Chapter 1: Introduction

1.1 Background

The West Coast District Municipality (WCDM) has appointed Urban-Econ to compile a strategic plan for poverty alleviation in the West Coast Region. The West Coast Poverty Alleviation Strategy (WCPAS) is an attempt to address the daunting challenge of comprehensively addressing poverty as a multi-dimensional threat to sustained prosperity and well being in the West Coast region as well as the province and country as a whole.

1.2 Purpose of the Project

The West Coast region is facing many challenges regarding community upliftment and poverty alleviation. It has therefore become imperative that a strategy is developed from which programmes, projects and various action plans would result in order to achieve the poverty eradication and provincial priorities regarding the level of poverty in the West Coast region and the Western Cape.

The strategy aims at providing a definition of poverty which forms part of helping identify the key poverty indicators in the West Coast. These criteria enabled poverty thresholds to be conceptualised. This was used to conduct a situational analysis of the area to gain understanding of the level of poverty in the area and which projects are currently underway regarding poverty alleviation.

The strategy is aimed at the development and identification of opportunities, programmes and projects which will:

- Effectively utilise and apply the local resource base for the benefit of local communities in the various local municipalities in the West Coast Region.
- Increase the living standards of communities living in poverty.
- Enable the municipality to provide more and better services and facilities
- Develop the human resource potential and opportunities for development; and
- Develop linkages between developed and underdeveloped areas.

The purpose of the strategy is therefore to identify the multiple dimension of poverty and try and find ways in which to alleviate poverty with practical actions in a holistic manner through the participation of all stakeholders and role-players involved in the process. The final product will be an integrated poverty alleviation strategy.

The Western Cape’s Poverty Alleviation Strategy is value based and therefore it is suggested that:

- The strategy places people and their needs at the forefront – Batho Pele;
- The strategy advocates for social, economical and environmental sustainability;
- The strategy promotes integration and acknowledges that all elements of society are interrelated and linked;
- The strategy does not unfairly discriminate against any person or groups of vulnerable and disadvantaged groups;
- Equitable access to the benefits of the strategy is pursued vigorously;
- The strategy takes into account the consequences of each program throughout its life cycle;
- The participation of all interested and affected parties be ensured;
Decisions be taken in an open and transparent manner;
Vulnerable groups who suffer discrimination beyond poverty, such as women, the disabled, older persons and children are given specific attention (Western Cape PAS, 2005).

It is of utmost importance that the Poverty Alleviation Strategy for the West Coast region be aligned and linked to the Western Cape’s Integrated Poverty Reduction Strategy, as well as national and provincial strategies. Of importance are also the Local Economic Development Strategies and Integrated Development Plans of the different local municipalities. Both of these strategies have at the core of their business the eradication and/or alleviation of poverty as well as sustainability (sustainable development). This will ensure that the province has an integrated and holistic approach to eradicating poverty in the Western Cape.

1.3 Methodology

The following subsection will describe the methodology used to compile the West Coast Poverty Alleviation Strategy and specific reference will be made the methodology of the surveys which were undertaken.

The Poverty Alleviation Strategy (PAS) was compiled by becoming orientated with the project and the actual scope of work. A situational analysis was completed to determine the current socio-economic climate of the West Coast region and the six municipal areas. This was in turn used to construct poverty criteria which were used to formulate a poverty definition specifically for the WCPAS. The first Indaba was held to enable the researchers to gather information from the relevant stakeholders and to introduce the strategy to the community.

The surveys which were done were completed in the six municipal areas as follows:

<table>
<thead>
<tr>
<th>Municipal Area</th>
<th>Number of Households</th>
<th>1% of households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matzikama</td>
<td>14 095</td>
<td>140</td>
</tr>
<tr>
<td>Cederberg</td>
<td>10 366</td>
<td>103</td>
</tr>
<tr>
<td>Bergrivier</td>
<td>11 705</td>
<td>117</td>
</tr>
<tr>
<td>Saldanha Bay</td>
<td>18 707</td>
<td>187</td>
</tr>
<tr>
<td>Swartland</td>
<td>17 403</td>
<td>174</td>
</tr>
<tr>
<td>DMA</td>
<td>1 175</td>
<td>11</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>73 451</strong></td>
<td><strong>732</strong></td>
</tr>
</tbody>
</table>

The surveys were completed in the poorer areas of specific settlements and towns located within each of these six areas. The areas were identified according to data which was received from the Department of Social Welfare relating to the number of households which are reliant on Social Grants. This information was correlated to the actual areas which the pay points are situated in which is in the poorer areas of various towns etc.

The fieldworkers who were used were unemployed individuals who were employed with the assistance of each municipal areas local municipality and Community Development Workers.

This information along with the formal statistics and other relevant primary and secondary sources were used to compile a poverty profile for each area. The areas within each municipality was rated according to the poverty criteria to illustrate which areas are above or below the poverty line and to initiate the identification of opportunities, programmes and projects. These identified projects which are each included in one of the twelve poverty thrusts were prioritised and formed part of the strategic plan and the final implementation plan of the PAS.

1.4 Structure of the Document

Chapter Two: This Chapter provides an in-depth understanding of the policy framework which has been established within South Africa and the Western Cape Province.
policy documents along with other relevant secondary sources was used to compile a relevant strategy which incorporates existing and new poverty alleviation programmes and projects.

Chapter Three: This chapter attempted to construct a relevant poverty definition by utilising the poverty criteria which was used to compile a poverty profile for each of the six municipal areas. The criteria were used to focus the attention on certain areas within the social, political and environmental environments where poverty alleviation is most needed.

Chapter Four: The fourth chapter analysed the socio-economic situation of the West Coast region. The relevant statistical data was used to set the background for the poverty profile chapter where this data was used in conjunction with the survey data to enable poverty pockets to be identified.

Chapter Five: The fifth chapter is a key chapter where all the relevant data and information sources was used to discuss each poverty criteria and the situation within all each municipal area and provide the data to determine whether a community is above or below the poverty line.

Chapter Six: This chapter showed the poverty matrix which illustrates the poverty situation in the West Coast according to the relevant ratings. The poverty matrix results were determined according to the criteria rating which illustrates whether a town is above or below the poverty line. This chapter included the poverty pocket map of the West Coast region according to the poverty matrix.

Chapter Seven: A strategic outline of the poverty alleviation initiatives was provided whereby the main poverty thrusts are indicated and together with how they relate to the criteria. This was used to compile the strategic plan where-by key areas were identified to enable the poverty programmes and projects to be most efficient in meeting the needs of communicates living in absolute poverty.

Chapter Eight: The action plan discussed in this chapter illustrates how the strategy should be implemented so as to achieve optimal results for all stakeholders involved. This is crucial in enabling the strategy which is following a long term approach in alleviating poverty in the West Coast according to the needs of the poor and the resources available to ensure a successful strategy.
Chapter 2: Policy Framework

2.1 Introduction

Legislation and policy that have an influence on the Poverty Alleviation Strategy for the West Coast Region provide a legal framework and influences the manner in which the West Coast Region will be conducting Poverty Alleviation in their demarcated area. This section provides an overview of legislation applicable to Poverty Alleviation Strategies and is discussed in the subsequent paragraphs of this section.
### 2.2 Linkages between Policies

<table>
<thead>
<tr>
<th>Policy</th>
<th>Nature of Influence</th>
<th>Economic Development Indicators</th>
<th>Strategic Anti-Poverty Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Macro-Economic Policy, 2005 (Provincial)</strong></td>
<td>- Determines the fiscal envelope available;</td>
<td>- Local sectors identified or favoured by macro-economic policy initiatives, particularly taxes, subsidies and interest rates;</td>
<td>- Analysis of the Socio-Economic characteristics of poverty population;</td>
</tr>
<tr>
<td></td>
<td>- Determines the nature of economic growth and indicates what sectors investment is likely to occur.</td>
<td>- Size of the fiscal envelope; - Budget priorities and allocations, particularly human and physical investment plans.</td>
<td>- Effective targeting of human and physical investment plans to build capabilities with macro-economic policy initiatives population (skills training and education and municipal infrastructure).</td>
</tr>
<tr>
<td><strong>The Micro Economic Development Strategy for the Western Cape (MEDS), 2005 (Provincial)</strong></td>
<td>- The MEDS provides the 10-year economic development view of Government in the Western Cape.</td>
<td>- A very significant increase in the funds made available for economic development; - That small business development, with the huge potential boost for employment, will receive a quantum growth spurt occasioned by their one-stop shop advice and business support centre; - Large-scale intervention will be put in place to deal with growth and equity in promising industries.</td>
<td>- Leap forward in interventions in human resource development to equip all the citizens to be effective players in the workplace; - Pioneering large-scale initiatives to find sustainable decent work for those whose skill-level have condemned them to the apparent scrap heap of global employment.</td>
</tr>
<tr>
<td><strong>Ikapa Elishumayo, 2004-2007 (Provincial)</strong></td>
<td>- Combines short term and long term strategies; - Guiding appropriate geographical targeting of service delivery in Province.</td>
<td>- Targeted and coordinated infrastructure spending and investment; - Targeted economic growth; - Micro-economic Strategy; - Improving financial</td>
<td>- Provides short term relief to the poor and unemployed; - Structured human resource development; - Higher levels of sustained growth and employment;</td>
</tr>
<tr>
<td>Policy</td>
<td>Nature of Influence</td>
<td>Economic Development Indicators</td>
<td>Strategic Anti-Poverty Issues</td>
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</tbody>
</table>
| The Reconstruction and Development Programme (RDP), 1994. (National) | ▪ Provides a guiding vision that is promoted through a range of national strategies and IDP’s at local level;  
▪ Guiding policy which has direct implications for LED and Poverty Alleviation Strategies | ▪ Accelerating the basis for sustained economic growth, development and job creation.      | ▪ Meeting the basic needs of the people;  
▪ Developing human resources;  
▪ Ensuring safety and security;  
▪ Representative institutions must be established to address poverty alleviation. |
| Restructuring the South African Labour Market, 1996. (National)      | ▪ Spatial movement of labour and hence increased need for labour and infrastructure in certain areas  
▪ Impacts on wages, level of employment and hence the affordability of services;  
▪ Certain localities may gain and others may lose;  
▪ Wages and level of employment affect the tax base of localities and hence revenue for infrastructure spending | ▪ Trends in employment;  
▪ Trends in wage levels;  
▪ Occupational trends;  
▪ Spatial Allocation of employment and trends by sector and occupation;  
▪ Socio-economic characteristics of labour by locality and region (age, race, gender, education);  
▪ Internal migration patterns;  
▪ Impact of international migration patterns. | ▪ Alignment of regulatory framework and land development framework to mitigate against internal spatial mismatches between the location of poor neighbourhoods and nodes of economic growth. |
| Trade and Industrial Policy, 2004. (National)                        | ▪ Impacts on the levels, nature and location of investment activity and hence infrastructure needs;  
▪ Economic infrastructure to support production and distribution of goods and services, and  
▪ Social infrastructure to support communities. | ▪ Spatial and Sectoral distribution of new private sector investment;  
▪ SDI related infrastructure investment and level of government spending;  
▪ Spatial impact of enterprise incentives, particularly SMME related ones. | ▪ Alignment of regulatory framework and land development framework to mitigate against internal spatial mismatches between the location of poor neighbourhoods and nodes of economic growth.  
▪ Complementary programmes to encourage local labour intensive and high value SMME’s |
| The West Coast region Spatial Plan (Vol 1 & 2),                     | ▪ Sectoral plans of the IDP;  
▪ Providing general direction to | ▪ To direct, guide and co-ordinate the spatial | ▪ Responds to the need to align investment in social and economic |
<table>
<thead>
<tr>
<th>Policy</th>
<th>Nature of Influence</th>
<th>Economic Development Indicators</th>
<th>Strategic Anti-Poverty Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001. (Regional)</td>
<td>guide decision making on an ongoing basis, aiming at the creation of integrated, sustainable and habitable regions, cities, towns and residential areas.</td>
<td>planning with accompanying development over the following 20 years.  - To spatially inform the IDP.  - To direct public spending strategies  - To provide direction and establish an atmosphere of trust to the private sector regarding investment  - To obtain the approval of National and Provincial Departments for local planning and policy principles.</td>
<td>infrastructure across departments and spheres of government in order to tackle development challenges effectively;  - It provides national objectives for spatial development;  - Addresses the changing spatial economy and its impact on commitment to social reconstruction, sustainable growth, social justice and environmental integrity;  - Responds to spatial trends in terms of impact on infrastructure investment and development spending;  - And co-ordinates planning and policy in the three spheres of government.</td>
</tr>
<tr>
<td>Spatial Development Initiatives (Regional)</td>
<td>The fostering of sustainable industrial development in areas where poverty and unemployment are at their highest</td>
<td>Crowding in of investment;  - Public-Private Partnerships (PPPs);  - Inherent economic potential;  - Rapid planning and delivery;  - Restructuring the 'apartheid';  - Space economy;  - Generating sustainable employment;  - Maximising private sector investment;  - Exploiting SA's under-utilised locational and</td>
<td>Economic integration can yield greater developmental benefits by the collective use of economic policies;  - Public-private partnerships;  - Provision of opportunities in sectors such as agriculture, mining, tourism, environment, forestry, infrastructure and ports.</td>
</tr>
<tr>
<td>Policy</td>
<td>Nature of Influence</td>
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</table>
| Growth potential of towns in the Western Cape, 2004. (Provincial) | • Aim of this document is the urban audit of towns in the Western Cape. | • Identify salient growth criteria and indicators for urban development from the relevant literature and policy documents;  
• Measure and quantify the growth performance of all rural towns in the Western Cape Province;  
• Index, rank and categorise the towns according to their development potential and human needs;  
• Comprehend the observed growth dynamic by ascertaining qualitatively the underlying economic base and place identity of the towns;  
• Suggest recommendations for the optimal investment type for each town; and  
• Avail the results as an input to the drafting of a statutory Provincial Spatial Development Framework (PSDF). | • Growth of towns will positively result in more job creation which will help in the struggle of poverty and thus the alleviation thereof. |
| West Coast Investment Initiative Appraisal, 1997. (Regional) | • To focus interest, effort and investment in a specific location of potential, with under-utilised infrastructure and resources. | • Realize the growth potential of existing infrastructure and resources in the region;  
• Encourage the involvement of small, medium and | • Stimulate job creation;  
• Healthy agricultural and fishing sectors;  
• The growing tourism sector;  
• The expanding industrial sector. |
<table>
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<th>Strategic Anti-Poverty Issues</th>
</tr>
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<tbody>
<tr>
<td></td>
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<td>micro enterprises (SMMEs):</td>
<td>Expansion of marginal groups in the province;</td>
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<tr>
<td></td>
<td></td>
<td>▪ Develop the export potential of the region through the port.</td>
<td>Women in poor communities and youth at large;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Importance of intergovernmental institutional arrangements;</td>
<td>Building of social partnerships;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Projects and programmes devised to address poverty nationally and provincially.</td>
<td>Reduction of absolute poverty.</td>
</tr>
<tr>
<td>Integrated Poverty Reduction Strategy for the Western Cape Province, 2002. (Provincial)</td>
<td>▪ This Poverty Reduction Strategy puts forward the fundamentals of what the province would consider as an appropriate response to the daunting challenge of comprehensively addressing poverty as a multi-dimensional threat to sustained prosperity and well being in the province.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Coast Integrated Development Plan, 2006-2007. (Regional)</td>
<td>▪ The Integrated Development Plan (IDP) should lead to the establishment and maintenance of viable communities within a framework of sustainability.</td>
<td>▪ Sustainable utilisation of resources and impact management;</td>
<td>▪ Addresses the existing needs of the communities through a framework of sustainability and identified roles and projects in the West Coast District.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Holistic and integrated planning;</td>
<td></td>
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<td></td>
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<td>▪ Participation and partnerships in the management of strategic elements;</td>
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<td></td>
<td></td>
<td>▪ Empowerment and environment awareness;</td>
<td></td>
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<td></td>
<td></td>
<td>▪ Management of information;</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>▪ Formulation of an effective institutional framework and legislation.</td>
<td></td>
</tr>
<tr>
<td>National Education Policy, 1996. (National)</td>
<td>▪ Medium to long-term quality of human resources of a locality;</td>
<td>▪ Level of location of spending on education;</td>
<td>▪ Equitable access to high quality education for all the citizens;</td>
</tr>
<tr>
<td></td>
<td>▪ Attraction of high caliber human</td>
<td>▪ Quality of education</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>▪ Effective maintenance and operation</td>
</tr>
<tr>
<td>Policy</td>
<td>Nature of Influence</td>
<td>Economic Development Indicators</td>
<td>Strategic Anti-Poverty Issues</td>
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<tr>
<td></td>
<td>resources.</td>
<td>offered by local schools and institutions; Other supporting infrastructure provided.</td>
<td>of infrastructure and services, particularly in poor areas.</td>
</tr>
<tr>
<td>Strategic Priorities for the National Health System, 2004-2007. (National)</td>
<td>▪ Medium to long-term quality of human resources of a locality; Quality of life Attraction of high calibre human resources.</td>
<td>▪ Level and location of spending on health infrastructure; Quality of local primary health services.</td>
<td>▪ Equitable access to high quality health services for all the citizens; Effective maintenance and operation of infrastructure and services, particularly in poor areas.</td>
</tr>
<tr>
<td>Migration Framework for the West Coast District. (Regional)</td>
<td>▪ The migration framework contributes to achieving economic and poverty alleviating goals.</td>
<td>▪ Economic growth; Region economics; Tourism; Conservation; Pollution; and Water.</td>
<td>▪ Housing Delivery; Services; Agriculture; Migration and urbanization; Progressive development; Employment creation.</td>
</tr>
<tr>
<td>Tourism Strategy for the West Coast region (Regional)</td>
<td>▪ The objectives for tourism development in the West Coast.</td>
<td>▪ Promote the development of tourist infrastructure that will enhance tourism in general and conform to place-specific architectural, environmental and aesthetic requirements; Ensure the restoration and maintenance of the character and natural aesthetics of the study area to communicate specific concepts and/or images to the tourist; Provide infrastructure that will enhance the experience of the tourist and conform with set architectural,</td>
<td>▪ To create employment (poverty alleviation); To enhance the profile of tourism products offered by the West Coast; To compliment other initiatives and projects being undertaken at national, provincial and local levels by the private and public sectors; To stimulate sustainable and responsible investment; To create opportunities for the private sector and the local communities to work together for the benefit of all.</td>
</tr>
<tr>
<td>Policy</td>
<td>Nature of Influence</td>
<td>Economic Development Indicators</td>
<td>Strategic Anti-Poverty Issues</td>
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<td>-----------------------------</td>
</tr>
</tbody>
</table>
| Municipal Infrastructure Policy, 1997. (National) | - Quality of life;  
- Cost of production and distribution of goods and services;  
- Transaction costs of participating in the economy, particularly for labour. | - Quality and extent of social and economic municipal infrastructure. | - Equitable access and affordability of services. |
| White Paper on Land Policy, 1997. National. | - Identifies development needs, the nature of rural development support required and hence infrastructure needed;  
- Facilitates access to land and eases framework for land development;  
- Defines the nature of urban development and hence growth trends and development needs;  
- Defines nature of rural development and hence growth trends and development spending needs. | - Facilitation of development through opening up of land to enhance income generating opportunities and the creation of economic and social infrastructure;  
- Integrated rural and urban development planning;  
- Enhanced backward and forward linkages between urban and rural economies. | - Equitable access to land with particular emphasis on meeting the needs of poor communities;  
- Supporting policies and programmes to enhance land utilisation and access to markets for small farmers and SMME’s. |
<p>| White Paper on National | - Determines what types of roads | - Community transport | - Equitable distribution of transport |</p>
<table>
<thead>
<tr>
<th>Policy</th>
<th>Nature of Influence</th>
<th>Economic Development Indicators</th>
<th>Strategic Anti-Poverty Issues</th>
</tr>
</thead>
</table>
| Transport Policy, 1996. (National)             | and railway lines and who should finance them;  
  - Ports and harbours to support development. | system;  
  - Access to social infrastructure;  
  - Access to employment;  
  - Rural roads built;  
  - Urban reticulation road;  
  - Inter urban roads;  
  - Inter urban rural road;  
  - Transport corridors. | Effective public transportation system particularly linkages between poor residential areas and economic growth nodes. |
| White Paper on Telecommunications, 2006. (National) | Determines what types of infrastructure, where, how, and when | Level of service and number of households serviced;  
  - Location of public telephones;  
  - Access to information technology infrastructure;  
  - Household with computers and their location. | Equitable access to ICT infrastructure |
| Western Cape Housing Policy, 1996. (Provincial)  | Where housing will be located;  
  - How much housing and what supporting infrastructure will be allocated;  
  - Tenure arrangements;  
  - Housing finance;  
  - Funding Allocated;  
  - Number and quality of houses built;  
  - Where they have been built;  
  - Profile of community which has benefited and location. | Equitable access to housing;  
  - Effective utilisation of housing subsidies;  
  - Rental housing stock in poor neighbourhood. | Location of households with access to the minimum required amounts of water. |
| Water Supply and Sanitation Policy, 1994. (National) | Determines priorities, level of service, how, by whom and with what funding. | Level of service and number of household serviced. |  |

(Source: Urban-Econ, 2006).
2.3 Social Welfare in Western Cape

The department of Social Services and Poverty Alleviation are currently administrating the following legal frameworks or parts thereof.

- **Aged Person’s Act, Act 81 of 1967**: The Act provides for the protection and welfare of older persons, for the establishment and registration of facilities providing accommodation and care to older persons.

- **National Welfare Act, Act 100 of 1978**: The Act provides for the registration of welfare organizations on regional basis; the establishment, functions and operations of regional welfare boards; and the establishment of a national Welfare Board.

- **Child Care Act, Act 74 of 1983**: As amended the Act, 1983, provides for the establishment of children’s courts and the appointment of commissioners of child welfare, for the protection and welfare of children, for the adoption of children and for the establishment of facilities for the care and the treatment of children.

- **Adoption Matters Amendment Act 1996, Act 56 of 1988**: The Act amended the Child Care Act, 1983 to simplify the granting of legal representation for children in Children’s Court proceedings; to provide for the rights of natural fathers where adoption of their children born out of wedlock has been proposed and for certain notice to be given to amend the Natural Fathers of Children born Out of Wedlock Act, 1997, to consolidate the law on adoption under the Child Care Act, 1983; and to amend the Births and Deaths Registration Act, 1992, to afford a father of a child born out of wedlock the opportunity to record his acknowledgement of paternity and his particulars in the birth registration of the child.

- **Probation Services Act 1999, Act 116 of 1991**: The Act provides for the establishment and implementation of programmes aimed at the combating of crime and for the rendering of assistance to and treatment of persons involved in crime.

- **Social Assistance Act, Act 59 of 1992**: The Act provides for the rendering of social assistance to, national councils and welfare organizations. The Act was amended in 1994 to further regulate allocation of grants and financial awards to persons and bodies.

- **Welfare Laws Amendment Act 1997, Act 106 of 1997**: The Act amended the Social Assistance Act, 1992 in order to provide for uniformity of, equality of access to, and effective regulation of social assistance throughout the Republic, to introduce the Child Support grant, do away with capitation grants, to abolish maintenance grants subject to the phasing out of existing maintenance grants, to provide for the delegation of certain powers, and extend the application of the provisions of the Act to all areas in the Republic.

- **Prevention and Treatment of Drug Dependency Act 1992, Act 20 of 1992**: As amended the Act provides for the establishment of a Central Drug Authority, the establishment of programmes for the prevention and treatment of drug dependency, the establishment of treatment centre and hostels, the registration of institutions as treatment centre and hostels and the committal of persons to and their detention, treatment and training in treatment centre.

- **Non-profit Organisations Act, 1997**: This Act repealed the Fund-raising Act 1997, excluding this chapter, which deals with the relief funds, and provided for an environment in which non-profit organizations can flourish. The Act also established an administrative and regulatory framework within which non-profit organizations.

- **Advisory Board on Social Development Act, 2001**: The Act provides for a national advisory structure in the social development sector with the aim of building and consolidating partnership between government and civil society and for that purpose, to establish a body to be known as the Advisory Board on Social Development.


- **White Paper on Population Policy for South Africa (1998)**: The White Paper aims to promote sustainable human development and the quality of life of all South Africans, through the integration of population issues into development planning in all spheres of government and in all sectors of society. The policy mandates the Department of Social development to monitor the implementation
of the policy and its impact on population trends and dynamics in the context of sustainable human
devlopment.

- **Prevention and Combating Of Corrupt Activities Act, 2004:** The Act provide for the strengthening of
  measures to prevent and combat corruption and corrupt activities, it makes provision for the
  offences relating to corruption, investigative measures, the establishment and endorsement of a
  Register in order to place certain restrictions on persons and enterprises convicted of corruption
  activities relating to tenders and contracts, and to place a duty on certain persons holding a
  position of authority to report certain corrupt transactions.

### Implications for the West Coast Poverty Alleviation Strategy

It is of utmost importance that the West Coast region and the Department of Social Services and Poverty
Alleviation work together in the fight against poverty. The Poverty Alleviation Strategy should be aligned
with the above mentioned legal frameworks in order for this strategy to be fully supported by Provincial
Government.

### 2.4 Conclusion

The recent major changes in the South African local government system have brought about new
challenges and changes for municipalities. Coupled with the fact that the country itself is still battling with
the challenges of the new political dispensation, municipalities operate within a complex regulatory and
policy framework. Central to this is the adoption of a new system of developmental local government,
which puts emphasis on the social, economic and political development of local communities as being
central to the functioning of local government. This includes a poverty alleviation strategy that is linked to
a local economic development strategy.

Traditionally, economic development was viewed as a function of the national and provincial levels of
government however; recently, local authorities are being recognised as important players in the pursuit
of the country’s economic well-being. Hence, the recent focus on Local Economic Development (LED)
aligned with the Provincial Poverty Alleviation Strategy. The higher levels of government set a broad
policy and legislative framework for economic development, but the actual planning and implementation
of local programmes is the responsibility of local government.

It is important that the Poverty Alleviation Strategy be aligned with the appropriate legal strategies and
frameworks of the province and the national government. It is essential to note that local strategies alone
will not be sufficient in the fight against poverty. These should be aligned with national and provincial
policies to create an organic process where different initiatives can reinforce and complement one
another. In order for this government driven economic development and poverty alleviation strategy to be
effective, there should be close collaboration and co-ordination between the three spheres of government
in addressing these issues.
Chapter 3: Poverty Model

3.1 Introduction

Various definitions and concepts exist for well-being and these include:

- What is typically referred to as poverty;
- Inequality in the distribution of income; and
- The vulnerability dimension of well-being.

According to the National Labour and Economic Development Institute (2005) “Poverty addresses whether households or individuals possess enough resources or abilities to meet their current needs.”

This definition is based on a comparison of individuals' income, consumption, education, or other attributes with some defined thresholds below which individuals are considered as being poor in that particular attribute. Inequality in the distribution of income, consumption, or other attributes across the population is based on the premise that the relative position of individuals or households in society is an important aspect of their welfare. The overall level of inequality in a country, region, or population group, in terms of monetary and non-monetary dimensions, is in itself also an important indicator of the level of welfare in a particular group. The vulnerability dimension of well-being is defined as the probability or risk of being in poverty today or falling deeper into poverty at some point in the future. Vulnerability is a key dimension of well-being, since it affects individuals’ behaviour and their perception of their own situation.

3.2 Definitions of Poverty

Poverty can be defined as “not having enough money to get by from day to day” or “not having enough money for the things you need and want” i.e. poverty is not having enough money for the things you need and want. When persons find themselves in these kinds of situations, it is a struggle to survive.

The condition of poverty is complex and should not be thought of as a simple problem with a simple solution. Race, gender, familial status, age, and place of residence are some, but not all of the characteristics that enhance the risk of living in poverty. The purpose of this fact sheet is to increase knowledge about poverty. As such measuring poverty is difficult because poverty is a complex issue.

Three ingredients are required in computing a poverty measure. First, one has to choose the relevant dimension and indicator of well-being. Second, one has to select a poverty line, that is, a threshold below which a given household or individual will be classified as poor. Finally, one has to select a poverty measure to be used for reporting for the population as a whole or for a population subgroup.

3.3 A Model for Poverty

3.3.1 Monetary Indicators of Poverty

When estimating poverty using monetary measures, one may have a choice between using income or consumption as the indicator of well-being. Most analysts argue that, provided the information on consumption obtained from a household survey is detailed enough, but it is argued that consumption will be a better indicator of poverty measurement than income for the following reasons:
**Consumption is a better outcome indicator than income.** Actual consumption is more closely related to a person’s well-being in the sense defined above, that is, of having enough to meet current basic needs. On the other hand, income is only one of the elements that will allow consumption of goods; others include questions of access and availability.

**Consumption may be better measured than income.** In poor agrarian economies, incomes for rural households may fluctuate during the year, according to the harvest cycle. In urban economies with large informal sectors, income flows also may be erratic. This implies a potential difficulty for households in correctly recalling their income, in which case the information on income derived from the survey may be of low quality. In estimating agrarian income, an additional difficulty in estimating income consists in excluding the inputs purchased for agricultural production from the farmer’s revenues. Finally, large shares of income are not monetized if households consume their own production or exchange it for other goods, and it might be difficult to price these. Estimating consumption has its own difficulties, but it may be more reliable if the consumption module in the household survey is well designed.

**Consumption may better reflect a household’s actual standard of living and ability to meet basic needs.** Consumption expenditures reflect not only the goods and services that a household can command based on its current income, but also whether that household can access credit markets or household savings at times when current income is low or even negative, perhaps because of seasonal variation, harvest failure, or other circumstances that cause income to fluctuate widely.

One should not be inflexible, however, about using consumption data for poverty measurement. The use of income as a poverty measurement may have its own advantages. For example, measuring poverty by income allows for a distinction to be made between sources of income. When such distinctions can be made, income may be more easily compared with data from other sources, such as wages, thereby providing a check on the quality of data in the household survey.

### 3.3.2 Non-Monetary Indicators of Poverty

Poverty is associated not only with insufficient income or consumption but also with insufficient outcomes with respect to health, nutrition, and literacy, and with deficient social relations, insecurity, and low self-esteem and powerlessness. Examples of dimensions of well-being include: (Falkingham & Namazie, 2001)

- **Health and nutrition poverty.** The health status of household members can be taken as an important indicator of well-being. Analysts could focus on the nutritional status of children as a measure of outcome as well as the incidence of specific diseases (diarrhea, malaria, and respiratory diseases) or life expectancy for different groups within the population. If data on such health outcomes are unavailable, input proxies could be used, such as the number of visits an individual makes to hospitals and health centers, access to specific medical services (such as pre- and postnatal care), or the extent to which children receive vaccinations in time as an input for their future health status.

- **Education poverty.** In the field of education, one could use the level of literacy as the defining characteristic and some level judged to represent the threshold for illiteracy as the poverty line. In countries where literacy is nearly universal, one might opt for specific test scores in schools as the relevant outcome indicator to distinguish among different population groups. Another alternative would be to compare the number of years of education completed to the expected number of years that, in principle, should be completed.

- **Composite indexes of wealth.** An alternative to using a single dimension of poverty could be to combine the information on different aspects of poverty. One possibility is to create a measure that takes into account income, health, assets, and education. It is also possible that information on income is unavailable though other dimensions are covered. It is important to note that a major limitation of composite indexes is the difficulty of defining a poverty line. Analysis by quintile or other percentile remains possible, however, and offers important insights into the profile of poverty.
3.3.3 Estimating a Poverty Line

Once an aggregate income, consumption, or non-monetary measure is defined at the household or individual level, the next step is to define one or more poverty lines. Poverty lines are cutoff points separating the poor from the non-poor. They can be monetary (for example, a certain level of consumption) or non-monetary (for instance, a certain level of literacy). The use of multiple lines can help in distinguishing among different levels of poverty. There are two main ways of setting poverty lines — relative and absolute.

- **Relative poverty lines.** These are defined in relation to the overall distribution of income or consumption in a country; for example, the poverty line could be set at 50 percent of the country’s mean income or consumption.
- **Absolute poverty lines.** These are anchored in some absolute standard of what households should be able to count on in order to meet their basic needs. For monetary measures, these absolute poverty lines are often based on estimates of the cost of basic food needs, that is, the cost of a nutritional basket considered minimal for the health of a typical family, to which a provision is added for non-food needs. Considering that large parts of the populations of developing countries survive with the bare minimum or less, reliance on an absolute rather than a relative poverty line often proves to be more relevant.

3.4 Poverty Criteria

The three most commonly used measures to determine poverty include:

- **Incidence of poverty (headcount index).** This is the share of the population whose income or consumption is below the poverty line, that is, the share of the population that cannot afford to buy a basic basket of goods. An analyst using several poverty lines, say, one for poverty and one for extreme poverty, can estimate the incidence of both poverty and extreme poverty. Similarly, for non-monetary indicators the incidence of poverty measures the share of the population that does not reach the defined threshold (for instance, the percentage of the population with less than three years of education).

- **Depth of poverty (poverty gap).** This provides information regarding how far off households are from the poverty line. This measure captures the mean aggregate income or consumption shortfall relative to the poverty line across the whole population. It is obtained by adding up all the shortfalls of the poor (assuming that the non-poor have a shortfall of zero) and dividing the total by the population. In other words, it estimates the total resources needed to bring all the poor to the level of the poverty line (divided by the number of individuals in the population). This measure can also be used for non-monetary indicators, provided that the measure of the distance is meaningful. The poverty gap in education could be the number of years of education needed or required to reach a defined threshold. In some cases, though, the measure does not make sense or is not quantifiable (for example, when indicators are binary, such as literacy, in which case only the concept of the headcount can be used).

- **Poverty severity (squared poverty gap).** This takes into account not only the distance separating the poor from the poverty line (the poverty gap), but also the inequality among the poor. That is, a higher weight is placed on those households further away from the poverty line. As for the poverty gap measure, limitations apply for some of the non-monetary indicators. The following criteria will be used throughout the poverty alleviation strategy. These poverty criteria were identified in to specifically measure poverty in the West Coast focusing on the availability of information for the area. The aim of these criteria is to enable Urban-Econ and the WEST COAST REGION to create a poverty profile for the West Coast by focusing on both monetary and non-monetary indicators to create a sustainable poverty alleviation strategy.

The extent of poverty can be measured by means of a number of criteria which will form part of the three constructs of the triple bottom line of sustainability which is the foundations of the poverty alleviation strategy.
3.4.1 Sustainability and Poverty Alleviation

Literature on the sustainability imperative is extensive. The ecological limits of the planet and the destructive forces of current economic practices are well known. An undeniable case for action has been mounted effectively by senior scientists around the world, with growing acceptance by governments and the wider community.

Nature provides a steady supply of basic requirements, many of which are obvious, such as food, clothing and shelter. It also provides a wide range of functions and services that go unnoticed but which may not be readily replaced by technological means, and if it were possible, the cost of doing so might well be prohibitive. Nature’s ability to decompose and dispose of large quantities of organic waste produced by humans is estimated to be worth millions per year in the South Africa. These services are provided free, so long as the system in which they operate is maintained. These things are beginning to be understood and the opportunities that exist in seeking to enhance, rather than exploit, nature’s gifts are becoming clearer to those with a vision for sustainability (Hawken et al., 1999).

While the environmental crisis calls for a strong ecological focus, it is insufficient on its own. Sustainability needs to address other fundamental issues, such as equity, human rights, structural oppression or disadvantage and empowerment (Ife, 1999). Our Common Future (World Commission on Environment and Development, 1987) articulates the interdependencies that exist between quality of life, environmental quality, social well-being and economic prosperity. Agenda 21 (United Nations, 1993), the subsequent blueprint for sustainable development, calls for local action to achieve global objectives through broadly based community participation in sustainable development decision making.

Sustainable development can only occur with a massive move away from individualism, with a renewed emphasis on community and a shared responsibility for our well-being and our environment (Schumacher, 1973; Daly, 1977; Wackernagel & Rees, 1998; Ife, 1999). Daly (1977) and Schumacher (1973) have long advocated the need for new political and economic structures which are less intensive and hold closer to the laws of nature, arguing that society’s best chance of achieving an ecologically sustainable future is through local community development.

This is essential regarding the poverty alleviation strategy which is proposed for the West Coast region and it is necessary that the ways in which poverty is measured which will result in various projects and programmes to alleviate poverty will be sustainable. Therefore it is essential that the various role-players and community members be made aware of their social responsibility towards empowering the poor through their involvement in a sustainable manner. The triple bottom line of sustainability incorporates various key areas under which all the poverty criteria will be included to induce sustainable poverty alleviation measures regarding the strategic outcomes of the strategy.

3.4.2 Criteria for a Sustainable Community

To embrace the concept of sustainability a community requires guiding principles. In considering these principles, a community needs to keep the following points in mind. A sustainable community:

- Utilises nature’s ability to provide for human needs, without undermining its ability to function over time
- Ensures the well-being of its members, offering and encouraging tolerance, creativity, participation and safety
- Empowers people with shared responsibility, equal opportunity and access to expertise and knowledge, with the capacity to affect decisions which affect them
- Consists of businesses, industries and institutions which collaborate as well as compete, are environmentally sound, financially viable and socially responsible, investing in the local community in a variety of ways

The triple bottom line concept of sustainability is illustrated in Figure 3.1.
Each of these three constructs will be used in ensuring that the manner in which poverty is measured in the West Coast is sustainable. At its broadest, the term Triple Bottom Line is used to capture the whole set of values, issues and processes that this strategy will address in order to minimise any harm resulting from the strategic activities resulting from the poverty alleviation initiatives in order to create economic, social and environmental value. This involves being clear about the purpose of the Poverty Alleviation Strategy and taking into consideration the needs of all the stakeholders involved. The three constructs of the Triple Bottom Line can be defined as follows:

**Social Well-being Indicators**

Max-Neef (1991), who is dedicated to development through local self-reliance, offers a framework to re-evaluate human needs, and hence well-being. He says that there are nine basic, universal, human needs that require satisfaction if a healthy community is to be achieved. They include the need for:

- Sustenance
- Protection
- Affection
- Idleness
- Creativity
- Freedom
- Understanding
- Participation
- Identity

The important aspect is evaluating how well a community performs in each of these areas, identifying ways to improve and to measure progress.

**Environmental Impact Indicators**

The Earth’s ecosystems cannot indefinitely sustain current levels or forms of economic activity and material consumption. It is crucial to develop new ways of living that are fulfilling and sustainable within nature’s capacity to continue to provide.
To achieve environmental sustainability, communities need to gain an appreciation of the demands the consumptive and waste producing activities of communities place on nature. The footprint analysis enables communities to evaluate their consumption of energy, food, housing, transport and consumer goods and services in terms of the amount of land needed to sustain consumption at current levels (Wackernagel & Rees, 1998). For example, Wackernagel & Rees (1998) have estimated that a sustainable level of consumption by each individual on this planet is approximately 1.5 ha. Simpson et al. (2000) calculated the per capita footprint for Australians as 8.11 ha. If every individual in the world consumed at this rate, we would need six more planets. The footprint analysis provides locally specific information which can be used to encourage a change in the way we utilise resources, and may lead to the adoption and development of innovative solutions.

**Economic Opportunity Indicators**

Kinsley’s (1997) concept of economic development is a process of making the local economy performs better as opposed to making it bigger. The economic component of a community audit is therefore about assisting communities to make more of what they have, rather than solely relying on external sources. The community needs to determine the type of economic activity it wants, and how well existing enterprises are performing, relative to the sustainability criteria discussed above.

To survive, small rural communities need to form regional alliances, or establish networks and business clusters which add value to each other. Communities also need to answer questions about the economic (i.e. income and employment) performance of individual sector developments. For example, is tourism as good as it appears in terms of generating local income and employment? What will be the economic impact of possible new development initiatives? Are there sectors that already exist which have significant potential to contribute to the local economy, but which are overlooked rather than expanded or developed?

The various poverty criteria which will be used to measure poverty in the study area are indicated in Table 3.1 according to each level of the Triple Bottom Line.

**Table 3.1 Poverty Criteria**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment status</td>
<td>The workforce includes the employed, the unemployed and the people active in the informal sector.</td>
</tr>
<tr>
<td>Access to Telephones</td>
<td>Access to telephones provides access to information that can create earnings opportunities, improve access to basic services, or increase the impact of education and health interventions. Telephones also give the poor a medium through which to demand government support and reform. Recent advances in telecommunications can also provide people with sensory disabilities a means by which to access information and communicate efficiently with the rest of society.</td>
</tr>
<tr>
<td>Human Development Index</td>
<td>The Human Development Index (HDI) is a composite index that attempts to quantify the extent of human development of a</td>
</tr>
</tbody>
</table>
### Household Income and Expenditure

The ability to meet basic needs, such as for adequate food, clothing, shelter and basic amenities is largely determined by the level of income earned by the households.

### Labour absorption capacity

The growing ability or inability of the economy of the West Coast to provide employment opportunities to its growing labour force.

### Access to Training

Access to training facilities as well as in-house training can ensure that the poor will increase their level of qualification and thus empower them and increase job opportunities.

### Access to Land

The vicious circle linking poverty to the degradation of natural resources can be broken by ensuring that rural poor people gain secure access to land, water, credit, information and technology. This is essential in terms of the land reform process.

### Affordability of Services

The poor has very little if any household income and various services such as banking services and public transport etc. cost a certain service fee which many poor people cannot afford and therefore they are forced not to make use of these services offered to the public. Therefore it is necessary to determine what services should be subsidised etc. A defining measurement will include the equitable share basis which forms part of each local municipality.

### Access to Financing and
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Support Services</td>
<td>financial services such as start-up capital and SMME support is crucial in determining what opportunities there are for the poor to become self-employed etc.</td>
</tr>
<tr>
<td>Access to Grants</td>
<td>Various Grants exist which enables welfare relief in the form of money, food etc. to people who qualify i.t.o minimum income and child care and old age etc. The accessibility of these grants will determine to what extent these existing poverty alleviation strategies succeed in bringing relief to the poor.</td>
</tr>
<tr>
<td>Access to Public Transport</td>
<td>On an economic level, inadequate transport infrastructure results in higher transport and production costs. For example, a study in India noted that 20 per cent of total agrarian output and 40 per cent of fruit and vegetable output is lost between the producer and final consumer as a result of poor transport and logistic links49. As a result of these issues people often migrate out of the poorly serviced areas and the economic divide between rural and urban areas in countries grows.</td>
</tr>
<tr>
<td>Access to Housing</td>
<td>It is every individual’s constitutional right to gain access to housing. Many people in poor area are living in informal dwellings and it is essential to determine if they have access to housing i.t.o state subsidies etc.</td>
</tr>
<tr>
<td>Access to Water</td>
<td>Access to adequate water was recognized in the South African Constitution as a fundamental human right, and the government had committed itself to the provision of water.</td>
</tr>
<tr>
<td>Access to Energy</td>
<td>The lack of access to modern energy services constrains the ability of the population of developing countries to benefit from opportunities for economic development and increased living standards.</td>
</tr>
<tr>
<td>Criteria</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Access to Sanitation</td>
<td>Access to sanitation will improve human health and reduce infant and child mortality, prioritizing water and sanitation. The provision of clean drinking water and adequate sanitation is necessary to protect human health and the environment.</td>
</tr>
<tr>
<td>Access to Health care Facilities</td>
<td>Health care facilities are important in terms of the access the general population has to hospitals, clinics etc. which will improve their standard of living.</td>
</tr>
<tr>
<td>Access to Educational Facilities</td>
<td>Individuals need to be within a certain distance from a pre-primary facility as well as a primary school to receive a basic education.</td>
</tr>
<tr>
<td>Education</td>
<td>An education expands the range of options from which a person may choose, thus creating opportunities for a fulfilling life. This is done through various levels of education.</td>
</tr>
<tr>
<td>Access to Training</td>
<td>Access to training facilities as well as in-house training can ensure that the poor will increase their level of qualification and thus empower them and increase job opportunities.</td>
</tr>
<tr>
<td>Access to Land Reform</td>
<td>The vicious circle linking poverty to the degradation of natural resources can be broken by ensuring that rural poor people gain secure access to land, water, credit, information and technology. This is essential in terms of the land reform process.</td>
</tr>
</tbody>
</table>
| Access to Rehabilitation Centres      | Alcohol rehabilitation might avert or reduce potentially even higher long-term costs for poor clients as well as a host of social costs. It is important to demonstrate and improve the accessibility, efficacy, and cost effectiveness of alcohol treatment programs for the poor, especially since the viability and stability of public programs may be threatened due to competition with private
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to Medical facilities and trauma care</td>
<td>Most citizens of the Third World lack access to medical clinics and basic medical counselling. This is generally because governments do not have enough resources to sponsor sufficient medical programs. Many poor areas also lack medical professionals as a result of under funded educational systems. When people cannot visit clinics regularly, they do not get the counselling they need to prevent illness and often end up incapacitated by easily-curable illnesses and parasites, such as worms.</td>
</tr>
<tr>
<td>Access to Housing</td>
<td>It is every individual’s constitutional right to gain access to housing. Many people in poor areas are living in informal dwellings and it is essential to determine if they have access to housing i.t.o state subsidies etc.</td>
</tr>
<tr>
<td>Security</td>
<td>However, despite the high levels of poverty, lack of education and unemployment factors often posited as conducive to high rates of crime in the poor areas. Therefore it essential that poor people have access to security in terms of police, city police etc.</td>
</tr>
<tr>
<td>Nutritional services</td>
<td>Poverty and lack of resources are basic factors that contribute to malnutrition. Malnutrition is a serious problem in South Africa and is one of the biggest contributors to childhood illness and death. The Poor’s access to nutritional services and household food security is addressed intersectorally and appropriate interventions and support are provided which should indicate the level of support which is given and whether it is sufficient.</td>
</tr>
<tr>
<td>Sport and Recreational Facilities</td>
<td>Many children in low-income families are not able to realize their right to participate in parks</td>
</tr>
<tr>
<td>Criteria</td>
<td>Description</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Youth Care facilities</td>
<td>Crime is prevalent in poor communities and it is essential in determining the level of access which these communities youth who are in need of rehabilitation have. Therefore the access which poor youth will have to juvenile rehabilitation centres is essential.</td>
</tr>
<tr>
<td>Youth Development</td>
<td>The youth in the poor communities need to be developed in terms of educational, training activities and recreational and sport activities. This is done at various youth centres etc. It is necessary to determine the various activities which are currently underway at these centres and the level of access poor youth have to these centres in the community.</td>
</tr>
<tr>
<td>Old Age Development</td>
<td>The contribution which pensioners can make towards the community during their retired years should be evaluated as they often lack the income to retire with a sufficient pension fund which contributes to poverty and it is necessary to determine what can be done to enable them to remain economically active even after they have retired and their social contribution.</td>
</tr>
<tr>
<td>HIV/AIDS Awareness programmes</td>
<td>The impact which AIDS has on the poor is tremendous. It is therefore essential to determine</td>
</tr>
</tbody>
</table>
### Criteria | Description
--- | ---
Grants | The Department of Social Services and Poverty Alleviation is responsible for rendering developmental welfare services to people who find it difficult to fulfill their own welfare needs. It is essential to determine how many poor people have access to the grants in order to assess the impact it will make on the alleviation of poverty.

Public Transport | At the most basic level, access problems occur when there is not effective transport infrastructure, sealed roads, useable railway lines, or ports in place. This problem is particularly associated with rural and remote areas. If roads are not traversable, or rail services are not useable then vital goods and services will not be able to be accessed by those in the region. These goods and services may be medicines or health services, fresh water, fresh food or uninterrupted education services. Furthermore, isolation of this type reduces interaction between people and stifles the take-up of new ideas and technology.

Access to ID Document | The lack of citizens without an ID will result in them being denied access to various services such as banking and grants etc.

Access to Leisure Activities | The potential benefit which will be gained by people who are poor in terms of job opportunities etc if they have access to leisure activities such as golfing etc will enable them to become empowered etc and dispose of social disillusion.

Empowerment | The empowerment of all citizens focusing on women and children and promoting BEE development and capacity building to ensure gender
### Criteria | Description
--- | ---
equality etc. | This will create numerous construct benefits for a community who was previously disadvantaged in terms of ensuring they have equal access to all services.

**Access to Communication**
The impact of communication sources such as the internet and the communication networks between local government and the community. This can be measured in terms of access to media such as local radio’s etc. This will enable communication between stakeholders and information sharing.

**Access to Water**
Access to adequate water was recognized in the South African Constitution as a fundamental human right, and the government had committed itself to the provision of water.

**Access to Energy**
The lack of access to modern energy services constrains the ability of the population of developing countries to benefit from opportunities for economic development and increased living standards.

**Access to Sanitation**
These two problems are actually intimately linked: in areas where people do not have access to improved sanitation facilities, they often end up contaminating sources of groundwater with human waste, which often leads to the spread of worms and water-borne illness. Inadequate access to improved water sources, such as pumps and wells, forces people in geographically isolated areas to spend hours each day just retrieving water, often from dirty sources. This prevents most people from getting an adequate amount of clean drinking water, raising incidence of water-borne illness and general dehydration.

**Access to Road networks**
The access to road networks will impact the transport industry.
3.5 Conclusion

Poverty is an international phenomenon, but there is very little consensus about a comprehensive interpretation or definition of poverty. Many interpretations of poverty adopt a multi-dimensional approach, where non-monetary dimensions are also included. Vulnerability is difficult to measure: anticipated income or consumption changes are important to individuals and households before they occur and even regardless of whether they occur at all as well as after they have occurred. The probability of falling into poverty tomorrow is impossible to measure, but one can analyse income and consumption dynamics and variability as proxies for vulnerability.

A successful poverty alleviation strategy in any country has four distinct elements. First, it is necessary to identify the poor and know what their characteristics are. Second, it is important to understand the reasons and the factors that cause poverty. Once the poor are identified and the causes of poverty known, it is possible to determine the third element of the strategy namely, designing a set of specific policies to improve the living conditions of the poor. Effective strategies to improve the living standards of the poor require measures to accelerate growth (capacity improving) as well as those which directly enhance their immediate consumption entitlements (safety net). Even in growth accelerating policies it is possible to bias the growth to ensure greater benefits to the poor. Finally, the implementation of these policies should be cost efficient and the institutions established to implement them should complement the policy stance.

Integrated economic development and poverty alleviation is not an easy task. It is worsened by the historical and generic tension often inherent in the economic growth development and equity-efficiency. The integration of poverty alleviation strategies with the local economic development process is a responsibility that cannot be undertaken by government alone. It is important that both the public and the private sector work together on programmes and projects identified during the LED, IDP and Poverty Alleviation Strategies.

A definition of poverty for the Poverty Alleviation Strategy is as follows: "Poverty can be defined as a lack of access to goods and services which enhance the capacity of a vulnerable individual who do not have the means to meet their own daily needs or those of their households and are trapped in the struggle of existence." (Fouché, 2006)

This definition of poverty can be used as a foundation from which the various poverty criteria can be derived and the poverty alleviation projects are outcomes thereof.

Therefore the identified poverty criteria will be used to measure and identify the area’s most prone to poverty in the West Coast as well as the various needs of the poor i.e. services etc. which needs to be met in order to alleviate the conditions of the poor households in the communities of the West Coast. These results will be given in Chapter 5.
Chapter 4: Socio-Economic Analysis

4.1 Introduction

The purpose of this section is to provide some insight into the relative size and structure of the local economy of the West Coast, as well as the economic profile of the local Municipalities. Secondly, this section will provide a broad perspective on the economy as well as various aspects of the economy which can be used to illustrate the poverty measures within an economic context. This perspective will provide some understanding on the ability of the local economy to absorb capital investment and operational expenditure, as well as other benefits that will arise from the various projects which will result because of the WCPAS.

4.2 Economic Profile of the Western Cape

The purpose of this section is to present an overview on the economy of the Western Cape, as well as for the local economies of Matzikama, Cederberg, Bergrivier, Saldanha Bay, Swartland Municipality and District Management Area (DMA). These economic profiles will provide the context within which the poverty profile for each municipality (Refer to Section Four) should be assessed.

4.2.1 Western Cape in National Context

The Western Cape Province covers an area of about 129 400 km$^2$, and has a population of about 4.5 million people which represents about 10% of the national population. Figure 4.1 compares the population size of the various provinces with their contribution to the national economy.

Figure 4.1 Western Cape Economy in SA context (2004)

(Source: Quantec, 2006)

Figure 4.1 indicates that the Western Province contributes proportionally more towards the national economy, than the relative size of the provincial population. By comparison, provinces such as Limpopo and Eastern Cape contribute less towards the national economy than the relative size of their population. The direct interpretation is that the Western Cape Province is a net contributor towards the domestic economy.
Table 4.1 provides a more detailed perspective on the socio-economic status of the nine provinces.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>FS</th>
<th>EC</th>
<th>Gaut.</th>
<th>KZN</th>
<th>Limp.</th>
<th>Mpum.</th>
<th>NC</th>
<th>NW</th>
<th>WC</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Area (%)</td>
<td>10.6</td>
<td>13.9</td>
<td>1.4</td>
<td>7.6</td>
<td>10.2</td>
<td>6.5</td>
<td>29.7</td>
<td>9.5</td>
<td>10.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Pop. (2001) (%)</td>
<td>6.0</td>
<td>14.4</td>
<td>19.7</td>
<td>21.0</td>
<td>11.8</td>
<td>7.0</td>
<td>1.8</td>
<td>8.2</td>
<td>10.1</td>
<td>100.0</td>
</tr>
<tr>
<td>GGP (2002) (%)</td>
<td>4.9</td>
<td>6.8</td>
<td>36.8</td>
<td>13.0</td>
<td>4.5</td>
<td>8.1</td>
<td>1.8</td>
<td>6.7</td>
<td>17.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Equitable share (1999/02) (%)</td>
<td>6.8</td>
<td>17.6</td>
<td>14.9</td>
<td>19.8</td>
<td>13.3</td>
<td>6.7</td>
<td>2.4</td>
<td>8.6</td>
<td>9.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total fertility (1999)</td>
<td>2.2</td>
<td>3.5</td>
<td>2.3</td>
<td>3.3</td>
<td>3.9</td>
<td>3.1</td>
<td>2.7</td>
<td>2.4</td>
<td>2.3</td>
<td>2.9</td>
</tr>
<tr>
<td>EAP as % of total population (2002)</td>
<td>43.9</td>
<td>28.1</td>
<td>52.7</td>
<td>34.8</td>
<td>25.4</td>
<td>36.5</td>
<td>40.3</td>
<td>39.1</td>
<td>46.3</td>
<td>38.3</td>
</tr>
<tr>
<td>Unemployment (2002)</td>
<td>38.9</td>
<td>56.6</td>
<td>34.8</td>
<td>47.0</td>
<td>48.2</td>
<td>37.7</td>
<td>37.5</td>
<td>45.8</td>
<td>24.6</td>
<td>40.8</td>
</tr>
<tr>
<td>Annual per capita income (R)</td>
<td>R11</td>
<td>R10</td>
<td>R32</td>
<td>R36</td>
<td>R13</td>
<td>R10</td>
<td>R9</td>
<td>R12</td>
<td>R15</td>
<td>R11</td>
</tr>
<tr>
<td></td>
<td>854</td>
<td>664</td>
<td>356</td>
<td>707</td>
<td>937</td>
<td>965</td>
<td>404</td>
<td>154</td>
<td>174</td>
<td></td>
</tr>
<tr>
<td>Income to population ratio (%)</td>
<td>0.69</td>
<td>0.62</td>
<td>1.88</td>
<td>0.8</td>
<td>0.56</td>
<td>0.76</td>
<td>0.9</td>
<td>0.66</td>
<td>1.53</td>
<td>-</td>
</tr>
<tr>
<td>Percentage of people living in poverty (%) (2002)</td>
<td>54.7</td>
<td>68.4</td>
<td>27.7</td>
<td>52.9</td>
<td>62.6</td>
<td>54.3</td>
<td>43.7</td>
<td>55.4</td>
<td>22.2</td>
<td>48.9</td>
</tr>
<tr>
<td>HDI (2002)</td>
<td>0.55</td>
<td>0.53</td>
<td>0.69</td>
<td>0.56</td>
<td>0.51</td>
<td>0.54</td>
<td>0.57</td>
<td>0.53</td>
<td>0.68</td>
<td>0.6</td>
</tr>
<tr>
<td>Gini coefficient (2000)</td>
<td>0.62</td>
<td>0.64</td>
<td>0.61</td>
<td>0.64</td>
<td>0.63</td>
<td>0.63</td>
<td>0.60</td>
<td>0.53</td>
<td>0.59</td>
<td>0.64</td>
</tr>
<tr>
<td></td>
<td>228</td>
<td>202</td>
<td>718</td>
<td>836</td>
<td>084</td>
<td>372</td>
<td>487</td>
<td>967</td>
<td>377</td>
<td>708</td>
</tr>
<tr>
<td>Age dependency ratio</td>
<td>55</td>
<td>82</td>
<td>41</td>
<td>67</td>
<td>90</td>
<td>69</td>
<td>62</td>
<td>63</td>
<td>51</td>
<td>63</td>
</tr>
<tr>
<td>Functional literacy (2002) (%)</td>
<td>68.6</td>
<td>64.8</td>
<td>85.4</td>
<td>69.5</td>
<td>63.9</td>
<td>65.3</td>
<td>64.3</td>
<td>65.7</td>
<td>82.5</td>
<td>72.4</td>
</tr>
<tr>
<td>Child mortality (1991)</td>
<td>24</td>
<td>19</td>
<td>9</td>
<td>17</td>
<td>10</td>
<td>16</td>
<td>8</td>
<td>7</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Urbanization (2002)</td>
<td>71.7</td>
<td>36.5</td>
<td>95.8</td>
<td>46.1</td>
<td>13.1</td>
<td>41.7</td>
<td>71.8</td>
<td>38.2</td>
<td>89.0</td>
<td>55.4</td>
</tr>
</tbody>
</table>

(Source: Global Insight, 2003)

The following observations can be distilled from Table 3.1:
i. The province has a relatively low fertility rate of 2.3%, which implies that the natural population increase is lower than the national average of 2.9%. The significance of this is that a lower fertility rate is normally associated with a more “developed” community. However, the province is experiencing a large and continued influx of people from other provinces, which increases the population growth rate.

ii. The province has a large Economically Active Population (EAP\(^1\)), which means that a relative larger portion of the provincial population is willing and able to work.

iii. The province has the lowest level of unemployment in South Africa (expanded definition) at 24.6%, compared with a national average of 40.8%.

iv. The province has the second highest (after Gauteng) annual per capita income.

v. The province has the lowest percentage of people living in poverty.

vi. The province has the second highest Human Development Index (HDI) in South Africa.

vii. The province has the highest GGP per capita in South Africa.

viii. The province has the second highest functional literacy rate\(^2\) in South Africa.

The broad profile of the Western Cape in comparison with other provinces clearly shows that the Western Cape is one of the most socio-economic developed and economically advanced provinces in South Africa.

### 4.2.2 The Internal Structure of the Western Cape economy

Figure 4.2 illustrates the relative contribution of the nine sectors to the Western Cape economy.

*Figure 4.2: Sectoral Contribution to the National GGP (1996 & 2004) Western Cape*

![Figure 4.2: Sectoral Contribution to the National GGP (1996 & 2004) Western Cape](image)

(Source: StatsSA, 2006)

**Figure 4.2** shows that the Western Cape economy is dominated by the Finance, Manufacturing, Trade, and Government Services Sectors. This profile indicates that the aggregate economy is developed and advanced as it is dominated by the tertiary sectors, which are normally associated with higher levels of value adding, and a relatively small contribution from the primary sectors, which normally associated with limited value adding. The significance of sectors that increase value adding in a local economy is that the per capita production levels are higher, and the aggregate economy has a higher multiplier effect.

---

\(^1\) The EAP refers to all persons that are willing and able to work, and includes both employed and unemployed persons. The expanded definition is used, which means that those that are unemployed and did not take active steps to find employed at the time of the survey are also included.

\(^2\) Functional literacy is defined as the proportion of persons aged 20 and above that has completed Grade 7.
4.2.3 Employment and Salaries

Figure 4.3 compares the direct employment opportunities created, with the salaries earned in the various sectors within the Western Cape. The graph has to be interpreted together with Figure 4.2, in order to gain an understanding of the degree of labour intensiveness of the various sectors.

Figure 4.3: Western Cape Employment and Salaries comparison (2004)

Figure 4.3 indicates that the most important source of employment opportunities is the Manufacturing, Trade, Finance and Community Services Sectors. According to Figure 4.2, these sectors are also the most important in terms of their contribution to the economy. The graph shows that Trade generates proportionally more employment opportunities than the value of the salaries paid. The inverse is true for the Manufacturing, Finance and particularly Community Services Sectors, which generates proportionally less employment opportunities compared with the value of the salaries paid in these sectors. This profile supports an earlier comment that the tertiary sector in general is associated with higher levels of value adding, and therefore higher levels of production per capita.

4.3 West Coast District Economic Profile

The following section will provide an overview of the various municipalities economic profiles as well as their social profiles which make up the West Coast District Municipal area. These profiles will be used along with the results of the survey and various secondary sources to enable the rating of the poverty criteria to compile a poverty line.

4.3.1 GVA Contribution

The following paragraphs provide an overview of the economic profile of the West Coast District Municipality. The Matzikama Municipality, Cederberg Municipality, Bergrivier Municipality, Saldanha Bay Municipality, Swartland Municipality and the District Management Area form part of the District Municipality. The economic profiling will be based on the most recent economic data as extrapolated from Quantec database and census data of 2004 as well as other secondary data sources.

Figure 4.4 illustrates the Sectoral contribution of each sector in the GVA of the West Coast District.
As shown in figure 4.4 the sector which contributes the most to the GVA of the West Coast District Municipality is the Manufacturing sector which contributes 20.5% of the GVA. This is followed by the Agriculture, Fishing and forestry industry which contributes a total of 18.9%. The Manufacturing is the largest contributor of the GVA and this is related to the manufacturing of the sub-sector of food and beverages which consisted of 41.7% and the sub-sectors of metal products which contributed 31.7% of the total manufacturing sector. The Agricultural and especially the fishing sector of Agriculture form a very large part of the economic activities within the West Coast Region. The impact of these sectors on the local economy can be described not only in their monetary value but also in terms of their impact on employment and other multiplier effects. This will be discussed in the following sub section.

Figure 4.5 illustrates the GVA contribution which each municipality makes to the GVA of the West Coast District Municipality.

According to Figure 4.5 the Municipality which contributed mostly to the GVA of the West Coast District was that of Saldanha Bay Municipality which contributed 33.6% followed by Swartland Municipality which contributed 29%. The total GVA which was generated in 2004 was R 58 397 822.
Table 4.2 illustrates the Sectoral distribution of the local economy to the GVA in the WCD Region.

Table 4.2: West Coast Sectoral Distribution (2004)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Matzikama</th>
<th>Cederberg</th>
<th>Bergrivier</th>
<th>Saldanha Bay</th>
<th>Swartland</th>
<th>DMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry &amp; fishing</td>
<td>17.7%</td>
<td>27.1%</td>
<td>32.7%</td>
<td>11.5%</td>
<td>19.4%</td>
<td>20.5%</td>
</tr>
<tr>
<td>Mining</td>
<td>4.3%</td>
<td>0.1%</td>
<td>1.2%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>13.0%</td>
<td>12.4%</td>
<td>12.4%</td>
<td>29.3%</td>
<td>20.8%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Electricity &amp; water</td>
<td>3.5%</td>
<td>1.1%</td>
<td>0.7%</td>
<td>1.0%</td>
<td>2.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Construction</td>
<td>3.6%</td>
<td>3.2%</td>
<td>3.1%</td>
<td>4.7%</td>
<td>4.4%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Wholesale &amp; retail</td>
<td>17.4%</td>
<td>22.8%</td>
<td>15.1%</td>
<td>14.5%</td>
<td>14.7%</td>
<td>15.3%</td>
</tr>
<tr>
<td>Transport &amp; communication</td>
<td>9.3%</td>
<td>5.6%</td>
<td>8.1%</td>
<td>15.3%</td>
<td>4.3%</td>
<td>17.8%</td>
</tr>
<tr>
<td>Finance and business services</td>
<td>11.7%</td>
<td>11.7%</td>
<td>11.3%</td>
<td>9.7%</td>
<td>20.3%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Communication Services</td>
<td>8.3%</td>
<td>6.0%</td>
<td>1.9%</td>
<td>6.5%</td>
<td>5.4%</td>
<td>20.4%</td>
</tr>
<tr>
<td>Government services</td>
<td>11.3%</td>
<td>10.0%</td>
<td>13.4%</td>
<td>7.1%</td>
<td>8.0%</td>
<td>10.6%</td>
</tr>
</tbody>
</table>

(Source: Quantec, 2006)

According to Table 4.2 the Municipalities with the greater GVA Contribution from the agriculture, forestry and fishing sector is Bergrivier and Cederberg. The mining sector forms a very small percentage of the municipal GVA as it is only the Matzikama Municipality which contributes 4.3% to mining which should be mentioned. The Manufacturing sector forms a significant part of the Saldanha Bay and Swartland Municipality.

The utilities sector is also a very small GVA contributor for the West Coast, where the highest contributor is Matzikama Municipality with 3.5% of its total GVA. The retail sector’s contribution is relatively important for all the six municipal areas. The highest contributor to the GVA is in the Cederberg and Bergrivier Municipalities. The transport and communication sector forms a large part of the GVA’s for the DMA and Saldanha Bay. This is significant especially due to the fact that the transport and communication industry is very poorly developed in the West Coast District.

The Finance and business services sector was contributed the highest in the Swartland Municipality GVA which constituted 20.3% of the local GVA. The services sector constituted the most of the DMA’s GVA. This sector formed 20.4% of the local GVA but was not a very high contributor of the other local Municipalities GVA. Bergrivier and Matzikama’s Government Services sector contributions was the highest of their respective local GVA Sectoral contribution of 13.4% as well as 11.3%.

4.3.2 Economic Growth

The economic growth rate for the West Coast District Municipality between 1996 and 2005 is illustrated in Figure 4.6.
Figure 4.6 illustrates that the economic growth rate for the West Coast District Municipal area experienced a steady increase between 1995 and 2005 of 2.5% and remained constant between 2004 and 2005 at 3% against a similar national average.

The growth in the economy could be attributed to the growing manufacturing and trade sectors. This illustrates that the overall growth in the study area is very positive.

Based on the location quotients, historic performance trends and current market conditions, it is expected that the economy of the West Coast will continue to grow at approximately 3% per annum. It is envisaged that the generic economic structure of the Region will remain relatively constant in the medium to long term, with the agricultural, manufacturing and service sectors remaining dominant. This implies that, based on the market related principle of agglomeration, manufacturing activities would most likely remain concentrated in the Vredenburg and Malmesbury Districts, whilst the Agricultural sector will continue to dominate both production and employment in the other districts. It is, however, considered possible that the relative contribution of the Trade and Services Sectors would increase, should the Region's tourism potential be developed.

### 4.3.3 Sectoral Employment

The employment rate refers to those economically active people who are unemployed and looking for work as well as persons who are unemployed and not looking for work but would accept work if it was offered to them. This category also includes the not economically active population, which are people who are not working, but are housewives, scholars/full time students, pensioners; disabled people not wishing to work.

It is important to note that 35% of the employed population has jobs within the agricultural and fishing sector, which is seasonal in nature. This has both social and economic implications because these workers are only employed for certain periods of the year, which results in their incomes fluctuating. This situation, combined with the fact that 79% of the population receives monthly wages of less than R1600, contributes to the high levels of poverty in the region (StatsSA, 2001). Besides the agricultural sector, employment opportunities are concentrated in the Manufacturing, Trade and Service Sectors.

The decline in employment in the manufacturing sector has had a direct effect on the industrial market, whereas the decline in employment in the construction sector has a direct negative impact on the...
residential and retail markets. On the one side, without enough workers, less development can take place, and on the other side without development taking place, less job creation will occur.

The employment profile of the West Coast District Municipality, within the different economic sectors is illustrated in Figure 4.7.

Figure 4.7  Sector Employment Distributions (2001 & 2004)

The dominant employment sectors include agriculture, manufacturing, retail and services sectors due to the high percentage contribution these sectors made to the employment pool. The sectors that had an increase in employment were the mining sector, the retail sector, the business sector as well as the services sector.

The employment distribution within these sectors is illustrated in Table 4.3 according to each municipal area’s Sectoral employment distribution.

Table 4.3: West Coast Employment Distribution (2004)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Matzikama</th>
<th>Cederberg</th>
<th>Bergrivier</th>
<th>Saldanha Bay</th>
<th>Swartland</th>
<th>DMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>45.1%</td>
<td>59.4%</td>
<td>55.8%</td>
<td>18.9%</td>
<td>40.1%</td>
<td>33.1%</td>
</tr>
<tr>
<td>Mining</td>
<td>7.0%</td>
<td>0.0%</td>
<td>1.6%</td>
<td>1.1%</td>
<td>0.8%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7.0%</td>
<td>6.0%</td>
<td>7.1%</td>
<td>24.0%</td>
<td>13.0%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Electricity</td>
<td>0.5%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Construction</td>
<td>4.5%</td>
<td>2.8%</td>
<td>3.6%</td>
<td>6.2%</td>
<td>5.6%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Trade</td>
<td>10.5%</td>
<td>9.0%</td>
<td>7.5%</td>
<td>14.5%</td>
<td>10.9%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Transport</td>
<td>1.2%</td>
<td>0.8%</td>
<td>0.8%</td>
<td>3.2%</td>
<td>0.7%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Finance</td>
<td>5.5%</td>
<td>4.2%</td>
<td>4.1%</td>
<td>8.9%</td>
<td>6.2%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Community services</td>
<td>9.7%</td>
<td>10.4%</td>
<td>5.8%</td>
<td>11.6%</td>
<td>13.9%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Government services</td>
<td>8.9%</td>
<td>7.3%</td>
<td>13.3%</td>
<td>11.4%</td>
<td>8.6%</td>
<td>14.1%</td>
</tr>
</tbody>
</table>

(Source: Quantec Research, 2006.)

According to Table 4.3 the following sectors contribute mostly to the employment within each municipality:

- **Matzikama**: The agricultural sector contributes 45.1% of the total employment in the local municipality. This is followed by the trade and Community services sector which contributes 10.5%
and 9.7% respectively. Therefore the agricultural sector is the strongest employment sustaining sector within the Matzikama local Municipality.

- **Cederberg**: The agricultural sector similarly to that of Matzikama contributes 59.4% to employment within the local municipality. This indicates that this sector is very well developed within this local municipality and that various economic activities occur in the sub sectors relating to agriculture. The community services sector is the second largest employment contributing industry.

- **Bergrivier**: Agriculture contributes 55.8% of the employment in the local municipality. This is followed by government services sector which contributes 13.3%.

- **Saldanha Bay**: This is the only municipality whose population is mostly employed in the manufacturing sector followed by the agricultural sector.

- **Swartland**: The agricultural sector contributes 40.1% of the employment within the area. The second largest contributor is the community services sector which employs 13.9% of the population.

- **DMA**: The agricultural sector employs 33.1% of the population living in the DMA followed by the government services sector which employs 14.1% of the population.

**Synthesis**

- The Sectoral contribution to the regional GVA as well as the Sectoral employment contribution is an indication of which industry actually has the highest turnover and which industry employs the most people.

- In the West Coast District Municipality the Manufacturing Sector followed by the Agricultural sector has the highest turnover of R11 337 577 07 and R10 427 565 88 respectively in 2004.

- These two sectors contribute the most to employment as well except it can be seen that the agricultural sector is very labour intensive whilst the manufacturing sector is more mechanised. These are the two anchor sector within the regional economy of the West Coast.

### 4.3.4 West Coast Socio-Economic Profile

The purpose of this section is to provide an overview of the socio-economic situation of the West Coast District municipal population based on the data acquired from the 2001 Census Data and standardised data from Statistics South Africa. This was done in order to understand the overall situation in the study area in terms of population, employment and unemployment, skills level and income levels of the resident population.

#### 4.3.4.1 Population

The total population for the WCDM (which encompasses both rural and urban areas) was estimated to be **282 661** in 2001 as extrapolated from StatsSA, 2001 Census data. According to StatsSA standardised data, the population of West Coast District Municipality increased from **245 497** in 1996 to **290 973** in 2004. This represents a 2.1% growth rate per annum between 1996 and 2004.

A large number of the towns in the West Coast have previously disadvantaged communities which are characterized by large-scale poverty and unemployment. This is evident in the statistics as provided below. The population distribution in the West Coasts District is illustrated in **Figure 3.8** below.
Figure 4.8: West Coast Population Distribution (2004)

Most of the West Coast District Municipal population is located within the Swartland local Municipality (25.5%), followed by the Saldanha Bay local Municipality (24.9%) and Matzikama local Municipality (17.8%).

4.3.4.2 Unemployment

The employment situation of the labour force in Figure 4.9 which indicates the unemployed and employed persons, who comprise the economically active labour force as extrapolated by Stats SA Census 2001 results.

Figure 4.9: Employment Status per Area (2001)

It is evident from Figure 4.9 that the number of unemployed persons is the lowest for the Bergrivier, Swartland and the Cederberg Municipalities. The Bergrivier, Cederberg and Swartland Municipalities have the highest employment rates. Over the eight year period from 1996 till 2004 the employment rate has decreased by 5.5% in the West Coast Region.

The unemployment rate for each of the above Municipalities should be seen as being related to the poverty indicators as set out in the previous section which provides a true reflection of the extent and state of poverty that unemployed persons/households within impoverished communities find themselves in.
4.3.4.3 Skills level

Table 4.4 illustrates the skills levels of the population of the WCDM for 1996 and 2001.

<table>
<thead>
<tr>
<th>Category of skills</th>
<th>Total employment by skills level 1996 (%)</th>
<th>Total employment by skills level 2001 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unskilled</td>
<td>51.0%</td>
<td>51.2%</td>
</tr>
<tr>
<td>Semi-skilled</td>
<td>10.2%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Skilled</td>
<td>29.9%</td>
<td>33.4%</td>
</tr>
<tr>
<td>Management</td>
<td>3.6%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Professional</td>
<td>5.2%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

(Source: StatsSA, Census 2001)

Notes:
- **Unspecified**: people younger than 15 years and those without work are not included in the figures
- **Unskilled**: includes elementary occupations
- **Semi-skilled**: includes craft and related trade workers
- **Skilled**: includes plant operators and assemblers, skilled agriculture and fishery workers, service workers, shop and market sales workers, clerks, technicians and associated professional
- **Managerial**: includes legislators, senior officials and managers
- **Professional**: includes professional persons

Table 4.4 indicates that the skilled category increased from 29.9% to 33.4%. The skilled category was the largest category in 2001, which comprised of the community service, trade, construction and manufacturing sectors the service sector also includes the tourism industry. The number of unskilled labours has increased from 51.0% in 1996 to 51.2% in 2001. This could be attributed to the increase in demand for seasonal workers in the agricultural and fishing industry which has been occurring more often since 1996 and therefore illustrates the WCDM need to promote skills development and entrepreneurial skills within the study area. The skilled professionals within the WCDM often commute to the larger metropolitan areas within the Western Cape and this result in an outflow of skilled workers to other areas. This could have a negative impact on the local and regional economy.

It can be assumed that the demand for unskilled workers will possibly decrease in the foreseen future due to trends in advanced technological applications being applied to primary sectors such as agriculture. Therefore the need for skilled or semi-skilled labourers becomes a more pressing issue in the light of poverty alleviation and empowerment of local communities. The objective of local economic development is to strive for a balanced mix of skills in the WCDM area. An assessment of the skills levels in the WCDM indicates the ratio of skilled, professional and managerial development strategy (job creation initiatives) is to further increase this ratio, hence the need for a human resource development.

The type of skills available for persons living in the WCDM area is illustrated in Table 4.5. These skills are pertaining to the specific type of occupation which the economically active population has. From the table it can be assumed that most of the people living within the study area have some form of skill which is used in an elementary occupation (see note).

Note:
1. Sales and services elementary occupations
2. Domestic Workers
3. Street Vendors and related Workers
   - Street Food Vendors
   - Street Vendors, non-food products
   - Door-to-Door and telephone salespersons
4. Shoe Cleaning and other street cleaning services elementary occupations
5. Domestic and related helpers, cleaning and launderers
   - Helpers and Cleaners in offices, hotels and other establishments
   - Hand launderers and pressers
6. Building caretakers, window and related cleaners
7. Messengers, porters, doorkeepers and related workers
   - Messenger, package and luggage porters and deliveries
   - Doorkeepers, watchpersons and related workers
   - Vending machine money collectors, meter readers and related workers
8. Garbage collectors and related labourers
   - Garbage collectors
   - Sweepers and related labourers
9. Scavengers
10. Selling goods on street
11. Sales and services elementary occupations
12. Agricultural, fishery and related labour
   - Farm-hands and labourers
   - Forestry labourers
   - Fishery, hunting and trapping labourers
13. Labourers in mining construction manufacturing and transport
   - Mining and quarrying labourers
   - Construction and maintenance labourers: roads, dams and similar constructions
   - Building construction labourers
   - Assembling labourers
   - Hand packers and other manufacturing labourers
14. Transport and freight handlers
   - Hand or pedal vehicle drivers
   - Drivers of animal drawn vehicles and machinery
   - Freight handlers
15. Labourers in mining construction manufacturing and transport

Table 4.5 Percentage of Skills per Area (2001)

<table>
<thead>
<tr>
<th>Type of Occupational Skill</th>
<th>Matzikama</th>
<th>Cederberg</th>
<th>Bergrivier</th>
<th>Saldanha Bay</th>
<th>Swartland</th>
<th>DMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislators; senior officials and managers</td>
<td>3.6%</td>
<td>3.3%</td>
<td>3.4%</td>
<td>4.6%</td>
<td>3.8%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Professionals</td>
<td>2.5%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>4.5%</td>
<td>2.8%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Technicians and associate professionals</td>
<td>5.5%</td>
<td>3.5%</td>
<td>3.6%</td>
<td>6.6%</td>
<td>4.9%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Clerks</td>
<td>7.4%</td>
<td>4.8%</td>
<td>5.0%</td>
<td>10.1%</td>
<td>7.5%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Service workers; shop and market sales workers</td>
<td>6.2%</td>
<td>4.4%</td>
<td>10.2%</td>
<td>8.7%</td>
<td>5.7%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Skilled agricultural and fishery workers</td>
<td>6.0%</td>
<td>7.5%</td>
<td>6.8%</td>
<td>7.7%</td>
<td>4.4%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Craft and related trades workers</td>
<td>6.8%</td>
<td>4.7%</td>
<td>5.2%</td>
<td>12.1%</td>
<td>8.6%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Plant and machine operators and assemblers</td>
<td>4.1%</td>
<td>3.5%</td>
<td>3.5%</td>
<td>10.0%</td>
<td>6.3%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>53.7%</td>
<td>61.3%</td>
<td>57.6%</td>
<td>30.3%</td>
<td>47.7%</td>
<td>46.1%</td>
</tr>
<tr>
<td>Undetermined</td>
<td>4.3%</td>
<td>5.0%</td>
<td>2.8%</td>
<td>5.5%</td>
<td>8.3%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

(Source: StatsSA, Census 2001)

It is important to note that not all of the people surveyed received skill training through a formal institution, rather many of them have picked up their skills through practical experience. This indicates the need for these people to formalise their skills, through training programmes, so that these skills can be utilised to provide businesses with the skills they require. This should be taken into account by the WCDM concerning the labour requirements as appropriate training must be made available to ensure that community upliftment forms part of the activities and projects which will form part of the WCPAS.

4.3.4.4 Gender and Age

The gender and age profile of each municipality in the WCDM is illustrated in Figure 4.10.
The above figure indicates that in the WCDM the highest population group is between the ages of 15 and 64 which include the economically active population. The gender distribution is fairly even and the Swartland Municipality has the most males and females.

4.3.4 Household Income

Household income levels are generally used as a basis for determining poverty levels in a community. Additionally, the income levels of a particular area provide some insight into the economic behaviour of a particular community, i.e. the buying power of that community and the potential poverty levels that a community might be experiencing. Table 4.6 illustrates the annual household income in the WCDM for 2001.

Table 4.6: WCDM Annual Household Income (2001)

<table>
<thead>
<tr>
<th>Household Income Category</th>
<th>Percentage of Households 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>6.8%</td>
</tr>
<tr>
<td>R1-4800</td>
<td>3.2%</td>
</tr>
<tr>
<td>R4801-9600</td>
<td>13.9%</td>
</tr>
<tr>
<td>R9601-19200</td>
<td>21.4%</td>
</tr>
<tr>
<td>R19201-38400</td>
<td>22.7%</td>
</tr>
<tr>
<td>R38401-76800</td>
<td>16.1%</td>
</tr>
<tr>
<td>R76801-153600</td>
<td>10.0%</td>
</tr>
<tr>
<td>R153601-307200</td>
<td>4.2%</td>
</tr>
<tr>
<td>R307201-61440</td>
<td>1.0%</td>
</tr>
<tr>
<td>R614401-1228800</td>
<td>0.3%</td>
</tr>
<tr>
<td>R1228801-2457600</td>
<td>0.3%</td>
</tr>
<tr>
<td>&gt;R2457600</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

Estimates extrapolated from Table 4.6 and population figures suggest that 6.8% of households in WCDM had no income in 2001. The table indicates that the majority (22.7%) of households earn an income of between R19 201-R38 400 per annum and (21.4%) earn an income between R9 601-R19 200 per annum. Over 23.9% of the population earned less than R1 600 per month. The above paragraphs illustrate that a large percentage of the WCDM population lives in conditions of poverty and that this situation has been worsening since 1996.

4.3.5 Conclusion

The Socio-Economic profile of the study area has indicated that there is a definite need for numerous poverty alleviation initiatives to be implemented within the various local municipalities. This is essential as
the proposed projects which will be discussed in following sections will relate to the various needs which have been identified by the surveys and the socio-economic indicators.

The above profile will be linked to the next sections poverty profile to complete the poverty criteria which has been discussed in section two. Therefore it is essential that these sections be read parallel to one another. This will enable all monetary and non monetary aspects of the identified poverty measurements to be captured to enable the compilation of a poverty profile which will be mapped.