



CONFERENCE
Strategies to Overcome Poverty & Inequality
"Towards Carnegie III"
University of Cape Town, 3 - 7 September 2012



This paper was presented at "Towards Carnegie III", a conference held at the University of Cape Town from 3 to 7 September 2012.

Please note that copyright is held by the author/s of the paper, and it may not be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information retrieval systems, without express permission from the paper's author/s.



Topic: Poverty and Labour issues

By Evariste Umba, MSc in Chemistry, University of Cape Town

Life Change Ministry, 252 Main Road, Plumstead, 7800

Abstract:

Life Change Ministry (LCM) is a registered Non Profit Organisation (090-057-NPO), and since 2009 has mainly been providing Life Education to the Homeless in Observatory and Wynberg. These life services include: life planning; budgeting; family reconciliation; healthy living (alcohol, cigarette, HIV/Aids, diets, exercises); CV writing as well as supporting Feeding programmes. We are planning to reach 3,000 people by March 2013 in the Southern Suburbs (Wynberg, Claremont and Observatory).

The present abstract is a survey taken between October and November 2011 of 16 Homeless people, based in Wynberg Haven Night Shelter. Of these 16, 94% earn \pm R1,000/month from government grants and casual jobs, and only 6% earn \pm R3,000/month from a secure job. A further investigation yields that the percentages of family separation, uncontrolled spending, alcohol excess and cigarette consumption are above 62%, which completely affirms our belief that "The problem of Homeless people is not necessarily money or food, but Education". Since the time of this survey, we have significantly impacted the Homeless: by improving their financial skills; providing rooms outside shelter, helping them to find jobs and reducing/stopping smoking and alcohol consumption. We are still struggling with employments, health care (HIV and TB), family reconciliation and shortage of staff/volunteers due to funding issues/lack of funding.

Life Change Ministry: Educating the Poor
4 Hellenic court, 252 Main Rd, Plumstead, 7800
Tel : 021 762 8243
Cell: 079 091 0554
E-mail: life.lifechange.change@gmail.com
Blog: www.lifechangeministrysa.wordpress.com

NPO Bank Details: Standard Bank
Account Name: Life Change Ministry
Account number: 073637424
Branch: Rondebosch
Reference: The person's name or company

0. Introduction

The Homeless problem in South Africa had significantly shaped my perception of African Society while I was busy with my Masters study. In fact, the instability of politics and economics in the DRC had raised my concern towards the poverty-stricken, and after being selected for Postgraduate studies at the University of Cape Town, seeing the Homeless in South Africa after 15 years of post-apartheid¹ was unacceptable because of the highly different context from the DRC. In the DRC the government is struggling to stabilize firstly, its people's security (War: 46,000 people die monthly since 1998), economy (among the top poorest countries in the world and very few politicians invest in the country), politics (government is unable to implement its programme) and social unrest (street kids caused mainly by economic instability in families).² Despite of all these exclamations, I finished my studies by addressing the above issue by creating along with other postgraduates and UCT Alumni this Non Profit Organisation called "Life Change Ministry" in 2010.

The present paper will provide a brief presentation of our NPO, poverty in South Africa, a case study of Homeless based in Wynberg, and a discussion and conclusion.

1. Presentation of Life Change Ministry (LCM)

Since 2009, LCM has been gathering in my place Homeless people along with staff and volunteers to address Homeless issues such as feeding programmes, CV writing, advising and assisting on transport for job hunting. However, the NPO started struggling between 2010 & 2011 due to the lack of finances from our staff, shortage of labours (staffs and volunteers), delay of NPO registration (\pm 18months) and my scarce skills permit application from November 2010 until now! But, I overcame those obstacles by investing almost my full-time to address the poverty issue in South Africa/Cape Town.

Life Change Ministry: Educating the Poor
 4 Hellenic court, 252 Main Rd, Plumstead, 7800
 Tel : 021 762 8243
 Cell: 079 091 0554
 E-mail: life.lifechange.change@gmail.com
 Blog: www.lifechangeministrysa.wordpress.com

NPO Bank Details: Standard Bank
 Account Name: Life Change Ministry
 Account number: 073637424
 Branch: Rondebosch
 Reference: The person's name or company

2. Poverty in South Africa

2.1. Background

I was interested to do a few literature reviews before I carried on, in order to have a better understanding of the issues in the country.

The Human Sciences Research Council (HSRC), in collaboration with Mr Andrew Whiteford, a South African economist, had estimated that the proportion of people living in poverty in South Africa has not changed significantly between 1996 and 2001. Approximately 57% of individuals in South Africa were living below the poverty income line in 2001, unchanged from 1996. Limpopo and the Eastern Cape had the highest proportion of poor with 77% and 72% of their populations living below the poverty income line, respectively. The Western Cape had the lowest proportion in poverty (32%), followed by Gauteng (42%). The HSRC has used a measure called the poverty gap that measures the required annual income transfer to all poor households to bring them out of poverty. The HSRC study has shown that the poverty gap has grown from R56-billion in 1996 to R81-billion in 2001, indicating that poor households have sunk deeper into poverty over this period.³

The results presented by the HSRC may leave us with series of questions such as why the Eastern Cape Individuals have the lower proportion in poverty compared to the Western Cape Individuals? Why the poverty gap has grown significantly by 25-billion or 44,6% after 5 years (1996-2001) rather than decreasing? Those questions raise serious concerns on mismanagement from Individuals into National Prospective. But before we carry on, let's analyse my case study among Cape Town Homeless on financial.

2.2. Case study - Survey in The Haven Night Shelter Wynberg

The present survey was done between October and November 2011 of 16 Homeless [14 males and 2 females of which 69% are Youth and 31% Older, and 88% South Africans (29% Whites, 29% Africans and 42% coloured) and 12% Foreigners].

Life Change Ministry: Educating the Poor
 4 Hellenic court, 252 Main Rd, Plumstead, 7800
 Tel : 021 762 8243
 Cell: 079 091 0554
 E-mail: life.lifechange.change@gmail.com
 Blog: www.lifechangeministrysa.wordpress.com

NPO Bank Details: Standard Bank
 Account Name: Life Change Ministry
 Account number: 073637424
 Branch: Rondebosch
 Reference: The person's name or company

Of these 16, 94% earn \pm R1,000/month from government grants and casual jobs, and only 6% earn \pm R3,000/month from a secure job. The Table below presents a summary of poverty characterized by unemployment, social, health and spending problems experienced by Homeless:

Expenses	Number of Homeless (16)	Percentage (%)	Causes
Cigarette consumption	11	68.8	Solitude, people's influence, addiction and lack of information.
Alcohol excess	10	62.5	Psychiatric, lack of self-control, people's influence and lack of information
Unemployment	15	93.7	Unsolved conflicts with previous employers, contract expired, lack of permanent job, pension and mental disorders
HIV	2	12.5	Uncontrolled sex behaviour, people's influence, psychiatric and lack of information.
TB	6	37.5	Cigarette excess, not eating regularly, misconception of TB grant and lack of medical cares
Uncontrolled spending	14	87.5	Lack of money skills, instability and misconception of Government grant
Family Separation	10	62.5	Alcohol excess, drugs, divorce, apartheid, mental disorders, lack of finances and thief

Table I Unemployment, Social, Health and Spending problems Faced by 16 Homeless based in The Haven Night Shelter Wynberg

The table above shows that the percentages of family separation, uncontrolled spending (\pm R400 - R1,000 spent monthly on substances abuse), alcohol excess, and cigarette and drug consumption are above 62%, which shows that "The problem of Homeless people is not necessarily money or food, but Education". In addition, it shows the factors that cause people to end up in the streets such as unemployment, lack of financial planning, apartheid (racial and family separation), mental disorders, drug addiction and incapacity of the family to accommodate their siblings despite of his/her mistakes, and finally it shows 37.5% TB suffering linked to smoking consumption and 12.5% HIV linked to uncontrolled sex behaviour. So, how can we address efficiently HSRC and Homeless challenges?

Life Change Ministry: Educating the Poor
 4 Hellenic court, 252 Main Rd, Plumstead, 7800
 Tel : 021 762 8243
 Cell: 079 091 0554
 E-mail: life.lifechange.change@gmail.com
 Blog: www.lifechangeministrysa.wordpress.com

NPO Bank Details: Standard Bank
 Account Name: Life Change Ministry
 Account number: 073637424
 Branch: Rondebosch
 Reference: The person's name or company

3. Discussion

The good news is that South Africa remains the 1st African economy and on the stock exchange is ranked among the top 20 in the world and the government is spending billions of Rand annually on services delivery (i.e. Infrastructures) and grants for Old age and disability... (SASSA).⁴⁻⁶ However, the bad news is that the gap between the rich and poor has widened which has increased the proportion of people sleeping in a night shelter or illegal settlements.^{1,3} This demonstrates that the Poverty in South Africa is mainly caused by a “Failure of Management System from Individuals to Governments level” which could be caused by the lack of serious research done by the Government, before addressing Poverty alleviation and irregular expenditures from municipalities.⁷ This problem will be similar to the biblical parable of the Talents from Matthew 25:14-27 whereby a Master was going into a journey and left talents to 3 people, the first one who received 5 talents, doubled them to 10, the second one, doubled them to four but the one who received 1 talent, hid it. When the Master came back, he had honoured the 1st two but rebuked the last one and stated: “You wicked, lazy servant! So you knew that I harvest where I have not sown and gather where I have not scattered seed? ²⁷ Well then, you should have put my money on deposit with the bankers, so that when I returned I would have received it back with interest”! The Master can be represented by South Africa’s President or Central Government who will complain about billions of Rand invested without alleviating poverty!

After some research done from my side via HRS results, as well as the results of survey among the Wynberg Homeless in Table 1, the general observation of African’s governance and public, I believe, is that the main cause of poverty in South Africa is not due to the lack of income or service delivery but it is mainly “Lack of financial skills and Human values” from Individuals to government level. This is because Homeless, townships citizens and government officers are also citizens of the country who probably did not receive any assistance since their youth on financial skills and Human values from their family, school or religion. The financial skills will include budgeting, financial planning and Human values provide from either family, school or religion which will equip the person on what is right or wrong in society.

Life Change Ministry: Educating the Poor
 4 Hellenic court, 252 Main Rd, Plumstead, 7800
 Tel : 021 762 8243
 Cell: 079 091 0554
 E-mail: life.lifechange.change@gmail.com
 Blog: www.lifechangeministrysa.wordpress.com

NPO Bank Details: Standard Bank
 Account Name: Life Change Ministry
 Account number: 073637424
 Branch: Rondebosch
 Reference: The person’s name or company

If the government could support and promote these two areas, it will prevent corruption or irregular expenditures from municipalities, because people will learn to be content with what they are obtaining as salary (Hebrew 13:5: Keep your lives free from the love of money and be content with what you have) and budgeting as well as saving will prevent many people from ending up in night shelters.

The service delivery in townships and government grants are completely another situation whereby the government is investing lots of money on housing and other infrastructures, but the gap of poverty keeps on increasing! So what is really needed to alleviate poverty in townships in a post-apartheid situation"? I think a Chinese proverb may help us to solve the problem and the proverb states "Give a man a fish and he won't starve for a day. Teach a man how to fish and he won't starve for his entire life." My analysis of townships statements from news and newspapers and general interviews with the Homeless, is that the more they ask, the more they receive. So, the more the government will be providing houses or grants, the more demands will keep on increasing and the result will be "people living in a house without money to maintain it or uncontrolled spending on substance abuse such as alcohol, drugs and cigarettes will increase, which unfortunately will affect people's health and the government will empty their pocket again on health care. So, it is a vicious cycle where the government is emptying its pocket without any positive result. For instance, if you provide a house to an employed mother, the unemployed uncle and child may also show up with the same needs, being able to maintain the house with an Old age grant, whereby they often ask for the R1,240 to be increased, while according my research, between R400-1,000 are spent on substance abuse. If the government increases this grant to R2,000 without any assistance on how it is managed, the expenses on substances abuse could be doubled which may also double the spending on health care. So, what should the government do to address such an issue? From Housing to grant problems, so far it's been all about "Not teaching someone how to fish but how to claim for fish", therefore I believe that for both categories, the government should invest on education, including financial skills, jobs opportunities and funding small businesses, rather than providing more houses and grants. On the other hand, another question that may be raised on substance

Life Change Ministry: Educating the Poor
 4 Hellenic court, 252 Main Rd, Plumstead, 7800
 Tel : 021 762 8243
 Cell: 079 091 0554
 E-mail: life.lifechange.change@gmail.com
 Blog: www.lifechangeministrysa.wordpress.com

NPO Bank Details: Standard Bank
 Account Name: Life Change Ministry
 Account number: 073637424
 Branch: Rondebosch
 Reference: The person's name or company

abuse, is what cause the granted to act in such a way, besides the lack of financial skills?

The table I above and our drug workshops run on the 19th July 2012 could help us to identify the main cause of the problem which can be listed as follows⁸: loss of a loved one (generally parents or siblings) or something very important such as a job; lack of information linked to the consequences of substance abuse; solitude; environment of smokers; misconception of government grant; and lack of self-control and illness (anxiety, mental disorders and TB). For TB, it is so sad because we had observed a situation whereby TB granted wants to remain sick because of fear of grant termination after being declared fit or healed, that's the reason why they smoke more with aim to increase or maintain their sickness! So, what should the government and individuals do to address the problem? I think that the public and government should encourage any "Mental Health Programme", invest on family stability, open up big Psychiatric and drug therapy centre with qualified health professionals, psychologists, social worker, former drug addicted and pastors, promote lots of campaigns against substance abuse from home, public areas, churches, working places and media and job creation.

In terms of job creation, I will suggest a review of foreign policy from Home Affairs for foreign investors and scarce skills because the foreign representative of organisations such as International Finance Corporation (IFP) had invested more than \$400 million to create 300,000 jobs between 2000 and 2010 and the scarce skills contributed to the development of the country in all levels.⁹⁻¹⁰

Before we address the poverty issue, we will need to understand or redefine the concept itself. A "Poor" is general defined as lacking material possessions and poverty defined as state of one who lacks certain amount of material possessions or money.¹¹⁻¹² If we can stick on that both definitions, we will disagree on the poor or poverty definition because most of South Africans, whether based in townships or Suburbs don't lack possessions such as natural resources from lands to the ocean and Human resources such as skilled individuals (labours), but the problem is the exploitation and conversion of those Human, financials, land and ocean resources. So, as leaders of governments and organisations, we should ask ourselves if we are exploiting wisely those resources. That's the reason why I

define “poverty” as state of the incapacity of humans to exploit his/her resources. And, I believe that Carnegie III will be an appropriate conference which will study different strategies to overcome poverty and inequality in South Africa, which strategy can be used also in the Southern Africa. After all this discussion, what can we conclude and recommend?

4. Conclusion

After discussing the poverty issue from HSRC results, corruption from municipality according to 2011 and 2012 report, survey among Homeless, problems in townships and foreign impact on the South Africa economy, I believe that poverty has multiple causes listed as follows: lack of financial skills; lack of basic education; human values; creation of a beggar mentality; lack of self-control toward substances abuse; misconception of government grants; unsuitable foreign policy and illness. So, I may suggest the following strategy to address the issue: launch or promote money skills from youth to old age, support basic education in townships or rural areas, promote religious values which build human values, creation of more job opportunities, small business and free career services rather than housing in townships, rural areas and night shelters, creation of big drug therapy and psychiatric centre, launch campaign against substances abuse, support and promote family stability, campaign to explain the use of government grants from SASSA and returning the treatment of foreign permits by competent provinces.

Acknowledgements

- To God who is omniscient “The creator of all knowledge”.
- To Life Change Ministry team, for their support during my writing.
- To the Haven Night Shelter Wynberg, for their support and providing access to clients and internet facilities.
- To the University of Cape Town, for posting the information about Carnegie III conference.
- To my family back Home in DRC and USA.

Life Change Ministry: Educating the Poor
 4 Hellenic court, 252 Main Rd, Plumstead, 7800
 Tel : 021 762 8243
 Cell: 079 091 0554
 E-mail: life.lifechange.change@gmail.com
 Blog: www.lifechangeministrysa.wordpress.com

NPO Bank Details: Standard Bank
 Account Name: Life Change Ministry
 Account number: 073637424
 Branch: Rondebosch
 Reference: The person’s name or company

References

1. Olusola Olufemi, Environment and Urbanization, Vol. 10, No. 2, 1998
2. http://travel.state.gov/travel/cis_pa_tw/cis/cis_1104.html(accessed 23/07/2012)
3. Craig Schwabe, GIS Centre, Human Sciences Research Council, 2004
4. <http://www.southafrica.info/business/economy/econoverview.htm> (accessed 23/07/2012)
5. http://www.westerncape.gov.za/eng/your_gov/16293/news/2011/jun/221379 (accessed 23/07/2012)
6. South Africa Social Security Agency, 2010/11 Annual Report Presentation
7. <http://dailymaverick.co.za/article/2012-07-24-municipal-audits-what-progress-has-been-made> (accessed 23/07/2012)
8. <http://lifechangeministrysa.wordpress.com/2012/07/25/gods-work-in-lcm-19th-july-2012/> (accessed 26/07/2012).
9. http://www1.ifc.org/wps/wcm/connect/cb2359804b0aa9f08439fe888d4159f8/Job_creation_PEfunds.pdf?MOD=AJPERES (accessed 27/07/2012)
10. <http://hicd.nrf.ac.za/?q=node/9> (accessed 27/07/2012)
11. <http://www.merriam-webster.com/dictionary/poor> (accessed 27/07/2012)
12. <http://en.wikipedia.org/wiki/Poverty> (accessed 27/07/2012)