty is conceptualised in terms of many aspects besides income.

The rejection of the idea that the poor will always be with us also implies a rejection of relativist conceptions of poverty. It makes no sense to define poverty as one group being poor relative to another if we are saying that it is possible that one day nobody will be in poverty.

The reference to poverty being created by society appears to derive from discourses on structural poverty. If the structure of society is responsible for creating poverty then it will require changes in the structure of society to eliminate it. This is however the only place in the document to draw on the concept of structural poverty, so it would be an exaggeration to say the ANC adopted a structural conception of poverty, but we can say that structural poverty is one of the concepts that influenced ANC thinking at this time.

Ready to Govern does not provide an explicit account of the way the party conceptualises poverty, but the way the term is used shows that several different concepts have influenced the ANC's thinking on poverty. The ANC's conceptualisation of poverty certainly is not limited to an income-based approach to poverty, in fact there seems to be a strong focus on services implying an influence from concepts of access poverty and some influence from concepts of structural poverty. There is also no attempt to define the concept or even to use a consistent concept throughout the document. Part of the reason for this could be the limited access the ANC had to reliable data on the conditions of the poor, and hence their strong support for the PSDLSA conducted in 1993. Whatever the reason though, the pre-1994 ANC certainly didn't take a narrow view of poverty.

3.3 The Reconstruction and Development Programme

The original RDP document (ANC, 1994), published before the 1994 elections, again uses the term 'poverty' as a descriptor for the situation in which many South Africans find themselves, without saying what concept or definition of the term they are using. One thing the RDP document does quite clearly is to emphasise the importance of combating poverty, raising the rhetorical ante relative to the more subdued pronouncements in *Ready to Govern*. The RDP document identifies poverty as "the single greatest burden on South Africa's people" (section 2.1.1), it also introduces war-like language to the poverty debate for the first time, stating in the introductory section that, "attacking poverty and deprivation must therefore be the first priority of a democratic government (section 1.2.9). The reason given for this is that "no political democracy can survive and flourish if the mass of our people remain in poverty" (section 1.2.9).

There is a noticeable refining of ideas between the Ready to Govern and RDP documents. While the RDP still does not offer a definition what it means by the term poverty it does make explicit that, "it is not merely the lack of income that determines poverty" (section 2.1.2). This is the first time we see an attempt to impose some definition on the term, and it confirms the earlier analysis that the ANC (and future government's) conception of poverty is not limited to income-based measures. Instead the RDP document refers to "an enormous proportion of very basic needs," that are, "presently unmet" (section 2.1.2), these basic needs are listed as including food, land, housing, safe water, sanitation, energy, literacy, health

services and protecting the environment. The reference to basic needs draws from discourses of absolute poverty and access poverty.

The RDP document also sets out four pillars for meeting these basic needs, the selection and phrasing of which offer further insights into the way the authors of the ANC's policy documents conceive the concept of poverty. In summary the four pillars are:

1. *“Creating opportunities for all South Africans to develop to their full potential;*
2. *boosting production and household income;*
3. *improving living conditions through better access to basic physical and social services; and*
4. *establishing a social security system and other safety nets to protect the poor, the disabled, the elderly and other vulnerable groups.”*
(ANC, 1994)

These four proposed policy interventions appear to be aimed at responding to somewhat different conceptions of poverty, perhaps reflecting the ANC's awareness of poverty as a complex and multi-faceted problem that can neither be defined nor responded to in a single dimension. The first pillar, referring to potential seems to hint at something like Amartya Sen's (1999A) capabilities approach to poverty, introducing the idea that citizens are in poverty if they are overly constrained by material worries in the choices they make and therefore cannot realise their own potential. The second pillar refers quite directly to an income-based conception of poverty, linking this to overall economic growth. The fourth pillar also refers to an income-based concept of poverty, emphasising the importance of (presumably) financial transfers to poor households in order to lift them out of poverty. The third pillar refers directly to access poverty in terms of accessing certain basic services from the public sector, a discourse also used in Ready to Govern.

The RDP document argues strongly for the need to look at development and poverty reduction in a different light to the way it had perhaps been viewed previously in South African policy debates. In particular the RDP makes the case that development of poor communities and poverty reduction are “parts of an integrated process” (section 1.3.6) together with economic growth rather than a deduction from growth. In other words, instead of seeing development as a cost to be paid from taxing economic growth, development

policies should be designed in such a way that they contribute towards increased economic growth. This aspect of the RDP would seem to talk primarily to the idea of poverty as an economic condition, closely tied to the concept of income poverty.

The RDP document appears to draw on several concepts of poverty. The breadth of the resultant hybrid-concept used (in terms of the wide range of different aspects it considers) is perhaps best illustrated in the inclusion of “cultural deprivation” as resulting from poverty, in both the sections dealing with education (3.1.3) and the arts (3.4.2). The indicators of poverty thus run from a lack of income to basic needs to the ability to develop oneself, including in cultural dimensions.

In addition to the breadth of the concepts of poverty the RDP appears to draw on, the policy also places quite a strong emphasis on the importance of gathering statistics to be able to monitor progress in reducing poverty. The use of statistics tends to have a limiting effect on the scope of the concept of poverty used as there are relatively few indicators that are easily measurable (this is one of the reasons income poverty is so widely used). The proposed “national unit to monitor poverty and deprivation” (section 2.2.9) is tasked in the RDP with monitoring a number of different aspects of poverty, such as education, that are beyond the scope of narrowly income-based measures. Going into government then it would appear that the ANC was drawing from many different discourses in the way it conceptualised poverty and in addition to committing to reducing poverty (in all its aspects), also intended to measure and monitor its progress in reducing poverty.

In the *White Paper on Reconstruction and Development, Government’s Strategy for Fundamental Transformation*, published in November 1994 (South African Government, 1994), many elements of the pre-election RDP are preserved. “Attacking poverty” is still listed as the number one priority and the message that no democracy can survive with such high levels of poverty is repeated. The commitment to monitoring is given more flesh, with a commitment to build a poverty information and management system and to make use of the Financial and Fiscal Commission to assist in monitoring. The White Paper also spells out the “need to define a common set of data elements” to be measured. Perhaps tellingly though the White Paper does not propose what such a data set might look like. Without having offered a clear definition of what it is that is being measured (by not offering a more precise definition

of poverty), it will be very difficult to define what needs to be measured in order to judge success.

Basic needs are again a key focus of the policy, but the White Paper is even less specific about what these needs are. The White Paper as a whole in fact is much less specific about what it does or doesn't mean when it refers to poverty, a term used mainly as a descriptor, than the documents published before the ANC came to power. Perhaps, as the SPII observes (2007), not defining what is meant by the term 'poverty' allows it to cover a wider variety of problems, something particularly useful in the political sphere.

The White Paper does add one new element to the discourse of poverty used by government. It is the first time that the term "freedom" is linked to the concept of poverty in an official government policy document. The White Paper's preface begins by quoting President Nelson Mandela's first speech to a joint sitting of parliament in which he refers to a creating a range of different freedoms as the key to creating the people-centred society he ANC has committed itself to. This speech, and its possible links to Amartya Sen's concept of development as freedom, will be examined in the next chapter.

CHAPTER 4

CONCEPTS OF POVERTY USED BY THE SOUTH AFRICAN GOVERNMENT 1994-2004

4.1 Introduction

In February 2004, nearing the end of both his first term as president and the ANC's first decade in power, Thabo Mbeki (Mbeki, 2004) opened parliament with a speech peppered with quotations from President Mandela's address a decade earlier at the opening of the first democratic parliament. Both speeches made powerful use of the discourse of expanding freedoms as the principal means of achieving development, with Mandela saying that, "...the purpose that will drive this government shall be the expansion of the frontiers of human fulfilment, the continuous extension of the frontiers of freedom." And Mandela also made it clear that in talking about the frontiers of freedom, "we speak not only of political freedoms." He listed the following goals for his government's pursuit of freedom: "...freedom from want, freedom from hunger, freedom from deprivation, and freedom from ignorance, freedom from suppression and freedom from fear." These goals all formed part what Mandela called his "government's commitment to create a people-centred society." (Mandela, 1994)

Although Amartya Sen is not mentioned by name in either speech, his ideas of development as freedom would seem to have influenced both Mandela's statement of his government's objectives and Mbeki's assessment of the ANC's first decade in office. Poverty is very clearly a major theme in both these speeches, and a theme that is described in a manner that draws from a particular concept of poverty. These two speeches, which provide such handy bookends to the ANC's first decade in power, are but two of many occasions when poverty was addressed in official government statements. This chapter sets out to examine which concepts of poverty were used in major government statements of policy over the course of the decade from 1994 to 2004.

The five sets of government policy documents that will be examined are:

- The Growth Employment and Redistribution (GEAR) Strategy
- White Paper on Social Welfare
- Budget Speeches

- State of the Nation Addresses (SONA)
- Towards a 10 Year Review

These five sets of documents provide us with windows onto several different aspects of government policymaking that can be used to draw a reasonably detailed picture of government's thinking on the question of poverty. The GEAR strategy, published in 1996, is the major economic policy document that defines macroeconomic policy for this period. The White Paper on Social Welfare is the most significant statement of social policy issued by the new government, it outlines government's approach to the provision of social welfare, including social grants to the poor. After examining these two policy documents from the early days of the ANC administration, this chapter then turns to two sets of annual speeches, the State of the Nation Address and the Budget Speech to see if there were any changes over the course of the decade in the way government conceptualised poverty in setting out the priorities for each year. And finally, Towards a Ten Year Review presents the government's own self-assessment of its performance over the decade, assessing a wide range of areas of government performance, but with a strong focus on poverty.

These are by no means the only documents that could be analysed to give an account of government's thinking on poverty, but they are probably the most important statements of government policy over the course of the decade that relate to policies impacting the poor and will provide us with ample source material to follow the way the ANC government describes and responds to the challenge of poverty. They originate from three different government offices: the Presidency (State of the Nation Address and Towards a Ten Year Review), the National Treasury – formerly the Department of Finance - (Budget Speeches and GEAR) and the Department of Social Development - formerly the Department of Social Welfare - (White Paper on Social Welfare). While there are many other important policy documents that were published over this period that were developed by non-governmental organisations, academics and political parties but these are not considered here as this thesis only examines the conceptualisation of poverty within government policy.

4.2 GEAR

The Growth, Employment and Redistribution (GEAR) strategy was adopted in 1996 as a macroeconomic stabilisation strategy to get the South African economy and government finances onto a more sustainable path after many years of reckless management by the apartheid government (and high spending during the first two years of the democratic government) that had left the country's government close to financial crisis. The GEAR strategy aimed to correct for this mismanagement and to move the country onto a long term, sustainable growth path that the strategy promised would deliver higher growth rates than the country had experienced in the past. (Department of Finance, 1996; Green, 2008) As such it formed the principal economic framework for the country over the period examined in this thesis.

The GEAR strategy cites "A redistribution of income and opportunities in favour of the poor" (Department of Finance, 1996, p1) as one of the four goals in its long-run vision, set out at the beginning of the strategy. The document itself does not make many direct references to poverty outside of the section on social services, but it is clear from the long-run vision that reducing poverty is one of the central goals of the economic and structural interventions discussed in the rest of the document. The relationship between these interventions and the objective of reducing poverty is perhaps best explained in another section of the introduction which, following a list of recent economic developments, notes that, "Notwithstanding these achievements, it has become increasingly evident that job creation, which is a primary source of income redistribution, remains inadequate" (Department of Finance, 1996, p1). Both of these statements seem to indicate that the GEAR document considers poverty to be a concept to be considered primarily in terms of income. Although it is important to note that the strategy's long-run vision refers to both income and opportunities with regards to the poor, it makes sense that the document sees poverty as primarily a problem of incomes, as most of its proposals can be related to creating opportunities for the poor to advance their incomes (principally through accessing the additional jobs that GEAR envisages the economy can create). Relating the GEAR strategy to non-income-based conceptions of poverty would require more contorted logic and there is little evidence within the document that the authors had anything in mind, regarding poverty, beyond a straight line between creating more jobs,

poor people becoming employed and thereby improving their incomes and moving out of poverty.

The sections of the GEAR strategy that deal most directly with issues affecting the poor are those on social and sectoral policies, and public investment. The introduction to the social and sectoral policies chapter makes it clear that these policies are examined in the strategy only in so far as the “linkages between growth, redistribution and the new policy direction,” can be explored (Department of Finance, 1996, p15). Again, this fits with the paradigm of viewing interventions aimed at the poor in terms of their impact on the incomes of the poor.

One of the GEAR strategy’s most important tactics in achieving macroeconomic stability was to reduce growth in public sector expenditure by trying to reduce spending on services to affluent communities so that government provides most of its services to the poor only. This defines an important characteristic of the post-1994 South African state: most government services are targeted at the poor, rather than at providing public services used by all citizens. There is no evidence that this choice is an ideological one, as the GEAR document makes clear, this is a pragmatic choice for maximising the impact attained from the limited funds available to government. The long-run objective of achieving a “redistribution of income and opportunities in favour of the poor” (Department of Finance, 1996, p 1) does not appear to mean that the GEAR strategy is advocating that this redistribution be achieved through increasing the social wage. On the contrary, while spending on services for affluent communities may be cut, this is not in order to spend more in poor areas, but to reduce the burden of total social sector expenditure on the state’s finances. The proportion of spending that goes to the poor only rises in relative terms, as a result of the total spending on social services shrinking (Department of Finance, 1996, p 15).

Spending on providing education for the poor is justified in terms of the long-run impact education can have on a country’s “economic performance and income redistribution” (Department of Finance, 1996, p 15). Spending on health is aimed at “improving the health conditions of the poor” (Department of Finance, 1996, p 15), which could have similarly beneficial economic impacts. Spending on social grants is described as playing, “a vital role in poverty alleviation,” (Department of Finance, 1996, p 15) and is not described as having any linkages to possible benefits for the economy. The strategy then says that “affordable

strategies to support families and children are being investigated” (Department of Finance, 1996, p 15). This presumably refers to the work of the Lund Committee which was underway at the time and led to the implementation of the current child support grant. What this statement also reveals however is that affordability will be the main criterion on which the Department of Finance intends to choose between different options, rather than basing the choice on the effectiveness of the interventions in terms of any particular concept of poverty. However any form of welfare grant is obviously directly redistributive of income, and is therefore easily explained in terms of the income-based concept of poverty. Thus all the reasoning for social services in GEAR link to income-based concepts of poverty. This is perhaps not surprising in a macro-economic strategy document like GEAR as income-based concepts of poverty are the most directly relatable to the economic levers and impacts that the policy is concerned with.

The only section of the GEAR document that seems to employ a non-income-based concept of poverty is the section dealing with infrastructure, and in particular providing potable water. The GEAR strategy argues that, “Rapid progress with the supply of potable water to the 12 million people without adequate access will be a major contribution to poverty relief.” (Department of Finance, 1996, p 16) The document does not say why providing access to water is such a major contribution to reducing poverty, and it certainly could be argued that from an income perspective access to clean water allows a household a number of advantages that may enable them to increase their income, but access-based concepts of poverty provide a more straight-forward account of how it reduces poverty. If the authors did have an access-based conception of poverty in mind when describing the impact of the roll-out of water services then this was the only place where they used it, as elsewhere in the same section land reform and housing are described respectively as, “improving the long-term prospects for employment and income generation,” and, “[enhancing] the productivity of labour” (Department of Finance, 1996, p 16).

It seems reasonable to conclude then that GEAR uses an income-based conception of poverty, though without stating this explicitly, and that the strategy may also borrow from, or be compatible with, access-based concepts at one point.

It is interesting that so little explicit mention of the poor is made in a strategy that cites changing the incomes and opportunities of the poor as one of its four long-run objectives. Part of the reason for this is that GEAR is a macro-economic strategy and as such does not dwell in detail on any particular sectors of the economy or society. But it is also illustrative of the approach used in GEAR, in which direct interventions in the lives of the poor are downplayed in favour of economy-wide actions favourable to economic growth and the creation of (low wage) employment, which in turn will help lift people out of poverty, on the assumption that the benefits of this growth will trickle down to the poor. This approach is especially compatible with income-based conceptions of poverty, as increased employment will lead to greater incomes for the poor, but will not necessarily improve their lot in terms of access to services or more complex freedoms like political rights, all of which require more direct government interventions to achieve.

This implies that the GEAR strategy's choice of an income-based conception of poverty, even if it is not explicitly mentioned as such, may not be accidental. The result of defining the poor in terms of their incomes is that the appropriate policy response will be one focussed on economic growth and not expanding government actions. This fits well with two of the most important themes in the GEAR document: that economic growth must be promoted and that government spending must be curtailed. The second theme might seem out of place in a policy that explicitly targets improving the lives of the poor if poverty were defined in such a way that increasing access to basic services and the broader social wage were the principal means of lifting people out of poverty. While there is no way for us to tell what the causal relationship was between the choice of a concept of poverty and the policy choices made (whether GEAR's authors chose a concept that was compatible with their policy preference, or that they chose a concept of poverty and this led them to their choice of policy), this does provide us with a clear illustration for the idea that the concept of poverty used in a policy and the policy course chosen will be linked². The choice of an income-based concept of poverty may have been convenient, but it probably was not considered very carefully by the authors of GEAR who were under extreme pressure to complete the policy and where (given their technical backgrounds in macro-economics) not likely to have considered the

² In fact Gill Marcus, who was Deputy Minister of Finance at the time GEAR was drafted has said, with reference to the publication of GEAR, "It was not complete in the sense of doing all the research you needed but it was at a sufficient point to give a stabilising effect..." (quoted in Green, 2008, p440)

conceptualisation of poverty as being as important as the growth impacts of the policy in their economic models.

GEAR therefore is a clear statement of both the importance placed on poverty eradication by the ANC government (it is named as one of the four objectives of the policy), but it also shows that not much consideration was given to the choice of concepts of poverty in government policy-making at this time, something that we will be confirmed by examining how poverty is dealt with in the White Paper on Social Development, published the year after GEAR.

4.3 White Paper on Social Welfare

The White Paper on Social Welfare (Department of Welfare, 1997) was published in August 1997 after an extensive process of consultations (South African Law Commission, www.saflii.org/za/other/zalc/ip/13/13-5_.html, no date, accessed 16 December 2010) and sets out the South African government's policy on social welfare including both social security (grant) payments and welfare assistance (including counselling, community support and other interventions). The preamble to the White Paper says that:

“The challenge facing the welfare system is to devise appropriate strategies to address the alienation and the economic and social marginalisation of vast sectors of the population who are living in poverty, are vulnerable, and have special needs.” (Department of Welfare, 1997)

Poverty is referred to throughout the White Paper, but it is quite clear both from the way the term is used and the definition that is provided in the glossary that the term is primarily used to refer to an income-based measure of poverty. It is unusual for a policy document (and for the purposes of this thesis very convenient) that the authors of this White Paper provide a definition of what they mean by the term ‘poverty’ (even if it is not the clearest definition):

*“**Poverty:** Poverty is usually defined with reference to a poverty line, i.e. if a household earns an income lower than a set amount, that household and its members are deemed to be living in poverty. The poverty line varies according to the size of the household and its age composition. At the beginning of 1994 the*

poverty line for an urban household with two adults and three children was approximately R840 per month, and R740 for a rural household of two adults and three children.” (Department of Welfare, 1997)

There is no explanation of why this particular concept is used, though it is very clearly an income-based concept of poverty. The amounts referred to as the poverty line in 1994 come from Whiteford and Posel’s *A Profile of Poverty, Inequality and Human Development in South Africa*, published by the Human Sciences Research Council in 1995. That profile provided an analysis of income-based data on poverty levels in South Africa, and it would appear from the definition provided in the White Paper that its authors did not consider any other concepts of poverty and simply used the concept and data from the profile by Whiteford and Posel as the basis for their references to poverty in the White Paper. The opening sentence of the definition also hints that the authors of the White Paper did not spend much effort on researching the subject of poverty, it appears their definition simply assumes that the concept of a poverty line is both familiar and accepted, without any need to justify the choice (or even acknowledge that a choice has been made). Their efforts to further define the concept seem to extend only to attaching a value to that line and show no evidence of any engagement with the debate on the validity of a poverty line as a measure or consideration of any other concepts of poverty.

The introductory chapter of the White Paper is the only place that offers hints at a broader conceptualisation of poverty, stating clearly that, “Poverty cannot be measured by income alone,” (Department of Welfare, 1997) and suggests that a multi-sectoral anti-poverty programme is required. This statement echoes a similar assertion in the RDP White Paper (see chapter 3) and may, given the fact that little has been done to develop the idea here, have simply been copied from that paper. This section goes on to outline the importance of education and human capital development, but no other sectors are mentioned with reference to their anti-poverty impacts, either here or later in the rest of the White Paper. Indeed the whole idea of poverty conceptualised as not being measured by income alone seems to be neglected by the authors after the first chapter, in favour of the entirely income-based definition referred to in the glossary.

In the body of the White Paper poverty is referred to repeatedly in the sections relating to social security (which involves direct transfers of income to beneficiaries), but only rarely in

the sections on welfare assistance, which responds to many of the non-income determined aspects of poverty. Had a more holistic conception of poverty been used to inform the drafting of the White Paper one would have expected to see references to ways in which these other aspects of poverty (such as social alienation) could be cushioned and people helped out of poverty through welfare services. Sen's concept of reducing poverty through expanding capabilities might have been particularly appropriate here as it could have provided insights into how welfare services can improve people's lives even in the absence of an improvement in their incomes.

This is not to say that the White Paper does not address these other problems that some non-income based concepts of poverty use in defining poverty. On the contrary the goals of the White Paper include to, "...facilitate the meeting of basic human needs, release people's creative energies, help them achieve their aspirations, build human capacity and self-reliance and participate fully in all spheres of social, economic and political life." (Department of Welfare, 1997) The point is that the White Paper does not see these goals as falling within the rubric of poverty eradication. While the same ends might be achieved as if the White Paper viewed poverty eradication through the lens of a conceptualisation of poverty more like Sen's, in the White Paper describes these goals as part of the concept of *developmental social welfare* rather than poverty eradication.

The concept of poverty used in the White Paper on Social Welfare is almost entirely income-based. Conceptualising poverty also does not appear to be something the authors of the White Paper paid particular attention to. The commonly used measure of a poverty line appears to have been taken as read and although several aspects of capabilities that feature in other concepts of poverty are dealt with, these are not linked to poverty in the White Paper. As with GEAR, it appears that at this stage government policy makers did not devote much thought to how they conceptualised poverty.

4.4 The State of the Nation Addresses

Every year the president sets the government's agenda for the year ahead in his State of the Nation address (SONA) at the opening of Parliament. His speech outlines the government's priorities for the coming year as well as any achievements it has recorded in its time in office

so far. The SONA provides us with a clear expression of government's priorities and an insight into how the highest levels of government, and particularly the president, think about – and choose to present - the issues they are grappling with. It therefore provides us with a useful place to analyse how government frames its response to the challenge of poverty and whether there were any changes in the way it conceptualised poverty over the course of South Africa's first democratic decade.

Presidents Mandela and Mbeki both refer to ending poverty in every one of the eleven SONAs they delivered between May 1994 and February 2004. They used a variety of phrases over the years to describe their government's efforts to combat poverty, from poverty *alleviation*, to *relief*, to *reduction*, to *eradication*, to *elimination*, to *pushing back the frontiers of poverty* and “liberating millions of our people from these scourges” (Mbeki, 2002). These colourful phrasings appear to be used as rhetorical devices more than to make substantive policy points in the SONA speeches. It would be a mistake to try to read too much into these phrasings and this analysis will not discuss the verbs and adjectives used to describe the government's poverty intervention. Instead it will focus the content of the discourse and the policy interventions highlighted in the SONAs.

4.4.1 The Mandela years

From the opening of Mandela's 1994 SONA we can see that the idea of viewing development in terms of freedom, and poverty in terms of the absence of freedoms is prominent in the thinking of the ANC government. Mandela describes his government's “single most important challenge” as being to “establish a social order in which the freedom of the individual will truly mean the freedom of the individual.” (Mandela, 1994) He goes on to say that,

“Our definition of the freedom of the individual must be instructed by the fundamental objective to restore the human dignity of each and every South African.

This requires that we speak not only of political freedoms.

My government's commitment to create a people-centred society of liberty binds us to the pursuit of the goals of freedom from want, freedom from hunger, freedom from deprivation, freedom from ignorance, freedom from suppression and freedom from fear.

*These freedoms are fundamental to the guarantee of human dignity.”
(Mandela, 1994)*

In this first statement of the goals of his government, Mandela sets the idea of promoting these freedoms as his government’s top priority. His list of freedoms is easily compatible with Amartya Sen’s concept of poverty as the lack of freedoms and of poverty eradication as the process of providing people with freedoms. Although Sen does not use the same phrasing, he also includes both political and non-political freedoms as well as basic freedoms from want, hunger and deprivations and freedoms that provide greater capabilities for further improvements in a person’s well-being (such as freedom from ignorance). While Mandela does not refer to “poverty” in this section of the address it does not seem unreasonable to draw a connection between this endorsement of expanding freedoms as the primary goal of his government and Sen’s freedom-based conceptions of development and poverty.

The link to “human dignity” is also significant as it rounds out the concept of development and poverty eradication that Mandela is explaining: it should be understood in human terms, not as biological measurement of what is needed for survival nor as a purely economic measure. Given South Africa’s history with the many indignities imposed by Apartheid (in addition to the material deprivations it imposed on large sections of the population), dignity is an important concept in post-1994 South Africa. “Human dignity, the achievement of equality and the advancement of human rights and freedoms” is listed as the first of four values on which the country’s new constitution is founded (Act 108 of 1996). Dignity is therefore a very important concept in the discourse of South African government policy. It is not a term used prominently by Sen, however. Sen concentrates rather on people’s capabilities, freedoms and inequality in his work on poverty. This disjuncture in terminology suggests that it might be possible that Sen and the ANC government arrived at similar language regarding freedoms and compatible concepts of poverty eradication from different starting positions. The ANC government’s conception seems to have emerged from a concern with dignity, while Sen’s is based on capabilities.

The 1994 SONA also sets out how the new government intends to address the problem of poverty, with Mandela announcing that, with reference to the freedoms he has spoken of earlier, his government will act within the first 100 days of the administration, to:

- Provide free medical care to children under 6 and pregnant mothers

- Implement a nutritional feeding scheme in all primary schools where a need is established
- Electrify 350 000 homes during the financial year
- Launch a public works programme at all levels of government to rebuild communities and create employment. (Mandela, 1994)

From these commitments and those elsewhere in the speech to provide water, sanitation, housing, health, social grants and education, we can see what the policy implications are of the ANC's approach to poverty. Access to services is clearly a key part of this response, but so are opportunities to earn income and participate in the economy as well as access to means of improving human capabilities and opportunities (through the improved learning outcomes that will result from the school nutrition programme).

In the ANC government's first SONA then, a multi-dimensional response to the challenges of poverty is set out, responding to the different dimensions of freedom outlined and implying that assessing the effectiveness of that response requires looking at a wide range of indicators. However, while the concepts of poverty and freedom referred to in the 1994 SONA are compatible with Sen's work they are not necessarily drawn from it, and in fact the concepts of freedom and poverty are not explicitly linked in the address. This means that the narrower conceptions of poverty seen in the GEAR strategy and the Social Welfare White Paper are not incompatible with the concept of poverty used in this SONA as it may be that "poverty" is being used here as a narrower concept within the broader freedom-based concept of development.

By February of 1995, the optimism expressed just 9 months earlier in Mandela's first SONA that poverty could be meaningfully impacted by a range of government interventions appeared to be overtaken by other challenges and the realities of what government is capable of achieving. The prominence of poverty eradication is consequently much reduced in the speech. The problems of rising rates of crime, as well as political violence seem to take centre stage in this year's address, with Mandela using the occasion to declare 'war' on crime.

The 1995 SONA also acknowledges that government faces constraints in its ability to deliver on its promises to its people. While noting the successful implementation of free healthcare for children and pregnant women and the school nutrition programme, instead of making a

new set of promises Mandela instead tells us that one of the lessons they have learnt in implementing these policies is that,

“Government has very limited resources to address the multiple and urgent needs of our people. It is therefore critical that we determine a proper set of priorities on which we should focus to effect a visible and sustainable improvement in the lives of the people.”(Mandela, 1995)

The lack of new promises, and sobering assessment of the country’s finances is consistent with the GEAR strategy that would be introduced the following year. Mandela then goes on to say that the priorities his cabinet have chosen, “will include rural and urban development, human resource development, job creation and health.” (Mandela, 1995) This is in some ways still a broad list of priorities, but it is noticeable that while all of them could impact poverty, it is not explicitly mentioned as a priority.

The 1996 State of the Nation Address has a stronger focus on poverty and records a very explicit endorsement of the importance of expanding freedoms, with Mandela calling on his government to, “expand the frontiers of freedom.” (Mandela, 1996) In introducing a list of some of the more tangible ways in which his government’s policies have changed the lives of the poor, Mandela says that, “Life has started to have real meaning for the hundreds of thousands...” (Mandela, 1996) This idea that the ultimate impact of government’s programmes is not just to change the material circumstances of people but to give their lives meaning echoes the commitment to give people dignity, in Mandela’s first SONA in 1994. This is very much an understanding of poverty and development more closely aligned to Sen’s concept of development as freedom than any other.

Mandela also confronts the way in which the two opposite ends of South Africa’s very unequal society see one another, saying:

“We can neither heal nor build, if on the one hand, the rich in our society see the poor as hordes of irritants; or if, on the other hand, the poor sit back, expecting charity. All of us must take responsibility for the upliftment of our conditions, prepared to give our best to the benefit of all.”(Mandela, 1996)

Although the reference to uplifting the conditions of the poor implies a material conception of poverty, his opposition to the view of the poor as ‘irritants’ and to the view that the poor should be passive recipients of charity are definitely rooted in an understanding of poverty as affecting the dignity of people, both by devaluing them in the eyes of others and reducing their own self-esteem and initiative. Once again, Mandela injects a moral dimension into his analysis of poverty, alongside an acknowledgment of the material dimensions.

In the 1997 SONA Mandela outlines how his government has “laid the foundation for a better life” (Mandela, 1997) and he is keen to make the point that (post the introduction of the GEAR policy the year before) the RDP is still alive and well and a key part of government policy. However he does not dwell much on specific areas that affect poverty and does not develop on (or deviate from) the ideas already discussed above.

In 1998, before providing the usual list of government accomplishments, Mandela asks that:

“Our performance should be judged above all on the basis of whether our programmes are positively affecting the lives of especially the most vulnerable sections of society: the poor, women, the disabled, children and the rural masses - the primary victims of the iniquitous system from which we have just emerged. We are proud to answer this question in the affirmative.”
(Mandela, 1998)

Once again, this invites a wide understanding of poverty, drawing both on holistic concepts of poverty like Sen’s and structural concepts in his references to the linkages between the system of apartheid and the poor.

Later in the 1998 SONA Mandela implies that economic measures will provide the primary mechanism for changing the lives of the poor. While addressing the question of job creation Mandela says, “We cannot continue to wallow in the illusion that the protection of the narrow interests of the employed is the driving force to poverty alleviation.” (Mandela, 1998) This appears to be a signal that promoting improved conditions for the employed, should not be considered more valuable than simply providing employment and economic opportunities to the poorest members of society. This implies that Mandela sees a trade-off between further advances to the dignity of those in employment (through providing better working conditions

for example) and simply providing an income from employment to those without work. And most significantly Mandela is saying that he considers the increased income for the very poor is more important than the incremental increase that can be achieved through improving the conditions of those already employed. This harsh reality exposes the fact that in spite of the broad and multi-dimensional view of poverty that the government espouses, income is in fact a more basic and perhaps more important consideration than some of the 'softer' aspects of the broad definitions of poverty³.

In the following year's SONA however, Mandela back-pedals somewhat on this issue, first praising the many labour laws his administration has passed, saying that they contribute to human rights. However, he goes on to say that, "if indeed job-creation and ending poverty are among our primary challenges, we must continually evaluate how our labour market policies and the rate of private investments, among others, facilitate the realisation of these objectives." (Mandela, 1999) This certainly seems to be a softening of the sentiment in the 1998 SONA that could have been interpreted as an opening for more relaxed labour practices and a focus on job creation rather than working conditions. Presumably this reflects a decision within the government (and between the ANC and its alliance partners in the unions in the run-up to the 1999 elections) that government will not target growth at the expense of worker's rights. This decision would be compatible with the idea that poverty should not be viewed solely in material terms, though in this case the decision may have more to do with competing interests within the ANC alliance as many of the workers affected by changes in labour legislation would not be considered to be 'in poverty' on any measure.

In his final State of the Nation Address in 1999, Mandela also provides an assessment of "the nation's scorecard on the fundamental question of socio-economic change." (Mandela, 1999) In this he highlights achievements in a wide range of areas, from providing clean water and electricity to households, to education and health to social grants and even building sporting and cultural facilities. This combination of measures is skewed towards an access based

³ This problem remains a major source of tension in government policy making with the pressures for "decent work" as defined by the International Labour Organisation (<http://www.ilo.org/global/about-the-ilo/decent-work-agenda/lang--en/index.htm>, no date, accessed 17 December 2010) and advanced by the Department of Labour and others while more growth-driven policies (for example those produced by the National Treasury) inclined to suggest the need for a more flexible labour market.

assessment of the government's achievements, with only social grants and the mentions of employment contributing to an income-based assessment of government's performance. The only point in the speech where Mandela could be thought to reference a freedoms-based assessment is when he quotes an ordinary citizen, Ms Gladys Nzilane of Evaton, saying that, "...[This government] has given us life." (in Mandela, 1999) However, as Ms Nzilane had just received a house it does not perhaps require a particularly broad appreciation of the freedoms created by the government in order to understand her appreciation for it.

It would be too strong a conclusion to say that by his final State of the Nation Address Mandela no longer saw poverty reduction in terms of increasing freedoms, he still describes a wide range of areas of government achievement linked to poverty that is indicative of the broad and holistic approach to the problem that always characterised his speeches. However, it would be fair to note that in the latter years of his presidency, Mandela makes no reference to advancing the freedoms he so eloquently described when discussing poverty in the early years of his administration. Over the years from 1994 to 1999 the SONAs seem to indicate that government's conception of poverty narrowed from one that considered many aspects and was broadly compatible with a freedom based conception to one based on access and income based concepts.

4.4.2 The Mbeki years

President Mbeki's State of the Nation Addresses tend to have a different tone from his predecessor's, with far more detail both on the statistics measuring government's progress but also on the thinking behind his government's policies. Poverty is also a very strong theme throughout his SONAs from 1999 to 2004. In both the first and last addresses of his first term he borrows from Mandela's SONAs the goals and definitions for the challenges of poverty and development the country faces. However, Mbeki also goes into more detail than Mandela about how some of the different elements he uses to describe poverty and the government's response to it relate to one another. This helps us to build a somewhat richer understanding of how the different conceptions of poverty interlink (it is by now clear that the ANC government has always made use of multiple different conceptions of poverty).

In his first address after being elected in 1999, President Mbeki recommitted his government to the vision of a people centred society that Mandela had set out in 1994. Mbeki links the present condition of poverty to South Africa's history of apartheid and colonialism in which, "the weakest who were denied access to power... became victims of abject poverty." (Mbeki, 1999) This is the first time a SONA starts its discussion of poverty by examining the origins of poverty, suggesting influence from concepts of structural poverty. Mandela's addresses always spoke of the condition of poverty and how to lift people out of poverty (including that they must play an active part in their own development), but he never went into the kind of detail Mbeki does about the historic origins of poverty. Mbeki's explanation of the origins of poverty begins with disempowerment, for him poverty is a consequence of a loss of power, both political and economic.

Mbeki goes on to describe some of the urban poor as "those who have lost all hope and self-worth." (Mbeki, 1999) He also suggests that combating poverty in rural areas (which he says are the most affected by poverty) is vital if people are to enjoy "a life of human dignity." (Mbeki, 1999) He also cites a study that investigated the relationship between poverty, crime and race. This relationship will develop into a theme he will return to in subsequent addresses. Having highlighted these many different aspects of poverty he says that his government will "make multi-disciplinary interventions in these areas" (Mbeki, 1999).

From his first SONA then we see that Mbeki, like Mandela, has a multi-faceted understanding of the concept of poverty, drawing on several different discourses, but drawing far more from structural concepts than Mandela did. There is also a passage at the conclusion of his first SONA that, despite its flowery language, may be quite revealing about Mbeki's motives in dealing with poverty:

"If, by word and deed, we take our places among the ordinary people who position themselves among a nation that is at work to build a better life for all within a caring society, then should we expect that the poor of the world will set a garland of grace on our heads and present each and every one of us with a crown of splendour." (Mbeki, 1999)

Combating poverty is such a high priority for Mbeki - and will feature so prominently in his State of the Nation Addresses because it is a particularly important part of how Mbeki

appears to want to define his legacy. He seems to hope that ending poverty will be his crowning achievement in government.

Mbeki's 2000 SONA has a particularly strong focus on race, and he even bends the popular phrase 'push back the frontiers of poverty' to this theme calling for the country to, "push back the frontiers of racism." (Mbeki, 2000). After an extensive discussion of race and gender issues Mbeki reassures his audience that "The elimination of poverty remains one of the central objectives of the government," but he goes on to say that, "this poverty is intimately related to the issues of racism and sexism which we have been discussing." Race features prominently throughout Mbeki's SONAs and is frequently linked to poverty. This is the continuation of a theme he enunciated most clearly in his Two Nations speech in 1998, in which he said that South Africa was made up of two nations, "one white and predominantly wealthy... the second poor and black." (Mbeki, 1998) Although race is a concept Mbeki frequently links to poverty, it appears to be more an explanation for the origins and shape of poverty and does not seem to affect the core understanding of the concept of poverty itself.

He explains that eliminating poverty is "fundamental to the realisation of the goal of the restoration of the dignity of all our people." From this one might be tempted to conclude that Mbeki's conception of poverty is based on non-material indicators, however he goes on to propose that his government's principal response to the problem of poverty will be to promote economic growth. Although Mbeki does not elaborate on how these different aspects interact, the concept of poverty he is using certainly has different dimensions.

Later in his 2000 SONA, Mbeki talks about the poverty relief funds his government has allocated specifically to address the "social needs of the most disadvantaged in society." This funding is not aimed explicitly at improving incomes or assets or access to services or any indicator from the major poverty discourses, but at a more holistic view of people's "social needs" (a term Mbeki doesn't elaborate on except to say that his government will continue to spend on "pensions and social welfare, housing, education and medical care"). However, Mbeki once again relates his poverty discussion back to the need for economic growth if the situation of the poor is to really change, saying that, "we need to strike the proper balance between such expenditure and more directly economic expenditure."

In 2001, Mbeki again refers to the links between race and poverty, listing the different rates of changes in income for different racial groups over the preceding five years. Once again

though, the point Mbeki wants remind his audience of is that economic growth is not yet fast enough to make the required impact on poverty. He also highlights some areas of government work, including poverty alleviation spending, that will impact on “the general quality of life of millions of our people who lead desperate lives.” (Mbeki, 2001) Taken together, the multi-faceted approach of many government programmes, Mbeki believes will mean that, “Through our own actions we will ensure that poverty gives way to prosperity.” (Mbeki, 2001)

In 2002, poverty once again features prominently as a recurring theme throughout the SONA. Mbeki offers the usual list of updates on government’s accomplishments in providing water, electricity, healthcare and education to millions of South Africans. But he also calls on other players in society to become more involved in “pushing back the frontiers of poverty.” (Mbeki, 2002). In particular he outlines his plan to get civil society involved in registering people for social grants. This is the first time in a State of the Nation Address that social grants, the most obvious form of income redistribution and most tangible way in which government assists the poor are discussed for a sustained passage. Mbeki highlights the progress government has already made in increasing the number of citizens accessing social grants from 3.3 million in 2000 to 3.8 million in 2001 and the government’s aim to register 3 million beneficiaries of the child support grant alone by 2005. He also highlights that the old age and disability grants will receive above inflation increases in this year.

In 2003, Mbeki provides further details of the government’s successes in providing direct income transfers to citizen, saying that, “we pride ourselves on the contribution that the government has made directly to the income of citizens.” (Mbeki, 2003) He highlights the two increases in the value of social grants made the previous year and a further increase intended in 2003. Mbeki then goes on to talk about how these grants complement the ‘social wage’ – the first time that phrase is used in a State of the Nation Address. Mbeki defines the social wage as including:

“Increased number of water and electricity connections, the patent improvements in teaching and learning in our schools, the acceleration of the land restitution and redistribution programme, which includes hundreds of thousands of title deeds in urban areas, primary health care and free housing.” (Mbeki, 2003)

In referring to the social wage Mbeki borrows directly from academic discourse of access poverty, reflecting perhaps that government is increasingly thinking about and analysing poverty in the same manner that academics do. This particular shift to talking about the social wage could also be inspired by the fact that it is a concept useful to government as a way of encapsulating the many disparate aspects of its ‘multi-faceted’ response to poverty under one name. The idea of a social wage helps to explain that these different programmes do in fact form part of a poverty intervention and are not simply government programmes targeted at other priorities that are labelled part of the poverty response when it is expedient to do so, especially as a way of distracting from other failures such as the lack of job creation.

Later in this SONA, Mbeki also discusses the idea that South Africa has a “dual economy and society.” (Mbeki, 2003), echoing his two-nations theme from 1998, in terms of poverty rather than race. He characterises these two economies as follows:

“The one is modern and relatively well developed. The other is characterised by underdevelopment and an entrenched crisis of poverty.” (Mbeki, 2003)

His response to this situation is interesting in that it seems to ascribe little agency to those in the ‘second’ economy. In the place of the freedom and development based accounts of poverty eradication that pervaded Mandela’s SONAs, with their references to the importance of the poor taking responsibility for participating in their own upliftment, Mbeki seems to offer a very paternalistic view of the state:

“We have to respond to the needs of the fellow South Africans trapped in the latter society in a focussed and dedicated manner to extricate them from their condition. The expansion in social provision must reach this sector of our society, to relieve the poverty and suffering afflicting these masses of our people.” (Mbeki, 2003)

This appears to be very much a call for the non-poor to act to change the lives of the poor, that does not leave much room for the poor to do much for themselves. This would seem to echo the narrative of the hero rescuing the poor that we saw at the conclusion of Mbeki’s first SONA in 1999. However, despite the fact that Mbeki does not describe any role for the poor

in the effort to 'extricate' them from poverty, he also does not desire that they become a permanent drain on the state's resources:

"Government must act to ensure that we reduce the number of people dependant on social welfare, increasing the numbers that rely for their livelihood on normal participation in the economy." (Mbeki, 2003)

And despite his not placing any emphasis on the agency of the poor in changing their situation he does see the result of lifting them out of poverty and off social welfare in terms of improving their dignity. As he says in the next line of his address:

"This also especially relevant to the accomplishment of the goal of enhancing the dignity of every South African." (Mbeki, 2003)

In this address Mbeki seems to adopt a perspective that is influenced by a concept of poverty that is broad enough to include such aspects as human dignity, and is therefore compatible with Sen's concept of development as freedom. At the same time however, he does not account for the importance of expanding the dignity of the poor while they are still poor. The view in this speech seems to be that poverty is an ill that must be cured before dignity can be achieved. This view is incompatible with the conceptualisation of poverty being expressed in terms of several related but independent freedoms.

These are themes Mbeki continues in his 2004 SONA, referring again to the first and second economies and saying that South Africa needs to build on its successes with regards to both in order to, "reduce the numbers of our people dependent on social grants." (Mbeki, 2004) The president says that if fewer people are dependent on social grants then more funds can be prioritised towards investments in education that will help to move the country "away from trapping large numbers within the paradigm of poverty alleviation." (Mbeki, 2004) This idea that not only poverty, but also poverty relief can be debilitating and do harm itself appears to gain currency in the 2003 and 2004 SONAs. Quoting from Mandela's first SONA a decade earlier Mbeki says:

"A decade ago, Nelson Mandela said "The acid test of the legitimacy of the programmes we elaborate, the government institutions we create, the legislation we adopt, must be whether..." they help to create a people-centred

society, the expansion of the frontiers of human fulfilment, and the continuous extension of the frontiers of freedom.” (Mbeki, 2004)

In his 2004 SONA Mbeki outlines many statistics that illustrate some of the tangible achievements of the ANC government over the course of its first decade in power. He does not give a firm answer to the question posed in Mandela’s acid test however, instead he defers the question by saying that the ANC government has “made great progress,” and have “laid a strong foundation to score even greater advances during the exciting and challenging Second Decade ahead of us.” (Mbeki, 2004)

In a sense, Mbeki’s effort to evade giving a straight answer on whether the government has achieved what it set out to do is mirrored by the lack of clarity in how he defines poverty, the elimination of which is one of his government’s highest priorities. Over the course of a decade’s worth of State of the Nation Addresses the country’s leaders appear to have drawn from several different concepts of poverty when they discuss the issue. Sen’s concept of development as freedom appears at times to have influenced the approach to poverty in these speeches, and access poverty comes to prominence in the later years of Mbeki’s first term as the ‘social wage’ is used to illustrate his government’s successes. Mbeki’s speeches are also filled with references to structural poverty as he tries to explain the origins of the problem of poverty that the ANC government has inherited. However, while the prominence of these different concepts ebb and flow through the years (mainly in relation to how convenient they are to other points the president wishes to make about either the dignity of people or the success of the government), though one constant is the influence of the concept of income poverty. Whatever other dimensions are used to enrich the discussion of poverty in the SONAs, income is always the principal measure and creating employment always the principal solution to poverty.

4.5 The Budget Speech

In 1997, South Africa’s first ANC Minister of Finance, Trevor Manuel, delivered his first Budget Speech in the National Assembly. As Manuel explained, “The Budget reflects the economic policy of Government.” (Manuel, 1997) In 2004 Manuel began his Budget Speech with a quote from Joseph Schumpeter emphasising the same point about society more generally: “The public finances are one of the best starting points for an investigation of

society, especially though not exclusively of its political life.” (in Manuel, 2004) Over the course of the 8 Budget Speeches book ended by these statements Manuel’s Budget Speeches would indeed tell us a great deal about the ANC government’s priorities, and how they conceptualised one of its biggest priorities: eliminating poverty.

In his 1997 Budget Speech Manuel makes it clear that the ANC government is changing the choices that are made in government policy. As he says in the speech, “In this Budget we make a substantial allocation to poverty relief; we invest in people through a significant reprioritisation of expenditures in favour of social development...” (Manuel, 1997) Over the course of the following few years Manuel will announce billions of Rands that will be spent on direct poverty alleviation projects, but in his first Budget Speech he devotes a section to describing the principles on which the government will base its funding to, as he puts it, “invest in poverty relief.” He begins by outlining the background of poverty in the country, tying its origins to the apartheid system that the country endured for so long: “The legacy of apartheid is most stark when we consider the abject poverty which characterises the lives of a substantial portion of our population.” (Manuel, 1997) This link between apartheid and poverty uses a structural understanding of poverty that Manuel has in common with Mbeki. This view is significant because it implies that changes to the structure of society will be needed to eradicate poverty.

Manuel goes on to explain how the government will respond to the challenge of poverty through the fiscus. Before outlining the allocations for community-based projects and social welfare payments (including the adoption of the Lund Committee’s proposal for a flat rate child support grant) Manuel outlines the other aspects of government’s response to poverty. He says that, “It is well understood that growth and job creation are critical elements in redistributing income and reducing poverty.” And also that, “The quality and availability of educational opportunities are also key components in the battle against poverty.” (Manuel, 1997) The potential impact on poverty of job creation through economic growth, together with improved education will be recurring items in many Budgets to come. As with the SONAs, this commitment to a wide range of interventions to deal with poverty that are not necessarily directly linked to income (education for example) demonstrates the follow-through on the policy side, for the broad conception of poverty often enunciated in major speeches.

In 1998, Manuel gives more detail on what it is that the ANC government is trying to achieve through its allocation of public funds. As he outlines the changes the government envisages for post-apartheid South Africa:

“Our struggle was never only about political democracy. It was and is about equity, about access to resources, about decent housing. It is about schools and the education of our children. It is about wiping away the hunger and the fear on children’s faces. It is about lifting the despair of poverty from a parent’s shoulders. It is about reaching out to the grandmother so as to ease the years of pain and humiliation etched into her face. It is about eliminating the hopelessness and despair of being jobless...” (Manuel, 1998)

Here eradicating poverty is discussed as being one of the (several) aims of the government, but also a condition linked to despair, pain and humiliation. This reinforces the importance of the concept of dignity in relation to poverty, a persistent theme of the ANC government.

The major addition to government’s anti-poverty arsenal announced in this speech is the new child support grant, launched with a value of R100 per month for every child under seven years of age. This shows a concrete attempt to provide the means for families to raise their children with dignity, an example of government moving beyond the discourse of dignity into action.

In the 1999 Budget Speech, highlights the usual areas of accomplishment and the increased amounts that will be spent on poverty relief programmes. The only area where he adds anything on how government conceptualises poverty is in his mention of particular sub-groups within the poor. Although he says it is the poor that suffer most in times of economic hardship, he also says that among the poor it is women and children that suffer most (Manuel, 1999). This is an important acknowledgement that certain demographic groups are more likely to suffer greater poverty, a fact that must surely reflect that there are structural factors in society that disadvantage these groups. This idea that the poor are not a homogenous group is echoed in the 2000 Budget Speech, with Manuel referring to programmes that target “the poorest of the poor” (Manuel, 2000), this time referring not to a demographic sub-group but one that is the worst affected by the condition of poverty.

In the 2000 Budget speech Manuel gives perhaps his clearest overview of how the fiscal system works to redistribute funds to the poor, saying,

“Our tax structure is strongly progressive and... government spending programmes have become more effectively targeted in favour of the poor... There has been a significant shift in social spending from the more affluent in our society to the poor. An estimated 57 per cent of spending now goes to the poorest 40 per cent of our people.”(Manuel, 2000)

Manuel explains that there are three ways in which this shift has been achieved. First, government has increased its spending on those programmes that are most directly targeted at the poor (e.g. housing and social grants), second they have changed the focus of spending within programmes onto areas that have greater impact on the poor (by spending more on clinics in the health system for example), and third by moving spending to poorer geographic areas by shifting funds between provinces and within municipal districts and the school system. All of this contributes to a very significant increase in the social wage, even if it has no direct impact on monetary incomes.

Manuel is also conscious of the fact that these shifts in public expenditure are not necessarily sufficient to achieve the desired poverty reduction. As he explains, “The benefits of government programmes cannot simply be measured by departmental expenditure records.” (Manuel, 2000) The impact will depend on the quality of the services delivered as much as on the amount spent on them. And Manuel also makes the point that public expenditure alone cannot lift people out of poverty, in fact in his view it is not even the most important factor in whether the country succeeds in reducing the number of its citizens in poverty (again in terms of an income-based concept):

“Broader economic growth and job creation are undoubtedly the most important elements in redistributing income and economic opportunities. But the Budget also plays a crucial role in narrowing the gap between rich and poor.” (Manuel, 2000)

In his 2001 Budget Speech Manuel gives an evocative description of the country's journey from its apartheid past to where it is now:

“Ours is a story of patience and obstinacy. Of determination and hope. Of activism not atavistic tolerance. Of choice not fate. We have sought to remove the thorns of neglect and inhumanity. To restore pride and dignity. To lift the crushing weight of poverty and disempowerment. We have sought to heal the scars and nurture the tree. We have sought to show our children that we have the power to enjoy the sweet fruit of liberty.” (Manuel, 2001)

There are three things that are significant in this description from the perspective of our examination of government's view of poverty. First is simply the prominence and importance Manuel gives to poverty in the account of the driving purpose of the country. The second is the return to the theme that one of poverty's worst impacts is on the dignity of the poor, a theme we have seen often already. For this government poverty is certainly not a concept with material dimensions only. The third is something new; the idea that South Africa's story and the struggle to overcome poverty is one of “Choice not fate” (a phrase Manuel's biographer would choose as the title of her book - Green, 2008). This is significant both because it emphasises the government's view that poverty is a problem that can be eliminated if the appropriate structures are put in place, and because of who is making this choice. As with Mbeki's calls for the country to act against poverty Manuel also speaks of “lifting the crushing weight” and the need to “remove the thorn,” (Manuel, 2001) this is poverty alleviation as delivered to the poor by the non-poor. Although the dignity of the poor is of great importance in this account, there is little room for their own agency. Once again this contradiction arises between the need for the poor to experience a full range of freedoms in order to cease to be in poverty and the proposed method for achieving that, which is for somebody else in society to lift the weight off the poor.

The 2002 Budget was delivered in the shadow of the September 11 2001 terrorist attack on the United States. In response, the US-led coalition had invaded Afghanistan, one of the poorest countries in the world, where the plotters behind the September 11 attacks were believed to be hiding. There had been some discussion of how a world with such great inequality and poverty would inevitably be a fertile ground for terrorist activities. Manuel responded to this idea in his Budget Speech, saying:

“We seek... an international order committed to the eradication of poverty, not because poverty is the presumed seed-bed of terrorism, but because we are all enriched by affirming the dignity and recognising the potential of others.”(Manuel, 2002)

This is an important statement that, for the South African government, eliminating poverty is an end in itself and not a means to achieving some other priority. The prominent place that poverty is accorded in major speeches is therefore not because poverty is incidental to another objective but because ridding the country of poverty really is one of the government’s most important objectives in itself.

In his 2002 Budget Speech Manuel also makes an important acknowledgment the importance and effectiveness of social grants. He says, “The social grant system is our most effective tool in alleviating poverty.” (Manuel, 2002) This is a statement repeated in the 2003 Budget Speech when Manuel refers to social grants as government’s, “largest and most effective redistribution programme.” (Manuel, 2003) These are both pretty unambiguous statements, and make clear that whatever other factors government might consider when assessing poverty, direct income transfers are a very effective way of improving them.

Manuel opens his 2003 Budget Speech with a quote from Amartya Sen:

“Freedom is both the primary objective, and the principal means of development... What a person has the actual capability to achieve, is influenced by economic opportunities, political liberties, social facilities, and the enabling conditions of good health, basic education, and the encouragement and cultivation of initiatives. These opportunities are, to a great extent, mutually complementary, and tend to reinforce one another”.
(Amartya Sen, *Development as Freedom: An Approach*, in Manuel, 2003)

This is a very prominent endorsement of Sen’s conceptualisation of poverty, one that will be referred to again in the 2004 Budget Speech. And Manuel not only opens his speech with Sen’s description of development as freedom, he attempts later in the speech to tie the

concept to one of the most important statements of principle in the history of the ANC, the Freedom Charter.

“The Freedom Charter reflected our people’s aspiration for political freedom, freedom from poverty, freedom to transform our society, its culture and values, freedom to explore our capabilities, the freedom to choose a future for our children.” (Manuel 2003)

This gives a new context to the affinity the ANC government claims for Sen’s conceptualisation of poverty and development. It implies that Sen’s conceptualisation is in fact just a restatement of an idea with long historic roots, an idea the ANC already subscribed to in 1955 when it adopted the Freedom Charter. There are some noticeable similarities of course between the Freedom Charter and Sen’s concept of development beyond their titles. Perhaps most noticeable is the wide range of subjects included in the Freedom Charter, from democratic governance to education to economic redistribution. (Freedom Charter, 1955) In 2004 Manuel makes this link even more explicit:

“Last year, in tabling the 2003 Budget, we reflected on Amartya Sen’s brave formulation of the central intent of economic progress: freedom is the primary aim of development, and also the principal means of achieving it. And we reflected on a formulation of that intent that goes back 49 years, to the 26th of June 1955: the Freedom Charter reflects our aspiration for political freedom, freedom from poverty, freedom to transform our society, its culture and values, freedom to explore our capabilities, the freedom that will grant our children choices that our parents did not enjoy.” (Manuel, 2004)

In his 2004 Budget Speech Manuel also raises the idea of the second economy that President Mbeki introduced in his 2003 and 2004 State of the Nation Addresses, saying, “Too many South Africans are trapped in the ‘second economy,’ characterised by poverty, inadequate shelter, uncertain incomes and the despair of joblessness.” (Manuel, 2004) Like Mbeki, Manuel links the need to integrate the two economies with the idea that the poor should not remain dependent on welfare forever. It is perhaps noteworthy that in doing so he makes use of the phrase “building capabilities” (Manuel, 2004), borrowing again from the language used by

Amartya Sen – a further indication of how deeply the idea of development as freedom has permeated government thinking.

Manuel also explains how he sees the different elements of the government's anti-poverty strategy coming together, saying:

“We will reduce poverty by creating work opportunities and building sustainable communities, alongside consolidation of the social security system.” (Manuel, 2004)

Thus it is the combination of work creation and social security (including the social wage, elements which are mentioned throughout the speech) that he sees as lifting people out of poverty. He has said before that job creation will be the most powerful tool in achieving this, though he has also said that the payment of social grants has been the most successful intervention so far in the ANC's two terms in office.

The Budget Speeches indeed served as an important tool in describing both the policy choices the ANC government has made and the principles underlying those choices. These speeches are broadly consistent with the discourse and concepts of poverty used in the SONAS and the two track each other closely in the early 2000s in their assessments of government's performance in reducing poverty through the social wage and social grants. While neither is particularly rigorous or consistent in defining poverty, both draw on a wide range of concepts, though the Budget Speeches go further in drawing explicit links to Sen's work.

4.6 Towards a 10 Year Review

At the end of 10 years in office, how did the government assess its own impact on poverty in South Africa? Fortunately for our purposes, the Policy Co-ordination and Advisory Services (PCAS) office within the Presidency attempted to make an assessment of government's impact in the first 10 years of democratic government. In the document, Towards a Ten Year Review, PCAS examined government's actions and impacts over the period from 1994 to 2002 (or later depending on the availability of data – the report was published in October 2003). The report says it is an attempt to answer two fundamental questions:

- “1. *Has the Government achieved its policy objectives? and*
2. *Are these the appropriate objectives?” (PCAS, 2003, p 4)*

In its attempts to answer these questions, the document also tells us about what government considers poverty to be when it refers to poverty alleviation and/or eradication as a goal.

The document is divided into several themes, not all of which mention or are related to poverty. Of the five theme areas covered, the social and economic themes are the ones that directly address the government’s impact on poverty and will be analysed here. In the annexures to the document there are also attempts to develop indicators and composite indexes for South Africa’s development and these will also be assessed for what they tell us about government’s interpretation of the concept of poverty.

4.6.1 Social

The section on the Social theme is divided into three parts, each analysing government’s poverty impacts in terms of a different concept of poverty, namely: income poverty, human capital poverty and asset capital poverty. This explicit choice of concepts would seem to make it easier for us to understand how government conceptualises poverty, but the confusing and inconsistent use of the concepts throughout the document complicates this task. The choice to use three different concepts is significant in itself though as it shows that government takes a multi-dimensional view of poverty (and this is only within the social theme – there is further analysis of poverty impacts under the economic theme). The Review suggests that, “It is in this intersection between access to services, income and assets that the issue of overall poverty trends since 1994 should be examined.” (PCAS, 2003, p17) The document also makes clear how important an objective poverty alleviation is, saying that it is the central focus of the social sector of government.

4.6.1.1 Income poverty

The income poverty section of the review cites evidence from Stats SA that found that the proportion of households in poverty in 1999 had grown to 33% from 28% in 1995. Stats SA used a poverty line based on expenditure surveys to calculate these figures. While the Review acknowledges that this represents an increase in poverty, it does not dwell on this as a failure

for the assessment of government outcomes. The Review explains that the primary reason for this increase in the proportion of households in poverty is “due to large-sized poor households unbundling into smaller households.” (PCAS, 2003, p17) This explanation is not substantiated however, as the text of the review gives the figure for the proportion of the population below the poverty line in 1995 (48%) but not the corresponding figure for 1999, thus the review doesn’t allow its reader to make a fair examination of the evidence that household unbundling is responsible for the rise in poverty.

The Review then turns to the two government programmes it considers to have the potential to have the biggest impact on income poverty: social grants and public works. The Review (which draws from a series of 23 research papers) finds that social grants are “exceptionally well targeted” and account for “fully two thirds of the income for the poorest quintile.” (PCAS, 2003, p18) According to the Review, without social grants 55.9% of the elderly and 42.7% of children would be in poverty, but that “if all recipients get grants” these figures fall dramatically, to 22.9% and 34.3% respectively. (PCAS, 2003, p18) It is not quite clear exactly what is meant by the phrase, “if all recipients get grants,” presumably this is not the case in reality and so we should assume that the actual reduction in income poverty is somewhat less impressive than the figures quoted here.

These examples of how statistics are presented in a way that maximise the potential for government to claim successes, serve as a warning to treat the Review with some caution. Fortunately this thesis is less concerned with assessing the impacts of government’s policies than with how the way poverty is described helps us understand the concepts of poverty that inform those policies.

The Review is less impressed with public works programmes as a means of reducing poverty, finding that they are a costly method of creating work and income for the poor, but that this may be compensated for by the value of the community assets they create. (PCAS, 2003, p 19) This is an example of how shifting from one measure of poverty alleviation (income-based for the value of employment created) to another (asset-based or access-based for the value of the community assets created) can be used to justify the performance of a programme. This demonstrates again how useful a multi-dimensional discourse of poverty can be for expediently shifting the measures by which performance is assessed.

4.6.1.2 Human Capital Poverty Alleviation

Under this heading the Review discusses a wide range of indicators of progress (and sometimes the lack thereof) of citizens' access to health, education, water, sanitation and electricity services. Education is clearly linked to the idea of human capital (an educated workforce is a more productive one), the link with the others seems to be more tenuous. The link with water and sanitation progress is justified as "a major tool for protecting human capital and reducing social asset poverty." (PCAS, 2003, p24) Presumably the same logic would apply to health services. Government's achievements in providing water and electricity explain why they are keen to include them in the review. The proportion of households with access to clean water increased from 60% in 1996 to 85% in 2001, while the proportion with access to electricity rose from 32% to 70%. (PCAS, 2003, pp24-25) What is surprising is that the authors of the Review didn't choose to refer to these successes in terms of access poverty. Access poverty provides an ideal concept within which to discuss all these achievements, and would provide an opportunity to give a greater weighting to the accomplishments in water and electricity, rather than the awkward attempts to tie them to human capital (the section on electricity is actually so brief that no justification of its link to human capital is provided).

Many of the measures used for the health and education sub-sections are also natural access measures, such as school enrolments, class sizes (smaller classes are described as providing "better *access* to classroom facilities" – PCAS, 2003, p19, emphasis added), clinic visits and free healthcare for particular groups. The only reason that is evident from the text of the Review for not describing all these accomplishments in terms of alleviating access poverty is that the outcomes which are the primary focus of the education sub-section is better described from a human capital perspective. The Review says that, "the main outcome indicator for education is the adult literacy rate," (PCAS, 2003, p20)

This section also discusses the United Nations' Development Programme's (UNDP) Human Development Index (HDI), a composite measure sometimes used as a proxy for Sen's concept of poverty and one that that post-apartheid South Africa has performed famously badly on. South Africa's HDI score as measured by the UNDP, dropped from 0.72 in 1995 to

0.70 in 2000, largely due to a decline in life expectancy caused by HIV/Aids. The Review however disputes the life expectancy figures used by the UNDP, and recalculates the HDI score using life expectancy figures from South Africa's Medical Research Council (MRC), which found that life expectancy declined from 57 years to 55 years over the period 1995 to 2000, substantially less than the 13 year decline, from 65 years to 52 years, recorded by the UNDP. Recalculating South Africa's HDI using the MRC figures results in it improving substantially, from 0.63 to 0.71 over the period. (PCAS, 2003, p22) This demonstrates both how dramatically conclusions can be affected by the choice of data, and how eager the government is to find data that portrays its impacts on poverty in a positive light. This is particularly worrying when we consider that the numbers used to recalculate these figures do not appear to come from the MRC. Seekings (2006, p6), investigated the data used in Towards a Ten Year Review and could not find any source for the life expectancy numbers used, even when contacting the MRC directly. Seekings suggests that the numbers might have been deliberately inserted to diminish the apparent impact of the HIV epidemic.

4.6.1.3 Asset Capital

The Report lists the government's housing and land redistribution programmes as the main asset poverty reduction programmes, attributing the transfer of R50 million in assets to poor households to these programmes. While the accomplishments of these programmes are pretty straight-forward and clearly related to asset poverty reduction, this sub-section of the report goes on to discuss the social fabric, social exclusion and the environment as also contributing to asset poverty reduction (PCAS, 2003 pp25-31).

The Review tries to make the case that having a stable social fabric will improve service delivery and that this in turn reduces asset poverty, arguing that:

“Research indicates that increased violence in communities, which is a symptom of weakening social fabric, undermines service delivery and therefore impacts on the income, human capital and assets of communities.”
(PCAS, 2003, p27)

This is a particularly weakly argued point in the Review, taking one indicator of problems with the social fabric (increased violence), finding a correlation between that and some

indicators of poor service delivery and then using that to make bold claims about the link between the social fabric and poverty reduction. This is not to say that building the social fabric is not important for combating poverty, only that the case is not well made in Towards a Ten Year Review, and it is even less clear that asset poverty is the most appropriate concept to use to try and describe this relationship. In fact it is notable that whatever benefits an improved social fabric might have for reducing poverty are linked to all three types of poverty that this chapter refers to, namely income, human capital and asset poverty. The examples that are given reinforce this linkage, with examples of the impact of lower levels of violence on schooling and healthcare (covered in the human capital poverty section). The sections on social exclusion - detailing legislative changes to bring about gender and language equality - and the environment – discussing the sustainability of development and giving the poor better access to the country’s natural resources - could similarly be linked to all three types of poverty reduction. The choice to try to discuss these in terms of asset poverty instead of as interventions that have a cross-cutting impact on all types of poverty seems peculiar. This reinforces the case for saying that there is some confusion in the way the authors dealt with these three types of poverty and that these categories are not ones that government has invested much time in understanding and applying to policy, rather they are simply used (and twisted) as is convenient to the authors.

This section also briefly discusses the causes of poverty in its conclusion, drawing a slender link to structural concepts in linking it to the legacy of apartheid. The other causes are “difficulties in health,” (PCAS, 2003, p31) presumably a reference to the HIV pandemic, and unemployment, a topic that will be dealt with further in the following section of the Review on economic issues.

4.6.2 Economic

The economic section of the Review begins by setting out the main economic policies which it says were set in the Ready to Govern and RDP document and White Paper (which have been reviewed in chapter 3). The Review summarises that:

“Key economic objectives were job creation, the elimination of poverty, the reduction of inequality and overall growth of the wealth of the country.”
(PCAS, 2003, p32)

The section also gives a brief discussion of the GEAR policy, saying that it was introduced in response to an inherited fiscal crisis, and that it created a level of macroeconomic stability not seen in 40 years. This stability, the Review says, created, “opportunities for real increases in expenditure on social services.” (PCAS, 2003, p33)

As unemployment was cited in the social section as one of the main causes of poverty, it is important that the economic section places such importance on it, unfortunately the picture it paints is not a pretty one, noting that the number of unemployed has increased from 1.9 million in 1995 to 4.3 million in 2002. (PCAS, 2003, p36)

It is interesting that this discussion of employment does not explicitly make any links to its impacts on poverty. Particularly in the discussion of the disparity between the employment prospects of skilled and unskilled workers and the large number of new entrants to the labour market there would seem to be obvious scope for discussing links to poverty. The fact that poverty is never mentioned is particularly noticeable because in the discussion of poverty (in the social section) unemployment was cited as a major cause of poverty, but no reciprocal mention is made in the sub-section on employment. In fact, in the whole economic section, apart from the reference to poverty eradication as a goal of economic policy, poverty is never mentioned. This is significant as it is consistent with the pattern we have observed in GEAR and some of the SONA and Budget Speeches where poverty is treated as a social problem and is not directly addressed in the heart of discussion on economic policy

4.6.3 Composite indexes

The Review developed a number of composite indexes in an attempt to measure the impact of government over the decade. The Review explains that the advantage of indexes made up of several variables is that they are able to take account of the effect of different indicators moving in different directions. But, as the Review notes, “the insight offered by composite indicators rests largely on the selection of the components.” (PCAS, 2003, 123) For the purpose of this analysis the actual data used and the manipulation of that data need not concern us, rather it is the type of indicators that were chosen, and what these say about the concept of poverty that informed that choice that is of interest. There are seven indexes that

were developed, five of which are directly relevant to aspects of poverty discussed elsewhere in the Review:

Infrastructure – this index actually measures access to basic services, or as the Review puts it, “it captures the thrust of RDP-type programmes.” (PCAS, 2003, p124) These measures of access poverty would have been covered in the human capital section of the Review.

Quality of life – The Review says, “This index is intended to measure the quality of life beyond the mere ability to access employment and services.” (PCAS, 2003, p124) What it actually measures though is human capital and access to electricity.

Economic participation – This index has a very straight-forward link to income measures of poverty. It is also the principal index that will reflect progress in creating employment.

Economic preparedness – The Review says this index “attempts to capture the extent to which the population can exploit opportunities should they present themselves.” (PCAS, 2003, p126) It is principally a measure of educational attainment and would link to human capacity measures of poverty.

Social inclusion – This was used in the Review as part of the analysis of asset capital poverty, which seemed at best a tenuous link to social inclusion.

Of these seven indexes, the Review calculates that between 1995 and 2002 there were improvements in the 4 of them linked to access, assets and human capital while those linked to economic factors – employment and income – fared poorly.

None of these indexes are designed to measure poverty only. But because poverty eradication is such an important goal of the government we should be able to read something about how government views poverty from the indexes they compile to measure the outcomes the country has achieved. What we see though is a very muddled picture, with indicators grouped together in ways that are not clearly linked to the subjects they are supposed to shed light on. This reinforces our conclusion that the concepts used in the Review have not been rigorously applied.

The multi-dimensional approach the Review's authors take to conceptualising poverty allows a breadth of different indicators to be used, but they are less than rigorous in the way they use these concepts, picking and choosing different indicators and concepts as and when they suit the particular point they wish to make. In this Review, the three types of poverty used in analysing the impact of social policies are not referred to again in the analysis of indexes of government performance or in the main conclusion of the Review itself. We therefore cannot use them to follow a clear narrative of how different policies have impacted the different aspects of poverty over the course of the decade under review.

It is also significant that even though this review was written at a time when Sen's concept of development as freedom featured prominently in the SONA and Budget Speeches (2003 and 2004), this concept is not even hinted at in the Review. This is particularly strange when one considers that the wide range of different aspects of poverty that the Review tries to cover might have been more comfortably dealt with in Sen's concept than in the several different and inconsistently used concepts of poverty the Review actually used. What we can tell from this is that there is not one consistent approach to poverty across the whole of government thinking, at the same time that the President and Minister of Finance are raising the profile of the concept of development as freedom those officials compiling the review of government's work over the last decade (and the ministers overseeing their work, including the Minister of Finance) can use totally different concepts of poverty.

In its final conclusion the Review, taking account of the progress on social indexes but not on the others (as mentioned above), concludes that "government has adequately met its objective," but that "there are weaknesses in those areas that are least dependent on direct government action." (PCAS, 2003, pp 101-102) This captures the contrast between the many achievements in providing social services and improving the situation of the poor in terms of human capital (with the exception of health outcomes) and access conceptions of poverty, and the failure to substantially improve the income situation of the poor. This contrast in performance on different measures is particularly unfortunate when one considers that increased employment (and the income earned from this employment) is viewed by government as the primary means of lifting the poor out of poverty.

4.7 Conclusion

These five sets of documents, while not a comprehensive account of government's thinking or policy on poverty over the decade from 1994 to 2004, do provide ample evidence for us to be able to say that government's use of the concept of poverty both draws on a broad range of factors and is used inconsistently. Examining further documents is unlikely to change either of these conclusions. We have established sufficient evidence to be able to proceed to draw conclusions from it in the next chapter.

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CHAPTER 5

DISCUSSION AND CONCLUSIONS

In 2005, Finance Minister Trevor Manuel proposed during his annual Budget Speech that South Africa establish an official poverty line (Manuel, 2005). This was the first formal government proposal to establish an official measure of poverty - the fact that more than five years later there is still no official poverty line is testimony, at least in part, to how difficult it is for government to arrive at a consensus on how poverty should be measured. Prior to 2005, in the decade this thesis considers, there was no formal attempt to achieve such a consensus and so government's efforts to combat poverty could not be based on, or measured against, an officially sanctioned concept of poverty. As we have seen in chapter 2 there are a large number of concepts of poverty that could be used, and various advantages and disadvantages to using each of them. We also know from the work of Laderchi et al (2003) and others that the choice of concept can make a great difference to who is considered poor and consequently to who is targeted by anti-poverty policies. Chapters 3 and 4 showed the range of different concepts of poverty that have been used in some major policy statements by the ANC before coming to power and by the ANC-led government during the decade from 1994 to 2004. This chapter discusses what conclusions can be drawn about how the ANC government has conceptualised the frontline in its 'war on poverty.'

The first thing to note is that poverty is a concept referred to frequently and given great prominence by the ANC government. Through all the statements of policy reviewed, poverty eradication is consistently cited as one of the government's top priorities. Poverty is a concept that the ANC government endorses and uses, even if it does not define clearly what is meant by it.

In the decade 1994-2004 and in the years before coming to power, there was no attempt by the ANC to formally define a concept of poverty. Even implicitly there is no single concept of poverty that is consistently used within a government document or statement, let alone across government statements. Government's own overview of the decade, Towards a Ten Year Review, confirms that their view of poverty is deliberately not based on a single concept or measure of poverty, as it lists three different types of poverty that it attempts to measure progress against and says that "It is in this intersection between access to services, income

and assets that the issue of overall poverty trends since 1994 should be examined.” (PCAS, 2003, p17) This is the clearest statement that government’s conceptualisation of poverty is deliberately multi-dimensional. The review of documents in this thesis confirms that government’s references to poverty do indeed draw from discourses underpinned by several different concepts of poverty but also that the prominence - and influence on policy - of these different concepts changes both between documents and over time.

As we saw in chapter 3, in the years immediately before 1994 the ANC conceptualised poverty in a very broad, if not particularly rigorous manner. There is evidence in Ready to Govern and the original RDP document that thinking within the ANC on poverty was influenced by concepts of access poverty, structural poverty and capabilities-based approaches as well as income-based concepts. After 1994 there was a narrowing of the conceptualisation of poverty in major government policy statements. The RDP White Paper, GEAR and the Social Welfare White Paper all use income-poverty as their main concept of poverty. While the RDP and Social Welfare White Papers acknowledge that income alone does not determine poverty. Unlike the ANC’s pre-election statements neither policy goes very far in exploring what these other elements of poverty are. GEAR seems to draw almost exclusively on an income-based concept of poverty, and then relegates the discussion of poverty only to the chapters on social services, not mentioning it in the chapters on the economy. Using an income-based concept of poverty it is logical to conclude that employment and economic growth are the key pillars of poverty eradication. It is tempting to conclude that this is evidence that the choice of concept was influential in defining the policy response, but it is as likely that the causality operated in the other direction. In all of these documents, employment creation is cited as the main policy goal for achieving reduced poverty. For GEAR, which aimed to limit social spending in order to bring government expenditure down to more sustainable levels this was certainly a useful solution to poverty, as it does not require additional spending.

In the SONA and Budget Speeches however, ANC leaders in government displayed a much broader conception of poverty, with Mandela, Mbeki and Manuel all giving eloquent and moving accounts of the importance of many dimensions of poverty, drawing on a wide array of discourses including all of those used in ANC documents prior to 1994. Mandela in 1996 for example says that as a result of changes brought about by government policies, “Life has

started to have real meaning for the hundreds of thousands...” (Mandela, 1996) However, in these speeches too, the most consistently used discourse on poverty was that drawn from income-based concepts. In effect income-based concepts are the default position in these speeches.

Structural concepts and discourses enjoyed their greatest use in Mbeki’s speeches, particularly when he spoke about the colonial and racial origins of poverty, for him the origins of poverty begin with disempowerment - poverty is a consequence of a loss of power, both political and economic. The consequence of this is that poverty, and the response to poverty inevitably has racial dimensions in Mbeki’s speeches, something that may have suited his political purposes as he also chose to link race to several other debates, including that over HIV/Aids (see Gevisser, 2007).

Amartya Sen’s concept of poverty as expanding freedoms is explicitly quoted in the 2003 and 2004 Budget Speeches, but links to the discourse of seeing poverty reduction in terms of expanding freedoms can be found in earlier speeches, including Mandela’s 1994 SONA. Part of the reason for this is that the ANC has a long tradition of phrasing its policy goals in terms of expanding freedoms, going back to the Freedom Charter drafted in 1955. Sen’s ideas therefore form a complimentary discourse to that already existing in the ANC. Sen is only cited explicitly after he received his Nobel award in 1998, which gave his ideas much greater prominence, suggesting that earlier links between freedom and poverty might have originated in the ANC’s own discourses and not have been borrowed from Sen. It also seems that while ANC politicians find it useful to explain their commitment to poverty in terms of the discourse of freedom there is no evidence that the concept has influenced any substantive policy decisions. Even in Towards a Ten Year Review, where the concept would have been useful as a way to draw different aspects of poverty together it is not used. This indicates that policy makers do not use this concept in planning and assessing government’s impact’s on poverty, but ANC politicians certainly do find it resonates with their views on poverty and is useful for rhetorical purposes.

Access based measures, linked to the roll-out of government services, had particular prominence in the early promises in Mandela’s time and again towards the end of Mbeki’s first term when he was making the case that in spite of less-than-impressive economic growth

the lives of the poor had improved due to the increased 'social wage.' This concept, together with asset poverty that was used in Towards a Ten Year Review, were both used expediently towards the end of the decade as a convenient way to summarise government's most impressive achievements. This is in spite of the fact that in the central policy documents at the beginning of the period (GEAR and the RDP and Social Development White Papers), poverty was defined principally in terms of income and not access or assets.

This disconnect between the concept of poverty used by government in setting out its policy at the beginning of the decade and the concept used to assess progress ten years later indicates that the conception of poverty primarily in terms of income at the beginning of the decade did not limit government's anti-poverty policies to responses aimed at improving incomes only. The predominance of income-poverty in the early years of government policy making did not prevent the principal impact of government's policies, from the perspective of the poor, being felt in terms of changes in their assets and access through the increased social wage. While government may have spoken about poverty in terms of income-poverty and made an honest attempt to promote growth in incomes (via economic growth), this did not prevent them simultaneously rolling out access to services, the effects of which ultimately had the greater impact on the poor. Although the incomes of the poor did also increase over the decade as a result of the social grant system, the much cited path through economic growth to higher employment and poverty reduction was not successfully trodden in this decade. Consequently, income poverty is not the primary concept used by government to account for its progress in 'pushing back the frontiers of poverty' at the end of the decade, despite it featuring so prominently in defining policy goals at the beginning of the period.

Part of the explanation for this disconnect between the concepts underpinning policy and the impact of government actions might be simply that government did not conceptualise poverty very clearly and this limits the impact any concept could have. We have already seen how government uses multiple concepts simultaneously, but it is worth noting that they also sometimes confuse and misinterpret these concepts. The way concepts of poverty are used for analysis and in deriving indexes in Towards a Ten Year Review provides several examples of this muddling of concepts. If the Review confirms that government's conceptualisation of poverty is a broad one (encompassing of several different concepts) its muddled use of concepts also exposes its understanding of these concepts as shallow.

Another major reason for the ANC government's continued use of multiple concepts, and their imprecise use of them, is that it can be very useful to shift between concepts in order to shed the best light on government's performance. So, income poverty is used when motivating for a macro-economic reform strategy like GEAR but access poverty is emphasised when government is looking at its tangible achievements in poverty reduction, as in Mbeki's pre-election SONA in 2004. However, it is also important to recognise that the ANC's conception of poverty was always a complex one, drawing on multiple concepts (from before 1994) and so their shift between concepts should be seen as a shift in emphasis and not the abandoning of a chosen concept in favour of a more convenient one. There are two reasons for saying this, the first is that the ANC government never defined a precise concept of poverty to begin with, leaving room for multiple concepts in all its statements. The second is that in its own review of the decade government tried to give a view using multiple concepts which, even if not always skilfully handled, were not selected to give the most flattering assessment.

It is also significant that despite the breadth of concepts used, there are several concepts of poverty that are not used in any of the policy statements reviewed, including: consensual approaches (which would be difficult to implement); transitory and chronic poverty, which could provide useful analytical insights on the different roles of policies that have short- and long-term impacts on poverty; and absolute measures (perhaps based on a poverty line), which would provide a useful and transparent measure against which to judge government's performance. The failure to use these concepts means that the potentially useful insights they could have provided are lost to policy makers.

In terms of its impact on poverty though, the ANC government's choice to draw on a wide range of concepts of poverty in an unstructured manner means that it is impossible to evaluate or measure the performance of government's policy against its stated goals, as the goals and measures used by the government are not aligned. So in the South African case we cannot conclude, like Laderchi et al (2003) did in Peru, that the choice of a concept of poverty has significant implications for who is defined as poor and consequently for who is targeted by poverty eradication policies. The ANC government's conceptualisation of poverty is simply not rigorous enough to allow us to make such a case. This has benefits to

the extent that by default several different types of poverty are targeted and so the net of interventions is cast wide and most poor people, defined in terms of any concept of poverty, will be positively impacted, and no particular group was excluded because they did not fall within the officially sanctioned definition of poverty. However it is also problematic to the extent that interventions could be made more effective if a better understanding of who is poor and why they are poor would help to better target interventions.

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