AN ASSESSMENT OF THE SUSTAINABILITY OF POVERTY ERADICATION PROJECTS IN RURAL COMMUNITIES OF CAPRICORN DISTRICT MUNICIPALITY: LIMPOPO PROVINCE IN SOUTH AFRICA

By

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Submitted in fulfillment of the requirements for the Degree of Doctor of Philosophy in Rural Development in the School of Agriculture

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DATE:	7 SEPTEMBER 2010

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DECLARATION STATEMENT

I, **MAKGOSHI PRISCILLA MASIPA**, declare that this dissertation for the Doctor of Philosophy in Rural Development degree at the University of Venda hereby submitted by me, has not previously been submitted for a degree at this or any other institution; and that it is my own work in design and execution. All the reference material contained herein has been duly acknowledged.

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DEDICATION

This document is dedicated to my late parents who were leaders of the time in education; Mr. Makgobe Phillip and my mother Lischen Sejagobe Makoela for giving me good educational foundation and for their support and constant encouragement.

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ABSTRACT

Poverty is defined as the inability to meet minimal standard of living, measured in terms of basic consumption needs or the income required to satisfy them. Eradication of poverty is the greatest concern globally. The eradication of poverty and hunger, and the need for better equity in income distribution and human resource development remain major challenges in Capricorn District Municipality of Limpopo Province in South Africa.

This study is concerned with an assessment of the sustainability of poverty eradication projects in Rural Communities of Capricorn District Municipality of Limpopo Province. The objectives of the study are to identify the existing poverty eradication projects in Capricorn District Municipality and to assess the sustainability of these projects through their income generation, employment creation, skills and capacity building aspects of the projects. The study further evaluates the determinants of success or failures of these projects.

Primary data were collected through the use of questionnaires administered to project participants. From a list of existing poverty eradication projects in the five local municipalities of Capricorn district a sample of 120 projects were selected. The projects were clustered into the following: bakery, bricklaying, clothing production, dry land farming, food gardens and livestock.

The criterion for project selection was based on clustering as well as the need to select projects which have been in existence for at least three years prior to the survey. Four participants were selected and interviewed for each project. These include the project leader and three other members. The sample consisted of men and women, depending upon the dominating gender in the group. The total number of participants selected for the study was 480.

Besides the use of questionnaires to obtain cross sectional survey data, additional secondary

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data on selected projects were obtained from various sources including annual reports and income statements of some of these projects. Also, focus group discussions were carried out to assess the major factors and constraints affecting the sustainability of these projects.

The collected data were analysed using descriptive statistics, frequency distribution and chi-square and regression analysis. Some of the results of the study are summarised as follows:
The survey analysis reveals that vegetable projects were the most dominant type of projects in CDM followed by Clothing Production, the third one was poultry. Women constituted the largest percentage of project participants, followed by men and lastly youth. Focus group discussion reveals that the major problems facing these projects are lack of good management skills, poor record keeping, and lack of capital to expand their businesses.

Some of the identified challenges and problems facing poverty eradication projects in CDM include the following:

- Fraudulence among some projects participants.
- Lack of skills in marketing and project management.
- Youth lacking knowledge of self-employment strategies.

The challenges above can be met by adopting the following recommendations:

- Training of participants in marketing and financial management and strengthening security for the projects to prevent theft and fraudulent practices.

- Encouraging more participation of the youth in poverty eradication projects; especially youth participation in fruits and vegetable projects which have been found to be highly sustainable.

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LIST OF ACRONYMS AND ABBREVIATIONS

ABET	Adult Based Education and Training
ASGISA	Accelerated and Shared Growth Initiative in South Africa
ASM	Analytical Survey Method
CDM	Capricorn District Municipality
CROP	Cooperative Research Programme on Poverty
CSS	Central Statistics Services
DBSA	Development Bank of Southern Africa
DIBU	Development Information Business Unit
FAO	Food and Agricultural Organisation
GEAR	Growth, Employment and Redistribution
IFAD	International Food and Agriculture Development
IMF	International Monetary Fund
ILO	International Labour Organisation
LDC	Lebowa Development Cooperation
LED	Local Economic Development
LIMDEV	Limpopo Development
LITE	Labour Intensive Training Engineering
MDG	Millennium Development Goals
NDA	National Development Agency
NIC	New Industrializing Countries
NGO	Non Governmental Organisations
NPDC	Northern Province Development Cooperation
NTDA	National Transitional Development Agency
NPO	Non Profit Organisation
P.T.O	Permission to Occupy
SABS	South African Bureau of Standards
RDP	Reconstruction and Development Programme
SACC	South African Council of Churches

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SADC	Southern African Development Community
SALDRU	South African Labour Development Research Unit
SMEDP	Small Medium Enterprise Development Programme
SMME	Small Medium Micro Enterprise
TBVC	Transkei Bophuthatswana Venda and Ciskei
TNDA	Transitional National Development Agency
UNDP	United Nations Development Programmes
UNEP	United Nations Environmental Programme
USAID	United States Agency for International Development
UN	United Nations
UYF	Umsobomvu Youth Fund
WSSD	World Summit on Sustainable Development

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CHAPTER 1

BACKGROUND TO THE STUDY

1.1 INTRODUCTION

Poverty eradication is an issue of concern globally, regionally, nationally and locally, including Limpopo Province. All the regions and districts in Limpopo Province are implementing various strategies for poverty eradication. In fact almost all government departments in Limpopo Province have established poverty eradication programmes (Bepa & BE, 2001). Thus, poverty eradication is of major concern to the government and people of Limpopo Province.

The Limpopo which is the fifth largest Province covers an area of 123,910 Km². This represents approximately 10% of the total land of South Africa. The population density is 44 people per Km², higher than the whole country average of 34 per Km². Polokwane, the Provincial capital city, receives the highest rainfall in the summer months, with an average rainfall of 82mm in January. Sepedi, Xitsonga and Tshivenda are the main languages of the Province. Sepedi is the home language of 57% of the population, followed by Xitsonga (23%) and Tshivenda (12%). The inhabitants of Limpopo Province have a life expectancy at birth of 57.9 years; which is almost similar to that of the whole country 59,8 years (Bepa & BE, 2001). The adult literacy rate (that is persons of 15 years and older who can read and write, and speak their home language) is 74% compared with the national figure of 82% (CSS, 1995). According to Anon, (1999), Capricorn District Municipality (CDM) is a category C municipality established in terms of the provisions of

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the Constitution of South Africa Municipal Demarcation Act (Act No 27 of 1998) and Municipal Structure Act (Act No.17 of 1998). The Constitution of South Africa made provision for the establishment of three categories of municipalities, namely, category A, B and C. Category A is Metropolitans, category B is Local Municipalities and category C is District Municipalities. There is a relationship between categories B and C in that the latter has to provide support to category B municipalities falling within its area of jurisdiction (Anon, 1999).

Capricorn District Municipality came into being after the 2000 local government elections. It is one of the six Municipal Districts in the Limpopo Province. The CDM's area of jurisdiction is approximately 185,222.27 hectares with a population of about 1.15 million and about 270,236 households. It has five local municipalities namely: Aganang, Blouberg, Lepelle/Nkupi, Molemole and Polokwane.

The level of development in the district is much skewed with some municipalities more developed than others. CDM is at the Centre of the Economic hub of the Limpopo Province although it is located in one of the poorest rural provinces in the country. According to Capricorn District Municipality Integrated Development Plan (2000), there are 2000 settlements in Limpopo Province. Of these settlements, 558 are located in the CDM. They are distributed as follows:-

- 95 in Aganang
- 139 in Blouberg
- 112 in Lepelle/Nkumpi

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- 34 in Molemole
- 178 in Polokwane

CDM is equidistant to most parts of the province and also reasonably close to Mpumalanga and Gauteng Provinces. Within CDM's territory falls the capital city of Limpopo Province, Polokwane, which is almost at the centre of the district (Anon, 1999). The location of this city makes CDM the most accessible district municipality in the province. The Polokwane International Airport allows for convenient air transport and it also boasts of the World Standard highway and railway infrastructure (joining the province with major cities in Gauteng and other SADC countries, i.e. Zimbabwe, Botswana and Mozambique). The air, road and railway networks enhance the transport system's reliability (Anon, 1999). The infrastructure development, which is amongst others the provision of water, roads, electricity and telecommunications, makes it an ideal business and investment destination. It is one of the main economic locomotives of the province, because it is the financial, trade, mining, tourism, manufacturing, transport, construction and government service centre of the province.

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1.2 IMPORTANCE OF THE STUDY

The poverty eradication is the greatest responsibility of Governments worldwide. It is a complex multidimensional problem with origins in both the national and international domains (UNDP, 1999). United Nations Environmental Programme (UNEP, 2001), states that there is no uniform solution to poverty for global application. What is crucial for a solution to this problem are country-specific programme to tackle poverty supported by international efforts as well as the parallel process of creating a supportive international

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environment. "The eradication of poverty and hunger, greater equity in income distribution and human resource development remain major challenges everywhere" (UNDP, 2001). Thus the struggle against poverty is a shared responsibility of all countries. Poverty is the single greatest burden on South Africans and this includes Limpopo Province (Bepa & BE, 2001). Poverty affects millions of people, and the majority of these are women and children living in the rural areas.

This study focused on an assessment of the impact of poverty eradication projects. The study was directed at various communities in Capricorn District Municipality of Limpopo Province. In the light of the importance of poverty eradication projects, it is crucial that their levels of sustainability be assessed.

1.3 PROBLEMS STATEMENT

"No problem is of greater world-wide concern today than the poverty that shackles one-third of the world's people" (Coombs & Ahmed, 1980). Coombs and Ahmed, further observe that the well-publicised economic gap between the nations - the "haves and have-nots" - is only one dimension of the poverty problem. The gap between cities and rural areas is another and the gaps within rural areas are yet another dimension. The poverty problems identified above are found in both Limpopo Province and CDM. The following are some obvious observable causes of poverty in Limpopo Province:

- High unemployment rate.
- High fertility rate which is being exacerbated by teenage pregnancy.
- Poor farm production among rural blacks.

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- Lack of industries.

The majority of people in Limpopo Province and in CDM sustain their livelihood through smallholder farming, chicken rearing, communal and individual food garden ownership, spaza shops (Kiosks), dress making, transport business, general dealers and domestic workers who work for the civil servants who in turn pay them low wages because they themselves also earn moderately low salaries. Taxi industry in the area is one of the facets which contribute towards economic development and thus needs to be encouraged. Supermarkets do not factor into the scheme of things because of the mushrooming of progressive vendors.

Unemployment is a leading cause of poverty in Limpopo Province. Development Information Business Unit (DIBU, 2000) states that "the Limpopo Province's labour force of 1,1million people accounts for 7,7% of the total South African labour force and 2% of the urban labour force". DIBU further highlights the fact that the utilisation and quality of Limpopo Province's labour force is compared to the national average which is 62,2%. This means only 42,6% of the Limpopo Province's potential economically active population participates in the labour market. The economically active productive age group in the Province is between 15 and 64 years. "This is 14,6% lower than the national average of 57,3% and the second lowest in South Africa" (DIBU, 2000). The Province is therefore not able to accommodate a major portion of its available labour force and this contributes to the level of poverty. More recent figures of the unemployment situation in Limpopo Province are summarized in Table 1.1 below.

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Table 1.1: Employment status by geography in Limpopo Province

		Bohlabela	Capricorn	Greater Sekhukhune	Mopani	Vhembe	Waterberg	Total
Not Applicable	Count	274061.0	518007.0	354626.0	409658.0	547061.0	245670.0	2349083.0
	% within District	46.0	44.9	47.6	42.5	45.6	40.0	44.5
	% within Status	11.7	22.1	15.1	17.4	23.3	10.5	100.0
	% within Total	5.2	9.8	6.7	7.8	10.4	4.7	44.5
	% within status	8.0	22.4	5.9	21.7	20.9	21.1	100.1
	% within Total	1.0	2.8	0.7	2.7	2.6	2.7	12.6
Unemployed	Count	75053.0	131175.0	87399.0	120584.0	156127.0	62624.0	632962.0
	% within District	12.6	11.4	11.7	12.5	13.0	10.2	12.0
	% within Status	11.9	20.7	13.8	19.1	24.7	9.9	100.0
	% within Total	1.4	2.5	1.7	2.3	3.0	1.2	12.0
Not Eco.Active	Count	192954.0	357069.0	264277.0	289737.0	358231.0	165483.0	1627751.0
	% within District	32.4	30.9	35.5	30.0	29.9	26.9	30.9
	% within Status	11.9	21.9	16.2	17.8	22.0	10.2	100.0
	% within Total	3.7	6.8	5.0	5.5	6.8	3.1	30.9
	% within Status	11.3	21.9	14.1	18.3	22.8	11.6	100.0
	% within Status	11.3	21.9	14.1	18.3	22.8	11.6	100.0
Total	**Count**	**595202.0**	**1154692.0**	**745473.0**	**964237.0**	**1199884.0**	**614154.0**	**5273642.0**
	% within District	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Statistics South Africa Census 2001

The table above shows that Capricorn district has the largest number of the employed population which according to the status is 22.4%. Greater Sekhukhune District, with 5.9% employment status is the district with the lowest employment status. Conversely, in terms of unemployment status, Vhembe District with 24.7% bears the highest percentage

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of the unemployed. Waterberg District, with 9.9% unemployed status, has the least percentage of those unemployed.

1.4 SOCIO-ECONOMIC BACKGROUND OF CAPRICORN DISTRICT MUNICIPALITY

The socio economic development analysis of CDM covers amongst others, population, age distribution, unemployment and income distribution, service backlogs and education levels. CDM Reviewed Integrated Development Plan 2004 – 2007 (May, 2004).

Table 1.2: Population per. municipality

Name of Municipality	Population	No. of Households	Household Size
Aganang	147 682	32 185	4.43
Blouberg	161 322	33 939	4.21
Molemole	109 441	51 244	4.87
Lepelle-Nkumpi	227 970	27 889	5.28
Polokwane	508 277	124 977	5.19
Capricorn / District	**1 154 692**	**270 236**	**5.1**

Source: Census, 2001

Table 1.2 shows that about 40% of the Capricorn district population lives in Polokwane. People are continuously migrating from the rural areas to Polokwane, and this is likely to increase its population size over time.

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Table 1.3: Level of employment

Municipality	Employed Persons	Unemployed Persons	Not Economically active	Not Applicable	Total
Aganang	8 698	13 008	52 160	73 815	**147 682**
Blouberg	10 420	11 579	57 682	81 642	**161 323**
Lepelle – Nkumpi	19 327	29 785	71 026	107 831	**227 970**
Molemole	16 227	10 371	33 443	49 400	**109 441**
Polokwane	93 768	66 431	142 757	205 320	**508 277**
Total for CDM	**148 441**	**131 175**	**357 069**	**518 007**	**1 154 692**

Source: Census, 2001

Unemployment rate in the district stands at 42.3%. The above statistics do not include informal employment. Given the high level of unemployment rate, there is a need to introduce employment creation projects such as poverty eradication projects in the CDM.

The number of people unemployed in CDM (131175) signifies the challenge that the district and its five local municipalities are in creating jobs. Polokwane has the highest number of unemployed (66431); followed by Lepelle-Nkumpi (29785) other details can be obtained in Table 1.3 above.

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Table 1.4: Level of income

Income R'000 per year	Aganang	Blouberg	Lepelle-Nkumpi	Molemole	Polokwane	Total
R1-R4 800	34,242	55,908	65,461	19,442	96,940	**271,993**
R4801-R9600	20,467	18,553	21,550	17,878	50,448	**128,896**
R9601-R19200	44,050	42,760	55,273	31,983	104,113	**278,180**
R19202 - R38400	27,686	26,222	39,706	21,690	91,289	**206,594**
R38401 – R76 800	12,180	9,113	20,972	9,102	64,030	**115,397**
R76 801 – R153 600	5,443	5,222	12,789	4,678	38,806	**66,939**
R153 601 – R307 200	1,903	1,,907	6,566	2,554	28,423	**41,353**
R307 201 – R614 400	434	461	2,363	674	16,175	**20,108**
R614 401 – R1228 800	72	180	435	172	4,824	**5,683**
R1 228 801 – R2 457600	21	82	147	80	1,394	**1,724**
	163	195	328	127	1,062	**1,875**
R2 457 6021 and more	38	54	69	40	568	**769**
Not applicable	982	664	2,311	1,020	10,204	**15,181**
Total	**147,682**	**161,323**	**227,970**	**109,441**	**508,277**	**1,154,692**

Source: Census 2001

Table 1.4 above summarises the income distribution among households in CDM and the Local Municipalities. For CDM, the minimum living level for the average household is considered to be R15,600 per year or (R1,300 per month). This implies that more than 89% of households in Aganang, Blouberg and Molemole live below the poverty line.

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The level of infrastructure for CDM can be gauged by looking at access to water and sanitation as illustrated in Tables 1.5 and 1.6 below.

Table 1.5: Water access by sources in CDM

Water access and source	Households
Piped water to the dwelling	32503
Piped water inside yard	85009
Piped water to community stand <200m	38299
Piped water to community stand >200m	49716
Borehole (hand pumps)	25143
Spring	1818
Rain-water-tank	836
Dam/Pool/Stagnant water	4603
River/Stream	8252

Source: Census 2001

Table 1.6: Access of households to piped water per local municipality

Source	Aganang	Blouberg	Lepelle-Nkumpi	Molemole	Polokwane	Total
Piped water to the dwelling	434	697	6279	1071	24022	**32503**
Piped water inside yard	10902	11040	11349	11624	40094	**85009**
Piped water to community stand <200m	7180	5458	5891	3243	16527	**38299**
Piped water to community stand >200m	7832	7239	7239	4728	21226	**49716**
Borehole (hand pumps)	2610	3269	11812	1384	6068	**25143**
Spring	33	292	145	34	1314	**1818**
Rain-water-tank	65	53	273	35	410	836
Dam/Pool/Stagnant water	476	1201	639	130	2157	4603

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River/Stream	941	721	2569	102	3919	**8252**
Water vendor	254	390	2503	4376	4689	**12212**
Other	1 461	2126	2545	1162	4551	**11845**
Total	**32 188**	**33 938**	**51 244**	**27 889**	**124 977**	**270236**

Source: Census, 2001

Poor access to good water does create health hazards and can lead to the outbreak of diseases such as cholera. This is linked to the fact that some people still obtain water from stagnant pools and streams and such water can be contaminated due to lack of proper sanitation and as a result people drinking that water can get diseases.

Table 1.7: Comparative poverty indicators between Limpopo Province and South Africa in general

INDICATOR	LIMPOPO PROVINCE	SOUTH AFRICA
Population below 15 years, 2000	41.8%	33%
Life expectancy at birth, 1996	57.9years	59.8 years
Adult Literacy rate, 1996	59.9%	69.4%
Infant mortality rate, 1998	47.3 per 1 000	45.4 per 1 000
Doctors per 10 000 citizens, 1998	1.5	2.9
Nurses per 10 000 citizens, 1998	30.6	32.4
Unemployment rate, 1996	46.%	33.8%
Male absenteeism rate, 1996	22.8%	8.4%
Dependency ratio, 1996	3.7	1.9
Access to electricity, 1996	36.2%	57.3%
Access to electricity, 1999	55%	66%
Disposable income/capita, 1996	R4505	R11 858
Disposable income/capita, 2000	R6021	R13 502
Average monthly household income, 1996	R3795	R7999

Sources: Census, 2001; Development Bank of Southern Africa, 2000; Bureau for Market Research, UNISA, 2000; and Institute for Race Relations S.A. Survey, 2001 in Bepa & BE 2001

The Limpopo Province ranks below the national average on all the poverty indicators listed in Table 1.7.

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Table 1.8: Headcount index by Magisterial District: Limpopo Province year 2000

Magisterial District	District Municipalities	Headcount ratio	Imputed mean monthly household expenditure (R)
Mutale	Vhembe District	0.48 (0.0042)	1300
Malamulele		0.45 (0.0028)	1405
Vuwani		0.43 (0.0026)	1520
Thohoyandou		0.39 (0.0019)	1822
Musina		0.39 (0.0051)	2744
Dzanani		0.38 (0.0028)	1604
Letaba	Mopani District	0.44 (0.0036)	2805
Giyani		0.43 (0.0024)	1571
Naphuno		0.42 (0.0028)	1493
Hlanganani		0.41 (0.0032)	1516
Lulekani		0.40 (0.0054)	1579
Bolobedu		0.39 (0.0026)	1505
Namakgale		0.27 (0.0041)	2368
Phalaborwa		0.23 (0.0042)	5557
Bochum	Capricorn District	0.44 (0.0028)	1306
Seshego		0.34 (0.0022)	1883
Thabamoopo		0.33 (0.0022)	1859
Polokwane		0.14 (0.0026)	7577
Sekhukhune Land	Sekhukhune District	0.42 (0.0019)	1399
Nebo		0.39 (0.0023)	1502
Mhala	Bohlabela District	0.40 (0.0021)	1535
Mapulaneng		0.36 (0.0024)	1639
Thabazimbi	Waterberg District	0.38 (0.0038)	3473
Mokerong		0.36 (0.0021)	1648
Mokopane		0.32 (0.0037)	3358
Ellisras		0.31 (0.0051)	3935
Bela bela		0.30 (0.0041)	3045

Sources: Statistics South Africa, 2000

Table 1.8 shows that Polokwane Local Municipality ranks the highest in terms of monthly household expenditure of R7577. This may be attributed to the fact that Polokwane is the capital city of Limpopo Province with government employees and community services. The lowest amount is from Vhembe district with R1300 for Mutale Local Municipality. There is therefore a challenge in seeking ways and means of sustaining the development projects in various local municipalities of Limpopo Province. This brings into for the need

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to have sustainable poverty eradication projects in the various districts and local municipalities of Limpopo Province.

1.5 OBJECTIVES OF THE STUDY

The major aim of this study is to assess the sustainability of poverty eradication projects in Capricorn District Municipality – Limpopo Province in South Africa. The aim seeks ways and means of sustaining the projects in rural areas; as this would result in improving and maintaining quality of life to the citizens of CDM.

The following are the specified objectives of the study:

(a) To identify existing Poverty eradication projects in Capricorn District Municipality

(b) To assess the performance of the poverty eradication projects in terms of income generation, employment creation, skills and capacity building.

(c) To identify and analyse the determinants of success or failures of the poverty eradication projects (factors responsible for success or failure of these projects).

(d) To assess the roles of government, Non Profit Organisations (NPOs) and Local communities in promoting the sustainability of these poverty eradication projects.

(e) To make appropriate policy recommendations for the promotion of sustainable poverty eradication projects in Capricorn District Municipality, Limpopo Province and at National Level.

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1.6 HYPOTHESES FOR THE STUDY

The following hypotheses will guide this study:

a. Female owned and managed poverty projects are more sustainable than the male headed ones.

b. The agricultural related projects are likely to succeed in rural areas when compared with Agriculture and non-agricultural projects.

c. Projects that are led by managers are likely to perform better than those that are coordinated by unskilled leaders.

d. The unsustainability of projects is due to lack of Business Plans.

1.7 SIGNIFICANCE OF THE STUDY

The expected major outcomes from the study were as follows:

- Production of empirical knowledge and other valuable information which would be used by research and documentation units in the province as well as other regions of South Africa.
- The results of this study will be useful to policy makers in Government as well as NGOs interested in poverty eradication projects for planning purposes.
- The teenagers and youth as the future leaders would at the end benefit because the education department would use the information as a base for devising programmes that deal specifically with the theme; particularly in sections such as Agriculture, Consumer Sciences (Home Economics) and in Business Studies. Such integration with full commitment in the Implementation would succeed in bringing about holistic sustainable development plan.

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- The study would contribute to the much needed information for sustainable development; particularly in the rural areas of Limpopo Province.

1.8 PLAN OF THE REPORT

The plan of the report is as follows:

Chapter one contains information on the background of the study, including the introduction, which highlighted the socio-economic indicators of Capricorn District Municipality, research problem statement, the study objectives, hypotheses to the study as well as the significance of the study.

Chapter two presents definition of terms used in the study. This is followed by an introduction to development theory as well as modernisation theory, underdevelopment and dependency theory, and sustainable development. The chapter also provides explanation of the concept of projects and their functionality; project evaluation and the role of NDA and Umsobomvu Youth Fund in poverty eradication projects in South Africa.

Chapter three outlines the research methodology used for the study. It discusses the primary data collection involving the use of questionnaires to interview selected project participants, the sampling technique adopted in covering 480 participants, the focus group discussion and the data capturing and analysis.

Chapter four provides some case studies of ten selected poverty eradication projects in

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Capricorn District Municipality. These case studies include five initiated by Limpopo Department of Agriculture and five initiated by CDM. Most of these projects are agricultural projects, case studies and do focus on membership, objectives and performance appraisal including output and marketing. Unlike the Agriculture Department Projects, the CDM sponsored projects include some manufacturing enterprises.

Chapter five presents the empirical results of the analysis of the project performance based on the data obtained from the selected 480 participants while chapter six presents the focus group discussion findings which are based on opinion of various leaders of different organizations including LED managers of the five Local Municipalities within the Capricorn District.

Chapter seven elucidates a gross margin analysis on the performance of some of the selected poverty eradication projects as a means of determining their economic performance while chapter eight unravels the outcomes of the regression and chi-square analyses of the determinants of projects' success and sustainability.

The last chapter highlights the summary of major findings, policy recommendations and conclusion of the study.

1.9 CONCLUSION

This chapter has provided some background information on Capricorn District

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Municipality and some obvious observable causes of poverty in the district include high population growth and high level of unemployment. In addition, crime is one of the consequences of poverty in the district and that poverty causes frustration, anxiety, and low self esteem to the extent that some victims of poverty commit suicide while others give birth and abandon their babies. The socio-economic situations of Capricorn District Municipality were also analysed. These include the population levels of income, level of infrastructure, and levels of education as well as employment status. Lastly the poverty indicators in Limpopo Province and South Africa were also compared. The objectives of the study and the hypotheses to be tested were postulated while the last part of this chapter focuses on the significance of the study.

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CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter presents definitions and explanations of the concepts used in this study. An introduction to development theory and related theory of underdevelopment as well as theory of sustainable development is presented. Lastly, information on projects and their functionality as well as project evaluation and poverty eradication projects is discussed in relation to Umsobomvu Youth Fund.

2.2 DEFINITION OF TERMS

The following are the key words used in this study with their definitions:

Assets can be defined as anything of value in the possession of the business or claims on anything of value in the possession of others (Department of Agriculture, 2005).

Eradication can be defined as bringing an end to something bad or undesirable (Longman, 1987).

Development can be defined as a process of improving the quality of life of all human beings. Important aspects of development are:

- Raising people's living standard, (i.e. their income and consumption levels of food, medical services, education etc., through relevant economic growth

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processes).

- Creating conditions conducive to the growth of people's self-esteem through the establishment of social, political and economic systems and institutions, which promote human dignity and respect (Todaro, 1984).
- Increasing people's freedom to choose by enlarging the range of their choice variables, e.g. increasing varieties of consumer goods and services. The measurement of development in a country could amongst others be in terms of per capita income (GDP per capita), level of education, socio-economic development, health, political stabilization, culture and religion and communication (Todaro, 1984). The UNDP (1995) has developed an index to measure development through the use of Human Development Index (HDI).

Gross margin (GM) can be defined as the enterprise gross production value less directly locatable variable costs. The specific variable cost items included will depend on the purpose of the calculation and the practical feasibility of the allocation (Department of Agriculture, 2005).

Fixed costs can be defined as that portion of the total costs which are regarded as fixed in the short term and therefore cannot be avoided or controlled in the short term, irrespective of the scale or intensity of production (Department of Agriculture, 2005).

Poverty can be defined as a state of existence whereby people are inhibited from participating in society because of a serious lack of material and social resources. It is a

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major source of stress. It furthermore has a strong association with mental health problems, with crime, with family problems including child abuse and with ill health. Poverty can further be defined as the inability to attain a minimal standard of living, measured in terms of basic consumption needs or the income required to satisfy them (May et al, 1998).

Sustainable development can be defined as maintaining of the present needs without compromising the ability of future generation to meet their needs (Hattingh et al, 2001).

Total costs can be defined as inclusion of the total costs of all resources used in the production enterprise during a particular year including stock adjustments and non-cash items (Department of Agriculture, 2005).

Total gross margin can be defined as the sum of the gross margins from all cash crop and livestock enterprises and they represent the value of all output for a particular period minus the variable cost (Department of Agriculture, 2005).

Variable costs can be defined as representation of that portion of total costs that vary in (approximately) direct proportion to changes in the scale of that enterprise within a given production system (Department of Agriculture, 2005).

2.3 REVIEW OF DEVELOPMENT THEORY

The process of societal change has always attracted theories of various persuasions. "The

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emergence of modern social science, as Hettne, (1990) pointed out took place as European society was in the midst of a process of transformation from 'tradition' to 'modernity'. According to him, this gave a distinct mark to the classics: the founders of Sociology and Anthropology. As the industrial system was consolidated in the twentieth century, an evolution perspective was replaced by functional theories. The trend in research theory then was focusing towards specialization, which led to compartmentalization. To comprehend a variety of problems such as poverty, lack of education and poor education, lack of skills, economic development, scientific agricultural production and other issues of Third World societies, a large body of theory according to Hettne, (1990) has emerged since World War II". De Beer & Swanepoel (2000) support the statement given by Hettne that after World War II there was a renewed interest by the social scientists to pay attention to developing the so called 'backward countries'. As a result of this paradigm, De Beer and Swanepoel say that various schools of thought in terms of development emerged, for improvement of the quality of life in the backward countries.

There was therefore, a renewed interest in the development of the 'backward countries' after the Second World War. This gave rise to the Theoretical and Methodological concerns. These in turn bore a certain resemblance to the classical social science. Development theory can be seen as a corrective measure to the static and ethnocentric biases in mainstream of social sciences. Its 'project' from this point of view was to reconstruct the classical approach on the new foundations of development programme. Thus, development theory contains various social science approaches which have tried to

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tackle the problem of 'underdevelopment' and were significantly changed in the process. Development theory is a loose body of contending approaches which, inspite of contradicting one another, all presuppose each other.

Thus, development theory really took off only after the discovery of the problems of development in the Third World. Development theory was ultimately proved to be of relevance in the industrialised countries, where automatic growth could no longer be taken for granted as 'development' presented itself as a problem. In spite of the fact that development theory emerged from tentative attempts of understanding the problem of 'under development' from the point of view of the 'developed', it gradually acquired an increasingly universal quality, that is, an authentic universalism in contradiction to the false universalism that characterized the eurocentric phase of development thinking" (Hettne, 1990).

Development theory is more concerned with change than is typically the case with conventional social science disciplines, such as economics, sociology or political science. Development, involves a structural transformation which implies cultural, political, social and economic changes. Development theory is therefore by definition interdisciplinary, drawing on, but also questioning, many theoretical and methodological assumptions in Marxist and Non-Maxist Social Science.

The development of "development theory" has not been a smooth and evolutionary process. Rather, it has been characterized by the theoretical contradictions and ideological

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polarization, especially after the pioneering years of late 1940s and early 1950s. This tells us that the decade 1940 – 1950, was the era of cracking the heads by the economists and other concerned researchers on the theoretical issues of development and their projections for the future.

During the Eurocentric period theories were rather mechanically tried in Third World countries, and as these mainly were colonies they never consulted on the course of action and about what kind of development they needed or wanted. We, therefore, can speak of the birth of development theory, only to the extent that doubts were raised eventually about the relevance of conventional social science theory in the "new nations". This debate started in economics and gave birth to development economics. It attempts to show to what extent development thinking was rooted in the concrete experience of Western Economic history, and how this mode of thinking characterized by 'endogenism' and 'evolutionism' ultimately resulted in what came to be known as the modernization paradigm (Hettne, 1990).

The third phase of development theory is devoted to the intellectual revolution that took place in the mid – 1960s, when the abovementioned Eurocentric view on development was challenged, primarily by Latin American Social Scientists. The third phase marks the birth of the theory dealing specifically with problems of underdevelopment.

The two processes of self-criticism in the West, on the one hand, and indigenization of development thinking in the Third World, on the other, form a more comprehensive

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concept of development, reflecting the diverse global experiences of development processes. Thus a tentative attempt was made to account for the process of indigenization of the Social Sciences that is primarily development theory, primarily in Latin America, Asia and Africa. By indigenization in this context, it refers to changes in problem-orientation, theory, and methodology, making the social sciences more relevant to the Third World.

2.4 REVIEW OF MODERNISATION THEORY

Historically, "modernisation is the process of change towards those types of social, economic and political systems that have developed in Western Europe and North America from the seventeenth Century to the nineteenth and have then spread to other European countries. Then in the nineteenth and twentieth centuries those processes of change spread to the South American, Asian and African continents" Eisenstadt, 1966 in De Beer, (2000).

2.4.1 The Modernisation Approach

The origin of the concepts of development is rooted in the western thought. Illich (1977) in Kotze (1984) states that prior to World War II, the word "development" was used to refer to species, real estate and moves in chess. It was only thereafter that it referred to people, countries and economic strategies. In fact, Kotze (1984) further highlights the fact that prior to the Second World War, social scientists displayed little interest in the societies which now form the Third World, when they first embarked on industrialisation in the 16th Century.

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2.4.2 The Origins Of Under-Development And Dependency School

The dependency school emerged from the convergence of two major intellectual trends, that is, marxist tradition and the neo-marxist. Marxist theory contained orientations such as classical marxism and marxism-leninism.

The concept of neo-Marxism reflects transformation of Marxist thinking from the traditional approach. It focuses mainly on the concept of development and taking a basically Eurocentric view; to the more recent approach, focusing on the concept of underdevelopment and expressing a Third World view (Hettne, 1993).

2.4.3 Causes Of Under Development

Baran (1957) in Martinussen, (1997) conceptualised underdevelopment in much the same way as his contemporary non-Marxist economists. He emphasised that the backward countries were characterised by dual economies. On the one hand, they comprised large agricultural sectors, where productivity was extremely low and the marginal productivity of labour was close to zero. On the other side, they had small industrial sectors with a high level of productivity. Baran further stressed that the growth and employment potential lay in the industrial sector, but that its expansion was constrained by the small size of the domestic markets as well as by the competition from the highly industrialised countries. All these were generally accepted views of the 1950s.

The important new feature in Baran's approach and analysis was his attempt to explain this state of affairs, and in particular, why the backward societies remained

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underdeveloped. In pursuit of this explanation, Baran introduced a special version of Karl Marx's economic theories with emphasis on class relations and their impact upon the utilization of the economic surplus.

In the backward economies, the surplus potentially available for capital formation did not only take the form of surplus value produced by wage labour, but also included the appropriation of surplus from peasants and other direct producers in the form of land, rent, interest on credit and profits from trade.

2.4.4 Sustainable Development Theory

There are two distinct historical contexts from which the concept sustainable development emerged. The first, according to Hattingh, (2000) emerged in the 1970s among Western nations who realised that industrialisation and the patterns of production and consumption associated with it could seriously jeopardise the continued existence of a safe, healthy, clean and diverse environment. The realisation was articulated in various reports, such as Limits to Growth (1972) of the club of Rome and a Blueprint for survival.

The second context in which sustainable development emerged is a series of United Nations Conferences about environment and development. The first one was held in Stockholm in June 1972 and the second was the Earth Summit that was held in Rio de Janeiro in 1992. The following were some of the important reports to come out of the conferences:

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- World Conservation Strategy (1980),
- Our Common Future (1987), also referred to as the Brundtland Report and Caring for the Earth,
- A strategy for sustainable living (1991).
- The 2002 World Summit on Sustainable Development which was held in South Africa.

This notion of sustainable development has involved amongst others, a right to the kinds of social, political and economic changes which both improve the well-being of people now and preserve the conditions (environmental, institutional, etc), so that future generations can attain sense of well-being too. Against this background, the projects in CDM were assessed as to whether they had indicators which could prove that they were or will be sustainable. The underdevelopment and dependency theories and practice resulted in creating poverty in the so called Third World countries.

2.5 PROJECTS AND THEIR FUNCTIONALITY

A project is "a collection of linked activities, carried out in an organised manner with a clearly defined start point and finish point, to achieve some specific results that satisfy the needs of an organisation as derived from the current business plans" (Young, 2000). The project is a powerful mechanism for achieving success. The project is therefore something special by its nature and is perceived as being an activity outside normal operations. Young further points out that a project is concerned with creating change in an organised and structured manner. On the other hand, Gittinger, (1976) defines project as "the whole

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complex of activities involved in using resources to gain benefits". As a project leader or facilitator, achieving success is a measure of ones ability to become an effective change agent. Because a project is a practical activity carried out beyond normal operations, different approaches to the work are used to achieve the desired results.

2.5.1 Projects in Overall Development

Projects which a nation or community chooses to implement should be of high priority in the national development program (Gittinger, 1976). The projects selected should always be those that contribute towards economy in the communities and in the country. Often high priority projects are well known to political leaders and to agricultural experts as well as to other relevant sectors towards economic development. It has however, according to Gittinger (1976) been realized that most countries undertake more formal sector studies or agricultural plans to set forth priorities and objectives clearly. It is only when attention is focused on the overall development strategy that governments can be sure that their investment programmes are well balanced.

Limpopo Province is dominated by rural communities and people maintain their livelihoods through subsistence farming, agricultural irrigation projects, and some commercial farmers, such as ZZ2 who produce tomatoes, whereas Lunds is involved with chickens that lay eggs. Lunds is the main supplier of eggs to hospitals and schools in Limpopo Province. Others in Levubu area in Vhembe District are producers of banana, mango, litchi, and sweet potatoes. A few black commercial farmers such as Mohomi farm in Sekgopo area around Mooketsi, specialise in tomatoes which they send to big markets

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in Gauteng Province through Mooketsi Truck Transport (Masipa, 1996). Many of the black people in South Africa and CDM who are involved in agriculture-based activities work in groups. The most common projects are community food gardens, dryland farming and livestock keeping. The total number of agricultural projects in the Limpopo province at the time of this writing was 1242 (Marc Dev, 2003). Almost three quarters of them are supported by the government as part of poverty eradication projects for the communities (Limpopo Department of Agriculture, 2001).

2.5.2 Evaluation of Projects

Masipa, (1996) defines evaluation according to Feverstein, (1986) as "assessing the value of something". It means helping those that are involved in many different kinds of development programmes to assess the value of what they are doing. It is like finding where and how fast one is going and then estimating when one is likely to reach one's destination. Stufflebeam, (1979) in Masipa, (1996) purports that "evaluation" has two purposes. The first one is accountability; which he calls summative evaluation. Accountability in this regard means justification of the value of the program to employees, sponsors, clientele or society. The second purpose is to improve decision making by providing information to the program managers that will enable them to improve the quality of the program. This he calls formative evaluation.

The two purposes, if optimally implemented in CDM, the projects would definitely achieve positive results. This means that they would sustain their level of existence and growth.

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2.5.3 Agricultural Projects in Limpopo Province

The Departments of Agriculture, Labour, Health and Welfare, and Public Works in Limpopo Province are committed to community development through funding the groups that are involved with projects. Most of these projects are agriculture related, such as community gardens, dry land farming and poultry (Limpopo Province Department of Agriculture, 2003).

On the manufacturing side there are some agro processing projects such as juice making, peanut butter making clothing production, bricklaying and others. To forestall of duplication of the projects by the said departments, a decision was made by the office of the Premier that each department should control the projects which fall within its domain.

This decision was taken in 2002. A mandate was then given to the Department of Agriculture to conduct a survey of existing projects that have been progressing on a yearly basis to be given funding priority for growth. Funding was made to those projects which were poor and weak. The new and emerging projects were to be attended to after the completion of the phase. This was the resuscitation of the existing ones as these would not need a lot of money. Marc Dev and Associates were tasked to conduct research that should come up with a system of a sustainable rehabilitation process of all poverty eradication projects. The priority was to assess first those that are Agriculture related (Poverty Eradication Programmes, 2003).

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All the Agriculture officers were therefore to be capacitated so that they remain working towards self-reliance. The survey was done between June and July 2002 in all the six districts of Limpopo Province. Out of the 1242 Agriculture projects, only 278 were identified to be real poverty eradication projects. For economic reasons, of these 278 projects only thirty projects were initially selected for pilot study. From these thirty projects, five were to represent district from which it belonged.

The Marc Dev and Associates arranged for the training of participants for this venture. Marc Dev was the service provider involved in training farmers. The training was divided into three categories which are:

- **Category 1: Food security**

Food security means that every person has the right to food (FAO, 1996). In this category each and every individual should have 500 square meters for food production.

- **Category 2: Land increase**

Each individual occupies 3,000 square meters plot to practice more farming, which would enable him/her to generate sales of R650.00 per month.

- **Category 3: Commercialisation**

This category is an indicator of progress in farming achievement and also in other types of business ventures. Once the beneficiary reaches this level, then poverty is regarded as an issue of the past, because in commercial farming the project should be self-sustaining. Products are sent directly to the market directly and payments are made as per prior arrangements.

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The department is equally supporting the emerging and strengthening the existing Small Medium Enterprise Development Programme (SMEDP) through lending them money for different projects such as agro-processing, arts and culture.

Since the problem of poverty eradication is almost an issue of concern to various policy makers, the parastatals such as Limpopo Development Enterprise (LimDev), and some Non Profit Organisations are also involved with funding through grants or credit for project establishment.

LimDev is a new name given to what used to be Northern Province Development Co-operation (NPDC) which was established in 1994. NPDC was the amalgamation of the old Gazankulu Development Corporation, Lebowa Development Corporation, and Venda Development Corporation. The co-corporations in the old government were committed to development in the various homelands through lending money to interested and emerging farmers as well as providing loans for building houses and businesses. NPDC ran for only four years and stopped because of some financial constraints. When LimDev took over in 2003, the mode of operation had to look into strengthening mining enterprise, agro-business as tourism as well as housing. There are sub offices of LimDev in all the districts of Limpopo Province but the main office is in Lebowakgomo in the Capricorn District.

2.6 NDA AND POVERTY ERADICATION PROJECTS

The NDA, just like LimDev took over the operations for development from the National Transitional Development Agency (NTDA) in 2000 after a long negotiation process that

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started in mid 1990. The Voice, (2003), which is an official Newsletter of the NDA, No.8, points out that "the National Development Agency may not have the billions of rands needed to eradicate poverty, but they are developing the necessary knowledge and experience to bring substance to the national goal of a better life for all". It further pointed out that one of the most salient insights it has gained is that simply throwing money at problems is not sustainable and does not work; that development is a long term process. For development to be a real ongoing process it is essential to build people's skills and knowledge base to ensure sustainability and quality of poverty eradication projects.

Partnerships are, according to NDA, at the very "center of its universe", to increase its own capacity and maximize its footprint. The NDA has since 2000 secured a range of diverse partnership agreements with for example private sector companies in an effort to bridge what President Thabo Mbeki has referred to as the structural fault in our economy and society as a result of which we have a dual economy and society (Voice, 2003).

NDA has also partnership with municipalities, provincial governments and agencies of the state to identify priorities and streamline delivery. The NDA has for example between 2000 and 2002 contributed towards the building of 20 Pre-schools; 6 Centres for the disabled, 10 community gardens, to mention just a few. It also has partnerships with civil society organizations and institutions to formulate and implement programmes, with service providers such as the South African Bureau of standards to provide community organizations with technical support and capacity building.

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Among NDA's priorities for 2003 was the establishment of a formalized relationship with faith-based organizations and civil society organizations regarded as the biggest and most organized role players in the non-profit sector. Since 2000, the NDA has received more than R500 million in funding from government and the European Union. Some of that money helped in clearing the backlog the NDA inherited from its predecessor, the NTDA. Grant Allocation from the South African National Government to NDA since 2000 is summarized in Table 2.1., while the NDA's project grants are shown in Table 2.2.

Table 2.1: Grants received by NDA 1999/2000 to 2002/03

Year	Grant
1999/00	100 000 000
2000/01	90 000 000
2001/02	92 690 000
2002/03	96 745 000

Source: The NDA Voice, Vol. 8, June, 2003

Table 2.2: NDA projects grants for 2003/2006

Year	Grant	Percentage (%)
2003	103 283 000	6.76
2004/05	109 481 000	6.00
2005/06	116 049 000	6.00

Source: The NDA voice, Vol. 8, June, 2003.

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2.6.1 Grant Disbursements by NDA

The period under review also shows an improvement in the NDA disbursement of the various grants. A more comprehensive picture of the various grants and disbursement is in figure 2.1 below.

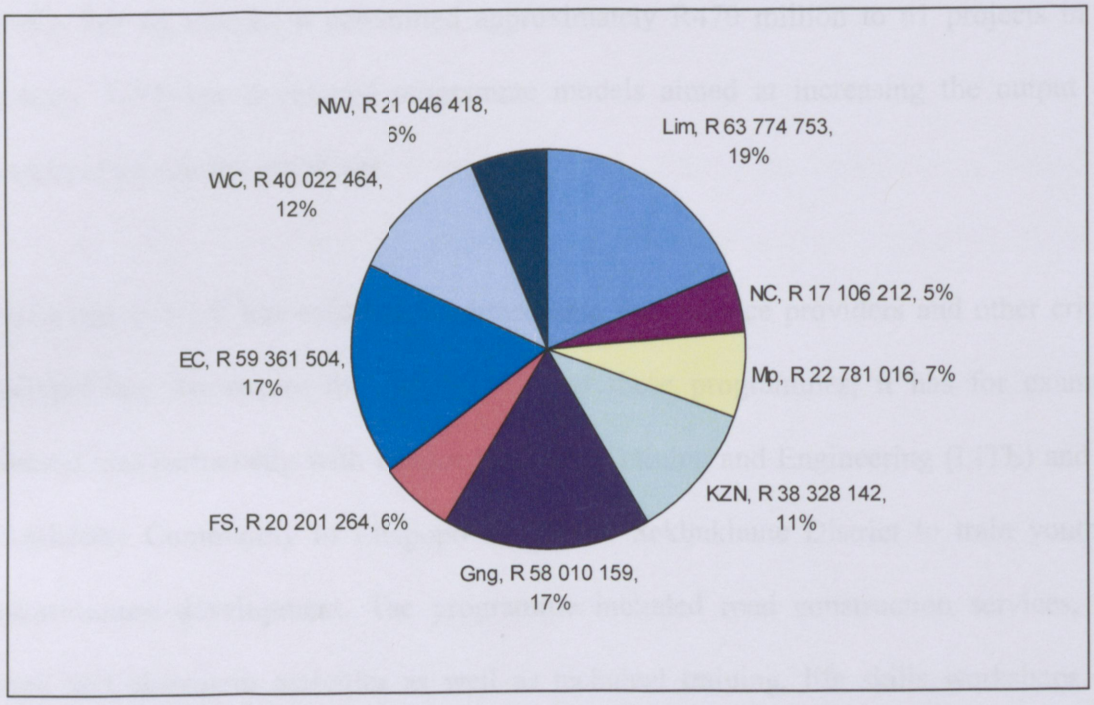

Figure 2.1: Disbursements of NDA fund per province, April 2000 to 2003

Source: The NDA Voice, Vol 8. June 2003

The analysis of the national grant disbursements of funds by NDA per Province for April 2000 to 2003/04 shows that Limpopo Province received 19% which was the highest for the whole country. The lowest amount, which is 6% of the total disbursement, was allocated to North West Province.

Another NPO which is committed to development, in terms of poverty eradication

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strategies is Umsobomvu Youth Fund (UYF). UYF is committed to developing the skills of the South African Youth in construction and infrastructure development. It was established nationally by government in January 2001 to create a platform for job creation, skills development and for South Africa's unemployed youth (Sunday Times, 2003). For 24 months it committed approximately R470 million to 61 projects in the country. UYF has developed programme models aimed at increasing the output and impact of its various initiatives.

Furthermore, UYF has established partnerships with service providers and other critical stakeholders. To ensure the sustainability of these programmes, it has for example, entered into partnership with Labour Intensive Training and Engineering (LITE) and the Mohlaletse Community in Limpopo in Greater Sekhukhune District to train youth in infrastructure development. The programme included road construction services, site work and classroom activities as well as technical training, life skills workshops and literacy and numeracy classes. The UYF initiated projects with Northern Cape Department of Public Works and Northern Cape Youth Commission and formed partnership with the Kwazulu-Natal Department of Transport to implement an internship project targeting unemployed youth with a bias towards rural youth. This training was geared towards constructing related industries.

The Beijing Declaration advocates the "eradication of poverty based on sustained economic growth, social development, environmental protection and social justice". All these require the involvement of women in economic and social development with equal

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opportunities and the full and equal participation of women and men as agents and beneficiaries of people-centered sustainable development (United Nations, 1999).

The report further argues that absolute poverty in general the feminization of poverty, unemployment, the increasing fragility of the environment, continued violence against women and the wide-spread exclusion of half of humanity from institutions of power and governance underscore the need to continue the search for development, peace and security and for ways of ensuring people-centered sustainable development.

High population growth rate is also a contributory factor to poverty. According to Meier, (1976), "a high population growth rate has an adverse effect on improvement of food supplies but also intensifies the constraints of development, savings, foreign exchange and human resources". Ohlin, (1961) supports Meier on the problem of population growth and poverty when he says that "parents with limited means aggravate poverty by bearing many children who they are not able to support. The advantage of having a medium sized family is that it enables the parents to meet the needs of their children.

2.7 THE EVOLUTION OF POVERTY ERADICATION

What role can the state play in reducing poverty? Furthermore, within the context of Africa and other developing countries such as Brazil and Bangladesh, to what extent did social and economic development contribute to eradicate poverty from 1990 onwards? It was in 1990 globally declared as the years for accelerated technology in terms of growth of internet and other types of information technology. At the same time, the countries of

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the Asian region have been at the forefront of a wide range of diverse attempts involving the state in tackling poverty. In an attempt to answer above questions, the Comparative Research Programme on Poverty (CROP) was initiated as the new millennium began (Wilson et al, 2001).

2.7.1 From 'Poverty Alleviation' to 'Poverty Eradication'

In human societies generally, there is a greater predisposition towards petty reformism or continuity than towards radical change (Wilson et al, 2001). This often threatens instability and therefore a general sense of insecurity usually prevails. However, despite this belief, the international community, UN and through one of its specialised agencies the agency of UNDP, after two years of experience of slow progress shifted from the paradigm of 'poverty alleviation' to 'poverty eradication' UNDP proclaimed this in 1997. The shift of emphasis was through Gestalt-Shift. The immediate reason for the paradigm shift was because of dismissal, failure and the concomitant political /ideological pressures for the preferred model of development in the west to justify itself. The IFAD report on The State of World Rural Poverty (IFAD, 1992), states that nowhere in the Third World have the '*poverty eradication'* programmes, as originally conceived, realised their objectives, namely, poverty amelioration and redistributive justice. Instead, rural poverty continued to rise, except in the new industrializing countries (NIC) of South East Asia. In the meantime, the World bank in its 1990 report on poverty had acknowledged that on sub-Saharan Africa, East Asia and Latin America poverty had either dramatically or significantly increased between the 1960s and 1980s and that in the Middle East and Western Europe the situation more or less remained unchanged (no specific reference was

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made to USA).

In 1989 the IMF, in its publication World Economic Outlook introduced the concept of 'high quality growth' which laid emphasis on 'equitable growth,' paying particular attention to the plight of the poor and vulnerable groups. In the same year as the IMF, the World Bank published its well-known document, Poverty, Adjustment and Growth in Africa.

The UNDP declared the death of "poverty alleviation programmes and the poverty eradication programmes, which emphasized the role of the poor themselves in the process were inaugurated. This simply means that the poor should participate in development activities. This paradigm shift had already been anticipated by some of the UN agencies, notably IFAD and ILO. IFAD declared in its 1992 World Rural Poverty report: That the new development paradigm conceives of poverty eradication not just as a mechanism to get the poor to cross a given threshold of income or consumption, but as a sustained increase in productivity and an integration of the poor into the process of growth. This meant that the poor should have access to resources and the policy and institutional framework should be such as to enable them to utilize resources effectively (Wilson & Braathen, 2001).

The ILO had been fighting for the advancement of employment creation opportunities for the poor and the unemployed as the best way of 'alleviating' poverty. Even so, it took the ILO a very long time to recognize that self-employment in the informal sector was

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another way of creating employment opportunities, provided the poor have a choice between selling their labour power or using it on their own behalf, without any threat to their livelihood.

The Gestalt-Shift from the 'poverty eradication' to the 'poverty eradication' paradigm was the culmination of much discussion in high places within the international community. From the beginning of the millennium, 'poverty eradication' has been the buzz-word within the international community. Although the UN agencies and their counterparts did not eradicate poverty, there were no immediate theoretical and philosophical objections to the notion of 'poverty eradication' at the stage of human and technological development.

2.7.2 Role of the State

Universally, the state is held responsible for the well-being and welfare of its citizens. Traditionally, this takes the form of social services. Other sectors, such as Agriculture also have for a long time been involved in the promotion of development in various projects globally. The services were later extended to employment creation for the poor. Under classical capitalism these two functions were regarded as the work for the private sector, namely, entrepreneurs, charitable organizations and the church in particular.

The crusade for poverty eradication since the late 1970s was not only an assertion of the rights of the poor but also an action against the economic policies of the West. On the other hand, the international community has adopted a stance simply because "there is a

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big world community to save from alienation under the New World Order" (Wilson & Braathen, 2001).

In as far as African States are concerned in terms of commitment in poverty eradication programmes, Botswana has been for a long time successful in poverty reduction because of the availability of resources from the country's mines. Unfortunately it was not possible to sustain the way the government and the citizens of Botswana had thought. This was because people relied only on the surplus revenues to ameliorate poverty, especially in the rural areas. This was done without addressing fully the issue of increased productivity in agriculture among the rural poor as part of an agrarian revolution. Rural Botswana earns a living from pastoral farming and dryland farming, as well as the selling of Mopani worms. Botswana engaged itself in the above self help projects such as Mopani sales after the deterioration of the mines' output.

Botswana encouraged popular participation in economic development for the country's progress. The people's participation in economic and social life was found essential for building human resource capacities, sustainable growth and achieving sustainable livelihoods.

Botswana has pursued the long-term objective of enabling people to achieve sustainable livelihoods. The strategy adopted allowed policies to address issues of development, sustainable resource management and poverty eradication. This took the form of programmes such as self-targeting, e.g. public labour work programmes, household

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targeting such as small farmers development programmes and gender targeting, e.g. production of credit for women entrepreneurs. The government and the donors were involved in promoting these programmes. The financial resources were managed effectively and this encouraged the funders to go on funding the projects such as Arable Lands Development.

There were various types of programmes which were designed by women. These included amongst others home bakeries, clay artifacts and just like in other countries projects such as poultry, bricklaying and housing. Some of the projects failed, particularly the dryland farming ones because of Botswana experiencing persistent droughts throughout the 1980s and early 1990s.

Almost every African country is trying to boost the livelihoods of the rural poor in particular through funding for the projects which they establish. For example, Morocco is among the countries whose income poverty rate is the lowest (Wilson et al, 2001). Interestingly, it is also the country in which this poverty rate has decreased the most drastically in the decade 1984 – 94. This is the decade during which a lot of Structural Adjustment Programmes for poverty eradication were intensively implemented. Poverty was therefore nearly cut in half between 1985 and 1990. Morocco was able to generate many jobs for the poor through the Moroccan Social Development Programme. The unemployment rate in Morocco was at 22 percent in 1999, compared to around sixteen percent at the beginning of 1990s.

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Significantly, almost half of the Moroccan unemployed are first-time job-seekers and a quarter of them have secondary education. Structural unemployment would also burden thirty percent of the poor active population and forty seven percent of the younger among them (fifteen to twenty four years old) a higher ratio than in other socio-economic categories (UNDP, 1995).

The unemployment of secondary schools and university graduates of Morocco constitutes a specific problem since in many Arab countries, they represent a rather strong pressure group with the means to voice their discontent and they have particular expectations from the state. In 1993 the number was estimated at 50,000 and they have been leading demonstrations time and again. The main response to these demonstrations was budget provision in 1993 to create 15,000 positions in the public service and a programme to support self-employment by the government.

Self-employment was through the creation of entrepreneurial projects such as small kiosks, fabric paintings, establishing fruit and vegetable markets, selling clothes and art work. Vigorous training programmes were made and the beneficiaries started to commit themselves and progress was made. Since then various other projects which are sustainable have emerged.

2.8 POVERTY AND INEQUALITY IN SOUTH AFRICA

South African Labour Development and Research Unit, (1995) advocates that "The apartheid era has left a legacy of poverty and inadequacy in South Africa". In spite of the

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wealth of the country, a large proportion of the population is not able to benefit from South Africa's resources. A particular problem in South Africa has been the inequality in access to jobs, services and economic resources for the poor as well as other opportunities to escape poverty through such facets as education, skill training and better health.

In its problem statement on "Meeting the Basic Needs", the Reconstruction and Development Programme (RDP, 1994) points out that "Poverty is the greatest burden of South Africa's people and is the direct result of the apartheid system and the grossly skewed nature of business and industrial development which accompanied it". It further highlights that "it is not merely the lack of income that determines poverty, but that an enormous proportion of very basic needs are presently unmet". In attacking poverty and deprivation, the RDP aims to set South Africa firmly on the road to eliminating hunger, providing land and housing to all people; providing access to safe water and sanitation for all, ensuring the availability of affordable and sustainable energy sources, eliminating illiteracy, raising the quality of education and training for children and adults, protecting the environment and improving the health services and making them accessible to all. The vision of RDP is its commitment to a programme of sustainable development which "addresses the needs of the people without compromising the interests of future generations". Attacking poverty and deprivation is the first priority of the government. Furthermore, the central objective of RDP is to improve the quality of life of all South Africans and in particular the most poor and marginalised sections of communities.

A report on Poverty and Inequality in South Africa, 1998 as pointed out by Bepa & BE,

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(2001) purports that "an analysis of poverty and inequality in the country has had a long history." It further points out that in 1922, the first Carnegie inquiry on poverty was undertaken. This focused on the "poor white" problem and fed into the subsequent policy framework for the eradication of poverty amongst whites. The second Carnegie Conference was held in 1983. This examined poverty amongst the South Africa's black population and it highlighted the appalling conditions in the rural areas and townships of South Africa. The commission addressed amongst others the following: human and women's rights, apartheid and African Women, Employment, Unemployment and Poverty, Unemployed Women and women involved in informal sector activities (Second Carnegie Inquiry into Poverty and Development in South Africa, 1984).

Some 47% of South Africans or 21 million people lived in poverty in 1999 (Bepa & BE, 2001). Poverty was defined by this source as household income below the minimum living level, quantified as approximately R1 350 per month for a household of five people in 1999. In terms of this definition, 65% of the population in the Limpopo Province lived in poverty in that year (Bepa & BE, 2001). SALDRU, (1995) points out that among comparable middle-income developing countries; South Africa has one of the worst records in terms of social indicators (health, education, safe water, fertility) and amongst the worst of some low-income inequality. SALDRU further highlights that South Africa's social indicators are not very different from those of some low-income sub-Saharah African countries.

- Poverty in South Africa has a strong race dimension. Nearly 95% of South Africa's poor are Africans, 5% are Coloureds, less than 1% are Indians or Whites.

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Africans have nearly twice the unemployment rate (38%) Coloureds (21%), more than three times the unemployment rate of Indians (11%) and nearly ten times the unemployment rate of Whites (4%).

- Poverty in South Africa has a strong rural dimension. Majority of South Africa's poor (75%) live in rural areas, concentrated in the former homelands and TBVC states. In addition, the burden of poverty is largest in rural areas. Compared to the poor in urban and metropolitan areas, the rural poor suffer from higher unemployment rates, lower educational attainment, much lower access to services such as water and electricity as well as lower access to productive resources.
- Poverty in South Africa has a strong regional dimension. Nearly two thirds of South Africa's poor live in three provinces: Eastern Cape 24%, Kwazulu/Natal 21%, and Limpopo Province 18% (SALDRU, 1995).
- Poverty in South Africa has a strong employment dimension. Unemployment rates among the poor stand at 50%, compared to only 4% among the richest 20%. In addition, many of the poor are out of the labour force due to illness, disability, catching-up with education or domestic duties. Less than 50% of poor households are dependent on pensions and remittances as their primary source of income.
- Poverty in South Africa has a strong gender and age dimension. Female-headed households have a 50% higher poverty rate than male-headed households, and a higher proportion of the elderly poor are women (61%). In addition, women suffer from substantially higher unemployment rates than men (35% vs. 25%) and suffer particularly from a lack of access to services in rural areas: as a result, poor rural women spend more than four hours a day fetching water and wood. Finally, over

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45% of the poor are children below 16 years (SALDRU, 1995).

Poverty and employment status are closely linked: most of the poor do not have jobs and those who do, work for lower wages – often far away from their families. This makes the poor very dependent on pensions and remittances and hence vulnerable. Many of the poor live in substandard housing, most have no access to piped water, electricity and modern sanitation and as a result they are afflicted by diseases of poverty. The combined problems make it extremely difficult for the poor to improve their economic position and escape poverty.

Since the mid – 1960s South African economy has suffered a prolonged deterioration in real growth, domestic savings and employment creation. As a result of this, the distribution of income-earning opportunities remains largely unchanged, with extremely limited prospects for the majority of South African's population. This resulted in an economy with very high levels of unemployment, widespread poverty and income inequality (Wilson et al, 2001).

In 1994 the first democratically elected government of South Africa committed itself to the Reconstruction and Development Programme (RDP). The policy framework through which, it was hoped; a broad transformation of South African Society could be achieved. The document proposed the targets for development and poverty eradication issues were also included.

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In June 1996, the government released Growth, Employment and Redistribution (GEAR). GEAR strategy identified many of the structural weaknesses in the economy that inhibit growth and employment creation. It was recognized that accelerated job creation is essential in achieving a sustained reduction in inequality and that substantial job creation would require structural transformation to achieve higher and more labour-absorbing growth within the economy (May, 2001).

The Accelerated and Shared Growth Initiative in South Africa (ASGISA) is another strategy which was later introduced to accelerate economic development in the country. The country's people, particularly youth was encouraged to be self employed and therefore initiate the projects which would be monitored for sustainability.

Mapulaneng Marula Project is one example of the big projects in the rural area of Bohlabela District in Limpopo Province. It was initiated by the community in the area after many workers were retrenched in Gauteng Province in 1995. This project produces Marula pulp, juice, some facial scrubs, soaps, lotions and others. The project was able to hire ±50 people at first and they were trained for the manufacturing of the above products which are now sold in the supermarkets and chemists. The project has been able to sustain itself through proper management skills which were acquired through constant training.

The problem which the project encounters is that not all the people are working right through the year as Marula fruits are seasonal. Secondly the income generated does not pay people sufficient wages for running their homes. These people have to augment their

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wages through other sideline activities.

The South African Government encourages the sustainability of poverty eradication projects through the awarding of community builders' awards organized by some companies in partnership with the government. One example is that of ESKOM/SOWETAN Community Builder of the year, another one is that of Shoprite/Checkers community Builder of the year. Other departments such as Agriculture, Department of Social Development, Science and Technology are also engaged in this activity. Projects such as Moshita Poultry Project in Polokwane Municipality, Mashashane Chicks Breeders, also in Polokwane, Bapedi Cultural Designers in Sekhukhune District are some of the many projects that received awards in the province and even at the national level. These projects are to date still existing as such ceremonies are incentives to them.

There are some projects, such as the silk production in Bohlabela District which collapsed after Limpopo Province took over from the owners in 1995. Some agricultural projects also collapsed after the government had given the beneficiaries land and money to help themselves.

2.9 CONCLUSION

This chapter has provided a review of literature of the various concepts of development and poverty. It defines the various terms used in assessing poverty and the indicators of development. The theory of development and the relationship between poverty

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eradication and development were also fully discussed as a base for establishing poverty eradication projects in South Africa. In view of this, the relationship between the conclusion and the objectives and hypotheses are e.g. in the terms of the identification of the existing poverty eradication projects in CDM as one of the objectives.

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CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

Research Methodology is defined by Mouton and Marais, (1994) as a "study of the research process in all its broadness and complexity; the various methods and techniques that are employed, the influence of methodological preferences on the types of data analysis employed and the subsequent interpretation of findings".

"A scientific methodology therefore demands competence in logical reasoning and analysis" (Nachimius, 1987). The rules for definition of research methodology include amongst others the classification and forms of deductive and probabilistic (inductive) inferences, theories of probability, sampling procedures, systems of calculi and rules of measurement. Some of these, such as sampling procedure, were made use of for this study.

The Analytical Survey Method which was used in this study takes data that are essential in nature and analyses the data by means of appropriate statistical tools (Leedy, 1985). The purpose is to analyze those data by means of statistical procedure so that we may interpret the findings of data with convenience.

In this research, both qualitative (unstructured) and quantitative (structured) methods were employed in terms of methodology. According to Leedy, (1985), the qualitative research

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methodology is considered as a "warm" approach to the central problem of research. It is considered warm because in great part, it is concerned with human beings: interpersonal relationships, personal values, meanings, beliefs, thoughts and feelings.

The focus group discussions with leaders of various organizations, such as Department of Agriculture were included for collecting data. The qualitative method was advantageous for clarifying issues.

The quantitative approach on the other hand is regarded as "cold" because it is impersonally experimental. The importance of the quantitative data is that it is measurable, which was helpful for the establishment of development projects.

Through the analytical survey method it was possible to identify sustainable projects through checking yearly reports and financial records. Sustainable projects usually exhibit some important features which include sustainable income generation, provision of employment and growth in revenue generated overtime.

Qualitative researchers, as Nachimius and Nachimius, (1987) point out attempt to understand behaviour and institutions by getting to know well the persons involved their values, rituals, symbols, beliefs and their emotions. Therefore, I applied this perspective to this study of poverty eradication by immersing my self in the life of the poor. In qualitative research the sequence of events in terms of what happens first, second, third and so on is important. A qualitative researcher interprets data by giving them meaning,

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translating them or making them understandable. This is achieved through interpreting data by finding out how the people being studied see the world, how they define the situation, or what it means to them for collecting data (information) which takes place in a contrived or natural settings; for example, field experimentation in which the research participants are aware of being studied and in which the researcher either collects the data personally or has trained observers or interviewers to do so. In this study the researcher has used the research assistants and herself to collect data.

3.2 DATA COLLECTION

3.2.1 Primary Data Collection

It was stated in the first chapter that 480 respondents from the projects from the five district municipalities in Capricorn District were interviewed. Primary data is a method for collecting data (information) which takes place in a contrived or natural setting; for example, field experimentation in which the research participants are aware of being studied and in which the researcher either collects the data personally or has trained observers or interviewers to do so (Nachimius, 1976). In this study the researcher has used the research assistants and herself to collect data.

The bulk of the primary data for this study were obtained through the use of questionnaires as appropriate instrument. The sampling involved a systematic purposive selection of 24 projects from each of the five municipalities within Capricorn District. This made a total of 120 projects selected from the five municipalities within Capricorn District. The projects were selected using gender as a stratum; that is, those projects which

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were run or dominated by men and those which are run or dominated by women. Purposive sampling of projects was used in order to determine the level of sustainability of the projects. The strategy used was to select projects which had been in existence for the past three years in succession irrespective of the project type.

The selected projects were further clustered according to the types of enterprise as presented in Table 3.1 below.

Table 3.1: Projects clustering by types

1	2	3	4	5	6
Bakery	**Bricklaying**	**Clothing Production**	**Dryland Farming**	**Food Gardens**	**Livestock**
1. Bread	Bricks (small) Bricks (big)	1. Dresses for all sizes,	1. Cowpeas	1. Vegetables	1. Beef and dairy
2. Buns	-	2. Linen	2. Jugo beans	2. Nursery	2. Poultry
3. Cakes	-	3. School uniforms	3. Maize	-	3. Piggery
4. -	-	4.-	4. Millet	-	4. -

Existing data on each of the selected project were collected. This includes income statements and balance sheets as well as other relevant information about each project for the past 3 – 5 years.

Two assistant researchers were recruited from each local municipality. Each assistant interviewed 12 respondents. These assistants were trained before they went out to the field. This means that they were familiar with the relevant and appropriate techniques for

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collecting data. Local unemployed teachers and university graduates were selected as research assistants because of the knowledge of academic work and their ability to correctly carry out the interview with the selected respondents.

In terms of sample size it has already been stated that from each of the five local municipalities, 24 projects were selected. For each project selected, four respondents were interviewed. This included the project leader and three other members. The sampling technique for selecting the respondents was convenience sample. A convenience sample is obtained when the researcher selects whatever sampling units are conveniently available (Nachimius & Nachimus, 1991). In 18 projects only 4 members were obtainable and in 2 projects only 5 members were available. There were 6 members available from the last two projects. There was therefore no choice but to use convenience sampling as mentioned earlier. The respondents consisted of men and women, depending upon the dominating gender in the group. An important criterion for project selection was that of selecting the projects which had run for three years or more as well as those having male and female owners/managers. The total number of respondents for the study was 480.

It has already been mentioned above that the major instrument for collecting data was in a form of appropriate designed questionnaire. The questionnaires were structured in such a way that data collection was in line with the objectives of the study as well as the hypothesis. Furthermore, questionnaires were used to capture relevant information about the sustainability of the projects. The questionnaires included both qualitative (structured) and quantitative (structured) types. The structured questionnaires were used to interview

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480 respondents from the selected 120 projects in the whole Capricorn District municipality. The unstructured questionnaires were used to interview five groups of beneficiaries of the five selected Pilot Poverty Eradication Projects which were singled out by the government, as a strategy which could perhaps come out with better solution that could be used in future, for the sustenance of the projects in the whole Limpopo Province, Capricorn District Municipality included. Another unstructured questionnaire used (for focus group discussion), was for interviewing the LED Managers and their Councilors in the five Local Municipalities within Capricorn District. Officials from Department of Agriculture were also interviewed.

The first set of questionnaire was sub-divided into the sections A – J. They were as follows:

Section A: Biographical information of the respondent. This included Information such as gender, age, marital status, number of children, local municipality in which the respondent is staying.

Section B: Housing and accommodation. It addressed issues such as size of the house, electrified or not, owning telephone or not and others.

Section C: Occupation/Employment

Section D: Sanitation and water

Section E: Education and Training

Section F: Access to health services

Section G: Project Details. The section included details such as total number of individuals, project type, assets, project funding received or not, benefits of

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being a project member.

Section H: Market. The information required under this section was such as level of performance of the project, successful indicators of the project, average monthly expenditure.

Section I: Non-Project Income generating activities.

Section J: Training. The training type, benefits derived from the training, problems encountered in the project.

The second questionnaire type was directed to the five selected pilot projects for Poverty Eradication in Capricorn District Municipality as stated above. These were mainly opened type of questionnaires. The information required included amongst others the following:

- Person or organization who initiated the project.
- When the project started and when the first produce was made.
- Whether the sales are recorded daily or not.
- How often training is done.
- Marketing of products.
- Problems encountered.
- Future plans of the project and others.

The other information in the questionnaire include the number of employees, initial capital investment, total operating cost, total revenue and return for each project as well as other pertinent project information affecting the performance of the projects.

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The focus group discussion which is detailed in chapter 6 also forms part of primary data. A number of questionnaires for this purpose were prepared. These were open ended questionnaires. The official sources of information were obtained from two officials from the Department of Agriculture in Limpopo province, the Director of the Department of Agriculture in Capricorn District Municipality, CDM Project Manager, Agriculture Extension Officers of Polokwane and Lepelle-Nkumpi, SACC, and Local Economic Development (LED) Managers and Councilors of all the five Local Municipalities within Capricorn District.

3.3 PRE-TEST OF QUESTIONNAIRE

A pre-test of the questionnaire was undertaken. This facilitated the opportunity to check the clarity of the questionnaire and ability of the respondents to understand the various questions. After this pre-test, some necessary changes were effected on individual questions before the actual field survey was conducted. The field survey covered a period of six months.

3.4 SECONDARY DATA

Besides the use of questionnaires to obtain primary data, additional secondary data on the selected projects were also obtained from various sources including annual reports, income statements. "Secondary data refers to research findings based on data collected by others. For example, financial reports and some records, census data collected by government for administrative and public policy purposes" (Nichmius 1976). These data

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were combined with primary data in analyzing the performance and the sustainability of poverty eradication projects in the study area. There was also information which was obtained from documents of NDA, LimDev, Umsobomvu. Other official information was obtained from the five managers of selected Poverty Eradication Projects of CDM.

3.5 FOCUS GROUP DISCUSSION

A focus group interview is a structured group process used to obtain detailed information about a particular topic. It is particularly useful for exploring attitude and feelings and to draw out precise issues that many be unknown to the researcher (http:// www.extension.astate.edu/communities).

A focus group is composed of six to nine participants who are brought together to discuss a clearly defined topic. Typically, focus groups are composed of homogeneous people, all representing a particular segment o the population. A focus group session should last about 1-1/2 hours with two hours being the absolute maximum time. A group facilitator keeps the discussion on track by asking a series of open-ended questions meant to stimulate discussion. This was done during the focus group discussion sessions between the researcher for this study and the managers of five Local Municipalities within CDM

Focus group discussion was also employed by the researcher to assess the major factors and constraints affecting the sustainability of poverty eradication projects in Capricorn District. The focus group panel as mentioned above consisted of various leaders of the specified organisations. These group discussions were facilitated by the researcher and

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most of the information obtained provided the qualitative data for this study. These data were combined with primary data in analyzing the performance and the sustainability of Poverty Eradication Projects in the study area.

3.6 SELECTED CASE STUDIES

In addition to the survey data and focus group discussion, some detailed case studies were undertaken for selected poverty eradication by CDM and LDA.

3.7 DATA ANALYSIS

The collected data was analysed using both quantitative and qualitative methods. The quantitative analysis was done using Statistical Package for Social Scientists (SPSS) for window version 14.0. It was results were presented using frequency tables, histograms and pie charts. The research hypotheses were tested statistically using the data collected from the field survey. A multiple regression approach was used to analyse the factors determining the success or failures of poverty eradication projects; while projects' `performance was assessed in terms of gross margin derived from each project. The chi-square analysis was used to test projects' sustainability. The focus group discussion approach was used to obtain qualitative data in assessing the projects performance and identifying the constraints to projects' sustainability.

3.8 LIMITATIONS OF THE STUDY

The study is about an Assessment of the Sustainability of Poverty Eradication Projects in Rural Communities of Limpopo Province. For the cost effectiveness of the study, only 24

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projects were randomly selected from each Municipality with a total of 120 projects. Above that, another ten projects regarded as Poverty Eradication ones selected by the Department of Agriculture and Capricorn District Municipality were used in order to compare their performance with the other projects mentioned above.

The limitations were as follows:

- Optimum information could not be gathered from some of the projects because there was no proper record kept.
- Many project owners were not sure of who funded them, the amount provided to the projects and so on, hence information provided was not absolutely error-proof.
- All the randomly selected projects did not have financial records and other information such as constitutions, minutes of the meetings held, and others. However, it is only from those selected projects for Poverty Eradication by Capricorn District Municipality and by the Department of Agriculture that all records were provided on request though it was not from them all.
- Not all the projects participated due to the fact that some of the very good projects had because of various problems collapsed.

3.9 CONCLUSION

This chapter presents the methods used for data collection, their limitations and the methods for data analysis. Primary data were collected with the aid of questionnaires administered to 480 selected project participants. Responses to these questionnaires

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provided the data for quantitative assessment of the projects' performance.

The chapter presented clarity on research tools and techniques which were used in the field; such as questionnaire types and methods used for collecting data, sampling methods. It further highlights on how data was analysed. Lastly, limitations of the study are also narrated. Linkage with the objectives is indicated, as well as that of hypothesis.

In addition to the use questionnaires, focus group discussion approach was used to obtain qualitative data in assessing the projects performance and identifying the constraints to projects' sustainability.

Lastly, case study approach was used to assess some selected projects in the district. The approaches have been analysis of the projects performance. Chapter 3 is in line with the objectives of the study as the last sentence of 3.9 stated that the approaches of the projects were based on the projects performance, the statement which is related to the objective on analysis of the determinants of success or failure of poverty eradication projects. Conversely, hypothesis number 3, which is about projects' performance states that projects that are led by managers are likely to perform better than those that are coordinated by unskilled leaders.

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CHAPTER 4

SELECTED CASE STUDIES OF POVERTY ERADICATION PROJECTS IN CAPRICORN DISTRICT MUNICIPALITY

4.1 INTRODUCTION

This chapter presents ten case studies of poverty eradication projects from Capricorn District Municipality. The first five projects were initiated by Limpopo Department of Agriculture while the other five projects were initiated by Capricorn District Municipality.

4.2 DEPARTMENT OF AGRICULTURE PROJECTS

In 2002 Limpopo Government decided to establish some projects for poverty eradication purposes. The Department of Agriculture was tasked with the responsibility of earmarking 278 projects and 30 of them were selected for piloting in the Province. It meant that in every district municipality, five projects were piloted. The five projects in Capricorn District Municipality were as follows:-

- Bohlabankwe poultry project
- Matome vegetable project
- Ratanang vegetable project
- Sebayeng hydroponics vegetable project
- Vukani poultry and vegetable project

The above five projects are presented as the first set of case studies in this chapter.

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4.2.1 Bohlabankwe Poultry Project

Bohlabankwe poultry project is situated in Blouberg Municipality. It was started by the following villages: Schoegesight, Gemarkte, Brana and Brilliant in 1999. The project consisted of 20 members. From these 20, 5 of them were from each of the four villages. It was initiated and funded by the Department of Health and Social Development. The initial funding was not known. Department of Health and Social Development was the only source of funding. Fencing, debushing and building of 3 poultry houses were completed by the end of June 2001. The first batch of 1200 chicks was stocked during the first week of July 2001 while the second batch and the third batches were stocked during the second and the third weeks of the same month. The Department released the remaining project money (R57, 000.00) from the original grant to the members. They used the money to buy feeding troughs and other materials.

In August 2001 the first batch of chickens were sold and the profit was shared equally amongst members. After going through 3 production cycles the project experienced some serious problems which included the following:

- High feeding costs and long periods without any cash flow because there were no chickens sold.
- Disputes and quarrels among project members resulted in the resignation of ten (10) members from the project by July 2002.

The remaining 10 members approached the Department of Health and Social Development for assistance in the reviving the project. The department directed that

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members should plough back the shared money into the project's account in order to resuscitate it. The ten remaining members are still operating the project to date.

In June 2004 when the project was visited; the three poultry houses were being upgraded by Marc Dev, which is a Development Agency requested by Limpopo government to assist in revamping the project. Two new brooding houses had already been completed. The members were informed that for the first three batches of chickens, the feeds and bird's medication would be funded by Department of Agriculture.

4.2.1.1 Project's objective

The initial objective of this project was to provide basic food and also to generate good income for the members. The paradigm shift was to earn a sustainable income through chicken farming and also to start a vegetable garden. By adding cash crop farming (vegetables) to their project, they diversified their activities and in the process promoted household food security among the members.

4.2.1.2 Project's infrastructure

There are three well built housing units of $119M^2$ each with a capacity of 1200 chickens. This infrastructure can produce 3600 chickens every 8 to 9 weeks. There is an office/storeroom, as well as two toilets. The project is surrounded by a security fence. The water supply comes from a borehole, which is situated within the project grounds. A generator pumps water into a 2500 (Two Thousand Five Hundred) litre water tank. The exact information regarding the borehole and water quality is available from the

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Department of Health and Social Development. According to the members the water tastes salty. There is no electricity supply to this project.

4.2.1.3 Natural resources soil

Since vegetable production has been chosen as a farming enterprise, it is necessary to carry out a soil analysis. This is still to be implemented.

Water is available from a borehole which is driven by a petrol generator. If the beneficiaries of Bohlabankwe Poultry Project proceed with the development of a vegetable garden, then the yield of the borehole must be established. It is also very important that an analysis of the water should be done to determine its quality, since salinity of water can create some problems for soil management.

4.2.1.4 Institutional aspects

Bohlabankwe Poultry project does not have a legal framework. The project's operations are guided by the group's committee action. The new management committee needs to be trained on appropriate record keeping and project management.

4.2.1.5 Ownership

The beneficiaries indicated that the local chief gave them a letter of authorization to utilize the designated land.

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4.2.1.6 Marketing

The chickens were sold to the villagers, hawkers and pensioners. Selling was especially good during pension payout periods.

4.2.1.7 Financial situation

There was nothing on sale at the period of survey hence there were no records of income and expenditure for the project.

4.2.1.8 Observations

The following were observed:-

- Pumping water by a petrol driven generator is very expensive
- The project members need training in all aspects of poultry production and financial management as well as record keeping
- The sizes of the chicken houses are too big for the number of chickens that are raised at a given time. They need to be reduced.

4.2.1.9 Recommendations

- Analysis of the soil to determine the vegetable production potential of the area.
- The chicken houses should be sub-divided into smaller units of 600 instead of 1200 broiler units.

4.2.1.10 Revitalisation actions

The following actions would improve the financial status of the project:- Investigation of

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the possibility of using solar power or electricity as energy sources.

4.2.2 Matome vegetable project

Matome Vegetable Project is situated in Zebediela area. It is approximately 30km west of Lebowa Kgomo Government building in Lepelle-Nkumpi Local Municipality within Capricorn district of the Limpopo Province. A community member by the name of Mr. Herman Mothapo of the same village-Matome informed the community during their monthly meeting one day in 1997 about the grants which could be obtained from the National Development Agency (NDA) to enable interested groups to start projects. Thereafter 22 members formed a vegetable interest group.

The members approached NDA which offered them a grant of R200, 000 provided members had a banking account. From the 22 members, 18 agreed to contribute a sum of R50-00 each to open a savings account. A sum of R200, 000 was thereafter deposited into a Standard Bank savings account. Permission to occupy land (PTO) was granted to the group by the "Kgoshi" of the area in 1998. The members started to debush the area provided.

During the process of clearing the land, some members withdrew from the project and by 1999; there were only 9 members on the project. A two roomed house, fence, toilets were erected. A borehole equipped with generator was also provided for the project.

By 1999, the 9 members started to grow vegetables on a small portion and by 2001 the

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generator and the pump were stolen and a new generator was purchased. 2002 both generator and pump were stolen again and the members did not have money to buy another generator. These were the problems which they experienced. The Department of Water Affairs, Agriculture, Health and Social Development joined hands to give the project a generator once more including other equipment.

Marc Dev helped in drilling a new borehole with more water than the previous one. Drip irrigation was started on the project and the project members were trained in planting of the crops using the drip irrigation. A Nursery Tunnel was erected in the project.

4.2.2.1 Project's objective

The goal of the Matome Vegetable Project is for each member to earn an income of about R500-00 per month.

4.2.2.2 Infrastructure

There is a small building in which they hold their meetings and also use it during rainy days. They do not store anything there because of fraudulence.

4.2.2.3 Natural resources

Soil: The soil is very fertile as it is the deep red type with good qualities for irrigation, drainage, infiltration rate and moisture holding capacity. The size of the garden is approximately 4ha. It has already been stated that water is not a problem because the borehole which was drilled by Marc Dev has a lot of water. According to the project

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members the yield of the borehole is approximately 1200L/S. During the time interview the water had not yet been analysed but according to the project members, the water does not taste salty at all.

4.2.2.4 Institutional aspects

The project members have not yet formed a legal entity but operate as a group. There is a Management Committee consisting of 6 persons namely the (Chairperson, Vice Chairperson, Secretary, Vice Secretary, a treasurer and an additional member). The function of the committee is to attend to the day-to-day running of the project including finances.

4.2.2.5 Ownership

The land belongs to the members of P.T.O. was granted to them by the "Kgosi" (traditional leader) of the area.

4.2.2.6 Marketing

The vegetables are sold to the local market. Vegetables are sold at market related prices. The exact production and income figures are not available as their financial records are not well kept.

4.2.2.7 Financial and economic situation

The members are trying to keep financial records, but have indicated that they don't really have the appropriate "know-how" to do it properly and that they needed training to do so.

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4.2.2.8 Observations

The following were observations made:

1. The generator and borehole pumps were stolen twice and that these were the main reasons for not making good profit as expected.
2. The plant population of the vegetables is too low.
3. Members lack the basic knowledge of critical agricultural production practice including irrigation scheduling and pest control.
4. The irrigation layout was not planned properly because the connection points are too far apart and there are only 6 points on the 4ha.
5. They do not have an accurate book and record keeping system in place.
6. They are lacking some basic agricultural production and general management skills.

4.2.2.9 Recommendations

1. The yield and the water quality of the borehole should be determined in order to estimate the area that can be irrigated as well as the suitability of the water for vegetable production. The pump should be designed in accordance with the yield of the borehole and the size of the area to be irrigated.
2. The members should be trained on how to apply proper agricultural practices such as soil preparations, fertilization, plant population, and irrigation scheduling, pest and disease control.

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3. A soil analysis should be carried out to determine the nutrient requirements of the crops.
4. It is recommended that the project should make use of electricity as an energy source.
5. Training in project management with the focus on financial management and record keeping is needed.

4.2.2.10 Revitalisation actions

The recommended revitalisation actions are based on the improvement of the project level where it is possible to generate R650-00 per month (Level 2), which is the minimum labour wage for farm workers in the Limpopo Province. It is the wish of the members that their children should join them and replaces them when they get too old to work. If new members from the community wish to join them, they should be taken after a thorough screening. The project participants would like to reach a stage where they will grow their own seedlings, and have their produce sold in the urban areas.

4.2.3 Ratanang Vegetable Project

Ratanang Project is located in the Syferkuil-Village which is approximately 30km North of Polokwane in the Greater Polokwane Municipality of Capricorn District. Ratanang Project started in 1998 after being sponsored by RDP. It consisted of 27 members from the following villages: Ntshatshane, Mamotintane, Segopje and Mentz. These villages are near the University of Limpopo. Of those 27 members 24 were women and 3 were men. The amount was not known. In 1999, 11 members started vegetable production on a small

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portion of land in Syferkuil showgrounds. It offshooted as dryland farming, specialising in mealies growing. In 2000, two boreholes were drilled and the members started growing vegetables. The Department of Agriculture, which gave them technical support, also became a partner.

Marc Dev helped in training how to plant different crops. A nursery tunnel of +12m x12m was built. Dip irrigation hoses were supplied to the project and the project area was increased from 3ha to 9ha.

4.2.3.1 Project's objective

The main purpose for this project initially was to eradicate poverty by growing enough vegetables for own consumption and for the community. But the new objective later aimed at making profit and earns a living.

4.2.3.2 Project's infrastructure

The project is fenced by diamond mesh, 1,5m high and barbed wire. Each member owns a plot consisting of 25 x 40m under flood irrigation. Every member uses her/his own hosepipe by connecting it to the risers at the edge of the land during irrigation process.

4.2.3.3 Natural resources

The soil is red loam soil with good irrigation qualities. The project's water supply comes from 2 boreholes. According to the members, the water tastes salty. There is a need for the water to be analyzed to determine whether it is suitable for vegetable production or

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not.

4.2.3.4 Institutional aspects

Although they see themselves as a group, they are farming as individuals on their own plots; however, each member pays a standard levy each month for electricity, production inputs and maintenance when necessary. There is a committee to oversee all this and it consists of chairperson, secretary, treasurer and an additional member.

4.2.3.5 Ownership

The local chief allocated land to the group through permission to Occupy (P.T.O) process.

4.2.3.6 Marketing

The produce is sold to the local markets and hawkers. The vegetables are sold at market related prices.

4.2.3.7 Financials situation

There was no record keeping. The members consist of the senior citizens who do not understand the value of bookkeeping. Most of them are for that matter illiterate. When selling, they use the money for their household needs. Next time when fertilizers and seeds are needed they raise money from their own pockets.

4.2.3.8 Observations

The observations observed were as follows:

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- The project consists of the elderly people only.
- The project members are reluctant to go for workshops for training.
- No proper bookkeeping.
- Marketing is not a problem for them because people come and buy from the project itself.

4.2.3.9 Recommendation

In order to save water, there is a need for installation of irrigation pipes.

4.2.3.10 Revitalisation actions

The unemployed youth and other young women should be encouraged to join the project in order to help with record keeping. They will also help the elderly members by attending workshops for training. The non-joining of the project by the youth would result in unsustainability of the project.

4.2.4 Sebayeng Hydroponics Vegetable Project

Sebayeng Hyroponics Vegetable Project is situated on the edge of the Sebayeng village which is some 35KM north of Polokwane in the Greater Polokwane Municipality, within the Capricorn district of the Limpopo Province. The project was initiated by the Local Government in February 2002. The initial membership number was 28. The number thinned down to 20, and consists of 15 women and 5 men. This project is actively supported by the Local Councilor responsible for community and business development.

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4.2.4.1 Projects' objective

The main objective for initiating this project was to supply the vegetables to the local community.

4.2.4.2 Projects' infrastructure

The size of the project is 3ha, and 1.2ha is covered under a shade cloth. An additional 1.8ha of the 3ha was available for expansion. There is a building which consists of two offices and toilet facilities, storeroom and pack house.

The project has access to electricity. Electricity bills were initially paid by the municipality till the end of April 2003. The members had to pay from May 2003. Water is reticulated to the plants from the borehole. Initially the water was supplied from the village to a 5 000 liter tank. At the time of the interview the water had not yet been tested for alkalinity. It was however expected that the pH of the water was high (alkaline). There were 101 dripper lines of 100M each installed. The 1.0ha was subdivided into six irrigation sections. The water is distributed by means of a pump and an electrical motor. The members have established a 35MX100M vegetable garden outside the shaded area.

4.2.4.3 Natural resources

Soil: The soil is poor sandy soil. The strength of the growth of vegetables and dryland farming depend mainly upon fertilizers. There is neither dam nor small or big river nearby from which natural water could be accessed. This makes means of production too expensive because of paying electricity.

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4.2.4.4 Institutional aspects

The Sebayeng project members have a constitution has which guides them in the operations of the project. The constitution has described certain rules and disciplines which are associated with normal labour law practices.

4.2.4.5 Ownership

A piece of land was allocated to the group by the Local Municipality and it is located in the industrial area of the Sebayeng village.

4.2.4.6 Marketing

The produce is sold locally to the Sebayeng Community and to the hawkers. A local entrepreneur helps the members with his Van to transport the vegetables locally and to other markets just outside Sebayeng village.

4.2.4.7 Financial situation

The vegetables are sold at market related prices. The exact production and income figures could not be obtained as the financial records system had not been established. The project seemed viable as it had already given the members a satisfactory profit as follows:-

June 2002: R500-00 per member

December 2002: R630.00 per member

February 2003: R529.00 per member

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4.2.4.8 Observations

1. Hydroponic vegetable production has some disadvantages, some of which are:

- Limited space for production as growth process of the plants has to take place in the water provided.
- Problems of electricity results in the project to come to a halt as hydroponic projects depend upon availability of electricity.

4.2.4.9 Recommendations

The project will sustain if vegetable production could be practiced on the land rather than to use sophisticated agricultural technology and methods of production which would be appropriate for commercial farmers.

4.2.4.10 Revitalisation actions

The recommended revitalization actions are to apply for increase of the site for the project in use and make arrangements for the installation of irrigation pipes. This would solve some of the problems mentioned in 4.5.8.

4.2.5 Vukani Poultry and Vegetable Project

The above project is located in Ga-Ledwaba village which is approximately 20KM West of the former Lebowa Government offices in the Lepelle-Nkumpi Municipality area within the Capricorn District. The project initially started in 1990 with 20 women who formed a club. The club engaged itself in knitting, sewing and baking. Some members, as

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time went on withdrew from the project as they could not cope with money contributions for purchasing inputs. In 1998, the remaining 10 members received a donation from RDP through the Department of Agriculture. They got the land from the chief after applying for it for the project. Thereafter they each contributed a R150-00 to debush the area. After receiving the grant they expanded the area to 4ha. They were able to fence the site with part of the money, as well as preparing the poultry and vegetable. Three poultry houses were erected. Two of them were to house 1500 chicks and one for 1700 chicks. At the time of interview there were only 9 members. These were aiming at creating jobs for the community. Another funding came from Eskom. With the money they were able to use electricity as an energy source for pumping and they installed an irrigation system with the remaining money.

Marc Dev helped in improving the Vukani Poultry and Vegetable project by putting up drip irrigation and a Nursery Tunnel of +12MX12M was erected. The following tables show the donors with the amounts given for funding the project.

Table 4.1: Donors for Vukani poultry and vegetable project

Donors	Amount	Application
Department of Agriculture	R92 000	Construction of 3 chicken houses, office and storeroom.
Department of Health & Welfare	R80 000	Input costs to expand the land to 4ha, fencing, soil preparation, etc.
Escom	R42 000	Electric cable and irrigation system.
Own contribution R150-00 per person	R1 350-00	

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4.2.5.1 Project's objective

The initial objective for starting the project was to provide food for family consumption and to be able to pay school fees for the children. The main objective at present is to earn an income through farming.

4.2.5.2 Project's infrastructure

There are three well-constructed chicken houses. The setup of the houses has a production capacity of 3100 chickens per production cycle every 8 to 9 weeks. It has already been stated in the historical background of the project that two of the houses can keep 1500 chicks and the third 1700 chicks. The houses are well equipped inside with the necessary feeding and drinking trough. There is an office/storeroom building as well as two toilets. The project is security fenced. The water supply comes from a borehole which is situated within the project grounds. The water is pumped into 2X5000 liter water tanks.

4.2.5.3 Natural resources

Soil: The project is located in very fertile area with red soil (Hutton soil). The soil is very well drained with good infiltration rate. The water for this project is supplied by a borehole which yields 1000 liter per minute.

4.2.5.4 Institutional aspects

Vukani project has a management committee which consists of 5 members (chairperson, vice-chairperson, secretary, vice-secretary and a treasurer). The function of the committee is to solve the day-to-day problems and the general management of the chicken and

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vegetable project. Financial records are kept, but it was however indicated that more training was needed on this aspect. The members stated indicated that the local chief gave them P.T.O to utilize the designated land.

4.2.5.5 Ownership

The project is owned by the project members themselves after following procedures for application of the land from the traditional office.

4.2.5.6 Marketing

The chickens were, in the beginning, sold to the villagers, hawkers and pensioners. A commercial broiler unit was later opened nearby and they have since then had a problem of selling their chickens. Before opening of the commercial unit they were marketing all their chickens within 1 to 2 weeks, but the demand has decreased to such an extent that they are struggling to sell their chickens. They are marketing their vegetables direct from their site to the local community. They have a contract to deliver spinach to the local school as part of the government feeding scheme.

4.2.5.7 Financial situation

The members started to receive income from the project from February 2001 till April 2003 on a monthly basis. They were each receiving R500-00 per member. This amount has decreased since the opening of the commercial broiler next door.

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4.2.5.8 Observations

The following observations were made:

Broilers

- The project made a good income from the broiler production until the opening of the new commercial broiler unit nearby. This resulted in a saturated market.
- The project members were lacking marketing strategy.

Vegetables

- The water was not enough to irrigate the whole plot
- The area under irrigation was not optimally utilized
- The plant population of the vegetables was too low and should be increased to get a reasonable yield
- Proper training in irrigation scheduling was needed

General

- The record keepers do not have an accurate book and record keeping system in place
- The project members are lacking some basic agricultural practical production and general management skills
- There is inadequate agricultural technical support.

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4.2.5.9 Recommendations

The following would improve the economical status of the project.

Broilers

- It is recommended that some marketing strategies to sell the broilers direct to the consumers should be tried. For example, to have a set off point at pension payout points, possible agreements with schools or and hospitals.
- A monthly contribution for maintenance of equipment – such as heater, should be put into a maintenance fund.
- Training in technical aspects of broiler production is needed.

Vegetables

- Constant training in technical aspects of production, management and marketing is recommended.
- A small nursery should be initiated.

4.2.5.10 Revitalisation actions

The recommended revitalization actions are based on the improvement of the project level where it is possible to generate a monthly wage of R650-00 which is equal to the minimum farm labour wage in Limpopo Province.

The projects above are those which were selected by the Department of Agriculture in Limpopo Province as pilot projects for poverty eradication.

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Table 4.2: Summary of Selected Case Studies on Poverty Eradication Projects in CDM (Department of Agriculture Projects)

Project Name	Location	Objectives	When established	Initial funding	Present funding	Initial participants' number	Present number-participants	Production Level	Present Production	Identified Markets	Problems	Sustainability	Recommendations
Bohlabankwe Poultry Project	Blouberg Municipality	Provision of basic food and generation of good income.	1999	Not known	R57 000-00	20	10	At first production was very good and in three cycles	Sales of chicken are at a very low pace because of the supermarkets.	In the community.	High feeding costs, slow marketing of chicken, disputes and resignations by some members.	Training in all aspects of poultry production and financial management.	Analysing of the soil to determine what vegetable type to produce.
Matome Vegetable Project	Lepelle-Nkumpi Municipality	Earn money of about R500-00 per month	1998	R200 000-00	Not recorded	22	9	In the beginning vegetables were grown at a small scale on a small portion of land	Seedlings are produced in the tunnels for sales to other vegetable projects around and vegetables and ,mealies are produced at a large scale.	Local market	Fraudulence: pumps and generator, lacking by the project members of critical, agricultural production, methods, inaccurate book and record keeping.	Soil analysis in order to grow appropriate plants and application of proper agricultural methods.	Members should be trained on how to apply modern agricultural practices and utilization of electricity as an energy source.
Ratanang Vegetable Project	Polokwane Municipality	Poverty eradication and also to sell in the community.	1998	Not known	Record not kept	27	11	When the project started, it was producing mainly mealies.	Various types of vegetables	Local market and people come to buy at the project by vans from neighbouring villages	Project consists mainly of elderly people, and the project members do not attend workshops.	Application of good strategies for marketing, inclusion of youth in the project and also training in book	Introduction of ABET for those who cannot read and write and ongoing training, monitoring and evaluation.

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												keeping.	
Sebayeng Hydroponic project	Lepelle-Nkumpi Municipality	Food consumption and to pay fees for the children and job creation.	1990	R322 000-00	R50 000-00	20	9	The project started with a promising production of a variety of vegetables.	The maintenance of hydroponic system became a big problem because of high costs of electricity.	Local market	Hiring of vans to deliver the vegetables which is costly and does reduce their profit.	Growing of seedlings on the land on the side of the shaded area.	Application of an additional land in order to grow more vegetables and to practice commercial farming.
Vukani Poultry and Vegetable Project	Polokwane Municipality	Vegetable supply	2002	Not known	N/A	28	20	* The project started with production of 1500 chicks in poultry house * production of vegetables is good	The number of chicks production increased to 3100, vegetable production also increased as the school gave the project contract to supply vegetables.	Local market during funerals, schools' events and family consumption.	Lacking of some marketing strategies by the project members, water was not enough to irrigate the whole vegetable plot and proper training on irrigation is needed.	Constant training should be organized. Training in technical aspects of broiler production.	Monthly contribution by members for maintenance of equipment and small nursery should be constructed to economise in purchasing of seedlings.
Total Number of participants in projects						117	59						

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Table 4.2 reveals that two projects in are Lepelle-Nkumpi Municipality while another two are from Polokwane Municipality. One is from Blouberg Municipality. The objectives do vary. Some projects do aim at provision of food for consumption while others' objectives are for creation of employment. The five projects were established between 1998 and 2002. Three projects did not know who their funders were. Matome project was funded with R200, 000-00 while Vukani Poultry and Vegetable Project were funded with R322, 000-00. These projects are both from Lepelle–Nkumpi Municipality. Initial participants range between 20 and 28 while the present number ranges between 9 and 20 as some had resigned from the projects. The total number of projects' initial participants was 117 and the present one is 59. This means that 58 have resigned. The production level also varied, with others starting with dry land farming and later transiting to vegetable production. All the projects are mainly marketing locally. The problems experienced are high costs of feeding the chicks and slow marketing because of high competition by supermarkets and other shops. The projects could sustain provided they get trainings consistently. The recommendations vary according to the project types, such as soil analysis, introduction of ABET and others.

4.3 POVERTY ERADICATION PROJECTS IN CAPRICORN DISTRICT MUNICIPALITY

4.3.1 Preliminary Consideration

The Capricorn District Municipality, just like the Department of Agriculture started some projects for the purpose of Poverty eradication. The declared Poverty Eradication Projects within the Capricorn District Municipality are Avon Innes Farmers, Dinkwe Farmers,

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Maraba Producers' Cooperative, Greater Moletlane Producers Cooperative, Grootfontein Farmers and Motumo Trading Post. Motumo Trading Post was the only one not visited because it was still under construction at the period of the survey. The case studies of the other five projects are presented in subsequent section of this chapter.

4.3.2 Greater Moletlane Sweets Producers Cooperative

Greater Moletlane Sweets Producers Cooperative was established in 1997 with about 54 members consisting of 36 women and 18 men. Since the membership had declined and at present the membership consists of 4 men and 4 women. The Sweets Producers Cooperative is located at 65Km from Polokwane and it is situated in Lepelle-Nkumpi Municipality. The members are from the villages of Moletlane, Rakgwatha, Makgophong, Khureng, Hlakano, Malatane, and Mathiba.

This project was funded by the Department of Trade and Industry in 1997. The project members have been producing the sweets manually. The production was done in Moletlana village in a borrowed building.

The Department of Public Works disbursed R60, 000 to the project in 1998 and R50, 000 in 1999. A building was erected by the Department of Public Works in 2003. In 2000, the project was transferred by the municipality to SMME. SMME promised to fund the project for juice making. This was because production would consist of the province's raw material that is oranges from Zebediela farms which is just two kilometers from the project site. However, the juice production aspect has not yet started and at present only

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sweets production is being carried out by the cooperative. The plant for producing sweets technologically was started to be in operation in 2004 after completion of wiring and connection of the sweet making pots were completed. The building consists of three administration offices and the manufacturing unit.

Production: The sweets production was estimated as 288 kg per day. One kilogram of sweet consists of 400 units estimated to cost R20-00.

4.3.2.1 Project's objectives

The major aim for establishing this project was to create self-employment. Secondly, there was an aspiration to establish industrial production projects in the area.

4.3.2.2 Project's infrastructure

As stated in the background of the project, there is a plant in which sweets are being produced.

4.3.2.3 Natural resources

None of the natural resources is being used by the project members except sunlight which they do not pay for, as well as soil on which the site for construction was provided to them by the traditional leader on request.

4.3.2.4 Institutional aspects

Greater Moletlane Sweets Producers Cooperative has a management body which consists

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of a chairman, deputy chairman, secretary, treasurer and an additional member. The secretary's duty is to write minutes during meetings and to take charge of attendance register.

4.3.2.5 Ownership

The site for the project was officially granted to the project members by the Traditional Leader's Office.

4.3.2.6 Marketing

The sweets are sold to individuals locally who in turn sell them on profit to other. Marketing of these sweets were also carried out by companies such as Discount Confectionary and Bakers in Tshwane City as well as Uni Sweets in Gauteng City.

4.3.2.7 Financial situation

Finance is still a problem because the members indicated that they were earning only R200-00 from their sales and that sometimes they could not be able to earn anything because of poor sales. The members make R4, 000-00 per month while the cost of the materials used is R798-00 per month.

4.3.2.8 Observation

The plant at the end of the big village of Moletlane. The sales will not always be as expected because it is far from the center of the village.

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4.3.2.9 Recommendations

The management body should consult business advisors on good strategies which could be used to strengthen their marketing.

4.3.2.10 Revitalisation action

The members stated that they needed training in the following fields:

- Business management.
- Human Resource Management, e.g. conflict management.
- Computer training in order to run the business technologically.
- Helped with linkages and proper marketing in order to run the business professionally.

The members pointed out that they still needed financial support for the building and expansion of the business so that they could have 40 employees for the project to run for 24 hours. That is 9 employees working during the day, 9 employees working in the night, 4 securities, 1 Administrative officer, 1 Human Resource Officer, 1 Manager, 3 Cleaners, 2 Gardeners, 4 Producers (sweets), 2 Packers (sweets), 4 Producers (Juice) and the total is 40 employees.

4.3.3 Maraba Producers Cooperative

Maraba Producers Cooperative is in Aganang Local Municipality about 35 km on the Western side of Polokwane. This project was started in 1999 with 198 members but at the time of this survey, there were only 16 members left in the project. The cooperative

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produces cheese curls, hand and body lotions and cordial concentrated drinks. The members did not have knowledge on how the project was funded. After the establishment of the project in 1999, the members were trained on how to run and manage a cooperative, financial management, machine operation and manufacturing the products. They have since then been able to work on their own.

4.3.3.1 Project's objectives

The objective for the establishment of this project was to promote Rural Development by way of production of non-agricultural products. Furthermore, just like other projects, it was a way of creating employment to the members themselves.

4.3.3.2 Project infrastructure

The project structure consists of three units in which each of the above three products are being produced and packed. It has two ablution blocks, one for the women and the other for men. The electricity supply is sufficient for industrial use. The water supply is pumped from the borehole which is not enough for the project. The water was tested and was found fit for human consumption.

After the establishment of the project in 1999, the members were trained on how to run and manage a cooperative, financial management, machine operation and manufacturing the products. They have since then been able to work on their own.

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4.3.3.3 Natural resources

The project does not use any of the natural resources.

4.3.3.4 Institutional aspects

From the 16 members in the project, there is a steering committee which consists of the chairperson, deputy chairperson, secretary, treasurer and two additional members. The function of this steering committee is to manage the project on a daily basis with duties assigned to each. They hold meetings once a month.

4.3.3.5 Ownership

Maraba Producers Cooperative was granted P.T.O. by the Traditional Leader's Office.

4.3.3.6 Marketing

Marketing is still a problem as the project is not linked to a stable market and consequently this has had a negative impact on project's progress. The producers are selling their products to individuals as well as to pensioners and to schools during sports days and community gatherings. The gross margin analysis for this project is found in Chapter 7.

4.3.3.7 Financial situation

Monthly intake is between R800-00 and R1, 500-00 and payment of wages is done after 3 months whereby each gets R132-00. They also pointed out that they had no other source of income.

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4.3.3.8 Observations

The project had its own vehicle (Nissan hardbody) which was included in the funding. Unfortunately before the project progressed, financial problems beset the project and everything had come to a stand still by 2000. The van was given to Aganang Local Municipality for safe keeping until the project's problems were sorted out. The vehicle is till at Aganang.

- The Project came to a halt in 2000 and was resuscitated in the year 2004. Project members do not have an idea of how much the stock was and where the stock was purchased from. They just know that it was purchased from Gauteng by CDM. The products are produced as follows:
    - 75 – 80 x 1.5Kg curls per month
    - 17 – 25 of 750ml bottles of concentrated drinks per month.
    - 50*l* lotions per month
    - The Prices are as follows :

      1.5KG curls at R15-00 each

      400g Body lotions at R5-00 each

      250g Hand & Body lotion at R5-00 each

      750ml drinks at R7-00 each

      2L drinks at R15-00 each

      4L drinks at R30-00 each

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4.3.3.9 Recommendations

Improvement of the taste of concentrated cordial drinks

- To add another machine for cheese curls as they are selling fast.
- To start a confectionary shop as an additional activity as confectionary products are selling fast.

4.3.3.10 Revitalisation actions

- If an additional borehole could be dug, a food garden could be started at the back of the project premises; this could increase their income and also contribute towards economic development in the community.
- If the van could be brought back, marketing costs would be cheaper as they pay exorbitantly high prices for hiring transport to carry the products to the pay points for sale.

The above recommendations and revitalization strategies could lead towards the sustainability of Maraba Producers Cooperative.

4.3.4 Avon and Inners Farmers

This is a farming project which started in 2003 at a village called Avon, commonly known as Marobyane, in the jurisdiction of Blouberg Local Municipality. Blouberg municipality is 105km to the North Western of Polokwane. Avon and Innes Farmers have 15 men and 15 women members.

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In 2003 the Capricorn District Municipality provided Blouberg Local Municipality with farming implements to empower the emerging farmers to start their project. These were the following: a disc, a planter plus a boom spray and a fence covering 10h. The project has a borehole fitted with an electric water pump. Makhuvha consulting company was officially appointed by CDM to train the farmers in various aspects of farming.

4.3.4.1 Project's objectives

The first objective was that of practicing commercial farming in order to penetrate the market on large scale production. The second one was to be trained on various technological methods of farming.

4.3.4.2 Project's infrastructure

There was no big infrastructure in place by the time of interview. The project was in fact still developing. A borehole, fitted with an electric water pump was available.

4.3.4.3 Natural resources

According to the project members the soil is fertile. They were still waiting for the Agricultural Officer to come and take soil sample to be tested. The soil is good for maize, sorghum and jugo beans.

4.3.4.4 Institutional aspects

There is an executive committee, just like with other projects. Meetings are held on the second Thursday of every month. Emergency meetings are held when there is a need.

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4.3.4.5 Ownership

Avon and Innes Farmers project is under the custodianship of the members as they were granted P.T.O. document.

4.3.4.6 Marketing

There was no marketing of any product as no production had taken place yet.

4.3.4.7 Financial situation

The treasurer was still organizing that the members should contribute a certain amount every month.

4.3.4.8 Observation

There was a borehole with enough water. The farming implements to start the project were already there. There were no problems which were encountered yet as no activity had taken place, however, delays in starting were a concern.

4.3.4.9 Recommendation

It was recommended to the farmers to push the funders to complete fencing so that they could be able to start. There is hope that the project would sustain if all what is aimed at could be implemented.

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4.3.5 Dinkwe Farmers

Dinkwe farming project was established in 2000 at Mohodi (Ga-Manthata). It is under Molemole Local Municipality. Dinkwe farming project is in the North Western side of Polokwane. It is located at 75KM from Polokwane. The project consists of ten hectares and 14 members. (Of this fourteen, one is a youth). The project was funded by CDM. The members do not know the amount which was used to start the project and had not started to function at his time of this survey.

There is a 60M borehole for irrigation purposes and project has a big reservoir into which water is pumped from the borehole. The borehole equipment had not been delivered at the time of the interview because there was no electric power yet. The project members have planned to specialize mainly with paprika and market it in towns and cities.

4.3.5.1 Project's objectives

Dinkwe Farmers' objectives are to practice commercial farming and also to establish a big fruit and vegetable market in Mohwadi town (Dendron) as this would also create employment opportunity.

4.3.5.2 infrastructure

The infrastructure then was a borehole and a reservoir.

4.3.5.3 Natural resources

The type of soil is sandy soil which needs to be frequently fertilized.

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4.3.5.4 Institutional aspects

There is an executive committee which consists of the chairman, deputy chairman, secretary, deputy secretary, treasurer, and two additional members. The committee addresses to the needs and problems of the project.

4.3.5.5 Ownership

Dinkwe Farmers' project is an authentic property for the members as they were granted P.T.O. by the Traditional Leader's Office.

4.3.5.6 Marketing

Arrangements for marketing were still underway, even before they could start with planting. They were planning to transport paprika to the big cities for sale and to the industries.

4.3.5.7 Financial situation

The project members did not have funds yet. They had however opened a savings account for R250-00 only.

4.3.5.8 Observation

The project was not yet fenced. This was one of the major problems because even if they had a borehole and reservoir, they could not be able to start with planting before the project was secured.

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4.3.5.9 Recommendations

It was recommended that the committee should make constant follow ups to CDM so that their project could start to function. Their perceptions about the project's sustainability were to be exposed to different types of training on marketing and project management.

4.3.5.10 Revitalisation

There was no revitalization to be made as the project had not yet started to function.

4.3.6 Grootfontein Farmers

Grootfontein Farmers project is an old project situated in Lepelle-Nkumpi Local Municipality in Mathabatha village. It is located at 90KM from Polokwane. Historically, the project was started way back in the 70s by the Department of Agriculture. The Grootfontein farmer's project was taken over by the CDM in 2001. It has a land area of ten hectares and membership of 58 participants. The initial number of members was 60 participants. The farming implements available are five tractors and ploughs. CDM has linked itself with the office of the Department of Agriculture to provide assistance to the farmers on this project.

The project is to specialise in paprika farming. It had not produced anything at the time of the survey. Soil preparation had not been done yet as they were still waiting for farming implements as well as the irrigation system. Infact since 2001 and up till the time of visit in March 2005, no production had taken place here. The project was specializing with dry

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land farming before 2001.

The Grootfontein project has two to three phase transformers to supply electricity. Electricity is available but the power is not supplied due to unpaid accounts.

4.3.6.1 Project objectives

The main objective for establishment of Grootfontein farmer's project was for production of dry land farming's products for subsistence purposes as well as selling the surplus after harvesting. The drought problems have resulted in the project members to transit from substance farming to commercial farming. This is their new objective.

4.3.6.1 Project Infrastructure

The project is fenced and has borehole, electricity, and office of an extension officer, other two offices and two garages for the tractors.

4.3.6.2 Natural resources

The soil type is sandy. They fertilise it frequently.

4.3.6.3 Institutional aspects

There is, just like the case is with other projects an executive committee which attends to the needs and problems of the project members. Another function of the executive is to frequent CDM and agricultural office of CDM to make follow ups about to start farming with paprika. Paprika is a red pepper type which some farmers in Limpopo, particularly in

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dry areas such as Capricorn District have started to farm with for commercial purposes. After being processed into dry powder, it is used as an ingredient that provides taste in salads such as beetroot. It is further more sold in health shops as a curative measure for various health problems, such as throat problem.

4.3.6.4 Ownership

The project is the property of the members of Grootfontein Farmers. They followed procedures for getting the land by making an application to the Traditional Leader through the Tribal Office.

4.3.6.5 Marketing

There was nothing to be marketed then.

4.3.6.6 Financial situation

The members had the bank account which did not have any funds in it because they were not working.

4.3.6.7 Observation

The members are interested in farming and have the experience; they were just devastated by the funders who were too slow to come to their assistance to enable them to start with paprika farming after getting training.

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4.3.6.8 Recommendations

The committee was encouraged to continue making follow ups to CDM until CDM come up with something.

4.3.6.9 Revitalisation

The manner in which the project could be revitalized was just to start immediately with commercial farming for paprika. The farmers were so desperate to start with their farming commitment but they said that they were being delayed by the municipality. The projects above are those which were selected by the Department of Agriculture in Limpopo Province as pilot projects for poverty eradication.

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Table 4.3: Summary of selected case studies on poverty eradication projects in CDM by CDM

Project Name	Location	Objectives	When established	Initial funding	Present funding	Initial participants' number	Present number	Production Level	Present Production	Identified markets	Problems	Sustainability	Recommendations
Greater Moletlane Sweets Producers Cooperative	Lepelle Nkumpi Municipality	Creating of self-employment and establishment of industrial projects.	1997	R110 000-00	N/A	54	8	Production was done manually	Production by machine is 288KG per day.	Locally and in Tswane and Gauteng Cities.	Finance, project is far from the big village and business management.	Could sustain if training in various business skills could be organized.	Training in business management and helped with linkages and proper marketing.
Maraba Producers Cooperative	Polokwane Municipality	Promotion of rural development and creating employment.	1999	Not known	N/A	198	16	It was slow at first and many of the members resigned.	Improving as the total number of cheese curls, lotions and drinks is recorded monthly and is increasing.	Locally at pay points for pensioners and at schools and shops.	Financing was still a problem.	If concentrate drinks' taste could improve and addition of cheese curls machine as they are selling fast.	Establishment of confectionary shops and pushing for the project's [illegible] to be brought back.
Avon and Innes Farmers	Blouberg Municipality	Practising commercial farming and training in technological methods of farming.	2003	Not known	N/A	30	30	No production had taken place yet.	Nothing was produced yet.	Locally and in Polokwane.	Delay in starting was the only problems as they were still waiting for experts to demonstrate on how to plant their seeds and no fencing yet.	The project's progress had to be observed first.	That the members should push the funders for completion of the fence.

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Dinkwe Farmers	Molemole Municipality	Practice commercial farming and establishment of fruit and vegetable market.	2000	Not known	N/A	14	14	Nothing was produced yet.	Nothing was produced yet and preparations for planting paprika were underway.	Big Cities and in the industries.	Were still struggling with funding for fencing.	Observations were still to be made after production and selling.	The executive committee should push CDM to help the members to start the project.
Grootfontein Farmers	Lepelle-Nkumpi Municipality	Production of dryland farming products and selling of part of harvested products	1970s	Not known	N/A	66	58	Last production was made in 2001 and they were specializing in dryland farming.	Nothing produced and preparations for planting paprika were underway.	Market was not yet identified.	Delayed by CDM to start.	The project had to start first and observations made.	The executive committee was advised to continue making follow ups to CDM to help them start the project.
Number of project 5						362	126						

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Table 4.3 reveals that two projects in are Lepelle-Nkumpi Municipality while another two are from Polokwane Municipality. One is from Blouberg Municipality. The objectives do vary. Some projects do aim at provision of food for consumption while others' objectives are for creation of employment. The five projects were established between 1998 and 2002. Three projects did not know who their funders were. Matome project was funded with R200, 000-00 while Vukani Poultry and Vegetable Project were funded with R322, 000-00. These projects are both from Lepelle-Nkumpi Municipality. Initial participants range between 20 and 28 while the present number ranges between 9 and 20 as some had resigned from the projects. The total number of projects' initial participants was 117 and the present one is 59. This means that 58 have resigned. The production level also varied, with others starting with dryland farming and later transiting to vegetable production. They mainly specialize with poultry and vegetables production.

The projects in Table 4.3 are from four different Local Municipalities in CDM. There are two projects from Lepelle-Nkumpi Municipality, one from Polokwane Municipality, one from Blouberg Municipality and one from Molemole Municipality.

The objectives are amongst others creation of self-employment, practicing commercial farming and establishing industrial projects. The years for establishment are between 1970 and 2003. It was only Greater Moletlane/Zebediela Sweets Producers Cooperative who had knowledge of initial funding granted to them. The amount was R110,000-00. The other four projects' members did not have knowledge of the grants which were offered to them.

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Initial participation numbers for the projects ranged between 14 (Dinkwe Farmers) and 198 (Maraba Cooperative). The numbers of the participants reduced as some were resigning. This ranged between 8 (Greater Moletlane/Zebediela Sweets Cooperative) and 58 (Grootfontein Farmers). The total number for initial participation was 362 while that of the present participation is 126. The total number of those who have declined is 236.

Of the five projects by CDM, only two were productive, that is Greater Moletlane and Maraba Producers Cooperatives. The products are mainly marketed locally. The sweets from Greater Moletlane are also marketed in Tswane and Gauteng cities.

The sustainability of the projects depends upon consistent training in various production and business skills. The recommendations were that in case of the projects which had not yet started, the members should persuade CDM to speed up the process. Furthermore, the functional projects should be helped with linkages and proper marketing.

4.4 CONCLUSION ON THE CASE STUDIES

The Department of Agriculture is committed to improving the livelihood of the population in Capricorn District and Limpopo Province as a whole. It tries by all means to implement various strategies for poverty eradication through support it gives to different poverty eradication projects. It is realized that prevalent projects are those for either vegetables or poultry, with the vegetable projects being highly preferred. The project participants need constant training in various areas of project management in order to enhance better project performance.

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Capricorn District Municipality is also committed to poverty eradication through their support of projects and a revitalization of some collapsing ones. The municipality is empowering project members through assistance with training in various aspects of project management including producing management and marketing strategies. This is in line with the expected goals as explicitly stated in the aim as well as in the objectives of the study.

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CHAPTER 5

EMPIRICAL RESULTS ON THE PERFORMANCE OF POVERTY ERADICATION PROJECTS

5.1 INTRODUCTION

This chapter presents empirical results obtained from the field survey among project participants. The assessment covers types of projects, employment aspects of the projects, funders of projects and total number of projects funded as well as the sustainability indicators of the projects.

5.2 TYPES OF POVERTY ERADICATION PROJECTS

Table 5.1: Types of projects surveyed

Project type	Frequency	Percentage
Bakery	23	4.79
Brick laying	9	1.88
Cattle farming	28	5.83
Dryland farming	42	8.75
Juice making	4	0.83
Livestock (sheep, goats)	14	2.92
Clothing	71	14.79
Piggery	4	0.83
Pottery	4	0.83
Poultry	65	13.54
Vegetable	130	27.08
Unclassified	86	17.92
TOTAL	**480**	**100**

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The total number of the projects surveyed was 480 but only 394 were fully analysed. Of the 394 projects 130 (27.8%) of them were classified as vegetable projects, while about 71 (14.79%) were classified as clothing projects. Poultry projects had a total of 65 (13.54%) while cattle projects had a total of 28 (5.83%). Livestock (sheep and goats) had a total of 14 or approximately (2.92%), while piggery, juice making and pottery each had a total of 4 (0.83%). About 86 (17.92%) projects were found to be unclassified. These projects had existed for a year or two and some few months only.

It is not surprising that vegetable projects were dominating (28%) the poverty eradication projects in Capricorn District. The main reason for this is that majority of the project participants are females. The reasons for the popularity of vegetable projects include, meeting family needs, and the fact that vegetables provide fast means of income generation. Another reason is that it takes a short period for vegetable crops to be raised.

Dairy farming is still limited amongst the blacks as no project for dairy farming was reported. Crop production in dry land farming whose number was 42 (8.75%) was gradually receiving attention. A small percentage of agro-processing, (0.8%) in the form of juice making, also starting to develop. Pottery, whose percentage is the same as that of juice, is also starting to gain momentum in the rural areas.

The manufacturing projects identified include clothing projects whereby clothing production (15%) produces school uniforms, linen, sports wear, and aprons. Pottery is also receiving attention. The juice is being made from concentrated fruit juice which is

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diluted with water and then filled into 250ml and 100ml plastic jars. Candle production has also started to emerge in rural areas, where there is no electricity supply.

5.2 GENDER AND AGE DISTRIBUTION OF PROJECT PARTICIPANTS

Table 5.2: Number of participants involved in the projects by gender and age distribution

Number of participants	Male	Female	Youth	Total No. of Participants	Percent (%)
Less than 10 participants	194	435	121	752	9.50
10-19 Participants	447	1563	243	2253	15.86
20-39 Participants	369	1254	231	1854	23.46
40 or more	1366	2354	324	4122	51.18
Total (N)	**2376**	**4606**	**919**	**7901**	**100**
%	**30.07**	**58.30**	**11.63**	**100**	

The above table shows the number of participants who were involved in the various projects from 1990 to the present period.

The numbers of participants are grouped into four. The first category is where the participants are less than ten and here total number was 752 (9.50%), which consisted of male (194), female (435) and youth (121); the total of which was 752 as stated above. The second one is where the participants are between 10 and 19 whose total was 2253 or approximately (15.86%), this category also consisted of male (447), female (1563) and youth (243), the subtotal of each when combined made a total of 2253 as stated. The third

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one was between 20 and 39 - 1854 (23.46%) and the last category is where the number of participants was from 40 and above whose total number was 4122 or (51.18%). Further clarification on this is found on the preceding page below the bar chart on the next page which clearly indicates the category of the total number of participants and the years during which they were involved in the project. The table presented the total number of participants per category and by gender.

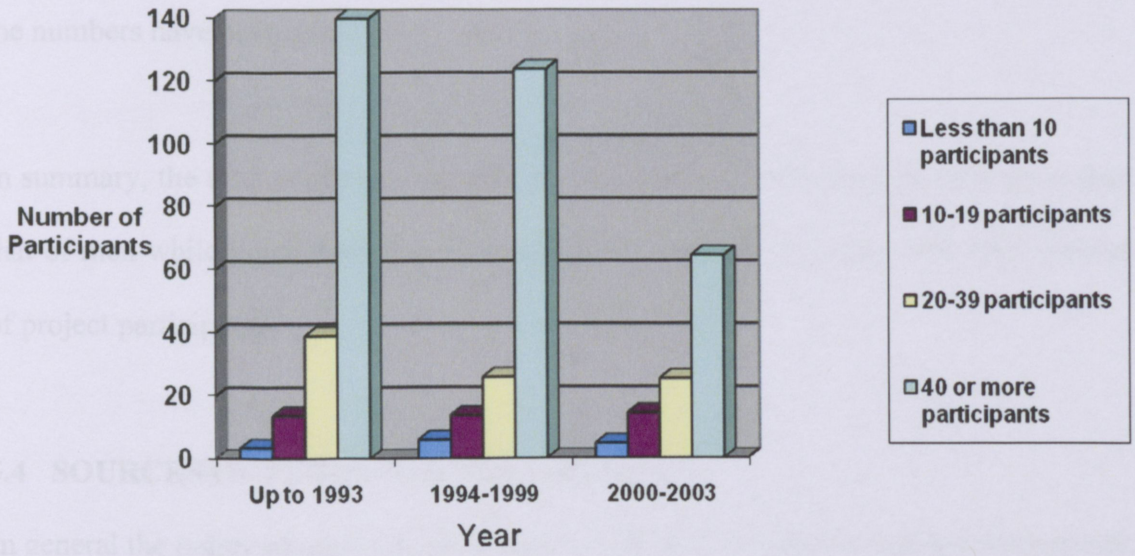

Figure 5.1 Number of participants involved in the projects by Period

The information on Figure 5.1 above has been computed from Table 5.2. Figure 5.1 shows that the total per number of men who participated in the projects was 2376 (30.07%), and that of women participants were 4606 (58.30%) while youth participants were 919 (11.63%). This information is found at the end of table 5.2. In terms of the period, the categories of participants and projects are grouped into phases of years. The

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years before and up to1993 were the era during apartheid and it is realized that category with 40 participants and above, was the highest in terms of involvement into the projects. This was the time during which many people were encouraged to be engaged in dryland farming in groups. The second phase was from 1994 and 1999, the era of freedom in the country. The third phase is the years between 2000 and 2003. This is the time when local government was introduced so that; people particularly those in rural areas could access services from within their jurisdiction. It is however, according to the figure realised that the numbers have been dropping.

In summary, the total numbers of women participants in various projects were more than that of men while youth participants accounted for about 30 percent of the total number of project participants.

5.4 SOURCES OF FUNDS FOR THE PROJECTS

In general the policy of most funders is not to fund project with less than ten participants, and given the above, the identified funders of the projects have been summarized in table 5.3 below. The table reveals that only 148 projects revealed their sources of funds.

Table 5.3: Funders and number of projects

Funders	No. of Projects	% of Total
DBSA	2	1.4
ESKOM	4	2.7
NDA	44	29.7
Dept of Health and Welfare	86	58.1
Dept of Works	2	1.4
Dept of Agriculture	10	6.8
Total	**148**	**100**

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The majority of projects were funded by public institutions. Department of Health and Welfare funded the highest number of projects, with a total number of 86 projects. The total number of funded projects was 148. The sources of funding were multiple in the sense that the project funded were funded by different funders as the proceeding paragraph will reveal. This was followed by the National Development Agency (NDA) which funded 44 projects while the provincial Department of Agriculture funded only 10 projects. Another department that funded some projects is the department of Works with four projects, while ESKOM also funded four projects. Other funders include DBSA (2 projects), LDC (Lebowa Development Co-operation), one project and the German Embassy one project.

5.5 INVESTMENT CAPITAL FOR THE PROJECTS

Table 5.4: Monetary grants to the projects

Amount of capital	Total number of projects funded	%
Less than R50 000	60	57.157
R51 000 – R100 000	26	24.8
R101 000 – R500 000	13	12.4
Above R500 000	6	5.7
TOTAL	**105**	**100**

Table 5.4 summarises the amount of invested capital provided for the projects. The total number of projects funded was 105. Of these 105 projects, 60 (57.157%) were funded

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with capital which ranged between R2000 and R49,000. This was followed by 26 (24.8%) projects which were funded with capital that ranged between R51,000 and R100, 000, while 13 projects or (12.4%) projects had capital funding ranging between R101, 000 and R500, 000. Only 6 (5.7%) of projects had investment capital above R500,000. The amount of capital provided to each project obviously depended upon the size of the project. Small projects had small capital while large projects had large capital outlay. Of the surveyed projects the largest size had capital funding of approximately R3 million. Some projects did not indicate the amount of their investment capital as interviewed participants indicated that they did not know the amount since the officials or consultants did not inform them

5.6 MAJOR BENEFITS OF THE PROJECT PARTICIPANTS

Table 5.5: Major benefits of the project participants

Activity	Number of respondents	% of Total
Employment	196	19.0
Income generation	189	18.3
Community activity	143	13.9
Improvement in life	203	19.7
Eradication of poverty	301	29.2
Total	**1032**	**100**

Table 5.5 summarises the major benefits of the project participants. A close observation of Table 5.5 reveals that eradication of poverty was ranked as the most important project

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benefit with approximately 301 (29.2%) of the participants citing this benefit. The next was "improvement of life" with (19.7%) of participants citing this while employment benefit was ranked third with approximately 19.0%. Income generation was ranked fourth with 18.3% and community improvement ranked the last with 13.9%.

In summary, poverty eradication was ranked as the major reason for the members' involvement in most projects while income generation and provision of employment opportunities were also cited as well as improvement in living conditions of project participants.

5.7 INDICATORS OF PROJECTS SUCCESS

Table 5.6: Indicators of project success

Indicator	No. of respondents	% of Total
Number of people employed	111	18.8
Income generating	140	23.7
Food for the community	171	28.9
Improvement of rural living	165	27.9
Marketing	4	0.7
Total	**591**	**100**

Table 5.6 summarises the respondent's assessment of the indicators of the project's success. Provision of food for the community, according to the respondents was the best indicator for the success of the project – with 171 (28.9%) of the respondents citing this

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factor, while marketing was rated the last indicator for the success of the project with only 4 (0.7%) citing this factor. Other indicators cited include employment provision with 111 (18.8%), income generation with 140 (23.7%) and improvement of rural life with 165 (27.9%).

5.8 PROBLEMS ENCOUNTERED BY THE PROJECTS

Table 5.7: Problems encountered by the projects

Problems	No. of participants	Percent
Lack of funds	217	66.2
No production	106	32.3
Fraudulence	5	1.5
Total	**328**	**100**

Table 5.7 summarises the problems encountered by the projects. Some respondents pointed out that their projects were not successful because of 217 (66.2%) of them indicated lack of funds while 32.3% cited lack of production as the main problem. About 5 (1.5%) cited fraudulence as the main problem with their projects.

The major problem encountered was lack of funds hence a major source of improvement of the projects is to make more funds accessible. The project can also be more successful if the production output can be expanded and fraudulence minimised. There is therefore a big challenge for the government and the project developers to improve the project's performance through better access to funds and the expansion of the projects output

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overtime.

5.9 PRODUCTS MARKETING FOR THE PROJECTS

Table 5.8: Marketing of products

Activity	No. of Respondents	Percent
Market to local communities	405	85.8
Market to hospitals	18	3.8
Market to nearest town	27	5.7
Don't market	12	2.5
Transport to big cities	8	1.7
Any where	2	0.4
Total	**474**	**100**

Table 5.8 summarises the various channels of marketing of the projects' products. A close observation of table 5.8 reveals that 405 (85.8%) of the products were marketed to local communities, while 27 (5.7%) were marketed to the nearest towns and 18 (3.8%) were marketed to hospitals. Only 8 (1.7%) were marketed to big cities while 12 (2.5%) did not market their products.

The marketing results confirmed that most of the projects products were marketed in the rural communities while some were marketed in towns, and some were marketed to institutions like hospitals.

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5.10 PROJECT'S PERFORMANCE RATING

Table 5.9: Project's performance rating

Performance Type	Number of Respondents	Percent
Poor	124	26.1
Average	244	51.4
Good	91	19.2
Excellent	16	3.4
Total	**475**	**100**

Table 5.9 above summarises the project performance rating by the participants. A close observation of Table 5.9 reveals that 244 (51.4%) of the respondents rated their project' performance as average, while 124 (26.1%) rated the performance as poor. Approximately 91 (19.2%) rated the performance as good. There were only 16 (3.4%) of them who rated the performance as excellent.

The poor projects performance rating can be closely linked to problems encountered as well as lack of skills and management experience by the project participants. For the projects to improve their performance there is an urgent need to raise their output and for training of the projects' members in project management skills to enable them to develop quality products which would attract the clientele all over the district and other countries, as the paradigm shift now is production for commercialization purposes.

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5.10 PROJECTS SUSTAINABILITY INDICATORS

Figure 5.2 presents the indicators of the projects' sustainability as revealed by the respondents.

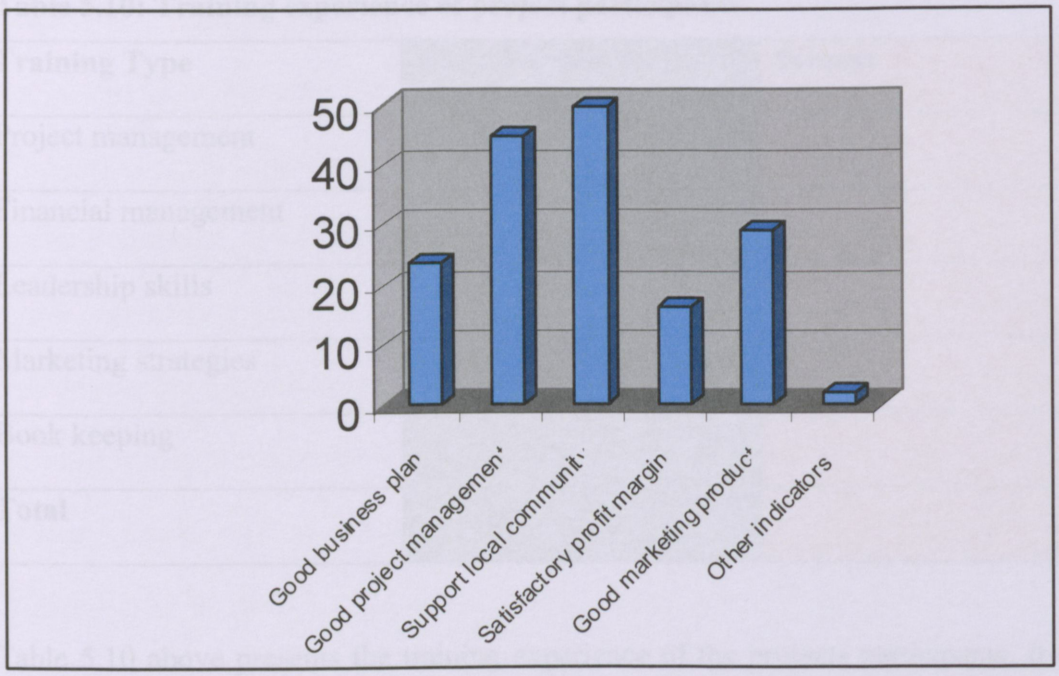

Figure 5.2: Sustainability indicators of the project

From the 480 project members surveyed, 23.9% cited a good business plan as an important the indicator of the sustainability of the project, while 45.1% cited good project management as the main indicator for the sustainability of the projects. Approximately 50% cited support by the local community as the main sustainability indicator while only 16.5% cited satisfactory profit margin as the main indicator of projects sustainability. Approximately 29.2% cited good marketing of their products as the main indicator of the projects sustainability. These indicators should be noted in mapping out future strategies for the sustainability of the poverty eradication projects in the study area.

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5.11 TRAINING EXPERIENCE OF PROJECT PARTICIPANTS

Table 5.10: Training experience of project participants

Training Type	No. of participants	Percent
Project management	109	29.0
Financial management	97	25.8
Leadership skills	32	8.5
Marketing strategies	72	19.1
Book keeping	66	17.6
Total	**376**	**100**

Table 5.10 above presents the training experience of the projects participants. It can be observed from this table that out of the 480 project members surveyed, about 109 (29.0%) indicated that they have had some training experience in project management while 97 (25.8%) had indicated that they attended some training in financial management. Only 32 (8.5%) had training in leadership skills and 72 (19.1%) had training in marketing strategies. Approximately 66 (17.6%) had some training in bookkeeping. The low percentage of respondents having training in leadership skills and record keeping should be noted in making recommendations to improve the projects performance.

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5.12 CONCLUSION

It is encouraging to realize that the government and parastatals are committed to funding poverty eradication projects in rural communicates in an attempt to fight the problem of poverty and unemployment. It is furthermore noted that women are taking the lead in project participation. However, the performance of some of the projects is relatively poor. The poor project's performance can be linked to lack of management experience and training in record keeping and project management. The sustainability of some of these projects requires appropriate training of the project participants in financial management, record keeping and marketing strategies. This conclusion is in line with the objectives as one of them is to assess the performance of the poverty eradication projects in terms of income generation and others. Conversely, it still is in line with two hypotheses statements in number 3 and number 4. The above issues, if closely attended to by the project leaders in particular; could result in tremendous improvement in project implementation.

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CHAPTER 6

FOCUS GROUP DISCUSSION

6.1 INTRODUCTION

The Managers of LED at Local Municipalities are responsible for funding various projects in all the wards ranging from small projects to larger ones. This is the practice in all the Local Municipalities and these projects consists of road construction, schools, clinics, water provision, and other projects initiated by groups.

The number of people per focus group in each of the 5 municipalities is 10. This group includes the councilors, some other stakeholders; and the LED Managers. While pre arrangements in terms of securing dates for Focus group discussion were made in advance, other engagements prevented the Councilors and some stakeholders from attending the focus group discussions per arrangement. Focus group discussions were therefore done only in the following three Local Municipalities (Blouberg (2), Lepelle-Nkumpi (14) and Polokwane (3). The Focus groups were made out of a total of 9. In addition in depth discussions were done with LED Managers at Aganang, Molemole and Polokwane Local Municipalities.

The findings below are divided into two sections;

- Section One: presents focus group discussion results
- Section Two: presents in-depth interview results

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6.2 SECTION ONE: FOCUS GROUPS DISCUSSION RESULTS

6.2.1 Project Types

Table 6.1 presents the project types identified by the focus groups for the three Local Municipalities: Blouberg, Lepelle-Nkumpi and Polokwane.

Table 6.1: Project Types

Project type	Cluster	Specific name
Agriculture	- crop production - livestock	- vegetable gardens - cattle farming, poultry, goat breeding
Consumer Sciences and Food Technology	- confectionary - clothing production and housing interior decoration products	- bread baking - school uniforms - dresses - interior decors
Industrial (youth projects)	Manufacturing	fence making , polish, pottery
Service provision	Service	Car wash
Other	Natural resource, dropping centers	Sand making. HIV/Aids care giving centers

Table 6.1 indicates agricultural projects to be very popular in the three Municipalities. The identified agricultural projects cover crops and livestock production and these include vegetable gardens, poultry projects and cattle breeding. Other projects identified are in the category of Consumer Sciences and Food Technology and these provide life skills for livelihood. Specific examples are confectionary, clothing production, housing interior decorations, artifacts such as curtains, cushions, cushion covers, bed linen.

In clothing production, the producers produce school uniforms, crèche and pre-schools uniforms, traditional apparel (clothing) and casual as well as formal apparel. Bread

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making is also becoming very popular among the projects in the three Municipalities and this may be due to the fact that bread is regarded as the second staple food after porridge. Unemployment leads youth to be engaged in activities such as pottery, fence making and bread making for income generation purposes. Some youths are also engaged in car wash businesses. One municipality (Blouberg) is engaged in sand making which the community buys for building their houses and institutions such as schools, health centers and others. This is the only municipality which is engaged in such a project.

6.2.2 Initiator for the Projects' Establishment

In an effort to identify the project initiators, the focus group discussions revealed the following as the indicators of various projects:

- **Municipality**

  All the projects in the municipalities of different levels are run by the (Local Economic Development (LED) Unit which is controlled by the LED Manager. Some projects are therefore initiated by LED Managers of each Municipality. Usually the LED intervenes where there is no initiative from the community for the projects establishment.

- **Ward Councilors:**

  The ward councilors, who are responsible for leading their wards, also take part in initiating some projects in their respective wards.

- **Community members**

  Initiation for some projects is also done by some community members during ward committee at the beginning of the year or towards the end of the year when

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meetings about the projects are usually held.

- **Women's groups**

  Empowerment of women's groups has strengthened women's dialogue whereby it was realized that in all the wards, groups of women have organized themselves for the establishment of various projects such as the ones mentioned in Table 1. They are categorized into Agricultural projects such as Crop Production and livestock production, Consumer Sciences and Food Technology projects and other projects such as sand making.

- **Entrepreneurs**

  Flee market business: This is a business type which has been started by those interested in such an income generating activity. A flee market is an informal business where goods are just sold in an open place near the road or in the streets where the goods are easily seen by the passers by. The type of goods in which are usually sold ere are second hand clothing, accessories, such as handbags, necklaces and others. Food such as legumes, salt, mopani worms is also accessible in such a market. While all the projects mentioned prior the flea market one are being run in group forms, the flee market ones are usually run by a single person or a family.

- On the whole, the community members consisting of adults and youths are aware of what their needs are in their different wards because the project types are different and the initiators for the establishment are also different. What is realized here is the effect of participatory activity in development. It has been observed that projects' outputs result in improvement of life in the municipalities.

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6.2.3 Procedures for Projects' Establishment

In order to establish whatever type of project from small to a big project, there are ground rules which have to be followed. These ground rules differ according to preferences from both the projects' members and the funders. The procedures for the projects' establishment in their Local Municipalities are summarized as follows:

- **LED advice**

  In some projects the project members select the representatives to go and consult the LED offices for assistance on how to start a project. The LED then assembles their needs and then helps them to priorities them. After deciding on which project to embark on the LED officer then advises them to consult their traditional leaders for the sites and then come back to the LED offices for endorsement of the chosen sites and for filing the project's names. Furthermore, the LED guides them on how to write proposals for funding.

- **Traditional leaders' consultations**

  Another modus operandi in terms of procedures followed for projects' establishment is that of consulting the traditional leaders (Indunas) in the communities for the sites. The traditional leader reads the application and signs and let the members go to the traditional offices where they pay a certain stipulated amount for projects as business entities. Thereafter they proceed to the municipality for final logistics on the projects establishment.

- **Members fundraising**

  In some instances the members gather, look for a site, and decide on an amount to

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be contributed for the stipulated months before they apply for a site where sites are required. They open an account using the project's given name. From there, they consult the Induna who gives them green light to proceed to the traditional office. The money they pay will constitute their own capital contribution for the project. In most cases the different approaches given by the focus groups end up in getting the site which is what the project members want in order to put their imaginations into practice.

6.2.4 Projects' Benefits

The above question seeks to find out what types of benefits the projects are providing to the members. According to feedback received from the focus group, the following are the identified projects' benefits:

- **Service delivery**

  There is service delivery in these projects as some of the respondents pointed out that the communities are through these projects benefiting in various ways of life for example, some project members in one project who are engaged in supplying of drums for storing water. They also supply 20 litres buckets and some scoops for easy carrying of water to homes.

- **Life sustenance**

  The projects are contributing towards sustaining the lives of the project members through, for example; production. If the members produce vegetables, during sales periods they sell and get money and on the other side they take the product home for consumption. The money collected, they can use to pay for funeral

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societies and for other needs and even banking.

- **Fighting hunger**

  For the fact that the projects contribute towards life sustenance of the owners, it means that they help in fighting hunger in many ways, such as eating of the products themselves – vegetables, chicken bread and others; selling and getting money to run the families.

- **Employment creation**

  The establishment of the projects creates employment for project members. The employment aspect is very important for their family members although this employment is a form of self employment for some project members who are also owners of these projects.

- **Income generation**

  Most projects generate income to members through the sale of the projects products. The income from sales is important to meet family needs and benefits of the projects. It was mentioned that some members are able to acquire new skills through projects participants.

  In summary projects are really functional as they are sources of employment creation as well as income generation in addition to exposing project members to some skills which in turn enables them to improve their livelihoods.

6.2.5 Municipalities' Involvement in the Projects

All the municipalities are involved in helping the projects in various ways. The

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following paragraphs highlight the focus group findings onto the involvement of the municipalities in the projects.

- **Advising**

  There are times when the representatives of some projects consult offices of municipalities seeking advice on some issues in which are not clear. For example seeking information on how the Land Bank is involved in funding projects, or on how to enter for competitions to promote projects.

- **Monitoring**

  Most municipalities frequently give themselves time to projects for monitoring purposes. During these monitoring visits they find out how often members come to their projects also check of record keeping – such as checking as to whether income for sales is being recorded daily, as well as checking for the expenditures and income data entry.

- **Ongoing support**

  The level of involvement as well as monitoring of the projects are some of the indicators of the municipalities' support. Another type of support is in a form of financial assistance for the establishment; or for buildings repairs as well as purchasing of some inputs for the projects. Lastly, relevant training for the project's managers is organized by municipalities as a way of capacitating the project members.

- **Visits**

  It has already been stated that projects are being monitored. Visits done by municipalities to the projects make the projects' members feel that they are being

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supported. These also encourage the members to work very hard to impress the Municipalities. As in other municipalities the projects that improve every year are awarded prizes. This activity serves as incentive to various projects' participants. The municipalities are trying to the highest level they can to assist and encourage the project members to improve their commitment by being more involved in the projects.

6.2.6 Discussion Forums between Municipalities and Projects' Members

In order to understand what is going on with the projects, officers of the municipalities pay frequent visit to the projects. The problems and progress made in the projects are being recorded so that the municipalities can be able to know how they can help to solve the problems. The following discussion provides insight on the type of discussions between the municipalities and the project members.

- **Designed questionnaire**

  The Blouberg Municipality used designed questionnaire to elicit information about their projects. The municipality has since realised that the use of questionnaire is the best strategy for getting information which in turn is used to solve some project's problems.

- **Evaluation of projects**

  Some discussions with the project members help in enabling the municipality to evaluate the projects. This links up very well with the previous question which tested the involvement by municipalities in the project. It further links very well with question which required response from the focus group on what are the

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benefits from the projects. After evaluating the projects, major problems which require assistance by the municipalities are attended to.

- **Marketing**

  Marketing of the products is always a major problem experienced by all the project members. They are able to produce but marketing has been found to be a major limiting factor. When the municipality's officials visit the projects, the project members grab the opportunity of finding out as to how best they could market their products. The municipalities, according to their responses, do share with the project members their marketing experiences as well as referring them to other marketers for additional information.

- **Checking quality of training**

  The municipalities during their discussions with the project members, amongst others always share with the members on quality of training. An output of the project members' produce will always be an indicator for good or poor training. Improper training always results in poor output.

The designed questionnaire, evaluation, marketing and quality training form part of the discussion type questionnaire between municipality and project members.

6.2.7 The Level of Projects' Performance over the Past Three Years

The sustainability of the projects is usually determined by its consistency in commitments on a daily basis. Amongst others is for example the managerial skill. The above question seeks to solicit information on how the projects have progressed over three to five years

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prior an interview. The responses are as follows:

- **Car wash**

  The Blouberg focus group responded with excitement that car wash activity was a booming income generating activity; for the youth in particular. It indicated that this business is progressing and future demand is bright since people are buying cars in large numbers every year. Furthermore, the changing lifestyle is making vehicle owners not to have ample time to wash their cars; hence they have to pay for others to do this for them.

- **Brick making**

  Housing forms part of Melson, (1980) triangular basic needs for each and every human being for survival. These needs are Food, Shelter (house) and Protection (clothes). These needs are prioritized as the first needs (physiological needs) to be fulfilled by the families, Melson, (1980) hence the demand for them will continue to increase. Brick making is an important industry for housing and this was cited by the focus group in Blouberg Municipality. The brick makers are busy on a daily basis and the business is expanding over time.

- **Pottery**

  Pottery is also prevalent in Blouberg Municipality. It was indicated that pottery products are affordable, that is why the activity has grown over the last three years. The products are cheap because pottery manufacturers collect soil for this activity free of charge at the Blouberg Mountain.

- **Bakery**

  Bakery projects are found in every municipality to an extent that in some

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municipalities there are about four such projects. The Focus group discussion revealed that bread is a staple food in the study area and is always in high demand. People buy bread in the morning, during break by learners and in the late afternoon for supper and breakfast for the following day. Good training has also enabled the bakeries' to catch up with the demand because the bread is tasty. Furthermore, what is exciting and making the bakeries to be busy all the time is the production of variety of bakery products such as doughnuts, buns, scones and cakes.

- **Food gardens**

  Food gardens, just like the ones mentioned above, are the projects that are doing very well in all the Local Municipalities. They are the most prevalent projects and the first type of projects which were established in the municipalities, particularly by women. The Focus group discussions revealed that food garden projects performed important functions such as self employment in agriculture, contribution to nutrition, nature conservation and contribution to aesthetic view of the environment. Food gardens also contribute towards provision of basic needs for household survival.

- **Goat farming**

  Goat farming is starting to boom in the Municipalities. . It was not previously popular as many people disliked goat meat and goat milk. However, the recent encouragement by the government to promote goat farming has yielded positive results since people now start appreciating goat farming because the traditional healers use goats for rituals and goat milk is also recommended as good for babies

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as it has the type of fat which children can easily digest. Also, the Pakistans, Sudanese and Moslems who form a large proportion of the population in these municipalities use the goats for their festivals. All the above mentioned factors contribute towards interest in goat farming in addition to its attractive price which ranged from R250 to R700 per goat. One Focus group member mentioned that one man in his area was able to buy 2500 litres of water tank from the sale of his goats.

In summary, the creation of all these projects contributed as a whole to rural development in the Capricorn District Municipality as a whole because most people in the community benefited from the projects either in terms of supply of products or in terms of employment creation or income generation.

6.2.8 Sustainability Factors of the Projects

Sustainability refers to the ability to last over a long term period. The sustainability of the projects is usually determined by some factors such as consistent product sales, determined by good management, etc. These indictors on the sustainability factors of the projects are therefore as follows:

- **Management**

  Some Focus group members indicated that management was an indicator for sustainability of the project. If projects are well managed, the good managerial skills will always lead to the success and sustainability of any project.

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- **Ongoing monitoring**

  Officials of the municipalities and other departments like agriculture keep on monitoring the projects. Monitoring of any type of project enables the one monitoring to always give feed back to the project members on the findings. This serves as a mirror to them because through their report it is possible to compare performance with other projects within the district. Good monitoring was, therefore cited as a good indicator for projects sustainability.

- **Vegetable sales**

  Some focus group members indicated that people always buy vegetables. Hence, the amount of vegetable sales can be an indicator of the projects sustainability. During the harvest time, some vegetables are sold to the communities at their homes while some clients go to the vegetable gardens themselves to buy vegetables. These vegetables, according to the focus group members constitutes good business in the area. Some vegetables are sold in bulks on Thursdays and Fridays to members of the community who use them for funerals and other occasions.

- **Market**

  Market is also a sustainability factor for the projects. In fact a good market will always make the business endeavour to sustain. All the five Local Municipalities in Capricorn District have constructed shopping complexes. These complexes are contributing towards Rural Development as people have good and convenient markets which serve them with what they are in need of. The market places are helping the projects as the project members sell their produce there as well.

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In summary the sustainability factors which contribute towards the ongoing progress of the projects are amongst others, good management, ongoing monitoring and good marketing. These factors are therefore crucial for the projects performance and the projects' sustainability.

6.2.9 Strategies which could be used to Resuscitate Un-successful Projects

There are various strategies which could be implemented to resuscitate those projects which are currently unsuccessful. Some of the strategies which were mentioned by the Focus group members are summarised below:

- **Intervention through questionnaire**

  The use of questionnaire to be administered to project members can help to identify the various problems encountered by the projects. Municipality used questionnaire for project. The monitoring and hence they became an appropriate tool for gathering information on how to resuscitate the project.

- **Financial support**

  Financial support was cited as an important factor required to resistance currently unsuccessful projects. The financial support can emanate from the various Municipalities or from agencies such as LIBSA and other agencies.

- **Rigorous training**

  Training was identified as a major factor needed for revitalizing failed projects. The training can be in a form of project management training record keeping and marketing.

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- **Financial management**

  Financial Management which deals with managing the projects' income and expenditures has been identified by members of the focus groups as essential for resuscitating failed projects.

- **Partnership with other businesses**

  Projects could be revitalized by linking them up as partners with other local businesses. For an example the Municipalities can assist projects by promoting their products to the local business.

6.2.10 Issues Deliberated upon during Subcommittee Meetings by Project Committee Members

In order for any project to progress, constant meetings should take place among project's committee. The following information is in line with the above statement.

- **Meetings:**

  The focus group highlighted that meetings do take place regularly. Some said that they were meeting on a monthly basis while others indicated that they were meeting on a quarterly basis.

- **Issues deliberated upon**:

  In some instances the portfolio committees meet on a monthly basis during which the monthly reports of the projects are checked. This constant checking makes the project leaders and members to be on their toes to see that their work is always up to date. The same is done on quarterly basis. Also the municipalities always advise them on how they can improve on their projects

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performance.

Lastly the deliberations between the municipalities and project members always come up with new and improved dimensions and strategies for improving the projects performance.

6.3 SECTION TWO: IN-DEPTH INTERVIEWS AND RESULTS

6.3.1 Project Types

Interviews with the managers of Aganang and Molemole Local Municipalities as well as officials from Polokwane Municipality revealed that the types of projects which were established in their Municipalities were the same as those that were existing in Blouberg, Lepelle-Nkumpi Municipalities. These projects were categorized into Agriculture, Consumer Sciences and Food Technology, Industrial and service provision projects. Aganang Local Municipality was found to be the only one with brick making project. Polokwane side was the only one having polish-making project. For service provision Polokwane and Molemole have dropping centres which are the centres for HIV/AIDS care. These centres started two years ago in the Limpopo Province in areas where there are many orphans because of HIV/AIDS parents who have passed away. The orphans are being taken care of during the day at these centres. The name "dropping centres" was found to be appropriate for these service projects which involve dropping of children in these care centres in the morning where caregivers take care of these children until they are picked up in the afternoon.

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The projects which are dominating are those which are contributing towards providing basic needs for the families to survive. These projects are for vegetable production, livestock projects such as poultry and cattle farming, and clothing production. The industrial type projects such as polish making, brick making are not very popular in these municipalities.

6.3.2 Initiator for the Project's Establishment

The initiators for the establishment of the projects in the three municipalities were either the LED Unit or the project members. Aganang Municipality indicated that it was the municipality through LED Unit which initiates their projects. The LED Units in both local and district municipalities are responsible for all the projects in various departments at all levels regardless of the sizes of the projects.

The Local Municipalities receive their allocation in terms of budget for every year from the district municipality for the projects. These are projects such as for erecting of schools, clinics, road construction. The vegetable projects, clothing projects which are regarded as small projects are in Molemole and Polokwane Local Municipalities. The project participants are the ones who initiate the projects. They stated that the councilors from all the wards invited members of the communities at the end of every year to meetings where the community needs are discussed and specified projects are initiated.

6.3.3 Procedure for Project's Establishment

At Aganang Local Municipality most projects were initiated by the Local Municipality.

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After meeting the various wards and agreeing with them on which projects to establish, a stakeholders meeting is held to finalise the selection of the project to be established based on the IDP document and the allocated budget for the year.

Molemole Local Municipality organises IDP meetings towards the end of every year during which stakeholders are given chance to propose for the establishment of different projects that are of priority to the various communities. The office of the manager notes the mentioned projects and in response informs the audience that the budget will allow them to attend to only those selected projects which need immediate attention. Funding is provided by the LED office.

The second meeting is arranged after finalization of the IDP document which will be providing information on the projects which are still in process such as roads construction with their yearly budgets until they come to completion. The total budget for all the projects is shown in the annual budget. The IDP also indicates projects which will be attended to during the following year, and in addition other projects according to their priority. The IDP document is otherwise discussed in depth to an extent whereby the projects which benefit everybody such as water, electricity, roads are being suggested to be the first ones to receive immediate attention. The other issue which is very important is that when the stakeholders are suggesting the establishment of particular projects they must have checked for the possible sites first.

The Polokwane Councilor of ward 3 stated that the projects participants contact the

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councilors about the needed projects. Some contact CDM. The social workers are also consulted for the proposals. The councilors, after collecting list of projects, they submit the list to the Municipality office. The manager with his committee selects the projects according to the availability of funds.

The procedures followed for the establishment of the projects are all the same as they all involve IDP documents compilation and that all proposals are forwarded to the municipal office.

6.3.4 Projects' Benefits

The projects benefit the families of the projects' participants because they boost the families' members' self-esteem.

The self esteem is one of the basic needs which have to be fulfilled for each and every member of the family (Melson, 1980). According to Marslow, as stated in Melson, (1980) in his model on "Hierarchy of needs"; he states that needs are feelings of self acceptance, confidence and strength. These basic needs have been categorized according to their priorities. In fact, according to Marslow's hierarchy of needs; individuals and families work towards satisfying their most pressing needs, before they move to the next highest needs? The schematic presentation of Marslow's hierarchy of needs is presented in figure 6.1 below:

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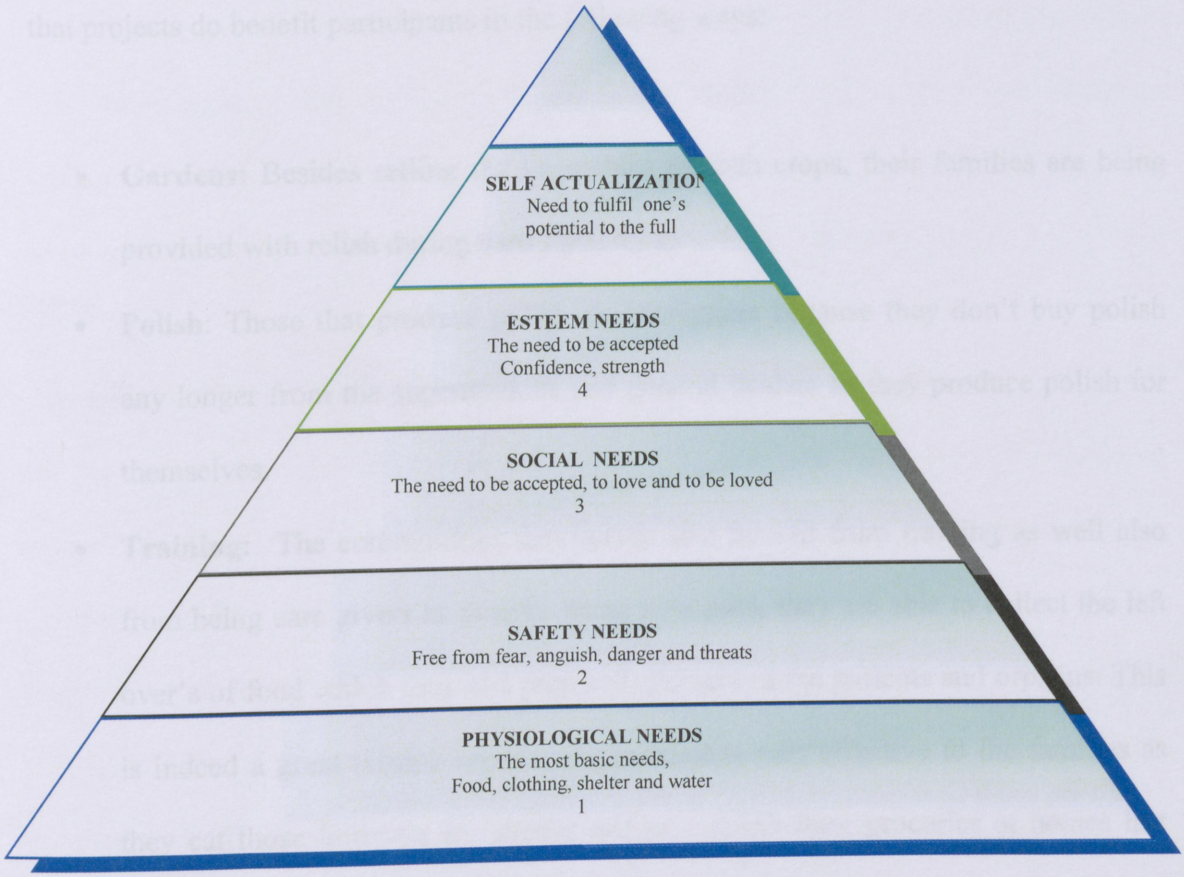
MARSLOW'S HIERACHY OF NEEDS



Source: Melson, (1980)

Figure 6.1. Marslow's hierachy of needs

Molemole manager on the other side responded that the projects benefit to the participants because they contribute towards poverty eradication in the sense that they create self employment and capacitate the participants through various trainings they are exposed to. Poverty eradication is a big concern in Molemole Local Municipality and in all other municipalities, hence the establishment of the projects as an endeavour to create self-employment and the income. The participants are through these projects able to run their families. They also are able to join funeral policies because the policies do help very

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much to the bereaved families. The Councilor of Polokwane Local Municipality indicated that projects do benefit participants in the following ways:

- **Gardens:** Besides selling the vegetables as cash crops, their families are being provided with relish during their meal times.
- **Polish**: Those that produce polish do economize because they don't buy polish any longer from the supermarkets and general dealers as they produce polish for themselves.
- **Training:** The communities themselves also benefit from training as well also from being care givers as besides being now paid, they are able to collect the left over's of food which they had prepared and served the patients and orphans. This is indeed a great relieve because the practice is cost effective to the families as they eat those leftovers for supper and as a result their groceries at homes last longer. The projects contribute towards improvement of quality life in the individuals and the families in Local Municipality.

6.3.5 Municipalities' Involvement into the Projects

As far as how municipalities are involved in the projects, Molemole responded that their municipality provided help and advise where need be, for example if the project members are running short of money to purchase seedlings in case of the vegetable gardens, the municipality would purchase seedlings for the project members. Furthermore, it happened that some hooligans went to another vegetable garden and cut the pipes and also took some copper wires on the cable which was connected to the electricity gadget

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that propelled the pushing of water from underground into the tanks. Another disaster which they experienced was that another tank fell from the stand and cracked into pieces. The municipality, after being consulted provided the fund to buy two tanks as replacement. The new electric cable was also purchased and was installed. The two tanks were also put in place. This was really a big relieve to the project members.

Aganang Local Municipality on the other side indicated that sometimes when they met the project members they congratulated them if they had made progress and make them aware that they contribute a lot towards betterment of their families in various perspectives. They further sensitise them that they also just like other business sectors, contribute towards economic growth, and that they create sustainable jobs in the sense that mostly the projects which they are involved in are the projects which produce products needed on a daily basis as the basic needs, e.g. bread, vegetables, clothing.

The above mentioned examples are types of how municipalities are involved in the projects and are the indicators that the municipalities are committed towards improving quality of life in their communities.

6.3.6 Discussion Forum between Municipalities and Projects' Members

In order for development to go on, the leaders are supposed to meet members of the communities time and again and have discussions on various issues. The same applies to the municipalities' officials with the project members in order to know them and to find out issues to discuss about in order to change or to improve on some practices. The

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Aganang Municipality's manager indicted that they discussed on the following issues:

- **Analysis of the performance of the projects**

  The issues which were discussed with the manager were through telephone. He said that this discussion type helps the project members to concentrate on how they go on with their projects from the beginning, evaluating the process as they go on with their work until they complete the process. By so doing he said, the analysis of the performance of the projects determines the strength and weaknesses of these projects. Furthermore, the discussion tries to share what other municipalities are doing on their projects, and through this they are able to judge their level of expertise.

Molemole's manager pointed out that during discussions they identify varieties of problems such as those mentioned in No. 6. This problem sought how the municipality could seek means and ways of helping them. Other problems were of fraudulence by some members of the community, whereby copper wires were stolen. The discussion also included amongst others financial management, conflict management skills and so on. The discussion forums between municipalities and project members really do contribute towards improvement of the projects because after meeting the members, if there are problems identified, the municipalities work on them; for example, in Molemole some boys and men cut the water pipes and stole the copper wires and all these resulted in the project to suffer from water shortage. The municipality purchased other pipes an also bought an engine so that when electricity is off, the members can use engine to

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pump the water for watering their plants.

6.3.7 The Level of Projects' Performance over the Past Three Years

The various types of projects after their establishment start to build their rapport, and by the end of the first year the project will already be having something to say on various activities or commitments it had during the past 12 months. A period of three years was used as a yard stick to determine the level of progress of the projects. The three municipalities have each clustered their projects which they felt had consistently worked well over a period of three years in succession.

Molemole Local Municipality had identified bakery, clothing production and poultry projects to be projects which had done well for the past three years and even beyond. The manager said that bread is obviously consumed during this era as if it is the stable food because it is used during breakfast and supper. The learners at schools eat it even during lunch, which means that it is used right through the day. He further highlighted that there was one bakery which besides bread baking also prepares very unusual types of buns which are very tasty. The size is also big, which is what people like. Clothing production projects are also progressing very well because they address to the need of the communities as they produce apparel (clothing) for all age groups with different patterns. Furthermore, they also produce school uniforms and for children at crèches and pre-schools. They also make clothes of peoples' choice. Linen, such as duvets, sheets and pillowcases, table cloths and uniforms for weddings and unveiling of tombstones occasions are also produced. The projects are always busy.

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Poultry is the meat type which is preferred most over the past two decades. The prevalence of the western degenerative diseases such as diabetes, high blood pressure have amongst other factors contributed towards high consumption of chicken as nutritionally it is recommended that white meat should be eaten as it has less or no fat content like in the case of fish. In other words these project types are sustainable. Besides chicken being recommended by health practitioners for the above mentioned affected people, there are some who even if they are not affected for health conscious' sake they themselves choose to eat white meat above red one for precautionary measures. The Polokwane Local Municipality's councilor mentioned vegetable projects to be the only ones which are showing progress and had indicated that the other types were only emerging.

The establishment of the projects does contribute towards changes in people's life's as the projects' existence bear fruits as stated in the discussion above. They change life in a positive manner to the projects' members and to the communities as all basic needs are easily accessible from within the same area. This provides convenience to the people.

6.3.8 Sustainability Factors of the Projects

The previous responses in 6.3.7 on the project types which had progressed over the past three to five years form part of the factors which led to the sustainability of the mentioned projects in this section.

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Aganang Local Municipality pointed out that commitment by the beneficiaries was one of the factors. Some examples include the following:

- Recording of sales every day and total income at the end of every week and month.
- Recording of expenditures
- Recording wages of the beneficiaries on a monthly basis
- Comparing of wages of the beneficiaries on a monthly basis
- Total expenditure against income at the end of every year
- Revisiting the constitution every month or when need arises.

Another factor was that the beneficiaries were taking and making use of the advises which they were getting from the managers. The level of commitment by municipalities also contributed towards the sustainability of the projects; for example, some municipal officials responded promptly to project, others responded very late and this affected the projects' performance.

Molemole's manager responded that acquisition and using of those skills acquired is one of the most important factors. Furthermore, knowledge and implementation of financial management such as example given by Aganang also form part of the sustainability factors of the projects.

Polokwane's Councilor said that the only project which has been in existence for over three years is continuing to do well because the demand for vegetables on a daily basis is

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very high. If the above mentioned factors could be followed and used by other municipalities, the problem of unsustainable endeavors would be buried and there would be light at the end of the tunnel.

6.3.9 Strategies which could Maintain the Sustainability of Unsuccessful Projects

In order to improve on the performance of most projects which are currently failing, the following strategies were suggested by Aganang Local Municipality's managers;

- Sector departments could be encouraged to work closely together because through this, people would share experiences which could in turn strengthen each other through varied information.
- **Tourism:** The manager highlighted that tourism has got many sub sectors which people, particularly the blacks were not aware of, e.g. game farming etc.
- **Botanical Garden Business:** The manager highlighted that the issue of Botanical garden will contribute much to the learners who are involved in studying Life Sciences as the Botanical garden will be a centre for practical work. The Primary School learners he said will equally benefit because some of the plants they learn about, which are no more prevalent will be available in the garden. The community will benefit as some herbs will be sold to the traditional healers and the garden will further create employment opportunity to the community. The traditional leaders in the making will also be brought to the garden to come and learn about medicinal herbs which they get tuition about.

Molemole Local Municipality's manager indicated the importance of Financial

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Management as he believed that it is the one, which if properly used leads to success. Another issue which he felt always resulted in projects performing poorly is that of conflict management. Conflict between the members always retard progress because instead of concentrating on the work which is supposed to be going on, concentration on it is swerved to ongoing conflicts which results in some projects to collapse.

The Polokwane Councilor responded that they had not yet experienced problems in their area yet. The introduction of some unusual projects which would attract in particular some interested youth. Proper financial management and cooperation between the members of the projects would contribute towards success of the projects.

6.3.10 Issues Deliberated during Subcommittee Meetings

The Aganang Local Municipality's manager indicated that when meeting with the project members, they discussed various problem types which the project members could be experiencing and how these problems could be solved; for example one project member raised an issue of shortage of water throughout the year.

The Molemole Local Municipality's manager also responded that when meeting the project members they discussed about problematic issues and thereafter come up with mechanisms for solving them; for example another bakery was just at the verge of collapsing because of financial management problems. When discussing they ultimately came up with some strategies which could be implemented to improve it. The strategies were tried and the bakery was reactivated and it had been progressing since then.

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The Polokwane Local Municipality's councilor also mentioned an issue of problems which needed to be solved but did not mention which types. The questionnaires from this study do link with those of focus group discussion and their in-depth interview of focus group. The evidence to this effect is as follows:

- Chapter 5 is about the empirical results on the performance of poverty eradication projects. Table 5.1 provides information on what the project types are, which are found in the area of study. Conversely, Table 6.1 in chapter 6 (focus group) responds to the question on what types of projects are the people engaged in.
- The analysis of data provided for both tables 5.1 and 6.1 is that, of all the project types mentioned, agriculture project types was found to be dominating as vegetable projects' number outstripped all other projects; followed by poultry, dry land farming. From there, Consumer Science and Food Technology projects such as bakeries and clothing production followed. This is to mention just but a few. Furthermore, question 5.6 seeks to know what benefits are for the project participants, and table 5.5 responds to that by way of revealing that eradication of poverty is the major benefit; followed by improvement of quality life as well as employment. What table 5.5 revealed links with the focus group discussion in question 6.2.4 which also seeks to know about what the members benefit from the projects. The responses from the discussion were that members benefit because projects contribute to life sustenance which relates to quality of life, fighting hunger (poverty eradication) and that projects create employment opportunities. Another linkage in this regard is that of Figure 5.2 which highlights the sustainability indicators of the projects. The indicators which were revealed to be

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sustainable were such as good project management followed by support of the projects by local municipalities and good marketing of products (marketing strategy). The focus group discussion (6.2.8) revealed the following in terms of sustainability factors of the projects;

- Good management, marketing and ongoing monitoring.

The problems which are always encountered, if attended to with caution could result in positive outcome for the projects.

6.4 CONCLUSION

The Focus Group discussion revealed the project types dominating to be those that are agriculture related and those are the ones which are sustainable. These are followed by the Consumer Science and Food Technology related projects such as the Clothing Production ones and confectionary. Others are e.g. the manufactured ones such as polish and fence making

The above information was also gathered from the in-depth interview. Furthermore, this was also attested to in Chapter 4 and 5 respectively which dealt with selected case studies of Poverty Eradication Projects in CDM and on the empirical results on performance of Poverty Eradication Projects.

Based on the above information which is consistent in terms of concern on sustainability of the projects, if solutions thought of, such as ongoing monitoring, intervention of

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projects through questionnaire are implemented, then the output of the projects could be a success. Success of the projects could contribute to the quality of life of the project members and the community; this forms part of the expected goal on the sustainability of the projects, and also on the expected outcomes of the hypotheses.

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CHAPTER 7

GROSS MARGIN ANALYSIS OF SELECTED POVERTY ERADICATION PROJECTS IN CAPRICORN DISTRICT MUNICIPALITY

7.1 INTRODUCTION

A gross margin analysis of the performance of some of the selected poverty eradication projects is presented in this chapter as a means of determining their economic performance. The following projects were assessed in terms of performance. Greater Moletlane/Zebediela Sweet producers cooperative, Sebayeng Hydroponics project, Vukani Poultry and Vegetable project, and Maraba Producers Cooperative project.

Table 7.1: Gross margin analysis for Moletlane sweet producer's cooperative (from January 1998 to December 1998)

Total Revenue	R22488.12
Cost Items	
Raw Materials	R9463.83
Transport	R2920.29
Telephone	R328.11
Stationery	R406.34
Repairs	R246.86
Sundry Account	R1273.71
Gas/Electricity	R1736.95
Wages	R4285.71
Operating Costs	**R20661.80**
Gross margin	**R1826.20**

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Table 7.1 reveals that the above project obtained a gross margin of R1,826.20 for the period of analysis (1998). Considering that the coop's membership stands at 54, a gross margin of R1826 could not be sufficient to cater for the members and also be ploughed back into the business. Furthermore, if the wages of R4,285.71 per annum are distributed to members, it could mean that each member earns about R79 per year or R6-58 per month. Such an amount could not in anyway promote the livelihood of an individual.

Table 7.2: Gross margin analysis for Moletlane/Zebediela sweet Producers' cooperative (from January to December 1999)

Total Revenue	**R28 469.83**
Cost Items	
Raw Materials	R9 391.23
Transport	R4 084.42
Telephone	R328.10
Stationery	R1 910.57
Repairs	R27 35
Sundry Account	R948.25
Gas/Electricity	R2 714.45
Rent	R1 250.00
Wages	R6 328.64
Total Operating Cost	**R26 993.01**
Gross Margin	**R1 476.82**

Table 7.2 reveals that there was a decrease in the gross margin for 1999 with a difference of R350.20. It is noted that the major cost item of production was that of raw materials followed by wages. This poses a question about the sustainability of the project. This

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negative result in terms of decline in gross margin becomes a challenge to the project beneficiaries to take a look at operating costs and try to reduce them where necessary for their own benefit. The gross margin analyses for the year 2000 and 2001 are presented in tables 7.3 and 7.4 respectively.

Table 7.3: Gross margin analysis for the year 2000 for Moletlane/Zebediela sweet producers' cooperative (from January 2000 to December 2000)

Total Revenue	**R15 685.46**
Cost of Items	
Raw Materials	R5 638.06
Transport	R5 258.00
Telephone	R486.40
Stationery	R1 005.80
Repairs	R70.04
Sundry Account	R1 066.77
Gas/Electricity	R1 304.90
Rent	R2 250.00
Wages	R1 760.00
Total Operating Cost	**R17 839.97**
Gross Margin (Loss)	**-R2 154.51**

Table 7.3 reveals a negative gross margin of - R2154 and the main reason for this is the decrease in total revenue of the project which was R15, 685.46, whereas that for the previous year was R28, 469.83. This simply means that the project is not economically viable in the area, which is an indication that its sustainability is questionable, because the rate at which the sweets generate income is very slow, while the operating costs are

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rising. The situation however improved for the year 2001 as revealed by Table 7.4 below where the project's gross margin rose to positive R8, 296.56 and this was largely due to increased sales and gross revenue for the year 2001.

Table 7.4: Gross margin for the year 2001 for Moletlane/Zebediela sweet producers cooperative (for a Period of January 2001 to December 2001)

Total Revenue	**R30 772.26**
Costs Items	
Raw Materials	R6 067.31
Transport	R4 698.50
Telephone	R813.59
Stationery	R900.23
Repairs	R796.72
Gas/Electricity	R659.85
Rent	R1 500.00
Wages	R4 847.00
Catering	R276.26
Total Operating Cost	R22 475.70
Gross Margin	**R8 296.56**

The gross margin for 2001 as stated above was R8, 296.56. This improvement strengthened the financial position of this project. In 2001 the total costs of the project were stated to be less than the revenue because the total operating cost was R22, 475.70 while the total revenue was R30, 772.26. This therefore resulted in positive gross margin. The lower the cost of production the more advantageous it is for the project to be able to sustain itself for the future. While the gross margin was good, it was disappointing to

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learn that the beneficiaries were earning only R200-00 per month, which would not even be able to buy a bag of maize meal, and this is below the poverty level of about R250 per month.

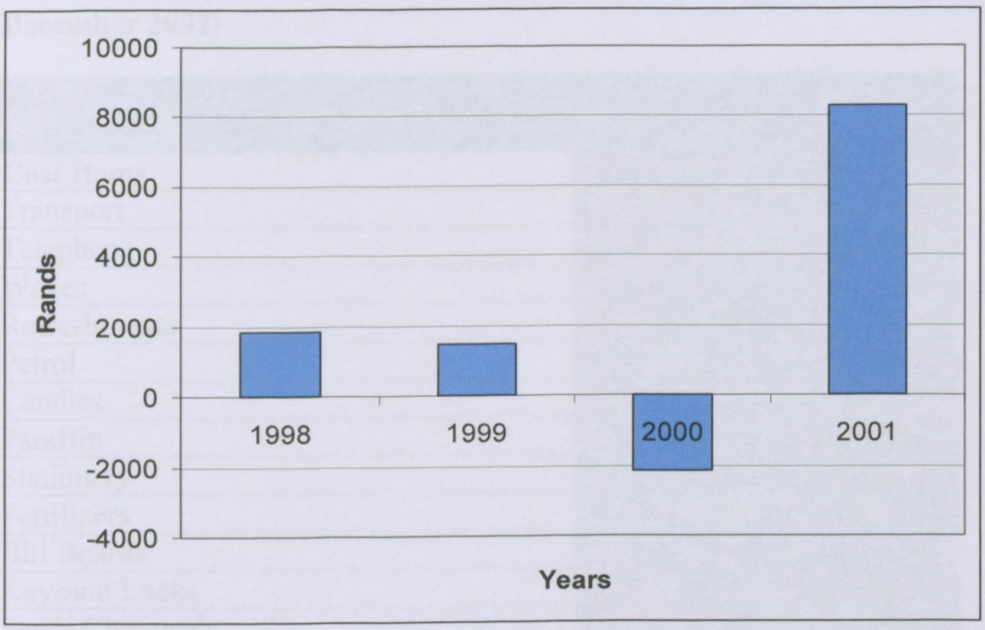

Figure 7.1 Moletlane/Zebediela sweet producers' cooperative gross margin over four years. (1998 – 2001)

Figure 7.1 above presents the trend in the gross margin over the four years of appraisal (1998 – 2001). There was a gradual decrease in output between 1998 and 1999, but the output of the year 2000 was more disappointing as the business was at a loss. The year 2001 booms again with tremendous improvements. Although financial reports for the years between 2002 and 2004 could not be obtained, the analysis of the performance of the project for the period of 1998 to 2001 reveals fluctuations in the gross margin varying from negative margin in 2000 to very positive gross margin in 2001. Therefore the sustainability of the sweet project in terms of positive gross margin depends on the output

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value of the project relation to the operation of production.

Table 7.5: Gross margin analysis for Sebayeng Hydroponic project (from 2002 to December 2002)

Total Revenue	**R50236.50**
Cost Items	
Transport	R2969.91
Telephone	R1406.07
Wages	R44210.97
Refreshments	R588.75
Petrol	R150
Candles	R36
Paraffin	R48
Stationery	R441.54
Fertilizers	R214.56
Bill Boards	R450
Keysand Locks	R585
Seeds Chemicals	R690
Curtain	R107.91
Photos	R60
Others	R508.02
Operating Costs	**R52466.73**
Gross Margin	**-R2230.23**

Table 7.5 closes the year 2002 with the gross margin of –R2, 230.23 which was a loss. As stated on the table, the total revenue was R50, 236.50 while the total operating cost was R52, 466.73. Wages value was R50, 236.50 and this constituted the major item of the cost for the project for the period of analysis. The negative gross margin could be attributed to high wages compared with low revenue followed by transport costs which amounted to R2, 969.91 and telephone bills of R1, 406.07. The negative gross margin could have been avoided if the above amounts were controlled. The gross margin

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situation of the project for the year 2003 is summarized in table 7.6 below.

Table 7.6: Gross margin analysis for Sebayeng Hydroponics project (from January 2003 to December 2003)

Total Revenue	**R120392.77**
Cost of Items	
Transport	1523.00
Seeds	238.80
Wire	118.25
Candles	11.98
Chemicals	901.60
Pumps	3301.60
Refreshments	466.32
Fertilisers	4318.43
Telephone	937.40
Repairs	4550
Wages	42639.27
Stationery	286.29
Cleaning Agents	464.31
Petrol	1273.90
Grocery	1776.59
Total Operating Costs	**72789.74**
Gross Margin	**47603.03**

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Table 7.6 reveals a positive gross margin of R47, 603.03. This was an impressive improvement in terms of performance as compared to the previous year. It is interesting to note that although wages paid by the project had increased, the substantial increase in revenue created an opportunity for the project's good economic performance for the year 2003.

Table 7.7: Gross margin for Sebayeng Hydroponic project (from January 2004 to July 2004)

Total Revenue	**R14045.14**
Cost Items	
Spinach Production	R1047
Tomato Production	R335.81
Onion Production	R171.43
Cabbage Production	R365.97
Operational Costs	**R1920.21**
Gross Margin	**R12124.93**

Table 7.7 indicates that the total revenue was R14, 045.14 while the gross margin was R12, 124.93. The operational cost was R1, 920.21. The poor performance of the project was due to electricity problems, which led to a slow down in shortage production. The electricity problem let to the shortage of water for irrigation. The products were spoilt and because of that there were no sales. That is why they did not perform well during the year 2004.

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Figure 7.2 Sebayeng Hydroponic vegetable project gross margins over three years (2002 – 2004)

The summary of the performance of Sebayeng project from 2002 to 2004 is that production in 2002 was almost nil hence the low gross margin but by 2003 the output rose significantly because circumstances such as water for irrigation were favorable. The following years both output and revenue unfortunately declined. The performance of the hydroponics project therefore depended on electricity supply.

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Table 7.8: Gross Margin for Vukani poultry and vegetable project (from June 2001 to December 2001)

Total Revenue	**R439649.83**
Cost of Items	
Wages	R85714.29
Petty Cash	R2571.43
Raw Materials (Chemical Feed and Fertilisers)	R31361.14
Medicine	R1890.86
Chicks	R1836.12
Repairs	R2391.67
Loan	R9601.89
Wood Shaving	R2391.43
Electricity	R1045.71
Service	R6610.29
Refreshments	R857.14
Operating Cost	**R328047.85**
Gross Margins	**R111601.98**

The performance of the Vukani Poultry and Vegetable project as shown in table 7.8 above can be rated as good since it had a gross margin of R111, 601.98 at the end of 2001. Its total revenue was R439, 649.83 while the total operating costs were R328, 047.85. The project seems to be performing well because the profit is good, which is an indicator of the economic viability of the project. If the project continues to operate at the same level, the projection is that it can to sustain itself in the future.

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Table 7.9: Gross margin for Vukani poultry and vegetable project (from January 2002 to December 2002)

TOTAL REVENUE	**250753**
Cost of items	
Wages	34500
Petty Cash	2720
Chicken Feed	66227.93
Medicine	2742.02
Wood Shaving	600
Other Raw Material	61956.2
Electricity	3034.54
Loan	1064.98
Vat	3500
Other Expenses	95
Water Testing	75
TOTAL OPERATING COSTS	**176 515.67**
GROSS MARGIN	**74 237.33**

The year 2002's gross margin became R74, 237.33. The total revenue was R250, 753.00, while the total operating costs was R176, 515.67. The wages had started to decrease because they were only R34, 500 as compared to those of the previous year. The project is making progress, but there are problems because the wages have declined. There is a need for an ongoing training of project management which will at the end enable the beneficiaries to have an understanding of consistent good output.

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Table 7.10: Gross margin analysis of Vukani poultry and vegetable project (for a period of January 2003 to December 2003)

Total Revenue	**R140154**
Cost of Items	
Chicks	R28924.98
Chicken Feed	R20944.08
Chicken Feed	R19091.58
Water Pump and Pipes	R17075.70
Chicken Feed	R38993.52
Operational Costs	**R125029.86**
Gross Margin (Profit / Loss)	**R15124.14**

The income statement for the year 2003 as the above table shows was between January and December 2003 R140, 154.00. The gross margin was R15, 124.14, while the operational costs were R125, 029.86. Progress from that year was almost nil because of vandalism. Pipes were cut and the engines were stolen twice. This resulted in no production; hence no wages appear on the statement. The project was only able to go on with poultry at a very slow pace, because of the arrival of a big company specializing in chicken rising near the project. However, the project seems to be sustainable if the mentioned problems could be solved, particularly those of vandalism.

The Department of Correctional Services is still challenged to seek ways and means of

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good strategies to put in place to eliminate vandalism. If it was not for fraudulence, this project would have progressed further.

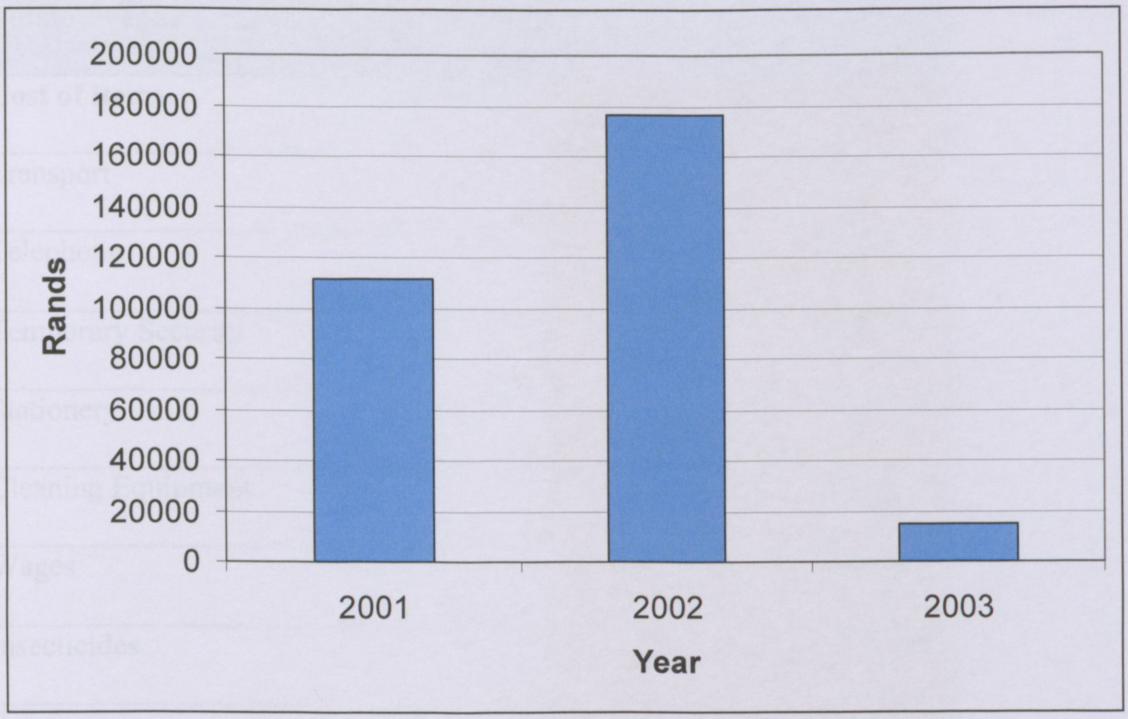

Figure 7.3: Vukane poultry and vegetable project gross margin over three years (2001 – 2003)

Figure 7.3 shows the progress of Vukani project because the histogram for 2001 and 2002 shows an increase in terms of Rands. The year 2003 indicates a negative output as its production is just above 0 Rands. However the project's future prospects are good if natural disasters and consistent vandalism are eliminated.

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Table 7.11: Gross margin analysis of Maraba producers' cooperative (from January 2004 to December 2004)

Total Revenue	**R16858.54**
Cost of items	
Transport	R2261.14
Telephone	R192.94
Temporary Security	R1155.43
Stationery	R8.57
Cleaning Equipment	R184.39
Wages	R13024.95
Insecticides	R51.42
Scissors	R10.29
Builds	R80.83
Food	R240
Operating Cost	**R17210.14**
Gross Margin	**-R351.60**

Table 7.11 above reveals that Maraba's total revenue was R16, 858.54 while the total operating cost was R17, 210.14. This gave a negative gross margin of -R351.60. This negative gross margin is an indication of poor performance which can be attributable to high wages in relation to the total revenue of the project. The situation for the following year is presented in table 7.12 below.

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Table 7.12: Gross margin for Maraba producers' cooperative (from January 2005 to April 2005)

Total Revenue	**R21364.80**
Cost of items	
Transport	R5175
Telephone	R396
Stationery	R29.97
Wages	R13339.80
Toiletries	R83.85
Operational Cost	**R19024.62**
Gross margin	**R2340.18**

The year 2005's total revenue for January to December was R21, 364.80, while the total operating cost was R19, 024.62, thus giving a positive gross margin of R2, 340.18. This was an improvement in performance when compared with 2004.

Table 7.13: Summary of the gross margin analysis between the period 2004 and 2005

Transaction	**2004**	**2005**
Total Revenue	R16858-54	R21364-80
Cost of Items		
Transport	R2261-14	R5175-00
Telephone	R192-94	R396-00
Temporary Security	R1155-43	
Cleaning Equipment	R184-39	
Wages	R13024-95	R13339-80
Insecticides	R51-42	
Scissors	R10-29	

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Builds	R80-83	
Food	R240	
Stationery	R8-57	
Operating Cost	R17210-14	R19024-62
Toiletries		R83-85
Gross margin	**-R351-60**	**R2340-18**

The convergence of the information on the above table is being presented by figure 7.4 on pages 253.

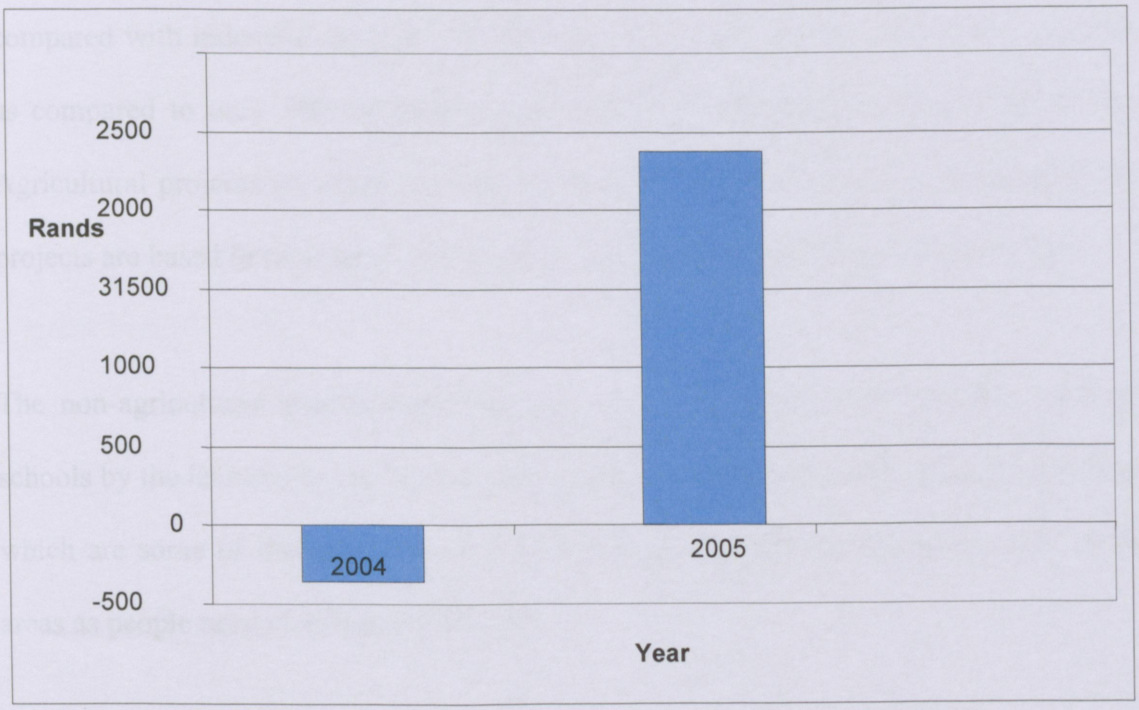

Figure 7.4: Gross margin analysis for Maraba producers cooperative over two years (from January 2004 to December 2005)

Figure 7.4 above provides the trend of the project from 2004 to 2005. The results indicate that there was a gradual improvement because when compared to 2004 performance, 2005 shows improvement and thus a good projection for the future. There is a bright future for the above project if the project participants maintain their commitment to

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improve project's performance. There is however the challenge that cuts across all the cooperatives and other project types.

7.2 COMPARISON BETWEEN AGRICULTURAL RELATED PROJECTS AND INDUSTRIALIZED PROJECT TYPES

In terms of the number, agricultural projects were more predominant in the province as compared with industrial projects. The province had a total of 1242 agricultural projects as compared to only 100 industrial projects in 2003, Development Data, (2003). The Agricultural projects are more because of the rural nature of the province, and all these projects are based in rural areas where there is low access to formal job opportunities.

The non-agricultural products are marketed on a very small scale in places such as schools by the learners to earn pocket money. However, clothing production, bricklaying, which are some of the examples of non-agricultural projects are doing very well in all areas as people need clothing and housing.

On the whole, agricultural products appeared to perform better than the non-agricultural products as evident in figures 7.1 to 7.4 shown previously. On a general note, marketing of both agricultural and industrialized products is still a problem which needs to be solved in order to enhance the sustainability of both agricultural and non-agricultural project.

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7.3 GENERAL CONCLUSION ON THE PERFORMANCE OF THE FOUR PROJECTS

There is a big challenge to the beneficiaries in Figures 7.1 to 7.4 to strategise how to market their products for better progress in the future. The four selected cases and their gross margin analyses have indicated the sustainability of these projects will depend on how to improve their output and sales while simultaneously cutting costs of production for the various projects. Furthermore, the projects perform much better if the projects' participants' numbers are lower than ten, which is the recommended starting number for the projects. The above statement sites with one of the hypothesis which recommends for appropriate policy recommendations for the promotion of sustainable poverty eradication projects in CDM. The income for the projects also becomes easily and satisfactorily distributed among a small number who takes something better home.

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CHAPTER 8

REGRESSION AND CHI-SQUARE ANALYSIS OF THE DETERMINANTS OF PROJECTS' SUCCESS AND SUSTAINABILITY

8.1 INTRODUCTION

The term regression, according to Gujarati (1999), refers to a study which is concerned with the relationship between one variable called "Explained or Dependent Variable" and one or more other variables called "Independent or Explanatory Variables". Regression therefore, is particularly useful for the common case where there are many variables; for example, the price of a house is dependent on many characteristics (e.g. number of bedrooms, bathrooms, location of the house, size of the site, etc), (Gary, 2004).

In terms of this study, the determinants for success and sustainability of the projects were postulated to include various variables such as sound project management, support by local municipality, good marketing, level of funding of and value of project assets as well as length of time the project has been running, the gender of people involved in project management, their age, and the project type (whether manufacturing or agricultural type). In this chapter the results of the statistical analysis have been presented. First, the cross-tabulation of the data according to some key variables, secondly, the results of the chi-square analyses of the contingency tables are provided and lastly a logistic regression analysis is also provided in section three. The logistic regression analyses the probability of projects being perceived as failures using four selected predictor variables.

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8.2 CHI-SQUARE ANALYSIS

8.2.1 Funding of Projects

405 respondents provided data for the analysis of the success of projects by funding. The cross tabulation and chi-square analysis are presented in table 8.1 below.

Table 8.1: Funded projects versus non-funded projects

Funded	No. of respondents	Number successful	% Successful
Yes	179	122	68.2
No	226	92	40.7
Total	**504**	**214**	**52.8**

Pearson Chi-Square: 30 200

P-value for Chie-Square test = 0.000, degrees of freedom = 1.

The funded projects are more successful in the opinion of the respondents, with 68.2% more than the not funded projects whose percentage is 40.7%. The difference in success rate is significant at alpha = 0.01 (99% confidence level).

8.2.2 Women Dominated Projects Versus Men Dominated Projects (Gender Bias Analysis)

In table 8.2 below results of the analysis of project success by gender composition are presented.

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Table 8.2: Women more than men (successful/not)

Women more than men	No of respondents	Number successful	% successful
Yes	327	177	54.1
No	66	36	54.5
Total	**393**	**213**	**54.2**

Pearson Chi-Square: 0.004

P-value for Chi-Square Test = 0.951, degrees of freedom = 1

The outcome is that projects with more women than men are not necessarily more successful than those of more men. This implies that the success of these projects does not depend upon the gender of the participants.

8.2.3 Years of Projects' Establishment

Table 8.3: Year Group (Successful or Not) Years: 2000 - 2003

Youth more than adults	No of respondents	Number successful	% successful
Yes	22	12	54.5
No	371	201	54.2
Total	**393**	**213**	**100**

Pearson Chi-Square: 0.001

P-value for Chi-Square Test = 0.973, degrees of freedom = 1

The total number of projects in which the youth are more than adults is 12 (54.5%), while the number of projects in which youth is not more than adults is 201 (54.2%). However,

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the issue of whether the number of youths involved in the projects is high or low does not make any difference. This means that there is no significant difference as the p-value (0.973) as the chi-square test indicates. The success of the projects does not necessarily depend upon the level of the number of the age group participants.

8.2.4 Asset Value of Projects

Table 8.4: Asset value (projects successful or not)

Asset Value	No of respondents	Number successful	% successful
Yes	143	70	49.0
No	312	167	53.5
Total	**455**	**237**	**52.1**

Pearson Chi-Square: 0.822

P-value for Chi-Square Test = 0.419, degrees of freedom = 1

The total number of projects with asset value to the amount of R36, 000 is 70 (49.0%). On the other hand, those projects whose asset value is above R36, 000-00 are 167 (53.5%). The findings are that the success of the projects does not necessarily depend on the possession of assets because there is no significant difference as the p-value on the chi-square test was (0.365). The difference in terms of percentage is also negligible as it is only 5%. That is the difference between 49% and 53%.

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8.2.5 Type of Projects

Table 8.5: General live stock projects (successful or not)

General Livestock	No of respondents	Number successful	% successful
Yes	35	14	40
No	420	223	53.1
Total	**455**	**237**	**52.1**

Pearson Chi-Square: 2.220

P-value for Chi-Square Test = 0.136, degrees of freedom = 1

The findings of table 8.5 are that the non-livestock projects are more than the livestock projects as the figure is 223 (53%) against 14 (40%). The significance, according to the chi-square test reveals the difference (0.136) as the difference in terms of the percentage is not that great. The difference is 11%. Both the livestock and non-livestock projects are successful.

Table 8.6: Manufacturing projects (successful or not)

Manufacturing	No of respondents	Number successful	% successful
Yes	68	36	52.9
No	387	201	51.9
Total	**455**	**237**	**52.1**

Pearson Chi-Square: 0.023

P-value for Chi-Square Test = 0.879, degrees of freedom = 1

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The numbers of non-manufacturing projects are more than the manufacturing ones while the success rate in terms of percentage differs only by 1% that is 52.9% of YES and NO being 51.9% of the non manufacturing. The significant difference, which is 0.879 p-values, is negligible. There is a need for an increase of manufacturing projects in Capricorn District Municipality.

Table 8.7: Poultry projects (successful or not)

Cross tabulation

Poultry	No of respondents	Number successful	% successful
Yes	63	33	52.4
No	392	204	52.0
Total	**455**	**237**	**52.1**

Pearson Chi-Square: 0.003

P-value for Chi-Square Test = 0.960, degrees of freedom = 1

There is no significant difference between the poultry and non-poultry projects in terms of successful. According to the findings, the percentage is almost the same (52.4%) and (52.0%). The significant p-value is 0.960, which gives us confidence about the results. The level of commitment in the projects is high. The same applies to vegetable projects whose results are summarized in table 8.8 below.

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Table 8.8: Vegetables projects (successful or n

Cross Tabulation

Vegetables	No of respondents	Number successful	% successful
Yes	123	71	57.7
No	332	166	50.0
Total	**455**	**237**	**52.1**

Pearson Chi-Square: 2.145

p-value for Chi-Square Test = 0.143, degrees of freedom = 1

8.3 LOGISTIC REGRESSION ANALYSIS

A logistic regression model was applied to the data, with respondents' perception of success or failure of the project as the dependent variable. The independent variables in the model are

X_1 = whether project was funded or not (1 if yes, 0 if not),

X_2 = whether or not a start-up loan was obtained (1 if yes, 0 if not),

X_3 = whether or not the start-up loan was sufficient for the project needs (1 if yes, 0 if not),

X_4= type of project (1 if project is agricultural, 0 if not)

In the logistic regression model, the dependent variable was coded as

Y= 1 if project was successful.

Y= 0 if the project was not successful.

Thus the model estimated the probability of the project being considered as a failure (unsuccessful), given the value of the independent variables. Data was available from 59

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projects for the logistic regression analysis. Of these, 27 were perceived to be successful by the respondents, while the remaining 32 were perceived as unsuccessful.

8.4 RESULTS OF THE ANALYSIS

The R^2 value for the model is 0.332, that is about 33.2% of the variability in the data can be accounted by the independent variables used. The model is able to correctly identify successful projects with 63% accuracy and to detect unsuccessful projects with 78.1% accuracy. The model has an overall prediction accuracy of 71.2%. The estimates of the regression parameters, their standard errors and significance levels are given in the table below.

Table 8.9: Estimation of the regression parameters

	B	Standard Error	Wald	df	Sig	Exp(B)
Type of Project (Agricultural or not)	**-0.287**	**0.633**	**0.205**	**1**	**0.650**	**0.751**
Q41 (funded)	-1.307	0.637	4.207	1	0.040	0.271
Q44 (start up loan)	-2.010	0.811	6.136	1	0.013	0.134
Q47 (loan enough)	-0.495	0.933	0.281	1	0.596	0.610
Constant	2.717	2.050	1.758	1	0.185	15.142

The parameter estimates are all negative, which implies a negative association of all the variables with the probability of a project being perceived as a failure. Of the four

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independent variables used, only two were found to be significantly associated with the perceived success or failure of the projects. These are X_1 (whether or not the project was funded), with a parameter estimate of -1.307, p-value of 0.040, and X_2 (whether or not a start up loan was utilized), with a parameter estimates of -2.010, p-value of 0.013.

8.5 INTERPRETATION OF THE ESTIMATES

The results of the logistic regression analysis above emphasise the need to provide funding for projects. The negative parameter estimates indicate that when a project is funded or a start-up loan is obtained, the risk of the project being a failure is reduced. Specifically funded projects are about 73% less likely to be perceived as failures, compared to projects that are not funded. Projects that make use of a start up loan are estimated at about 87% less likely to be perceived as a failure. These reductions in the risk of failure are statistically significant at the 5% level.

8.6 SHORT COMINGS

There are some shortcomings which the researcher found. Failure of the respondents in responding to some questions as expected. Some questions therefore, which would come about with excellent outcome in terms of regression analysis, were not well answered by the interviewees.

8.7 SUMMARY

The variables which have been used in determining whether the project types have been successful or not, and other factors were funded project versus non-funded project,

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number of men and women in project. the period during which the projects started; the number of youth and adults in the projects; value of asset value of the projects; the type of projects; general livestock; manufacturing; poultry and vegetables (See Appendix D for details of Chi-Square Analysis)

8.8 CONCLUSION

The regression and chi-square analyses have provided some basis for some conclusions in terms of the determinants of success of the projects. The first and best determinant of success or failures of these projects is whether the projects are funded or not funded. The second most important determinant is whether or not start up loan was used for the project.

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CHAPTER 9

SUMMARY OF MAJOR FINDINGS, POLICY RECOMMENDATIONS AND CONCLUSION

9.1 SUMMARY OF MAJOR FINDINGS

The aim of the study was to assess the sustainability of poverty eradication projects in Capricorn District Municipality of Limpopo Province.

The major findings of this study reveal that vegetable projects were more dominant and successful in Capricorn District as they constituted 27,08% of the projects. The projects types which followed those of vegetables were clothing production with 14,79%. Poultry projects were the third type of which was successful. The above three projects types were the ones which were sustainable as they had existed for three years and above.

- It was further revealed that women constituted the largest percentage (58.30%) of project participants; followed by men with (30.07%). A small percentage (11.63%) constituted of youth. The number of women is higher than that of men because they are the ones who cook for their families and the vegetables or chicken relieve them of the challenge of relish. Furthermore; in terms of profit which is being made from the products' sales, women are not looking forward for getting large amount of money as men do. They always accomplish various commitments with less money at their disposal because they have the ability to control their finances.
- The projects furthermore created employment opportunities for the members,

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provided food for their communities and also generated income for the project members.

- Support by the local communities for the projects; good project management and good marketing are other sustainability indicators which were revealed.
- The focus group discussion further reveals that the major problems facing these projects are lack of management skills, poor record keeping and lack of capital to expand their businesses. Furthermore, results from this study do link with those focus group discussions and the in-depth interview of focus group. The evidence to this effect is as follows:
- The first questionnaire in Chapter 5 which is about the empirical results on the performance of poverty eradication projects (5.1) to be informed on what the project types are, which are found in the area of study. Table 6.1 in chapter 6 (Focus group) respondent's to the question on what types of projects are the people engaged in.
- The analysis of data provided on both tables 5.1 and 6.1 is that of all the project types mentioned, agriculture project types was found to be dominating as vegetable projects' number out striped all others projects; followed by poultry, dryland and food technology

The determinants of projects' success and sustainability reveals that funded projects are more successful than the non-funded projects and that vegetable projects are more successful and more sustainable than the non-funded projects.

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The above success attained by the projects is not without challenges. Some of the identified challenges facing projects in Capricorn Districts are:

- Illiteracy of some project participants.
- Youth lacking knowledge of self-employment strategies.
- Fraudulence among some project participants and limited knowledge of how funds can be accessed.

The following were some of the findings with respect to some of the specific objectives of the study.

9.1.1 An assessment of the Performance of Poverty Eradication Projects in Terms of Income Generation, Employment Creation and Capacity Building

- Those projects which had sustained themselves for three years and above were judged as successful.
- The projects which were found to be generating most income were those engaged in food production such as vegetables and poultry.
- Clothing production projects were also found to be sustainable as they were making good profit from the sales.
- Most of these projects created employment for their members.
- In terms of capacity building, the projects were able to enhance skills development of some members who were trained in certain aspects of project management; for example skills such as nurturing of the chicks to avoid high

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mortality rate during their first six weeks of life in poultry projects.

9.1.2 Identification and Analysis of the Determinants of Success or Failures of the Poverty Eradication Projects

The projects which identified the determinants of success or failures of the poverty eradication projects were done by means of performance rating which was catergorised into excellent, good, average and poor. Most of the projects' performance rating was average (51.4%), followed by poor with 26.1% and good with 19.2% while excellent' category was 34%. This rating reveals that more commitment towards good and excellent performance is still needed as the average percentage outstripped that of the above two. Another indicator which determines the success or failures of poverty eradication projects was that of marketing of products.

Local market was the best indicator (88.6%) followed by marketing to the nearest town (5.7%) and then to hospitals with 3.8%. The indicators which performed the lowest were transport to the cities (8%) and marketing anywhere (2%).

On the whole, the findings revealed that local market is doing well which means that the project members could successfully depend upon local market for income generation. The indicators which were not successful could be done away with as no progress could be made when using them. The other indicators for the success of the projects were explained above in 9.1.1.

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The failures of the poverty eradication projects were indicated by problems such as lack of funds whose percentage was 66.2%, no production with 106 (32.3%) and fraudulence (5%). The projects without funding would never succeed because appropriate and enough resources always lead to success in production. Fraudulence on the other side need strategies which could be applied to reduce or eradicate the problem

9.1.3 Assessment of the Roles of the Government, NPOs and Local Municipalities in Promoting the Sustainability of these Projects.

The most significant role played by the government is that of providing funds for these projects.

- Most of these funds were provided by CDM and Limpopo Department of Agriculture.
- Some NPOs in collaboration with the Government also assisted the projects with funding, as well as raining in project management and record keeping.
- The Local Municipalities were also involved in funding these projects. They also monitored the projects closely in terms of progress. The Local Municipalities periodically visited these projects and arranged for solving some technical problems in the project's execution.

9.1.4 The following are the Findings for the Research Hypotheses.

The findings, in line with research hypotheses were as follows:

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- **Female owned and managed poverty eradication projects are more sustainable than male headed ones**

  Table 8.2 supports the hypothesis because it indicates the total number of successful women as 177 and 36 for men who are not successful. The finding relates to the hypothesis in the sense that the number of successful women involved in the projects outstrips that of men, meaning that the hypothesis is accepted.

- **The Agricultural related projects are likely to succeed in rural areas when compared with non agricultural projects.**

  The agricultural projects types which were interviewed were three: namely general livestock, poultry and vegetable projects. Table 8.5 which is on livestock reveals the total number of successful livestock projects according to the respondents to be 14 (40%), whereas the number of the unsuccessful ones is 223 (53,1%). The finding is according to the hypothesis not real as general livestock is one of the agricultural related projects. Furthermore, poultry projects, according to Table 8.7 are successful though the difference between the successful and no successful is slight as the percentage of the successful ones is 52.4% while the not successful ones are 52.0%. What was hypothesised is however real in this case of chicken rearing as the percentage is slightly higher.

  The vegetable projects' success is highly significant as the percentage is 57.7% while for the not successful ones, the percentage is 50.0%. This reveals that the vegetable consumption outstrips that of meat for various reasons such as health

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and economy.

The non-agricultural projects' table is Table 8.6 the percentage of the projects which are successful is 52.9% while that of the unsuccessful one is 51.9%. The difference is only 1%, however, while there is a slight difference, the finding is that vegetable projects are more successful than in rural areas than the non-agricultural ones.

- **Projects that are led by managers are likely to perform better than those that are coordinated by unskilled leaders.**

The findings revealed that the hypothesis was real because Figure 5.2 shows that amongst other sustainability indicators of the projects, good project management is rated as two; conversely, about the training experience of the project participants, (Table 5.10), project management is rated the highest by 29.0%.

The above two form part of some examples that indicated that with proper management by good managers, projects will always perform well. In other words, the hypothesis became a reality.

- **The un-sustainability of projects is due to lack of business plan.**

Amongst other sustainable indicators of the projects as shown on figure 5.2 is Business Plans. This indicator helps in mapping out the future strategies for maintenance of the sustainability of the projects in the area of study. Furthermore, table 5.11 which is about training experience of project participant states that only 8.5% had training on leadership skills which was the lowest

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percentage of all activities done in training. Another one with low percentage (17.6%) was that of record keeping. The above are leading towards unsustainability of the projects. The said indictors are in line with the hypothesis mentioned above.

The research hypotheses mentioned at the beginning of the study have through the findings proved to be the reality of what was postulated.

It has been depicted that some of the objectives and hypotheses of the study do correlate in the sense that one of the objectives is to assess the performance of the poverty eradication projects in terms of income generation, employment creation, skills and capacity building. The hypotheses statements which are linked to these objectives are the following:

- Agricultural related projects are likely to succeed in rural areas when compared with non-agricultural projects
- Female owned and managed projects are more sustainable than male headed ones.

Therefore, the correlation of the above two (i.e. objectives and hypotheses) provides more strength into the findings of the study in the sense that what was postulated became the sustainability of poverty eradication projects in CDM.

Also, "the ideas of validity and reliability are inseparable from measurement theory" (Nachimius & Nachimius, 1991). Validity is concerned with the question of whether one

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is measuring what one thinks one is measuring. Reliability indicates the extent to which a measure contains variable errors. Operability, it is assumed that the proportion of the amount of variation in the true component to the total variation measures reliability.

Amongst others, in terms of the findings, the reliability and the validity of the information gathered found that when comparing amongst others the performance of funded projects versus non-funded, it was revealed that about 73% of funded projects are less likely to be perceived as failures compared to projects that are not funded. On the other side, those projects that make use of a start-up loans are estimated at about 87% less likely to be perceived as a failure.

9.2 POLICY IMPLICATIONS

For the CDM and other projects in Limpopo Province to sustain and develop up to the level of industrialisation the following are the recommendations:

- Agricultural projects such as vegetables and poultry should get more support for the growth such as exposure to advanced technological methods of production. The same applies to clothing production. Mass methods of technological projection should be encouraged and implemented as these methods will add value to the commitment. These paradigm shifts will contribute further to the sustainability of the projects.
- It has been stated that women constitute the highest percentage in terms of participation in projects. It is recommended that they be more exposed to related projects within and outside the province to gain more experience on

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how they could make their projects grow. Men and youth should also be given optimum support.

- Consistent training for project participants in various skills such as methods of generating money in line with what they are doing e.g. financial management, project proposal, record keeping and others are needed to enhance better project performance.
- The government should continue to provide funds to those projects that performed well in terms of sustainability.
- The recommended starting number of the project participants should be reduced from ten to five provided the project is viable.
- There is a need for training of participants in marketing, new farming methods as well as general project management to ensure better project performance.
- Strengthening security of the projects by the introduction of electric fencing for the projects. If the projects could be funded for this project of electric fencing; fraudulence would decrease as this is how the farmers succeed, as well as game farmers.
- Encouraging youths on the importance of self-employment through establishment of attractive projects particularly in agriculture which they do not value as compared to industrial projects; for example, indigenous food processing, vegetable garden.
- **Literacy and capacity levels**

  Poverty is often accompanied by low levels of literacy and lack of capacity to

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access economic and social resources. It is, therefore, recommended that ABET programs be introduced to the project's beneficiaries, as well as skills training in an integrated manner as this would enhance the livelihood of the communities. There is a need by the project leaders to consult Department of Education in this regard.

- **Intervention for sustainability**

For the projects to achieve their objectives and to be sustainable there is a need for a long term government intervention. The projects have to be nurtured for a period of at least three years as this period would facilitate the establishment of a sound system for managing and sustaining the projects.

- **Community involvement in projects**

In order for the projects to have an impact on development, the communities should fully be involved in these projects from start to finish, instilling a sense of ownership. Furthermore, there should be an ongoing capacity building for the projects participants because through this process, they become updated on the new paradigm shifts and other new developments.

- **Skills training**

The hands on skills training should include an issue of mental training. This means building of a positive attitude (paradigm shift) as stated above, particularly for the youths.

- **Projects participants' age group**

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- The projects should not consist of the aged (senior citizens) only-of between 60 and 75 years old, as it has been with some and most who are illiterate.

- **Financial reports**

  For the sake of effectiveness, all the projects should keep proper financial record and accounts as these would provide vital information on whether there is progress or not.

Further recommendations are that the policy on poverty eradication should explicitly stand on its own to guide fully those interested in poverty eradication. The policy makers should address what is lacking in the current poverty eradication issues such as the formation of community banks. Such banks would enable the poor to open their accounts with minimum amount of money and such banks will provide funding for poverty eradication projects in various communities.

Another very important issue which the government should be looking into and seeing that it is taking the lead in rural areas in particular is integrated rural development. This should be at the forefront of rural development. The recent creation of National Department of Rural Development and Land Reform is therefore a step in the right direction as this will focus on integrated rural development in all parts of the country.

For the CDM and other projects in Limpopo Province to sustain and develop up to the level of industrialisation the following are the recommendations:

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- Agricultural projects such as vegetables and poultry should get more support for the growth such as exposure to advanced technological methods of production. The same applies to clothing production. Mass methods of technological projection should be encouraged and implemented as these methods will add value to the commitment. These paradigm shifts will contribute further to the sustainability of the projects.
- It has been stated that women constitute the highest percentage in terms of participation in projects. It is recommended that they be more exposed to related projects within and outside the province to gain more experience of how they could make their projects to grow. Men and youth should also be given optimum support.
- Consistent training in various skills such as methods of generating money in line with what they are doing e.g. financial management, project proposal, record keeping and others should be made to strengthen the project participants.
- The government should as a way of incentive funds again the projects that performed well all the time.
- Ongoing training of project participants and particularly new projects initiators on how to write good project proposals for funding.
- The recommended starting number of the project participants should be reduced from ten to five provided the project is viable.
- Continuous training of participants in marketing, new farming methods as

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well as in project management and other non-agricultural projects (technical skills).

- Strengthening security of the projects by the introduction of electric fencing for the projects.
- Encouraging youths on the importance of self-employment through establishment of attractive projects particularly in agriculture which they do not value as compared to industrial projects; for example, indigenous food processing, Botanical Garden.
- **Mental training**

  The hands on skills training should include an issue of mental training. This means building of a positive attitude (paradigm shift) as stated above, particularly for the youths.

9.3 CONCLUSION

In conclusion, based on what has been gathered through this study, it has been revealed that the Agricultural projects are more sustainable than the non-agricultural ones in rural communities of Capricorn District Municipality. The key challenges facing the sustainability are issues such as funding, management, marketing, training, illiteracy and others. Training, as stated before is very important and should be given to projects participants in specified areas of marketing and project management. For the projects to be sustainable better and organised marketing should be adopted together with other poverty eradication strategies. The government, NGOs and those parastatals that fund

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poverty eradication projects should continue to support these projects since most of them have provided income and employment to rural people.

The crux of this study is the sustainability of the projects in CDM. Based on the study, some of the projects are sustainable. In order to enhance those that are not sustainable, the government should endeavor to formulate better planning strategies which can transform the present approach to development projects and thus make those of the poverty eradication projects financially suitable.

Capricorn District Municipality and its population are called upon to participate more in poverty eradication projects as a means of reducing the present level of poverty in Capricorn District Municipality.

In conclusion the following principles have been identified as critical for the sustainability of poverty eradication projects:

- Continuous training of the participants in various areas of project management
- Appropriate marketing strategies for the projects producers
- Provision of adequate funds for the projects operations
- Good financial record keeping and accounts
- Probity by project leaders
- Good security to prevent fraudulence among project participants
- Effective coordination of the projects activities and

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- Good monitoring and evaluation of the projects performance.

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APPENDIX A

QUESTIONNAIRE (CAPRICORN DISTRICT MUNICIPALITY PROJECTS)

A STUDY ON AN ASSESSMENT OF THE SUSTAINABILITY OF POVERTY ERADICATION PROJECTS IN RURAL COMMUNITIES OF CAPRICORN DISTRICT MUNICIPALITY: LIMPOPO PROVINCE

The aim of this study is to assess the performance of poverty eradication projects, as well as identification and analysis of the determinants of success or failures of the poverty eradication projects.

QUESTIONNAIRE TO THE PROJECTS' MEMBERS

Research conducted by

The Centre for Rural Development

School of Agriculture Rural Development

And Forestry

University of Venda

2004/2005

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QUESTIONNAIRE
PROJECT MEMBERS
INTERVIEW SCHEDULE
AN ASSESSMENT OF THE SUSTAINABILITY OF POVERTY ERADICATION PROJECTS IN RURAL COMMUNITIES OF CAPRICORN DISTRICT MUNICIPALITY: LIMPOPO PROVINCE

Introduction

I am conducting a study on finding out about the progress and future development of your project. The information which will be gathered here will at the end give you and the future generation, as well as other interested readers of projects an insight on whether there is vision in the commitment or not. The data will be confidential. Therefore, try to be honest in answering the questions.

SECTION A: BIOGRAPHICAL INFORMATION OF THE RESPONDENT

Please fill in the required information or tick in the correct space.

1. Gender of the respondent

F	M
1	2

2. Age of the Respondent

1	15 - 20
2	21 - 29
3	30 - 39
4	40 - 49
5	50 – 59
6	60 - 69
7	70 and above

3. Marital status of the respondent

Single	1
Married	2
Divorced	3

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Estranged	4

4. Have children

Yes	No
1	2

5. Number of children

1	None
2	1 – 3
3	4 – 5
4	6 – 9
5	10 – 12

6. Stay in own family

Yes	No
1	2

7. Staying with parents

Yes	No
1	2

8. Location of the Project

9. Business address

10. Area/Municipality

Aganang	1
Blueberg	2
Lepelle/Nkupi	3

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Molemole	4
Polokwane	5
Tubatse	6

SECTION B: HOUSING AND ACCOMMODATION

11. I own a home

Yes	No
1	2

12. What is your status in the household?

Father	1
Mother	2
First child	3
Second child	4
Third child	5
Others, (specify)	6

13. What is the number of people living in the household ?

14. How many bedrooms does the house in which you are staying have?

One	1
Two	2
Three	3
Four	4
Other, specify	5

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15. We do not stay in one big house but we are using many small houses in the yard.

Yes	No
1	2

16. In case there is only one bedroom, where do other members of the household sleep?

Kitchen	1
Shark	2
Neighbours	3
Others, (specify)	4

17. There is electricity in our house

Yes	No
1	2

17.(a) There is telephone in our house

Yes	No
1	2

SECTION C: OCCUPATION EMPLOYMENT.

18. What type of employment are you engaged in?

Self employed	1
Full time employed	2
Part time employed	3
Others	4

19. If fulltime employed, what type of employment are you engaged in?

_____

_____

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20. Are you a sole bread winner?

Yes	No
1	2

21. If not, how many of the family members are also income earners?

_____

_____

22. What is your monthly household average income?

R1 - R99	1
R100 - R999	2
R1 000 - R2 000	3
R2 001 - R3 000	4
R3 001 - R4 000	5
R4 001 - R5 000	**6**
R5 001 - R6 000	7
__Other, (Specify)	8

23. Please provide your monthly household expenditure estimates on

Food	R
Water	R
Electricity	R
Rent	R
Transport	R
Medical care	R
Education	R
Others	R

_____

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SECTION D: SANITATION AND WATER

24. What is your source of water?

Hand pump from well	1
From the stream	2
Own borehole	3
Roof catchments	4
Tap water at home	5
Communal stand pipe	6

25. I share water with the neighbours.

Yes	No
1	2

26. I wash my hands always when I come back from the toilet.

Yes	No
1	2

27. Do you always boil drinking water?

Yes	**No**
1	2

28. The children are made aware of the importance of drinking boiled water.

Yes	No
1	2

SECTION E: EDUCATION AND TRAINING

29. Highest educational qualification attained.

No formal education	1
Grade 1 & 2	2
Lower Primary	3

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Higher Primary	4
Secondary	5
Diploma (Teacher)	6
Diploma (Technikon)	7
Diploma (University)	8
Degree	9
Post graduate qualifications	10
ABET	11

SECTION F: ACCESS TO HEALTH SERVICES

30. Health facilities found nearby

		Yes	No
1	Public clinic		
2	Public hospital		
3	Private doctor		
4	Other (specify)		

31. Life expectancy at birth in my family is between the following years.

30 – 40	**1**
41 – 50	2
51 – 60	3
61 – 70	4
71 – 80	5
81 – 90	6
91 – 100	7
Other,(specify)	8

32. The infant mortality rate in my area is

Too high	1
Medium	2
Low	3

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Very low	4
Other	5

33. The rate of teenage pregnancy is

Too high	1
High	2
Average	3
Low	4
Controlled	5
Other, (specify)	6

34. Generally, teenage pregnancy contributes towards poverty.

Yes	No
1	2

SECTION G: PROJECT DETAILS

35. Name of project

36. Project type

Cattle farming	1
Juice making	2
Live stock	3
Piggery	4
Poultry	5
Polish	6
Sewing	7
Vegetables	8
Other (specify)	9

37. What is your status or position with respect to this project?

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Owner	1
Manager	2
Member	3
Other, (specify)	4

38. Total number of individuals involved in the project.

Men	
Women	
Youth	
Total	

39. Please specify the following assets of your project

Item	No	Value (R)
Land Area in (Ha)		
Buildings		
Vehicle		
Tractor		
Other equipment		
Shares		
Bank Account (Amount in R)		
Other (Specify)		

40. When did the project start? Year: _____

41. Did you receive any funding for this project?

Yes	No
1	2

42. If yes, who were the finders? e.g.

DBSA	1
ESKOM	2
NDA	3
Dept of Health	4

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Dept of Works	5
Dept Agric	6
Other(specify)	7

43. How much was granted or contributed to this project over the years?

Grant (R) 43.1	Time Year 43.2	Contributor s 43.3.	
	1999		1
	2000		2
	2001		3
	2002		4
	2003		5
	Other		6

44. Did you apply for a loan to start the project?

Yes	1
No	2

45. If yes, how much was it? Amount in (R)_____ Source of loan: _____

46. During which year did you apply? _____

47. Was the loan enough to meet your project needs?

Yes	1
No	2

48. When did you start paying back?

Month	Year
1	2

49. How much are you or were you paying back a month? _____

50. Whose idea was it to start the project? _____

51. What is/are the major benefits(s) of being a project member?

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Provision of employment	1
Income generation	2
Community activity	3
Improvement in life	4
Eradication of poverty	5
Others (specify)	6

52. Is the project successful or not?

Yes	No
1	2

53. Why do you think that the project is not successful?

a. _____

b. _____

c. _____

d. _____

e. Other, Specify _____

54. If in your own view it is successful, what are the indicators?

Number of people employed to date	1
Amount of income generated	2
Provision of food for the community	3
Improvement in rural living conditions	4
Others (Specify)	5

55. If not, what was/is the problem? e.g.

Lack of funds	1
No production	2
Other (specify)	3

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SECTION H: MARKET

56. Where do you market your products?

		1	2
		Yes	No
1	Local community		
2	Hospital		
3	Nearest Town		
4	Transport to Big Cities		
5	Other (specify)		

57. How will you rank the performance of the project?

Poor	1
Average	2
Good	3
Excellent	4

58. Which in your own view are the sustainability indicators of the project?

Good Business Plan	1
Good Project Management	2
Support by Local Community	3
Satisfactory profit margin	4
Good Marketing of Products	5
Others (specify)	6

59. Please indicate the series in terms of average monthly income or revenue from the project

Amount	59.1. Year 2001	59.2. Year 2002	59.3. Year 2003	
Less than R1 000				1
R1001 to R5 000				2

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R5001 to R10 000				3
Over R10 000				4

60. Which are the months with good sales?

1	January
2	February
3	March
4	April
5	May
6	June
7	July
8	August
9	September
10	October
11	November
12	December

61. Please indicate your average monthly expenditure

61.1. Cost Item	Amount (R)
61.2. Labour cost	
61.3. Electricity & Water	
61.4. Transport Cost	
61.5. Input or Feed Cost	
61.6. Others (specify)	

62. If in your own view you feel that the project has not optimally sustain itself, what do you think are the reasons for that?

a. _____

b. _____

c. _____

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d. _____

e. Other, (Specify) _____

63. Please indicate in time series your monthly profit over the past years.

Less than R1000	2000	1
R1001 - R5000	2001	2
R5001 - R10 000	2002	3
Over R10 000	2003	4

64. What type of project improvements are you having in mind for the future?

SECTION I: NON-PROJECT INCOME GENERATION ACTIVITIES

65. The following are the non-project activities engaged in for income generation.

Peanuts sales	1
Sweets sales	2
Ice cream sales	3
Fat cakes sales	4
Bananas sales	5
Second hand clothes sales	6
Wood sales	7
Other, (specify)	8

66. Where do you usually buy the above goods from?

Town	1
Local shops	2
Traveling marketing agents	3
Other, specify	4

67. For how much do you usually buy these goods for sales? _____

68. What profit do you usually make? _____

69. For how long do the goods last for selling?

One week	1
Two weeks	2

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Three weeks	3
A month	4
Other, specify	5

SECTION J: TRAINING

70. How often do you attend any training in connection with this project?

Once a year	1
Twice a year	2
Three or more times a year	3
None	4

71. Type of training undertaken

		1	2
		Yes	No
1	Project management		
2	Financial management		
3	Leadership skills		
4	Marketing strategies		
5	Bookkeeping		
6	Other (specify)		

72. In your opinion, do you benefit from this training?

Yes	1
No	2

73. What are some of the benefits which you derive from the training?

1. _____
2. _____
3. _____
4. _____

74. What are the problems which you are encountering on this project?

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75. What recommendations can be given for the sustainability of the project?

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APPENDIX B

SELECTED POVERTY ERADICATION PROJECTS IN CAPRICORN DISTRICT MUNICIPALITY BY DEPARTMENT OF AGRICULTURE CAPRICORN DISTRICT MUNICIPALITY

A STUDY ON AN ASSESSMENT OF THE SUSTAINABILITY OF POVERTY ERADICATION PROJECTS IN RURAL COMMUNITIES OF CAPRICORN DISTRICT MUNICIPALITY: LIMPOPO PROVINCE.

The aim of this study is to assess the performance of poverty eradication projects, as well as identification and analysis of the determinants of success or failures of the poverty eradication projects.

QUESTIONNAIRE TO THE PROJECTS' MEMBERS

Research conducted by

The Centre for Rural Development

School of Agriculture Rural Development

And Forestry

University of Venda

2004/2005

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QUESTIONNAIRE

SELECTED POVERTY ERADICATION PROJECTS IN CAPRICORN DISTRICT MUNICIPALITY

1. Project's name: _____
2. Village: _____
3. Local Municipality: _____
4. When started: _____
5. Number of members: _____
5.1 Number of men: _____
5.2 Number of women: _____
6. Property owned: _____
7. Historical background of the project: _____

_____

_____

8. What are the problems which you encounter in the project? _____

_____

_____

9. What do you think solutions of the problems could be? _____

_____

_____

10. What are the members' aspirations in the future? _____

_____

_____

11. Do you keep record of your sales? _____

_____

12. Do you have a Constitution? _____
13. How do you use it? _____
14. Do you receive some training? _____
15. If yes, what type? _____

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16. Do you gain from the training attended? _____

17. Do you sometimes meet other project members from other projects? __

18. Does it help? _____ in which way: _____

19. How often do the government officials visit you? _____

20. Are you registered as suppliers? _____

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A PPENDIX C

QUESTIONNAIRE: FOCUS GROUP INTERVIEW SCHEDULE

AN ASSESSMENT OF THE SUSTAINABILITY OF POVERTY ERADICATION PROJECTS IN RURAL COMMUNITIES OF CAPRICORN DISTRICT MUNICIPALITY: LIMPOPO PROVINCE

QUESTIONNAIRE TO THE LEADERS (LED MANAGERS) IN LOCAL MUNICIPALITIES OF CAPRICORN DISTRICT MUNICIPALITY AS WELL AS SOME PARASTATALS AND STAKEHOLDERS

Research conducted by

The Centre for Rural Development

School of Agriculture Rural Development

And Forestry

University of Venda

2005/2008

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QUESTIONNAIRE:

FOCUS GROUP INTERVIEW SCHEDULE

AN ASSESSMENT OF THE SUSTAINABILITY OF POVERTY ERADICATION PROJECTS IN RURAL COMMUNITIES OF CAPRICORN DISTRICT MUNICIPALITY: LIMPOPO PROVINCE, SOUTH AFRICA

Introduction

I am conducting a study on An Assessment of the Sustainability of Poverty Eradication Projects in Rural Communities of Capricorn District Municipality: Limpopo Province. I have thought of including you in the panel group discussion as informants because you have got knowledge of what is going on with the projects in your area. The information gathered here will provide the government, funders and future researchers an understanding on the impact of the projects to the beneficiaries and the communities. You are therefore requested to please answer the questions properly and in honesty as the responses will remain confidential.

Project Types

1. What types of projects do you have in your Local Municipality?
   _____
   _____
2. Who initiated the establishment of the project?
   _____
   _____
3. What made you to initiate for the establishment?
   _____
   _____
4. If it is the project members, what procedures did they follow?
   _____

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5. May you describe what you think are the benefits of these projects?

6. May you describe your involvement in these projects?

7. When visiting the projects, what discussion types do you have with the members?

8. Of the project types mentioned above, which ones progressed better over the past 3 to 5 years?

9. What are the factors that led to the sustainability of the mentioned projects?

10. Are there some strategies which could maintain the sustainability of unsuccessful projects?

11. If yes, may you please mention them

12. May you describe the problems encountered in these projects

13. Do you sometimes meet as different sub-committees/structures together to share issues on projected development strategies for the projects?

Yes	
No	

14. If yes, how often and what issues were being deliberated upon?

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15. If no, do you think it would be beneficial to meet for this purpose?

Yes	
No	

16. What do you think is your role in poverty eradication projects?

17. What type of recommendations could be made to help in solving the encountered?

18. How will you ensure that the recommendations are being implemented?

19. How do you think the NGOs and the Government assist in the implementation of the poverty eradication projects?

20. If there is any additional information about the projects which you would like to discuss you are free to ask?

THANK YOU VERY MUCH FOR YOUR TIME

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APPENDIX D

RESULTS OF STATISTICAL ANALYSIS

Table 8.1: Success of Funded Projects

			Successful		Total
			Yes	No	
Funded	Yes	Count	122	57	179
		% within funded	68.2%	31.8%	100.0%
	No	Count	92	134	226
		% within funded	40.7%	59.3%	100.0%
Total		Count	214	191	405
		% within funded	52.8%	47.2%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig (2-sided)	Exact Sig. (2-sided)	Exact Sig (1-sided)
Pearson Chi-Square	30.200(b)	1	0.000		
Continuity Correction(a)	29.108	1	0.000		
Likelihood Ratio	30.696	1	0.000		
Fisher's Exact Test	30.125	1	0.000	0.000	0.000
Linear-by-Linear Association	405				

a. Computed only for a 2X2 table

b. B.0 cells (0.0%) have expected

Countless than 5. The minimum expected count is 84.42

Table 8.2: Project with women more than men are more successful

			Successful		Total
			Yes	No	
Women more than men	Yes	Count	177	150	327
		% within women more than men	54.1%	45.9%	100.0%
	No	Count	36	30	66
		% within women more than men	54.5%	45.5%	100.0%
Total		Count	213	180	393
		% within women more than men	54.2%	45.8%	100.0%

Chi-Square tests

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	Value	Df	Asymp.Sig (2-sided)	Exact Sig (2-sided)	Exact Sig (1-sided)
Pearson Chi-Square	0.004(b)	1			
Continuity Correction(a)	0.000	1			
Likelihood Ratio	0.004	1			
Fisher's Exact Test		1		1.000	0.530
Linear-by-Linear Association	0.004	1			
N of valid cases	393				

a. Computed only for a 2X2 table

b. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 30.23

Table 8.3: Year group which is more successful

			Successful		Total
			Yes	No	
Year Group	Up to 1993	Count	34	48	82
		% within Year group	41.5%	58.5%	100.0%
	1992 to 1999	Count	108	86	194
		% within Year group	55.7%	44.3%	100.0%
Total	2000 to 2004	Count	94	79	173
		% within Year group	54.3%	45.7%	100.0%
		Count	236	213	449
		% within Year group	52.6%	47.4%	100%

Chi-Square tests

	Value	Df	Asymp Sign (2-sided)
Pearson Chie-Square	5.021(a)	2	0.081
Likelihood Ratio	5.026	2	0.081
Linear-by Linear Association	2.505	1	0.113
N of valid cases	449		

a. 0 cells (0.0%) have expected

Count less than 5. The minimum expected count is 38.90

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Table 8.4: Project in which youth are more than adults are successful

			Successful		Total
			Yes	No	
Youth more than adults	Yes	Count	12	10	12
		% within youth more than adults	54.5%	45.5%	100.0%
	No	Count	201	170	371
		% within youth more than adults	54.2%	45.8%	100.0%
Total		Count	213	180	393
		% within youth more than adults	54.2%	45.8%	100.0%

Chi-Square Tests

	Value	Df	Asymp.Sig (2-sided)	Exact Sig (2-sided)	Exact Sig (1-sided)
Pearson Chi-Square	0.001(b)	1	0.973		
Continuity Correction(a)	0.000	1	1.000		
Likelihood Ratio	0.001	1	0.973		
Fisher's Exact Test		1		1.000	0.576
Linear-by-Linear Association	0.001	1	0.973		
N of valid cases	393				

a. Computed only for a 2X2 table
b. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 10.8

Table 8.5: Asset value

			Successful		Total
			Yes	No	
Asset value code	Up to R36000	Count	70	73	143
		% within asset value code	49.0%	51.0%	100.0%
	More than R36000	Count	167	146	312
		% within asset value code	53.5%	46.5%	100.0%
Total		Count	237	218	455
		% within asset value code	52.1%	47.9%	100.0%

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Chi-Square Tests

	Value	df	Asymp.Sig (2-sided)	Exact Sig (2-sided)	Exact Sig (1-sided)
Pearson Chi-Square	0.822(b)	1	0.365		
Continuity Correction(a)	0.649	1	0.420		
Likelihood Ratio	0.822	1	0.365		
Fisher's Exact Test		1		0.419	0.210
Linear-by-Linear Association	0.820	1	0.365		
N of valid cases	455				

a. Computed only for a 2X2 table
b. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 68.51

Table 8.6: Level of successful of general livestock projects

			Successful		Total
			Yes	No	
General Stock	Yes	Count	14	21	35
		% within general livestock	40.0%	60.0%	100.0%
	No	Count	223	197	420
		% within general livestock	53.1%	46.9%	100.0%
Total		Count	237	218	455
		% within general livestock	52.1%	47.9%	100.0%

Chi-Square Tests

	Value	df	Asymp.Sig (2-sided)	Exact Sig (2-sided)	Exact Sig (1-sided)
Pearson Chi-Square	2.220(b)	1	0.136		
Continuity Correction(a)	1.726	1	0.189		
Likelihood Ratio	2.226	1	0.136		
Fisher's Exact Test		1		0.160	0.094
Linear-by-Linear Association	2.215	1	0.137		
N of valid cases	455				

a. Computed only for a 2X2 table
b. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 16.77

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Table 8.7: Level of success of manufacturing projects

	Value	df	Asymp. Sig (2-sided)	Exact Sig (2-sided)	Exact Sig (1-sided)
Pearson Chi-Square	0.001(b)	1	0.973		
Continuity Correction(a)	0.000	1	1.000		
Likelihood Ratio	0.001	1	0.973		
Fisher's Exact Test		1		1.000	0.576
Linear-by-Linear Association	0.001	1	0.973		
N of valid cases	393				

a. Computed only for a 2X2 table

b. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 10.8

Table 8.8: Level of success of poultry projects

Crosstab

			Successful		Total
			Yes	No	
Poultry	1	Count	33	30	63
		% within poultry	52.4%	47.6%	100.0%
	2	Count	204	188	392
		% within poultry	52.0%	48.0%	100.0%
Total		Count	237	218	455
		% within poultry	52.1%	47.9%	100.0%

Chi-Square Tests

	Value	df	Asymp.Sig (2-sided)	Exact Sig (2-sided)	Exact Sig (1-sided)
Pearson Chi-Square	0.003(b)	1	0.960		
Continuity Correction(a)	0.000	1	1.000		
Likelihood Ratio	0.003	1	0.960		
Fisher's Exact Test		1		1.000	0.535
Linear-by-Linear Association	0.003	1	0.960		
N of valid cases	455				

a. Computed only for a 2X2 table

b. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 30.18.

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Table 8.9: Level of success of vegetable projects

			Successful		Total
			Yes	No	
Vegetables	1	Count	71	52	123
		% within vegetables	57.7%	42.3%	100.0%
	2	Count	166	166	332
		% within vegetables	50.0%	50.0%	100.0%
Total		Count	237	218	455
		% within vegetables	52.1%	47.9%	100.0%

Chi-Square Tests

	Value	df	Asymp.Sig (2-sided)	Exact Sig (2-sided)	Exact Sig (1-sided)
Pearson Chi-Square	2.145(b)	1	0.143		
Continuity Correction(a)	1.847	1	1.174		
Likelihood Ratio	2.153	1	0.142		
Fisher's Exact Test		1		0.170	0.087
Linear-by-Linear Association	2.141	1	0.143		
N of valid cases	455				

a. Computed only for a 2X2 table

b. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 58.93.

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APPENDIX E

SUMMARY OF FOCUS GROUP DISCUSSION AND IN-DEPTH INTERVIEWS

6.2.1 Reasons for initiation of project

There are always a variety of reasons for the establishment of any undertaking. The reasons provided by the focus groups for initiating various projects are summarised below:

6.2.2 Problems encountered by the projects.

The problems encountered by projects' participants as summarised by the focus groups are presented below:

Problems encountered by the projects	Explanation
Marketing by the projects:	Some projects' are being produced in bulk, particularly vegetables, which are perishable, but when ready to be marketed, marketing becomes a problem in some cases; particularly for those projects which are far from the shopping complex and also transport problems. Furthermore, some project members duplicate their project types hence the market becomes saturated with sales of the same products.
Internal Conflicts:	Some members of the projects sometimes encountered conflicts among themselves and this could lead to the collapse of the project.

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Poor Financial Management:	Poor financial management was identified as a major problem. If financial management is poor there will not be progressed in the project. This is also one of the issues which can generate internal conflicts
Training in Project Management:	Training in e.g. financial management, project proposals and management are needed, for the knowledge which will be used for development of the projects. Lack of training is a problem in itself as its consequences is slow or no progress of the projects.
Funding:	High demand for financial support by different projects results in other projects not being fully funded for a very long time. This becomes a very big problem as the project members become despondent and at the lose interest in the project's activities.

The municipality and the project members always suffer the consequences of above mentioned problems; however, if they are unattended to, they will lead to lack of progress and thus perpetuate poverty in these communities. These problems have to be solved in the interest of the project members and the communities at large.

6.2.3 Issues deliberated upon during meetings

In order for any commitment to progress, constant meetings should take place. The following information summarises the issues deliberated upon during project's meetings.

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Issues deliberated	Explanations
Meeting:	The focus group highlighted that meeting take place regularly. Some said that they were meeting on a monthly basis while others indicated that they were meeting on a quarterly basis.
Issues deliberated:	In some instances the portfolio committees meet on a monthly basis during which the monthly reports of the projects are checked. This constant checking makes the project leaders and members to time and again be on their toe that is seeing to it that their work is always up to date. The same is done on quarterly basis. Therefore, the municipalities always advise them on how they can improve. The project members are also encouraged to commit themselves even more before.
Possible solutions to problems Encountered	**Explanations**

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Erection of stalls	The erection of stalls has enabled the hawkers to sell their clothes in a conducive environment.
Storerooms	Construction of storerooms in the food garden projects enabled the project members to store all their products in a protected place.
Shelter	The project members also have place to store their food in while working. They also have a shelter to protect themselves against harsh weather such as rain, storm, extreme heat, and lightning.
Regular consultation with the government officials	Another important recommendation which was made is meeting with government officials time and again to allow the project members to be informed about the recent government developments and some paradigm shifts.

The recommendations given above, if followed and implemented, could in future strengthen the existing and the future projects.

6.2.5 Municipalities' roles in poverty eradication projects

The government and the NPOs contribute towards strategies of poverty eradication. They implemented these strategies jointly in all the local municipalities. The government and the NPOs roles in poverty eradication projects are summarised below:

Required assistance for poverty eradication projects	**Explanation**

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Government	There are various departments in government such as department of Agriculture, Labour, Social Development, Public Works and Municipalities who help with funding development projects. A municipality such as Blouberg has extended the support to the projects by way of making a rule that when a service provider has been appointed to render service for which he/she is to be paid an amount of Million Rands and over, the service provider should plough back to the project 10% of an amount. In this way the project is being supported financially to perform better
NPOs	While the government assists projects by way of funding them (e.g. providing infrastructure), the NPO's on the other side come in by way of capacitating the project members in terms of skills training programme. There are some big NPOs such as NDA and IDT who also have the capabilities of both funding for infrastructure and for training and to an extent where they provide budget for wages of the project members for a period of two years before projects become stable. The government and the NPOs complement each other because in some instances the funds of NPOs are disbursed to them by the government in order to help the government with its work load.

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In summary the government and the NPOs are sharing the struggle of the eradication of poverty in the communities of CMD as they are providing necessary financial and technical supports to some of these projects.

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APPENDIX F

APPLICATION LETTERS FOR INTERVIEWS IN CAPRICORN DISTRICT MUNICIPALITY

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UNIVERSITY OF VENDA FOR SCIENCE AND TECHNOLOGY
SCHOOL OF AGRICULTURE RURAL DEVELOPMENT AND FORESTRY
PRIVATE BAG X 5050
THOHOYANDOU
0950
10th October 2003

THE GENERAL MANAGER-SUPPORT SERVICES
DEPARTEMENT OF AGRICULTURE-LIMPOPO
BICCARD STREET
POLOKWANE
0701

RE: APPLICATION – TO INTERVIEW PARTICIPANTS OF POVERTY ALLEVIATION PROJECTS IN CAPRICORN DISTRICT.

1.1 The school of Agriculture Rural Development and Forestry appeals from the Limpopo Department of Agriculture for permission to conduct a study in Capricorn District. The study is about An Assessment of the sustainability of poverty eradication projects in rural communities of Limpopo Province.

1.2 Questionnaires are to be administered in the five municipalities of CAPRICORN district.
The following are the types of projects to be evaluated:
Dryland farming, Live stock, Food gardens, Clothing production, Bricklaying, bakery.
N.B. We are aware that the last three project types do not fall within your domain; however, it would be appreciated if we could get any form of direction to get to the said projects.

2.1 It would be appreciated if it could be possible to meet the subdistrict officials during the first Week of November.
Just like it was done in April 2003 with another research conducted for the Department of Agriculture; for the purpose of interviews, the unemployed youth within the areas would be utilized for collection of data. More details will follow after getting permission.

2.2 May I lastly indicate that the commitment by the School of Agriculture which it will be undertaking is for the Land bank.
The total number of the projects to be attended to will be 24 per municipality. The grand total will be 124 and the interviewees will be 480.

It will be highly appreciated if this application could be considered.

Sincerely yours,

Prof. A.E. Nesamvuni (Grant holder)
Mrs. M.P. Masipa (Coordinator)

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69 Biccard Street,
Private Bag X9487
POLOKWANE 0700
Tel: 015 295 7090/1/2/3/4
or 015 295 7045/6/7/8/9
Fax: 015 295 7028

Limpopo
PROVINCIAL GOVERNMENT

Reference: Poverty Alleviation

Enquiries: Nthakheni N.D.

20 October 2003

The Director: Centre for Rural Development
University of Venda for Science & Technology
Private Bag X 5050
THHOYANDOU
0950

ATTENTION: PROF A.E. NESAMVUNI (GRANT HOLDER)

APPLICATION TO INTERVIEW PARTICIPANTS OF POVERTY ALLEVIATION PROJECTS IN CAPRICORN DISTRICT.

1. Your letter dater 14 October 2003 with respect to the above refers.

2. Kindly please note that your request has been approved.

3. The district is accordingly alerted but please inform us of the date of commencement of the intended interviews so that proper arrangements be made with the District in question.

Kind Regards

Nthakheni N.D. .....

.....

***for* ACTING HEAD OF DEPARTMENT: AGRICULTURE**

BATHOPELE

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22 October 2003
Tel No : 015 962 8630
Cell : 072 606 7350

Limpopo Department of Health and Welfare
Social Development Unit
Moolman Building
Polokwane
0700

RE : PROPOSAL FOR INTERVIEW : POVERTY ALLEVIATION PROJECTS

1.1. I, Mrs. Masipa am a registered student for Ph. D in the Department of Agriculture Economics at the University of Venda for Science and Technology. The topic for my dissertation is "An assessment of the sustainability of poverty eradication projects in rural communities of Limpopo Province".

1.2. I am interested in finding out from the Social Development in the Limpopo Province how it is committing itself to poverty alleviation projects before I could go out for fieldwork in mid November 2003.

May I therefore secure an appointment for discussing about this issue with those concerned on the 27 October 2003? Furthermore, for authenticity in terms of information in my dissertation on your projects, may you please provide me with a list of poverty alleviation projects with which you are involved, their location within the province, and the total capita investment in these projects.

Your positive response will be highly appreciated.

Sincerely Yours

M.P. Masipa

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30 October 2003

The Regional Director
National Development Agency-Limpopo
POLOKWANE
0700

Dear Sir

RE : PROPOSAL FOR INTERVENTION : POVERTY ISSUES-SOCIAL DEVELOPMENT

1.1. I, Mrs M P Masipa am busy with research for my study (PhD). The topic of the study is : Assessment of the Sustainability of Poverty Eradication Projects in Rural Communities in Limpopo Province.

1.2. I am interested in finding out from NDA in the Limpopo province how it is committing itself to poverty alleviation projects before I go out for fieldwork in mid November.

May you therefore please help me with statistical information on the project types which you have funded as well as the development of NDA-national and in the Province.

2. The requirements in the NDA's guidelines for the organisations/professionals are amongst others the following:-
Motivation for the research, target respondents; all those are detailed in the attached 2 documents; one of the abstract and the other one which is a summary of research procedure, letter from my promoterr - Prof S A Oni.

Your positive response will be highly appreciated.

Regards

M P Masipa (Mrs)

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Creating Future Leaders

The Manager
Capricorn District Municipality
P/Bag X 4100
POLOKWANE
0700

30.10.2003

Dear Sir

APPLICATION : TO INTERVIEW ON POVERTY ALLEVIATION PROJECTS IN CAPRICORN DISTRICT

1. I, Mrs M P Masipa am busy with research for my study (PhD). The topic of the study is : Assessment of the Sustainability of Poverty Eradication Projects in Rural Communities in Limpopo Province.
   Collection of data has however to be made in Capricorn District only, for cost effectiveness.

2. I would appreciate it therefore if the Manager could give me permission to conduct interview in all the five municipalities of Capricorn District. The total number of projects will be 120, which consists of 20 food gardens, 20 dryland farming, 20 livestock, 20 bakeries/confectionary, 20 brickyards, 20 clothing production. The sample will consist of 480 respondents

3. May I also be provided with a document which entails the activities made by the municipality.

Attached is an abstract for the dissertation. Your positive response will be highly appreciated.

Regards

M.P. Masipa

M P Masipa (Mrs)

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LIBRARY

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Creating Future Leaders

Limpopo Development Corporation
Lebowakgomo
CHUNIESPOORT

30.10.2003
072 606 7350

Dear Sir

APPLICATION : TO INTERVIEW ON POVERTY ALLEVIATION PROJECTS IN CAPRICORN DISTRICT

1. I, Mrs M P Masipa am busy with research for my study (PhD). The topic of the study is : Assessment of the Sustainability of Poverty Eradication Projects in Rural Communities in Limpopo Province.
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3. May I also be provided with a document which entails the activities made by the municipality.

Attached is an abstract for the dissertation. Your positive response will be highly appreciated.

Regards

M P Masipa

M P Masipa (Mrs)

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University of Venda For Science And Technology
School of Agriculture, Rural
Development and Forestry
Private Bag X5050
Thohoyandou
0950
04-11-2003
Tel: 015 962 8630 (W)
072 606 7350 (C)
015 962 8598 (F)
masipamp @ uni ac.za(E)

From: Prof S.A. Oni

Supervisor for phD

To The Regional Director –Polokwane

National Development Agency

Polokwane

0700

Re: Mrs M.P. Masipas Research Request.

Please find attached Mrs Masipa's Research request on Poverty Alleviation Projects data.

The University will appreciate for your assistance in her collection of these data.

Thank you

Yours sincerely

Prof S.A Oni

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University of Venda for Science and Technology
School of Agriculture, Rural Development & Forestry

Private Bag X5050 Thohoyandou, 0950. Fax No. Fax No. (015) 962 8598
Tel: 015 962 8310/ 8630/86
072 606 7350

Fax

To The Manager
From: Mrs. M.P. Masipa
Fax: (015) 291 5697
Page:
Phone: (015) 295 8974/5
Date: 25.10.2004
Re: INVITATION
CC:

Urgent ☐ For Review ☐ Please Comment ☒ Please Reply ☐ Please Recycle

• Comments:

University of Venda - School of Agriculture, Rural Development and Forestry invites Mr. Koko and Ellen Mashakoe to come for a presentation about Capricorn District Municipality, for research purposes. The Presentation takes place on the 27th October 2004 in the School of Agric

Topic: An Assessment of the Sustainability of Poverty Eradication Projects in rural Communities of Capricorn District Municipality of Limpopo Province in South Africa. by M.P. Masipa

M.P. Masipa.

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The Manager (LED)
Capricorn District Municipality
P O Box 4100
POLOKWANE
0700

RE : THANK YOU MESSAGE

1. I would like to extend a word of gratitude for the support which Capricorn District Municipality gave by way of releasing Mr Koko, a projects co-ordinator in LED section to take me to some of the selected poverty alleviation projects in Capricorn District, such as Maraba Manufacturing Project in Kalkspruit. Information about the projects was needed for the purpose of research whose topics is **AN ASSESSMENT OF THE SUSTAINABILITY OF POVERTY ERADICATION PROJECTS IN RURAL COMMUNITIES OF CAPRICORN DISTRICT MUNICIPALITY OF LIMPOPO PROVINCE IN SOUTH AFRICA.**

2. I further thank you so much that you made it possible for him to come and participate in the presentation of my research proposal on the 26.10.2004. Mr Koko has at the end of the presentation highlighted the other participants on the commitment of Capricorn District in terms of poverty alleviation projects.

3. You are being assured that my supervisor - Prof S A Oni, together with the whole School of Agriculture, Rural Development and Forestry and those present were all delighted about Capricorn District Municipality's representation. This has made the beginning of partnership between us and your district even in the future for other services, if need be.

Thank you so much.

M P Masipa
Prof S A Oni : Supervisor

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FAX MESSAGE

FAX : (015) 962 4749

TELEPHONE : (015) 962 8000

****

☐ Urgent ☐ For your Information/Attention ☐ Please reply ☒ Please Call

ATTENTION : The LED MANAGER (Mr W.D. Musina)

AT : BLOUBERG MUNICIPALITY.

CODE: ____ FAX NUMBER: 015 505 0296

DATE : 19.07.2007 TIME: _____

No of pages including this one : _____

****

To confirm/query this message
Call above phone number
(INTERNATIONAL DIALLING CODE +27-15-962 4749

MESSAGE:

- I am finalising a research which I started to conduct in the year 2003. Its Topic is: "An assessment of the Sustainability of Poverty Eradication Projects in Capricorn District Municipality-Limpopo Province."
I have to meet the focus group which will consist of Leaders in the Municipality, such as yourself who is dealing with Poverty issues, as well as Local Councillors and Agricultural officers.
- I would be grateful if we could meet at 14hrs at Blouberg Municipal office, on the 24.07.2007. Kindly respond.

SENDER : M. P. Masipa (Ms)
072 606 7350

UNIVERSITY OF VENDA
FOR SCIENCE AND TECHNOLOGY
PRIVATE BAG X5050, THOHOYANDOU • 0950 • SOUTHERN AFRICA
TELEPHONE (015) 962 8000 • FAX (015) 962 4749

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School of Agriculture, Rural Development & Forestry

Private Bag X5050 Thohoyandou, 0950. Fax No. Fax No. (015) 962 8598
Tel: 015 962 8630/072 606 7350

Fax

To: LED Manager
From: Mrs. M.P. Masipa
Fax: 015 633 7739 Lepelle Nkumpi Municipality
Page: 1
Phone: 015 633 7115
Date: 29.01.2008
from: 072 606 7350
CC:
Re: Appointment for Interviewing

Urgent ☐ For Review ☐ Please Comment ☒ Please Reply ☐ Please Recycle

• Comments:

Sir

I am about to complete a research titled: An Assessment of the Sustainability of Poverty Eradication Projects in rural communities - Capricorn District. I now have to interview in a discussion form a group of Municipalities' representatives in the form of Municipal Managers, with Councillors and Agricultural Officers, NGOs Committed towards Poverty Eradication Projects. May I therefore request to be with you and the leaders mentioned above on the 13.02.2008 at 10hrs at LKM. Discussion group could consist of 8 to 10 members. Your positive response will be highly appreciated

Regards

MP Masipa

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APPENDIX G

MAP OF CAPRICORN DISTRICT MUNICIPALITY



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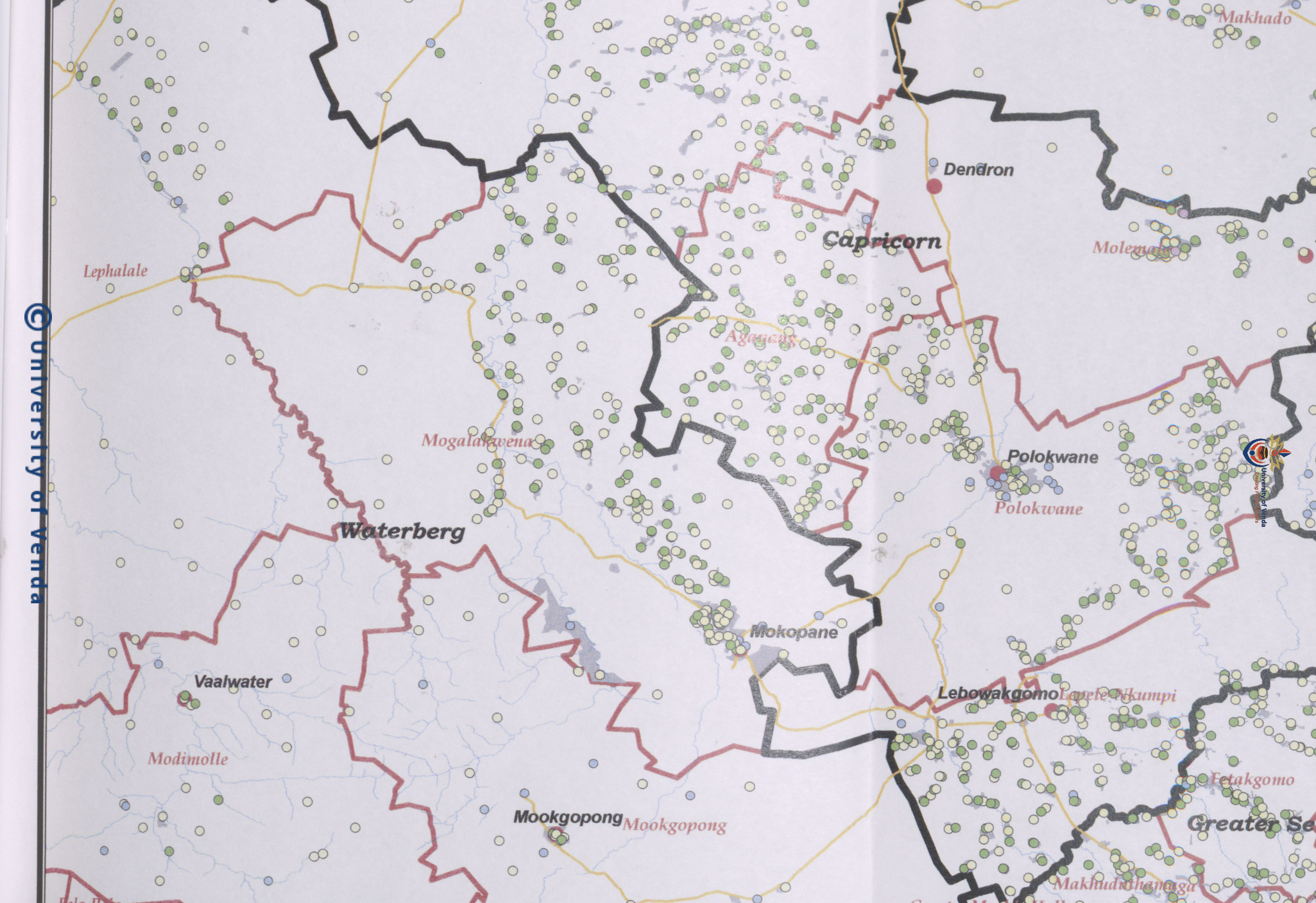

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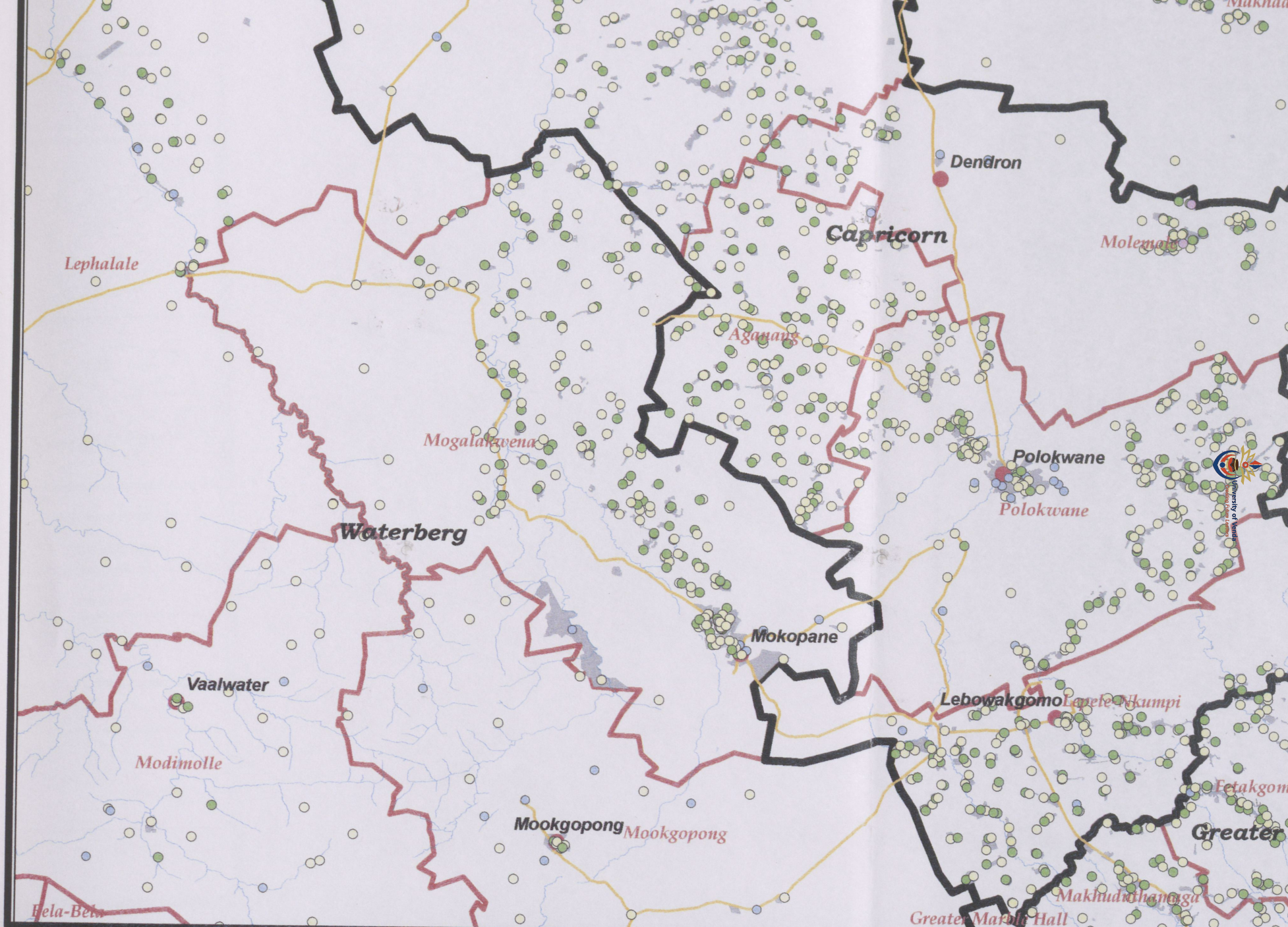

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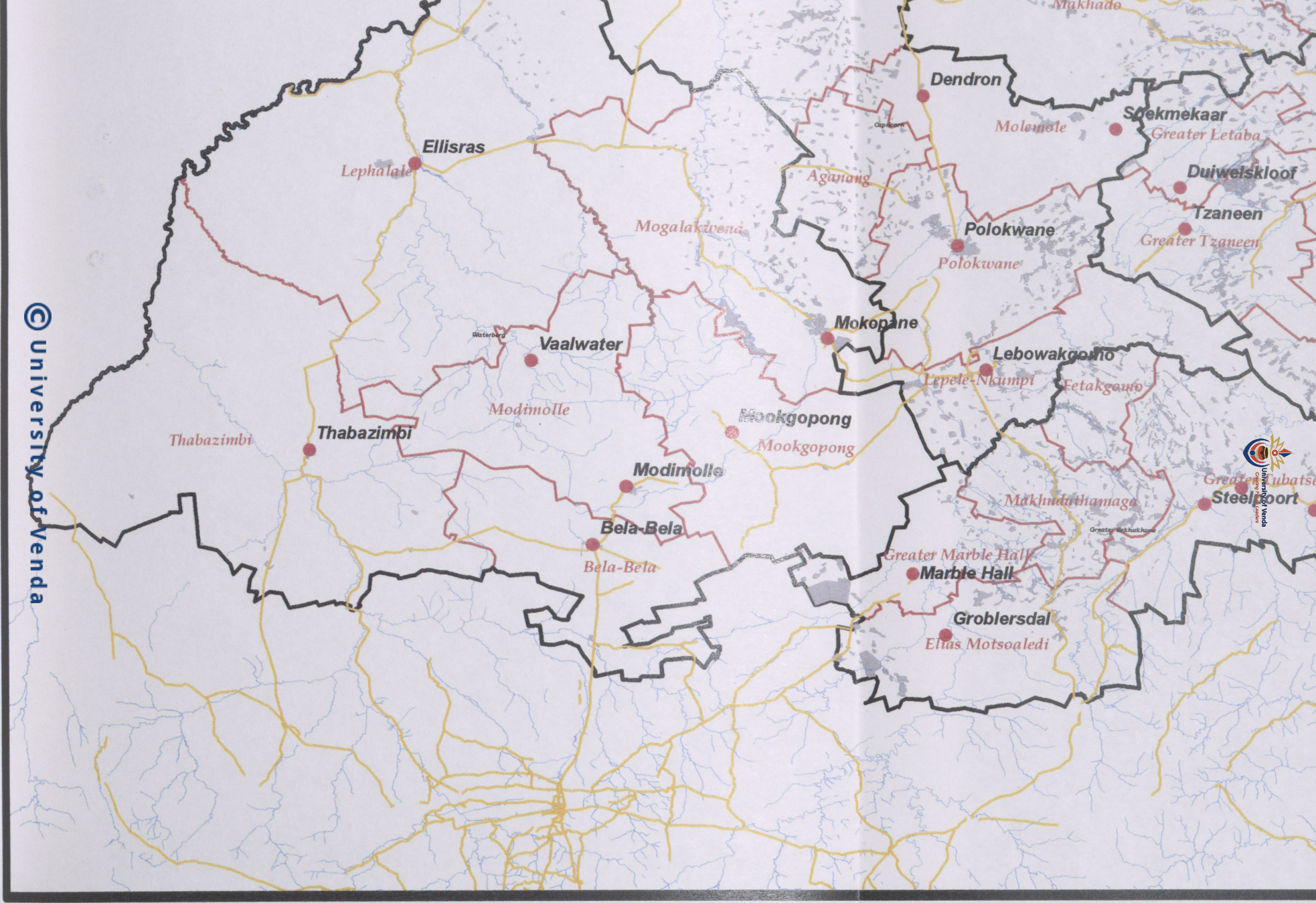
APPENDIX H

MAP OF LIMPOPO PROVINCE

© University of Venda


Makhado
Dendron
Molemole
Greater Letaba
Duiwelskloof
Tzaneen
Greater Tzaneen
Ellisras
Lephalale
Aganang
Mogalakwena
Polokwane
Polokwane
Mokopane
Vaalwater
Lebowakgomo
Lepele-Nkumpi
Fetakgomo
Modimolle
Thabazimbi
Thabazimbi
Mookgopong
Mookgopong
Modimolle
Steelpoort
Makhuduthamaga
Bela-Bela
Bela-Bela
Greater Marble Hall
Marble Hall
Groblersdal
Elias Motsoaledi
© University of Venda


Makhado
Giyani
Dendron
Greater Giyani
Molemole
Greater Letaba
Ellisras
Lephalale
Aganang
Duiwelskloof
Tzaneen
Mogalakwena
Polokwane
Greater Tzaneen
Ba-Phalaborwa
Phalaborwa
Polokwane
Mokopane
Vaalwater
Lebowakgomo
Lepele-Nkumpi
Fetakgomo
Maruleng
Hoedspruit
Modimolle
Mookgopong
Mookgopong
Modimolle
Greater Tubatse
Steelpoort
Ohrigstad
Makhuduthamaga
Bela-Bela
Bela-Bela
Greater Marble Hall
Marble Hall
Groblersdal
Elias Motsoaledi
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APPENDIX 1

FINANCIAL REPORTS OF SOME PROJECTS

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CROP INCOME: FOR SEBAYENG HYDROPHONIC VEG PROJECT

ENTERPRISE: SPINACH PRODUCTION

Page no:

DATE	DESCRIPTION(e.g. to whom supplied)	Quantity (bags)	Unit pric	Sales (R)	Farm use (R)	Others (R)	Total (R)
01/02/04	Individuals(bunches)	3	3.00	9.00	not recorded		9.00
02/02/04	Hawkers	20	2.00	40.00	not recorded		40.00
02/02/04	Individuals(bunches)	8	3.00	24.00	not recorded		24.00
03/02/04	Hawkers	80	2.00	160.00	not recorded		160.00
03/02/04	Individuals(bunches)	8	3.00	24.00	not recorded		24.00
04/02/04	Hawkers	135	2.00	270.00	not recorded		270.00
04/02/04	Individuals(bunches)	9	3.00	27.00	not recorded		27.00
05/02/04	Hawkers	175	2.00	350.00	not recorded		350.00
05/02/04	Individuals(bunches)	3	3.00	9.00	not recorded		9.00
13/02/04	Hawkers	210	2.00	420.00	not recorded		420.00
13/02/04	Individuals(bunches)	6	3.00	18.00	not recorded		18.00
16/02/04	Hawkers	160	2.00	320.00	not recorded		320.00
6/02/04	Individuals(bunches)	7	3.00	21.00	not recorded		21.00
17/02/04	Hawkers	55	2.00	110.00	not recorded		110.00
17/02/04	Individuals(bunches)	4	3.00	12.00	not recorded		12.00
18/02/04	Individuals(bunches)	6	3.00	18.00	not recorded		18.00
24/02/04	Individuals(bunches)	1	3.00	3.00	not recorded		3.00
26/02/04	Hawkers	130	2.00	260.00	not recorded		260.00
26/02/04	Individuals(bunches)	8	3.00	24.00	not recorded		24.00
27/02/04	Hawkers	120	2.00	240.00	not recorded		240.00
27/02/04	Individuals(bunches)	4	3.00	12.00	not recorded		12.00
01/03/04	Hawkers	190	2.00	380.00	not recorded		380.00
01/03/04	Individuals(bunches)	6	3.00	18.00	not recorded		18.00
02/03/04	Hawkers	55	2.00	110.00	not recorded		110.00
02/03/04	Individuals(bunches)	4	3.00	12.00	not recorded		12.00
03/03/04	Hawkers	40	2.00	80.00	not recorded		80.00
04/03/04	Hawkers	41	2.00	82.00	not recorded		82.00
04/03/04	Individuals(bunches)	5	3.00	15.00	not recorded		15.00
05/03/04	Hawkers	25	2.00	50.00	not recorded		50.00
08/03/04	Hawkers	85	2.00	170.00	not recorded		170.00
08/03/04	Individuals(bunches)	2	3.00	6.00	not recorded		6.00
09/03/04	Hawkers	80	2.00	160.00	not recorded		160.00
09/03/04	Individuals(bunches)	1	3.00	3.00	not recorded		3.00
10/03/04	Individuals(bunches)	4	3.00	12.00	not recorded		12.00
11/03/04	Hawkers	80	2.00	160.00	not recorded		160.00

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11/03/04	Individuals(bunches)	2	3.00	6.00	not recorded		6.00
12/03/04	Hawkers	105	2.00	210.00	not recorded		210.00
12/03/04	Individuals(bunches)	3	3.00	9.00	not recorded		9.00
15/03/04	Hawkers	17	2.00	34.00	not recorded		34.00
15/03/04	Individuals(bunches)	7	3.00	21.00	not recorded		21.00
16/03/04	Hawkers	175	2.00	350.00	not recorded		350.00
16/03/04	Individuals(bunches)	4	3.00	12.00	not recorded		12.00
17/03/04	Hawkers	211	2.00	422.00	not recorded		422.00
17/03/04	Individuals(bunches)	8	3.00	24.00	not recorded		24.00
18/03/04	Individuals(bunches)	5	3.00	15.00	not recorded		15.00
19/03/04	Hawkers	521	2.00	1042.00	not recorded		1042.00
23/03/04	Hawkers	260	2.00	520.00	not recorded		520.00
23/03/04	Individuals(bunches)	2	3.00	6.00	not recorded		6.00
24/03/04	Hawkers	295	2.00	590.00	not recorded		590.00
24/03/04	Individuals(bunches)	2	3.00	6.00	not recorded		6.00
31/04/04	Individuals(bunches)	7	3.00	21.00	not recorded		21.00
5/04/04	Hawkers	256	2.00	512.00	not recorded		512.00
5/04/04	Individuals(bunches)	4	3.00	12.00	not recorded		12.00
5/04/04	Hawkers	30	2.00	60.00	not recorded		60.00
/04/04	Hawkers	35	2.00	70.00	not recorded		70.00
19/04/04	Individuals(bunches)	7	3.00	21.00	not recorded		21.00
20/04/04	Individuals(bunches)	6	3.00	18.00	not recorded		18.00
29/04/04	Individuals(bunches)	2	3.00	6.00	not recorded		6.00
02/05/04	Individuals(bunches)	5	3.00	15.00	not recorded		15.00
03/05/04	Hawkers	22	2.00	44.00	not recorded		44.00
05/05/04	Individuals(bunches)	3	3.00	9.00	not recorded		9.00
06/05/04	Individuals(bunches)	4	3.00	12.00	not recorded		12.00
07/05/04	Individuals(bunches)	2	3.00	6.00	not recorded		6.00
10/05/04	Individuals(bunches)	8	3.00	24.00	not recorded		24.00
31/05/04	Hawkers	15	2.00	30.00	not recorded		30.00
01/06/04	Individuals(bunches)	6	3.00	18.00	not recorded		18.00
02/06/04	Hawkers	30	2.00	60.00	not recorded		60.00
02/06/04	Individuals(bunches)	2	3.00	6.00	not recorded		6.00
04/06/04	Individuals(bunches)	1	3.00	3.00	not recorded		3.00
04/06/04	Hawkers	43	2.00	86.00	not recorded		86.00
14/06/04	Individuals(bunches)	15	3.00	45.00	not recorded		45.00
15/06/04	Individuals(bunches)	5	3.00	15.00	not recorded		15.00
18/06/04	Individuals(bunches)	7	3.00	21.00	not recorded		21.00
21/06/04	Individuals(bunches)	11	3.00	33.00	not recorded		33.00
22/06/04	Individuals(bunches)	3	3.00	9.00	not recorded		9.00
24/06/04	Individuals(bunches)	3	3.00	9.00	not recorded		9.00
25/06/04	Individuals(bunches)	1	3.00	3.00	not recorded		3.00

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28/06/04	Individuals(bunches)	7	3.00	21.00	not recorded		21.00
29/06/04	Individuals(bunches)	4	3.00	12.00	not recorded		12.00
30/06/04	Individuals(bunches)	1	3.00	3.00	not recorded		3.00
01/07/04	Individuals(bunches)	6	3.00	18.00	not recorded		18.00
05/07/04	Individuals(bunches)	2	3.00	6.00	not recorded		6.00
06/07/04	Individuals(bunches)	5	3.00	15.00	not recorded		15.00
07/07/04	Individuals(bunches)	7	3.00	21.00	not recorded		21.00
08/07/04	Individuals(bunches)	3	3.00	9.00	not recorded		9.00
09/07/04	Individuals(bunches)	1	3.00	3.00	not recorded		3.00
12/07/04	Individuals(bunches)	4	3.00	12.00	not recorded		12.00
13/07/04	Individuals(bunches)	1	3.00	3.00	not recorded		3.00
14/07/04	Individuals(bunches)	2	3.00	6.00	not recorded		6.00
01/07/04	Individuals(bunches)		3.00	0.00	not recorded		0.00
				8193.00	**0.00**	**0.00**	**8193.00**

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CROP VARIABLE COST : FOR SEBAYENG HYDROPHONIC VEG PROJECT

ENTERPRISE: SPINACH PRODUCTION

Page no:

DATE	DESCRIPTION(e.g. to whom su	Quantity (e.g. bags)	Unit price	Seeds and seedlings (R)	Fertilizers (R)	Insect / herbicides (R)	Contract work (R)	Packing materials (R)	Casual labour (R)	Transport (R)	Others (R)	Total (R)
01/01/04	planting (seeds in grams)	500	0.17	86.00								86.00
08/07/03	2:3:4KAN (25 KG)	1	43.75		43.75							43.75
08/07/03	Kemprin (500ml)	1	40.00			40.00						40.00
01/10/03	Chlorpirifos (500ml)	1	180.75			180.75						180.75
28/06/03	ELECTRICITY / IRRIGATION (25. 00 PER MONTH	1	75.85							25.00	75.85	100.85
28/06/03	sunlight liquids (500 ml)	1	9.90								9.90	9.90
28/06/03	ROPES (5 KG ROLL)	1	115.35					115.35				115.35
?	Telephone costs	1	36.00								36.00	36.00
?				**86.00**	**43.75**	**220.75**	**0.00**	**115.35**	**0.00**	**25.00**	**121.75**	**612.60**

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SEBAYENG VEG PROJECT

	DATE ORDERED (01/01/2004)	DATE ORDERED (16/02/04)	DATE ORDERED (16/02/04)	DATE ORDERED ( )	DATE ORDERED (01/01/04)
	PERIOD OF SALES (01/02/04-14/07/04)	PERIOD OF SALES ( )	PERIOD OF SALES ( )	PERIOD OF SALES ( )	PERIOD OF SALES ( )
ACTIVITIES	SPINACH PRODUCTION	TOMATO PRODUCTION	ONION PRODUCTION	CABBAGE PRODUCTION	GRAND TOTAL
TRADING INCOME					
Bulk sales	7392.00	0.00	0.00	0.00	7392.00
(Indiduals sales)	801.00	0.00	0.00	0.00	801.00
	8193.00	**0.00**	**0.00**	**0.00**	8193.00
EXPENDITURE					0.00
Soil Preparations					0.00
Plough	0.00	0.00	0.00	0.00	0.00
Seed and Seedlings					
Seeds (grams)	-85.00	-11.40	?	-96.80	-193.20
Fertilizers					
2.3.4 (30) kg	-43.75	-12.48	0.00	-12.48	-68.71
Chemicals					0.00
Kempprin (500ml)	-40.00				-40.00
Chloroirifos (500 ml)	-180.75				-180.75
Acephate (grams)		-2.80		-4.20	-7.00
Electricity and Power					0.00
Transport for buying Electricity	-25.00	0.00	0.00	0.00	-25.00
Electricity	-75.00	-100.00	-100.00	-100.00	-375.00
Harvets materials					0.00
Robes (kg roll)	-115.35	-69.21	0.00	0.00	-184.56
Others					0.00
Sunlight liquid (500ml)	-9.90				
Telephone	-36.00		0.00	0.00	-36.00
SUB- TOTAL INFLOW / OUTFLOW	**-610.75**	**-195.89**	**-100.00**	**-213.48**	**-1120.12**
PROFIT / LOSS	**7582.25**	**-195.89**	**-100.00**	**-213.48**	**7072.88**

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(B 2) CROP VARIABLE COST

Page no.: ONE

Enterprise: CABBAGE

Date	Description	Quantity (eg. bags)	Total amount (R)	Input VAT (R)	Seed and seedlings (R)	Fertilizer (R)	Insect-/ herbicides (R)	Contract work (R)	Packing material (R)	Casual labour (R)	Transport (R)	Other (R)
Balance from previous page No.:												
16/02/04	Planting	11x110g			94.05							
1/03/04	Kumsomin 2.3.4	6kg				12.50						
1/03/04	Acephate	60gx7c					4.20					
1/04/04	Electricity	25.00x4months										25.00
Pa												
		1					7					
Transfer subtotal to following page/form no:				(CE)1	94.05 (CE)2	12.50 (CE)3	4.20 (CE)4	(CE)5	(CE)6	(CE)7	(CE)8	100.00 (CE)9

To Tac - R210-75

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BERAYENG
HYDROPONICS PROJECT
Coll.

(B 2) CROP VARIABLE COST

Enterprise: Onion

Date	Description	Quantity (eg. bags)	Total amount (R)	Input VAT (R)	Seed and seedlings (R)	Fertilizer (R)	Insect-/ herbicides (R)	Contract work (R)	Packing material (R)	Casual labour (R)	Transport (R)	Other (R)
Balance from previous page No.:												
16/02/04	Planting				Donation (credit)							
01/04	Electricity	4months										100
Transfer subtotal to following page/form no:				(CE)1	(CE)2	(CE)3	(CE)4	(CE)5	(CE)6	(CE)7	(CE)8	(CE)9

Total R100,00

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Cell.

(B 1) CROP INCOME

Page no.: 1

Enterprise: Spinach

Date	Description (eg. to whom supplied)	Quantity (eg. ton)	Total amount (R)	Output VAT (R)	Sales (R)	Farm use (R)	Other R)	..... (R)
Balance from previous page No.:								
01/02/04	individuals	3(bunches)			9.00			
02/02/04	hawkers	20(bunches)			40.00			
"	individuals	8			24.00			
03/2/04	hawkers	80			160.00			
"	individuals	8			24.00			
04/02/04	hawkers	135			270.00			
"	individuals	9			27.00			
05/02/04	hawkers	175.00			350.00			
"	individuals	3			9.00			
13/02/04	hawkers	210			420.00			
"	individuals	6			18.00			
16/02/04	hawkers	160.00			320.00			
"	individuals	7			21.00			
17/02/04	hawkers	55			110.00			
"	individuals	4			12-00			
18/02/04	individuals	6			18.00			
Transfer subtotal to following page/form no:			1833-00		1833-00			
				(C)1	(C)2	(C)3	(C)4	(C)5

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Page no.: Two

(B 1) CROP INCOME

Enterprise: SPINACH

Date	Description (eg. to whom supplied)	Quantity (eg. ton)	Total amount (R)	Output VAT (R)	Sales (R)	Farm use (R)	Other R)	..... (R)
Balance from previous page No.:			1833-00					
24/02/04	individual	1 bunche			R3.00			
26/02/04	Hawkers	130 bunches			R260.00			
26/02/04	individual	8 bunches			R24.00			
27/02/04	Hawkers	120 bunches			R240.00			
27/02/04	individual	4 bunches			R12,00			
01/03/04	Hawkers	190 bunches			R380.00			
01/03/04	individual	6 bunches			R18.00			
02/03/04	Hawkers	55 bunches			R110,00			
02/03/04	individual	4 bunches			R12,00			
03/02/04	Hawkers	40 bunches			R80.00			
04/03/04	Hawkers	41 bunches			R82.00			
04/03/04	individual	5 bunches			R15,00			
05/03/04	Hawkers	25 bunches			R50,00			
08/03/04	Hawkers	85 bunches			R170,00			
08/03/04	individual	2 bunches			R6,00			
09/03/04	Hawkers	70 bunches			R160,00			
			1622					
Transfer subtotal to following page/form no:			3455-00	(C)1	(C)2	(C)3	(C)4	(C)5

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(B 1) CROP INCOME

Page no.: THREE

Enterprise: SPINACH

Date	Description (eg. to whom supplied)	Quantity (eg. ton)	Total amount (R)	Output VAT (R)	Sales (R)	Farm use (R)	Other R)	..... (R)
Balance from previous page No.:			3455-00					
09/03/04	individuals	1 bunches			R3.00			
10/03/04	individuals	4 bunches			R12.00			
11/03/04	Hawkers	80 bunches			R160.00			
11/03/04	Individuals	2 bunches			R6.00			
12/03/04	Hawkers	105 bunches			R345.00			
12/03/04	Individuals	3 bunches			R9.00			
15/03/04	Hawkers	171 bunches			R342.00			
15/03/04	individuals	7 bunches			R21.00			
16/03/04	Hawkers	175 bunches			R350.00			
16/03/04	individuals	4 bunches			R12.00			
17/03/04	Hawkers	211 bunches			R422.00			
17/03/04	Individuals	8 bunches			R25.00			
18/03/04	Individuals	5 bunches			R15.00			
19/03/04	Hawkers	521 bunches			R1042.00			
23/03/04	Hawkers	260 bunches			R520.00			
23/03/04	Individuals	2 bunches			R6.00			
Transfer subtotal to following page/form no:				(C1)1	(C1)2	(C1)3	(C1)4	(C1)5

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(B 1) CROP INCOME

Page no.: FOUR

Enterprise: SPINACH

Date	Description (eg. to whom supplied)	Quantity (eg. ton)	Total amount (R)	Output VAT (R)	Sales (R)	Farm use (R)	Other R)	..... (R)
Balance from previous page No.:								
24/03/04	Individuals	2bunches			R6.00			
24/03/04	Hawkers	295bunches			R590.00			
01/04/04	Individuals	7bunches			R21.00			
05/04/04	Individuals	4bunches			R12.00			
05/04/04	Hawkers	256bunches			R512.00			
15/04/04	Hawkers	30bunches			R60.00			
16/04/04	Hawkers	35bunches			R70.00			
19/04/04	Individuals	7bunches			R21.00			
20/04/04	Individuals	6bunches			R18.00			
29/04/04	Individuals	2bunches			R6.00			
03/05/04	Individuals	5bunches			R15.00			
03/05/04	Hawkers	20bunches			R44.00			
05/05/04	Individuals	3bunches			R9.00			
06/05/04	Individuals	4bunches			R12.00			
7/05/04	"	2bunches			R6.00			
10/05/04	"	8bunches			R24.00			
Transfer subtotal to following page/form no:				(C1)1	(C1)2	(C1)3	(C1)4	(C1)5

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(B 1) CROP INCOME

Page no.: FIVE

Enterprise: SPINACH

Date	Description (eg. to whom supplied)	Quantity (eg. ton)	Total amount (R)	Output VAT (R)	Sales (R)	Farm use (R)	Other R)	..... (R)
Balance from previous page No.:								
31/05/04	Hawkers	15 bunches			R30.00			
01/06/04	Individuals	6 bunches			R18.00			
02/06/04	Hawkers	30 bunches			R60.00			
02/06/04	Individuals	2 bunches			R6.00			
04/06/04	Hawkers	43 bunches			R86.00			
04/06/04	Individuals	1 bunches			R3.00			
14/06/04	Individuals	15 bunches			R45.00			
15/06/04	Individuals	5 bunches			R15.00			
18/06/04	Individuals	7 bunches			R21.00			
21/06/04	Individuals	11 bunches			R33.00			
22/06/04	Individuals	3 bunches			R9.00			
24/06/04	Individuals	3 bunches			R9.00			
25/06/04	Individuals	1 bunches			R3.00			
28/06/04	Individuals	7 bunches			R21,00			
29/06/04	Individuals	4 bunches			R12,00			
30/06/04	Individuals	1 bunche			R3,00			
Transfer subtotal to following page/form no:				(CI)1	(CI)2	(CI)3	(CI)4	(CI)5

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Final

(B 1) CROP INCOME

Page no.: SIX

Enterprise: Spinach

Date	Description (eg. to whom supplied)	Quantity (eg. ton)	Total amount (R)	Output VAT (R)	Sales (R)	Farm use (R)	Other R)	..... (R)
Balance from previous page No.:								
01/07/04	individuals	6 bunches			R18,00			
05/07/04	Individuals	2 bunches			R6,00			
06/07/04	individuals	5 bunches			R15,00			
07/07/04	individuals	7 bunches			R21,00			
08/07/04	individuals	3 bunches			R9,00			
09/07/04	individuals	1 bunches			R3,00			
12/07/04	individuals	4 bunches			R12,00			
13/07/04	individuals	1 bunches			R3,00			
14/07/04	individuals	2 bunches			R6,00			
Transfer subtotal to following page/form no:				(CI)1	(CI)2	(CI)3	(CI)4	(CI)5

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SEBAYENG
INTERCONNECTS PROJECT
Private Bag X 7000
POLOKWANE 0700
Cell.

1kg = 170.00 Acephate

(B 2) CROP VARIABLE COST

Page no.: ONE

Enterprise: TOMATOES

Date	Description	Quantity (eg. bags)	Total amount (R)	Input VAT (R)	Seed and seedlings (R)	Fertilizer (R)	Insect-/ herbicides (R)	Contract work (R)	Packing material (R)	Casual labour (R)	Transport (R)	Other (R)
Balance from previous page No.:												
16/02/04	Planting	20g			11-40							
16/03/04	KUNS OMN 2.3.4	6kg				12.50						
21/04/04	Rope	3kg										69.72
5/04/04	Electricity	25.00x 4 months										100.00
16/03/04	Acephate	40g x 7c										2-80
Transfer subtotal to following page/form no:				(CE)1	11-40 (CE)2	12-50 (CE)3	(CE)4	(CE)5	(CE)6	(CE)7	(CE)8	73-52 (CE)9

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MOLELLA / ZEBEDIELA

	May	June	July	August	Sep	October	Nov	Dec	Total
...ney In	1863.51	1683.50	1576.00	2599.30	2020.30	771.90	1399.10	1204.46	13118.07
...ages									
Others									
Total	1863.51	1683.50	1576.00	2599.30	2020.30	771.90	1399.10	1204.46	13118.07
Money Out									
Stock	541.68	288.99	677.13	1238.85	1524.71	549.87	359.25	340.09	5520.57
Transport	150.00	290.50	152.00	349.50	104.50	142.00	289.00	226.00	1703.50
Telephone	17.80	13.30	17.50	15.20	26.30	29.30	20.90	51.10	191.40
Stationery	—	13.49	20.85	39.99	60.20	15.60	62.90	24.00	237.03
Repairs	—	—	—	—	110.00	34.00	—	—	144.00
Sundry Acc	21.95	140.57	134.98	149.85	3.90	74.47	137.46	80.00	743.19
Gas / Electric	187.00	204.95	134.95	60.00	130.00	86.00	124.46	85.86	1013.2
Rent	—	—	—	—	—	—	—	—	—
Salaries	—	—	—	—	—	—	—	2500.00	2500.00
Opening Bal.	111.00	1056.08	1787.78	2226.37	2973.82	3034.51	2875.17	3280.76	111.00
Money In	1863.51	1683.50	1576.00	2599.30	2020.30	771.90	1399.10	1204.46	13118.07
Money Out	918.43	951.80	1137.41	1851.85	1959.61	931.24	993.51	3309.05	12052.9
Closing Bal.	1056.08	1787.78	2226.37	2973.82	3034.51	2875.17	3280.76	1176.17	1176.1

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MOLETLANE / ZEBEDIELA SWEEP'S PROJECT : 1999

	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	TOTAL
MONEY IN													
BALANCE	1344.31	3815.67	3348.15	1854.90	2047.76	2065.31	1974.91	2300.48	2659.53	2344.20	2330.70	1171.80	28469.83
OTHERS													
TOTAL	1344.31	3815.67	3348.15	1854.90	2047.76	2065.31	1974.91	2300.48	2659.53	2344.20	2330.70	1171.80	28469.83
MONEY OUT													
STOCK	493.18	715.21	748.23	263.59	183.79	219.83	834.90	293.69	324.63	243.90	804.78	155.35	9391.23
TRANSPORT	436.00	113.50	85.00	210.00	255.00	578.00	913.95	393.30	168.00	307.67	334.00	129.00	4084.42
TELEPHONE	30.00	21.00	14.00	14.00	—	—	7.40	22.60	28.80	35.90	54.00	10.40	328.10
ELECTRICITY	24.00	100.45	91.89	64.97	241.00	209.59	66.26	76.47	127.00	164.00	480.00	234.34	1910.17
STAMPS	—	—	—	—	—	—	—	4.00	8.25	14.10	—	—	27.35
PETTY CASH	193.79	100.57	77.82	86.88	69.49	120.00	151.85	80.00	10.45	—	193.03	—	948.25
RENT/SECRETARY	280.00	298.95	373.90	274.95	55.90	234.45	174.95	174.95	174.95	—	174.95	—	2714.45
SALARIES	—	—	—	—	—	—	—	350.00	350.00	300.00	2800.00	350.00	1250.00
EXPENSES	—	—	—	219.64	—	—	—	867.00	787.00	1075.00	—	1337.00	6328.64
CLOSING BAL	1176.17	1082.41	854.11	338.40	1914.59	2538.17	1859.91	2234.90	3262.37	4774.15	2580.44	3007.98	1176.17
MONEY IN	1344.31	3815.67	3348.15	1854.90	2047.76	2065.31	1974.91	2300.48	2659.53	2344.20	2330.70	1171.80	28469.83
MONEY OUT	456.95	1350.76	1552.04	378.63	1434.17	1393.57	1699.91	1067.06	1849.68	4268.57	2387.16	2178.74	26983.01
CLOSING BAL	1083.41	3547.32	2850.22	1814.57	2538.17	2709.91	2234.90	3262.37	4774.15	2580.44	3007.98	2662.99	2662.99

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	JAN	FEB	MARC	APRIL	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	TOTAL
MONEY IN													
Sales	2930.40	1462.45	2056.85	1121.45	1744.65	363.80	381.65	688.85	1057.00	406.65	1042.91	528.80	13785.46
Fines				1000.00					900.00				1900.00
TOTAL	2930.40	1462.45	2056.85	2121.45	1744.65	363.80	381.65	688.85	1957.00	406.65	1042.91	528.80	15685.46
MONEY OUT													
Stock	1596.14	2060.67	421.04	14.34	10.00	—	5.95	80.49	1449.43	—	—	—	5638.06
Transport	537.50	627.00	547.00	414.50	709.00	370.50	353.50	293.00	415.00	115.00	840.00	36.00	5258.00
Telephone	7.60	106.90	54.70	34.50	32.40	20.45	29.50	60.00	5.50	125.00	9.85	—	486.40
Electricity	80.40	240.00	27.95	363.43	—	36.48	36.00	67.35	34.10	87.10	32.99	—	1005.80
Petrol	7.00	12.40	—	3.79	—	34.95	—	—	—	—	6.90	—	70.04
Bank Act	3.98	2.08	90.62	33.60	501.25	42.96	—	93.15	200.00	34.43	65.00	2.50	1066.77
Rates/Elect	174.95	—	184.95	—	—	—	215.95	363.15	215.95	—	249.95	—	1304.90
Rent	99.00	250.00	—	—	—	250.00	250.00	250.00	250.00	250.00	250.00	250.00	2250.00
Wages	—	—	—	980.00	—	—	—	—	—	—	—	480.00	760.00
Opening Bal	362.97	2935.52	1099.22	1829.81	2807.70	3294.70	2903.16	2393.91	1975.62	1362.64	1157.76	745.98	2662.99
Money In	2930.40	1462.45	2056.85	2121.45	1744.65	363.80	386.65	688.85	1957.00	406.65	1042.91	528.80	15685.46
Money Out	3667.57	3294.05	1326.26	1143.56	1252.65	760.34	890.90	1107.14	3569.98	611.53	1454.69	766.30	17839.97
Closing Bal	295.99	1099.22	1829.81	2807.71	3294.70	2903.16	2393.91	1975.62	1362.64	1157.76	745.98	508.48	508.48

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CASH-FLOW FORECAST JANUARY 2001 TO DECEMBER 2001

	Jan	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	TOTAL
Money In													
Sales	150-86	86-57	457-47	347-73	1901-10	2858-20	2421-65	3334-95	2916-12	6366-69	3813-33	6117-37	30772-26
Grand													
Total	150-86	86-57	457-47	347-73	1901-10	2858-20	2421-65	3334-95	2916-12	6366-69	3813-55	6117-37	30772-26
Money Out													
Stock						1033-31	1335-24	1262-54	707-71	744-42	984-09		6067-31
Transport	114-00	127-00			100-00	406-00	901-00	650-50	354-00	913-00	978-00	155-00	4698-50
Telephone	26-45	9-40			19-60	60-70	86-90	115-00	122-25	220-35	123-89	29-05	813-59
Stationery	38-50	3-99			51-10	102-80	10100	153=-60	146-94	297-10		6-60	900-23
Repairs		6-80				83-45	160-60	166-29	92-91	7-93	271-79	6-95	796-72
Sundry Account					27-17	5-45	2-95	48-30	214-99	1413-38	204-00		1916-24
Gas						239-95		359-90		60-00			659-85
Rent		250-00	250-00	250-00	250-00		250-00	250-00					1500-00
Salaries										1247-00		3600-00	4847-00
Loan / Catering								88-28		120-00		67-98	276-26
Opening Balance	508-48	480-39	169-77	377-24	474-97	1928-20	2855-54	2439-50	2680-04	3957-36	5299-97	6551-75	508-48
Money In	150-86	86-67	457-47	347-73	1901-10	2858-20	2421-65	3334-95	2916-12	6366-69	3813-55	6117-37	30772-26
Money Out	178-95	397-19	250-00	250-00	447-87	1930-86	2837-69	3094-41	1638-80	5023-18	2561-77	3864-98	22475-70
Closing Balance	480-39	169-77	377-24	474-97	1928-20	2855-54	2439-50	2680-04	3957-36	5299-97	6551-75	8805-04	8805-04

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APPENDIX J

CONSTITUTIONS, REPORTS AND BALANCE SHEETS OF SOME PROJECTS

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CONSTITUTION of the

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16. MARKETING OF THE PROJECT PRODUCE

SEBOYENG
HYDROPONICS PROJECT
PRIVATE BAG X 7356
POLOKWANE 0700
Cell

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1. INTRODUCTION

The current population of Sebayeng is estimated at 4 921. However there is 70 unemployed and those people who do have jobs are mostly domestic workers ser Polokwane.

Recently a RDP project was completed but still the community remains economically sidelined. There is a need to provide a project that will not only be sustainable but can also be used as a vehicle to educate and train the community life skills. The hydrophonics project shall be used for this purpose.

2. NAME

The name of the farming scheme shall be Sebayeng Hydrophonics project.

3. AREA OF OPERATION

The Sebayeng Hydrophonics project is in Sebayeng village, which is situated some 40km on the north eastern side of Polokwane. However the targeted market is Polokwane and the surrounding areas. We might even target other areas beyond Polokwane.

4. AIMS AND OBJECTIVES

- To create employment for the poor people in the surrounding area;
- To sustain and grow in order to create more job opportunities and development the community;
- To serve as research station for students doing courses related to the project;
- To contribute to the economic growth of our country;
- To produce effective human resources on terms of business management and agriculture.

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5. ASSETS OF THE PROJECT AND SECURITY

5.1 The project will have the following basic farm infrastructure:

- Dedicated water source;
- Water storage (small reservoir and tank);
- Hydrophonics yard;
- Vegetable packing shed;
- Storeroom / office.

Borehole

5.2 The beneficiaries may purchase other assets for the project where or whe necessary.

5.3 All the assets as in 5.1 and 5.2 are the property of hydrophonic project shall be used to execute the activities of the project.

5.4 Management shall see to it that all project assets are safe.

5.5 A security guard shall be hired to guard and patrol the whole project yar

6. BENEFICIARIES

6.1 A number of 30 (thirty) people have been selected to become beneficiari the project;

6.2 Beneficiaries are the permanent employees of the project;

6.3 They share in the proceeds of the project;

6.4 A person's beneficiary status may be terminated as shall be discussed in 8.

6.5 A beneficiary may be compelled to leave the project due to reasons such finding other employment;

6.6 A beneficiary such as in 6.5 is not allowed to bring in a person to replace or herself;

6.7 All beneficiaries shall sign a contract form that will be designed by manage

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/. THE LEGAL STATUS OF THE PROJECT

7.1 Sebayeng Hydrophonics project is a legal institution and therefore will l of suing or be sued in its own name in any court of law;

7.2 Sebayeng Hydrophonics project may be represented in any legal procee its management body or by a person nominated by the beneficiaries:

- The farm scheme may subscribe to a law firm of its choice or;
- may seek a lawyer to represent them in the legal proceedings, only wh is such a need.

8. CODE OF CONDUCT OF BENEFICIARIES

8.1.1 To be responsible and objective.

8.1.2 Theft is discouraged as this will cause the collapse of the project e.g. s working tools, stealing time from work and using water recklessly.

8.1.3 Using abusive language and harassing of other member is strictly disco

8.1.4 Beneficiaries are not allowed to welcome visitors inside the project str without management permission.

8.1.5 Beneficiaries are not allowed to intimidate each other or play around d the prescribed working hours.

8.1.6 Family problems and issues are not to be entertained during working h and within the working enviroment.

8.1.7 Beneficiaries shall not be dismissed from the project unless it has been beyond reasonable doubt that he deserves dismissal.

8.1.8 Beneficiaries are bound to respect the rules and regulations as laid dow constitution.

8.1.9 Where there is a disagreement, beneficiaries are not allowed to go on s they should rather sit down and negotiate the dispute until they reach consensus.

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[illegible] until we harvest, beneficiaries are not allowed to negotiate salaries.

[illegible] No beneficiaries should come to work under the influence of liquor [illegible] intoxicating substance.

[illegible] No beneficiaries should leave the project structure without informing [illegible] management except during breaks or after hours.

[illegible]SCIPLINARY COMMITTEE

[illegible] disciplinary committee shall be constituted that will deal with offences of di[illegible] [illegible] the project.

[illegible] Composition of the Disciplinary Committee

[illegible] will compose of five members, two members of management, two team le[illegible] [illegible] whose team the parties in disputes belong. Project representatives as app[illegible] [illegible] management.

[illegible] Powers and functions of the Disciplinary Committee

[illegible] call any member/beneficiary to a disciplinary hearing if it deems necessary;
[illegible] listen to evidence from the two conflicting parties to weigh both evidence [illegible] final decision;
[illegible] suspend or dismiss or give a written warning to a party in disputes who has [illegible] guilty of an offence;
[illegible] appoint where necessary any person to represent them in legal proceedings, [illegible] legal representative or otherwise.

[illegible] Grievance procedure / Disciplinary procedure

[illegible] beneficiary of this project shall submit any grievance to the disciplinary he[illegible] [illegible] management may call any beneficiary to a disciplinary hearing.
[illegible] management shall in every disciplinary hearing, appoint a person to preside [illegible] disciplinary hearing.
[illegible] dependent in a disciplinary hearing may call upon a person to represent him [illegible] the proceedings.
[illegible] leaders will be called by the DC to give evidence with regard to the [illegible]

[illegible] in a dispute shall be called to the disciplinary hearing if necessary.

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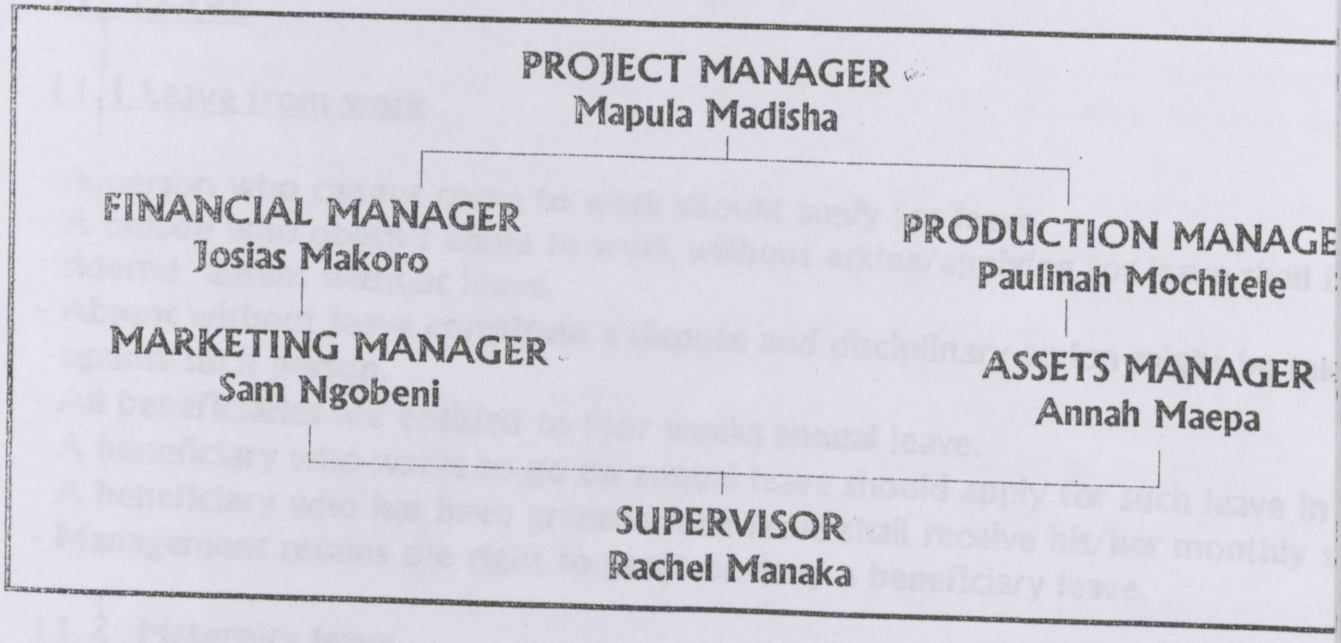
9.2.4 Dismissable Offences

- There are other offences that cannot be tolerated by project, such offences qual a person for dismissal immediately after the hearing.
- A person who received three written warnings qualifies for dismissal.
- Stealing the projects assets constitute a serious offence and can lead to dismissal.

9. PROJECT MANAGEMENT

The committee shall be composed of nine members. A team of people will be ele to serve as management of the project and they will hole office for a period of tw years. The committee members are eligible for re-election. The structure of our management will look like the following diagram:



10. MEETINGS: VOTING SYSTEM AND PROCEDURES

10.1.1 Meeting: Beneficiaries shall hold one monthly meeting per month.

10.1.2 There will also be an annual general meeting per year.

10.1.3 Management may decide to call special meetings.

10.1.4 Notice of meetings shall be distributed at least five working days before t meeting.

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10.1.5 Such notice shall state the date, time, venue and the purpose of the

10.1.6 Beneficiaries should attend meetings and those who cannot attend sh a written apology stating their reason for not attending.

10.1.7 A member of the management shall preside over the meeting.

10.2 VOTING AND PROCEDURES

When voting; names of the two candidates shall be nominated and the benefi will vote by way of raising their hands and the candidate who gets more votes win the position.

11. LEAVE

11.1 Leave from work

- A person who cannot come to work should apply for leave.
- A person who doesn't come to work without asking/applying for leave shall b sidered absent without leave.
- Absent without leave constitute a dispute and disciplinary action might be tak against such person.
- All beneficiaries are entitled to four weeks annual leave.
- A beneficiary who wants to go on annual leave should apply for such leave in
- A beneficiary who has been granted such leave shall receive his/her monthly s
- Management retains the right to grant or deny a beneficiary leave.

11.2 Maternity leave

- Maternity leave applies to pregnant women and husbands of pregnant women.
- A women shall be granted three months maternity leave i.e. one month before birth and two months after birth.
- A husband shall be granted three weeks to look after his wife after giving birth.

11.3 Family responsibility leave

- Beneficiary is entitled to family responsibility leave under the following circumstances:

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- when there is a death within the family;
- when there is a disaster within the family;
- when a close member of the family is critically ill.

11.4 Sick leave

- Sick leave can be granted only when a beneficiary produces a medical certif he/she is sick.
- People who has been to church or traditional healers to seek medical or spi healing should produce a letter from such institution.

11.5 Membership of the project

- Preference will be given to the interested individuals within the community project is situated and other subjects falling under the same local governmen
- The committee in conjunction with the members of the organisation shall de and decide on the application of the new members.
- In the case of death or retirement of a member, his/her obligation and right preferably be transferred over to his/her next of kin depending on merits.
- In the family where a man is a member of the project and he retires or dies, will automatically become a member - that is she takes over.
- Should a member die, a donation of R 5 00.00 and vegetables should be giv
- Should a member resign peacefully an amount of R 150.00 will be given.
- Any member who wishes to resign from the project shall do so in writing.
- If a member disappears or is absent for a period without any valid reason he/ automatically cancelled.
- To achieve the aims and objectives of the project, members are expected to courses, lectures and the demonstrations related to the project.
- In case of distribution of benefits to beneficiaries, 30 percent from each ben shall be deposited into club account to purchase seeds, fertilizer, pest control for water consumption, electricity and saving to sustain the project. Seventy shall belong to the beneficiary.
- Management shall see to it that some monies are put aside for other benefits UIF, funeral plans and provident fund.
- Medical aid scheme may be provided.
- First aid kit should also be provided for the project.
- The tools, equipment, uniforms etc. should be provided for the project.
- A person using chemicals such as insecticides, herbicides, pesticides and fungic should wear protective clothing and masks.

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FINANCIAL



of

VUKANI

GARDEN

COMPILED BY : SOUTHERN FINANCIAL SERVICES
1962 Unit F
Lebowakgomo
015 - 6335794
072 14[illegible]

P.O. Box 108
Lebowakgomo
0737

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THE SECRETARY
VUKANI GARDEN
P.O. BOX 2498
LEBOWAKGOMO
0737

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000

Income for the year		**R23653-86**
Refund from Makotsi Women's club	R145-35	
Government funds	R8800-00	
Sales	R14 248-00	
Bank interest	R460-51	
LESS: Administration and operating expenses		**R29780-49**
Cleaning and removing of trees	R4450-00	
Soil testing	R80-00	
Ploughing	R700-00	
Transport	R1549-00	
Telephone	R200-90	
Manure	R46-50	
Seedlings	R207-36	
Fertilizer	R555-86	
Electricity	R3980-00	
Stationery	R4-40	
Labour for pipeline	R550-00	
Poultry	R3900-80	
Chicken feed	R7477-90	
Depreciation	R5163-40	
Miscellaneous	R191-84	
Bank charges	R722-53	
NET DEFICIT		**R6126-63**

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BALANCE SHEET AS AT 31 DECEMBER 2000

CAPITAL EMPLOYED	
Balance brought forward	78 643-04
Net deficit	(6126-63)
	72 516-41

EMPLOYMENT OF CAPITAL

Fixed assets

	Cost	Depreciation	Book value
Land	25 660-05	1 283-00	24 377-05
Equipment	31 160-61	3 880-40	27 280-21
	56 820-66	5 163-40	51 657-26

Current assets

Bank	20 859-15
	72 516-41

Auditor's report

We have examined the books and records of Vukani Garden.
In our opinion and to the best of our knowledge, they fairly present the financial position of the project as at 31 December 2000.

The funds statements have been compiled from the books and documents furnished to us.

21/02/01

AUDIT MANAGER
.....

NOTES ON FINANCIAL STATEMENTS

1. Depreciation for fence is at five percent per annum
2. Depreciation for other fixed assets is at fifteen percent per annum
3. Irrigation pipe was bought at the end of the year.

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BALANCE SHEET AS AT 31 DECEMBER 2001

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CAPITAL EMPLOYED

Capital

Balance brought forward	72 516
Net Income	2 479
	74 995

EMPLOYMENT OF CAPITAL

Fixed Assets

	Cost	Accumulated Depreciation	Book Value
Land	25 660	-	25 660
Equipment	31 161	6 608	24 553
	56 821	6 608	50 213
Current Assets			24 782
Stock			1 952
Bank			22 830
Total Assets			74 995

Audit Report

We have examined the books and records of Vukani Garden & Poultry.

In our opinion and to the best of our knowledge, they fairly present the financial position of the project as at 31 December 2001.

The funds statements have been compiled from the books and documents furnished to us.

.....

AUDIT MANAGER

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BALANCE SHEET AS AT 31 DECEMBER 2002

CAPITAL EMPLOYED

Capital

Balance brought forward	74 995
Loss	6 867
	68 128

EMPLOYMENT OF CAPITAL

Fixed Assets

	Cost	Accumulated Depreciation	Book Value
Buildings	25 660	-	25 660
Equipment	31 161	9 024	22 137
	56 821	9 024	47 797
Current Assets			20 331
Stock			1 563
Debtors			8 658
Bank			10 110
Total Assets			68 128

Audit Report

We have examined the books and records of Vukani Garden & Poultry.

In our opinion and to the best of our knowledge, they fairly present the financial position of the project as at 31 December 2002.

The funds statements have been compiled from the books and documents furnished to us.

.....

AUDIT MANAGER

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LEPELLE-NKUMPI
FEMALE FARMER AWARD

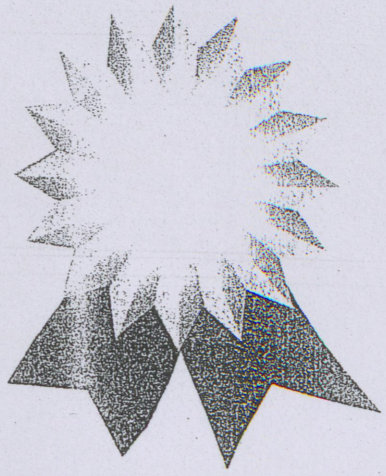
is hereby granted to:

Vukani Poultry & Veg. Project

For winning 1ST price in

Top Food Exporter

Granted: 10 July 2003



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APPENDIX K

QUESTIONNAIRE OF BLOUBERG MUNICIPALITY USED BY LED UNIT WHEN EVALUATING THEIR PROJECTS

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Blouberg Municipality

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P.O. Box 1593
SENWABARWANA 0790
Tel: No.: 015 505 7100
Fax: No.: 015 505 0568 / 0296
E-mail:
blou@bloubergmunicipality.co.za

PROJECT QUESTIONNAIRE

1. PARTICULARS OF A PERSON CONDUCTING INTERVIEW

Name: .....

Company: .....

Occupation: .....

Date of visit: .....

Contacts: .....

2. DESCRIPTION OF A PROJECT

Name of a project: .....

Nature of a project: .....

Location of a project: .....

When was the project started?

.....

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3. MEMBERSHIP

Give brief profile of the member in a project.

GENDER		AGE		EDUCATION		
MALE	FEMALE	0 - 35	36 - 65	Gr.0–Gr.8	Gr.9-Gr.12	TERTIARY

4. CAPACITY BUILDING

Previous trainings conducted.

Name of Institution	Training received	Date	Duration	Cert. given

- Have you found training useful?
  .....
- If no, why not?
  .....
- If yes, please rank out of 5, the following in terms of the importance you attach to what have gained.

(a) New skills

(b) Improved skills

(c) Management

(d) Leadership

(e) Finance

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- Who decides the training Content?
  .....
- Has the project grown bigger in terms of membership?
  .....
- Has the project grown bigger in terms of Production?
  .....
- Has the project grown bigger in terms of Income?
  .....
- How have the skills obtained been used to generate income for the project?
  .....

5. MARKET

- Who is your Market?
  .....
- Are you satisfied with the service from the market?
  .....
- Explain your challenges.
  .....
  .....
  .....
  .....
  .....

6. RESOURCES

What does the project posses in terms of:

(a) Materials
.....

(b) Land
.....

(c) Financial Capital
.....

(d) Staff
.....

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7. FINANCE

(a) Donor Profile

Who funded your project?

.....

Donor	Founded amount / items	Year

(b) Do you have a bank or post account?

.....

- If yes, how much is in your account?

.....

(c) When in the course of the year does your organization report on the state of the Finances?

.....

(d) Who gives the financial report?

.....

(e) Are you given copies of the financial statements while the report is given?

.....

(f) Did the year close on a surplus or deficit?

.....

(g) Do you share profit?

.....

If so, how much and how long?

.....

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8. GENERAL COMMENTS BY RESEARCHER.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Signed: .....

Date: .....

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APPENDIX L

PHOTOS FOR THE SUPERVISORS

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SUPERVISOR

PROF. S.A ONI



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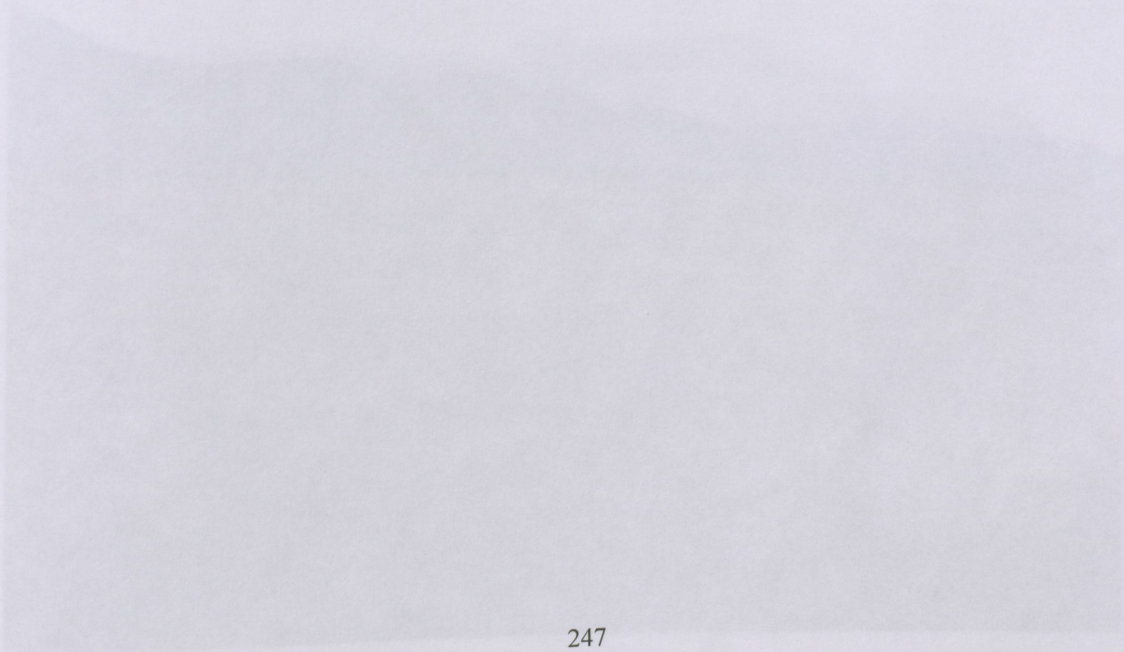
PHOTOS FOR THE PROJECTS





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GROOTFONTEIN DRYLAND FARMING PROJECT IN (LEPELLE – NKUMPI LOCAL MUNICIPALITY)





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MATOME VEGETABLE PROJECT IN (LEPELLE NKUMPI LOCAL MUNICIPALITY)





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MOLETLANE/ZEBEDIELA SWEETS PROJECT IN

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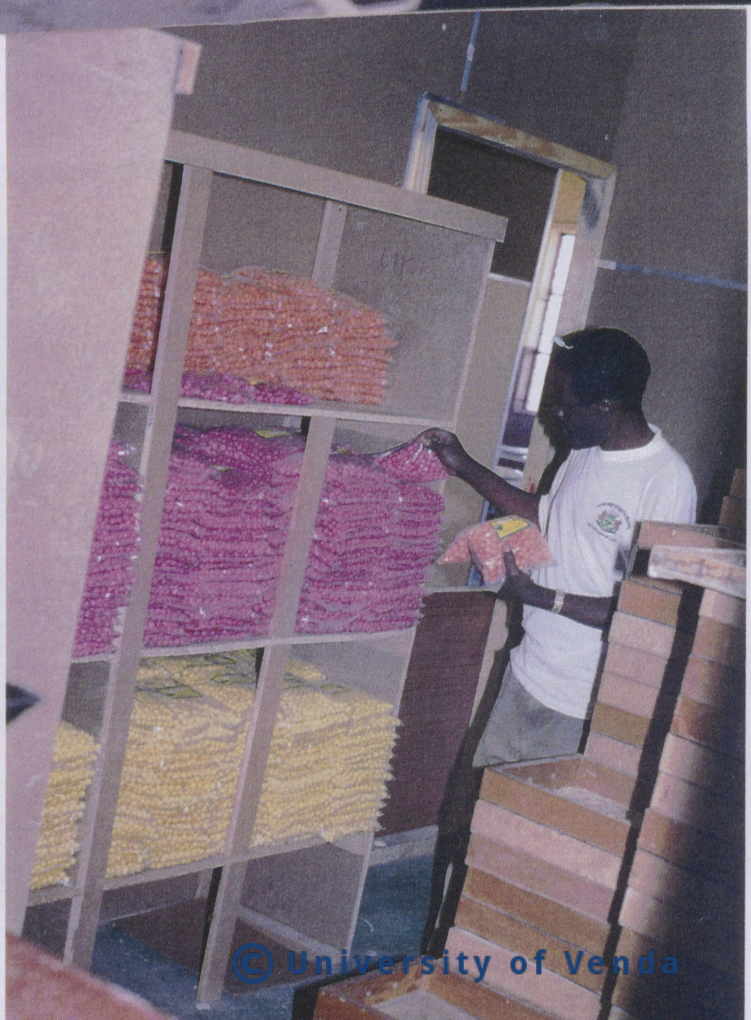
(LEPELLE-NKUMPI LOCAL MUNICIPALITY)





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VUKANI POULTRY AND VEGETABLE PROJECT IN (LEPELLE – NKUMPI LOCAL MUNICIPALITY)





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PHOTOS FOR THE FIVE LOCAL MUNICIPALITIES IN CAPRICORN DISTRICT MUNICIPALITY

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CAPRICORN DISTRICT MUNICIPALITY

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AGANANG LOCAL MUNICIPALITY

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BLOUBERG MUNICIPALITY





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LEPELLE–NKUMPI LOCAL MUNICIPALITY





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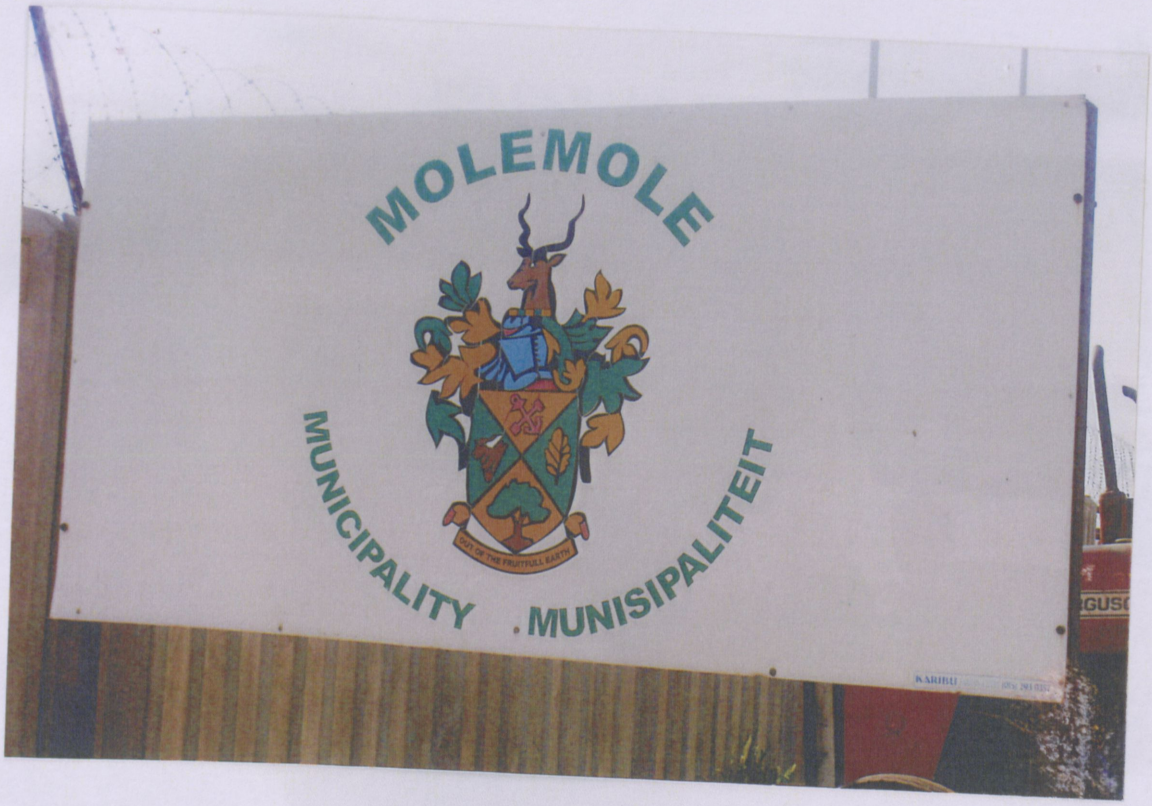
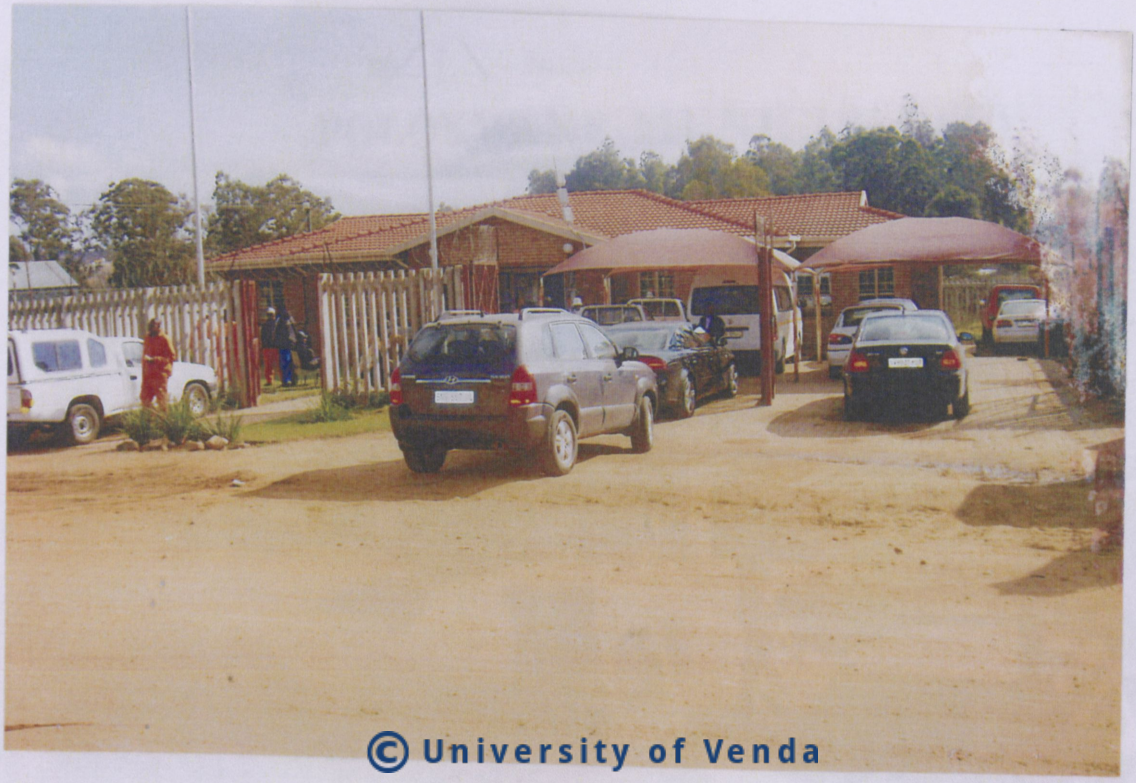
MOLEMOLE LOCAL MUNICIPALITY





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POLOKWANE LOCAL MUNICIPALITY





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