

Full Length Research Paper

Assessment of challenges facing poverty alleviation projects in Vhembe District of Limpopo Province in South Africa

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This paper presents findings of a study that assessed the challenges facing 30 stratified random sampled poverty alleviation projects (community gardens, poultry, piggery, bakery and other projects, including juice making, brick making, stone crushing and coffin making) in Vhembe District of Limpopo Province in South Africa. A structured questionnaire was administered to 108 randomly selected beneficiaries of the 30 poverty alleviation projects (PAPs) in Makhado (n = 11), Musina (n = 2), Mutale (n = 4) and Thulamela (n = 13) Municipalities which constitute Vhembe District. Members of project management and ordinary project members served as the respondents. The data was coded, processed and analyzed using the microsoft excel program. Cross-tabulations and frequencies were computed. The challenges facing the PAPs were many and disaggregated as inception-based and operation-based. Inception-based challenges included lack of training and skills relevant to the projects (90% of respondents); lack of funds (80%); provision of more funding than required to start the projects (70%); inappropriate methods of establishing projects (57%); high levels of illiteracy among project beneficiaries (63%); lack of water (53 %); lack of equipment (47%); lack of infrastructure (37%); and fraudulent use of project funds (33%). Very poor or no record keeping (70%); unavailability of market for products (60%); lack of access road and signage to projects (23%); lack of security (23%); inadequate technical support from Chief Agricultural Technicians (13%); and poor commitment of project members (10%) were the operation-based challenges. Nine (9) of the challenges cut across all the classes of projects. The results obtained in this study highlighted the fact that numerous challenges limited the performance of the PAPs. Therefore, the need for developing a comprehensive strategy that can effectively address these challenges cannot be questioned.

Key words: Poverty, alleviation, project beneficiary, challenges.

INTRODUCTION

Limpopo province is one of the nine provinces of the Republic of South Africa. It is the second poorest after the Eastern Cape Province (Schwabe, 2004). Capricorn, Mopani, Sekhukhune, Vhembe and Waterberg District Municipalities constitute Limpopo province. All these District Municipalities were established in the year 2000.

Vhembe District Municipality (VDM) comprises four local municipalities, namely Makhado, Thulamela, Musina and Mutale. It covers 21,407 km² of land. The District is

home to about 1 199 880 people, which approximates to one-fifth of the total population of Limpopo Province (Statistics South Africa: StatsSA, 2004).

The VDM Integrated Development Plan (IDP) (2008) acknowledges the fact that agriculture, tourism and mining are the principal economic drivers of the District. Cattle, field crops and cotton farming are the principal agricultural activities. Commercial and subsistence farming continue to be the major sectors that employ people and boost the economy of VDM.

Due to its social consciousness, the South Africa government placed the need to address poverty and inequality, which were caused by implementation of

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apartheid policies that promoted racial discrimination, limited access to education and well-paying jobs for women, firmly at the centre of the nation's transformation agenda. This is reflected in the poverty audits that have been undertaken (Mubangizi, 2008) as well as the range of policy documents and strategies (Surender and van Niekerk, 2008) that were developed post-1994. The then President of the Republic of South Africa, Thabo Mbeki, further reinforced this through his challenge to the nation to create a caring society (Mbeki, 1999). He argued that such a society must guarantee the dignity of every citizen based on good quality of life for every woman, man and child, without regard to race, colour or disability.

To date the government has introduced various programmes designed to reverse the poverty situation confronting post-apartheid South Africa. These programmes include the reconstruction and development programme (RDP), growth employment and redistribution strategy (GEAR), poverty alleviation projects (PAPs), expanded public works programmes (EPWPs), joint initiative on priority skills acquisition (JIPSA), accelerated and shared growth initiative for South Africa (ASGISA), food security programmes such as school feeding schemes and social security grants (Department of Welfare, 1997), among many others. Although this is the case, there is inadequate information obtained from the target beneficiaries on how these initiatives have performed or are performing, including the challenges faced. Yet, this information is vital when crafting appropriate intervention strategies to improve the effectiveness of the initiatives in fighting poverty.

This study focused on a programme known as poverty relief, food security, poverty eradication, community development or self-help projects. The government funded the programme with the aim of ensuring that people have easy access to food. When this study was carried out in Vhembe District, there were 298 PAPs, which were either active or in the implementation phase (Department of Agriculture, 2007). The Departments of Agriculture, Health and Welfare, Public Works, Water Affairs and Forestry, and Education initiated most of these projects. Other initiators of the projects were local municipalities, parastatals such as Eskom, Telkom and the private sector, especially the South African Breweries (SAB). The latter initiated the projects as part of their corporate social responsibility. Also, embassies, churches and other non-governmental organizations (NGOs) established some of the projects. The projects included vegetable gardening, poultry, piggeries, bakeries, brick making, juice making, sewing and coffin making.

METHODS

The sample consisted of five strata made up of community gardens, poultry, piggery, bakery and other projects, which focused on juice making, brick making, stone crushing and coffin making. In order to assess the challenges facing the PAPs, a survey which used

a structured questionnaire, was conducted with 108 randomly selected beneficiaries of 30 PAPs in Thulamela, Makhado, Musina, and Mutale Municipalities in Vhembe District.

Prior to the primary data collection process, published and unpublished reports on PAPs were studied and used for secondary data analysis. The questionnaire covered the following broad themes: Biographic data of respondents; origin of the projects; how project members benefited from the PAPs and the challenges faced. Thirty PAPs out of the total 298 were purposively selected taking into account practical, logistical and effective reporting realities. A total of 108 beneficiaries of PAPs comprising members of management committee and ordinary project members were interviewed.

The data was coded, processed and analyzed using the microsoft excel program. Cross-tabulations and frequencies were computed. Figure 1 presents a description of the sample of the projects based on project type.

RESULTS

Twenty One challenges to project performance were identified. Nine of the 21 challenges cut across all the types of PAP classes, namely community gardens, poultry, piggery, bakery and others. The identified challenges were classified into two categories, which were inception-based and implementation or operation-based. The major inception-based challenges included lack of training and relevant skills on projects of respondents; lack of funds; provision of more funding than was required to start each project; inappropriate methods of establishing projects; high levels of illiteracy of project beneficiaries; lack of water; lack of equipment; lack of infrastructure; and fraudulent use of project funds.

Prominent among the project implementation or operation-based challenges were very poor or no record keeping; unavailability of markets for products; lack of access road and signage to projects; lack of security; inadequate technical support from Chief Agricultural Technicians (CATs); lack of transparency by management committee of projects; poor commitment of project members and lack of protective clothing. These challenges are presented below per project type and are disaggregated as inception-based and operation-based. The numbers of projects facing each challenge per project type are shown in Tables 1 and 2. In Table 3 the training requirements of project beneficiaries are provided.

Allocation of funds to projects was not based on business plans because none existed or models directly linked to the project lead to lack of infrastructure such as chicken-runs. This was prominent in poultry projects where numerous chicken-runs were required in order to accommodate more chicks at a time.

In community gardens in particular, funds were allocated for the establishment of infrastructure such as fences, boreholes, and water tanks. However, provision of funds was not made for electricity supply required to pump water from the boreholes to the tanks. This led to water shortage. Yet water is a critical input in agricultural

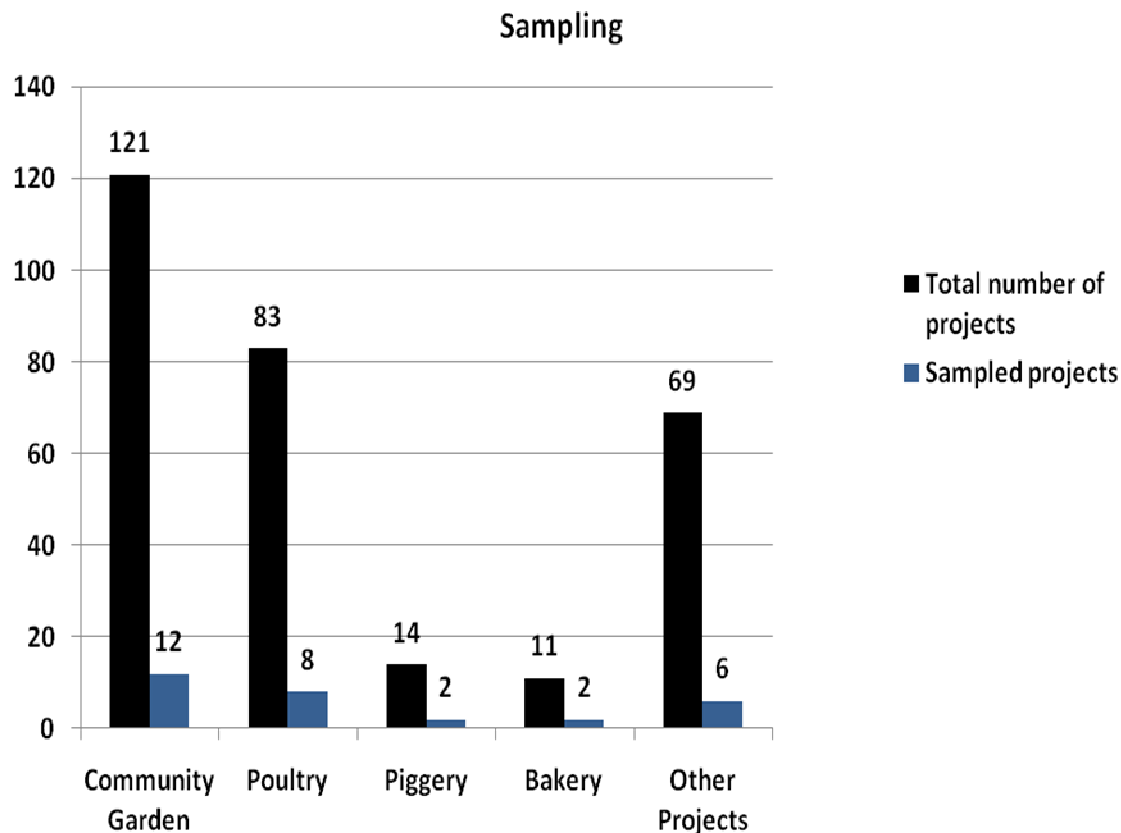


Figure 1. Vhembe District poverty alleviation projects (Source: Department of Agriculture, 2006).

projects. Furthermore, the misuse (payment of wages) of projects initiation funds led to lack of equipments such as tractors, water drips and irrigation sprays, which were fundamentally important for operation and performance of community gardens.

Slightly less than a third (33 %) of the projects reported fraudulent use of funds by project members or managers. In one project, the total prejudice due to fraudulent practice was not known. However, a total of R182 500 (1 USD = 8.8 ZAR) was fraudulently accessed from the other projects. Of this amount, only a paltry R300 was recovered.

Despite the fact that the fraud cases were brought to the attention of the police, the fraudsters were never brought to book. Nor did the respective funders and other project members take any serious action. Implicated members simply resigned and left the projects. Cases of fraud happened mostly when implementation of the projects started. Tables 4 and 5 provide specific details of fraud cases involving project funds.

Community gardens

Sixteen challenges affecting the performance of community gardens were identified and the inception-based

challenges were lack of training and skills that were relevant to the projects (100%); lack of funds (92%); lack of equipment (75%); high levels of illiteracy of project members (67%); provision of more funding than was required to start projects (67%); lack of water (58%); inappropriate methods of establishing projects (50%); lack of electricity (33%); lack of infrastructure (17%) and fraudulent use of project funds (8 %). Very poor or no record keeping (58%); lack of security (42%); unavailability of markets for products (25%); lack of access road and signage to projects (25 %); inadequate technical support from CATs (17%); and resignation of trained project members (8%) were cited as the operation-based challenges.

Poultry

Lack of funds (100%); lack of training (100%); lack of infrastructure (88%); high levels of illiteracy of project members (63%); provision of more funding than was required to start projects (63%); inappropriate methods of establishing projects (50%); lack of electricity (50%); fraudulent use of project funds (38%); unavailability of market (88%); and lack of water (75%) were the project inception-based challenges. Operation-based challenges

Table 1. Inception-based challenges facing PAPs.

Inception-based challenges	Number of projects facing the challenge per project type					Total %
	Community gardens (n = 12)	Poultry (n = 8)	Bakery (n = 2)	Piggery (n = 2)	Other (n = 6)	
Lack of training and relevant skills on projects	12	8	1	2	4	90
Lack of funds	11	8	2	1	2	80
Provision of more funding than required to start the projects	8	5	1	2	5	70
High levels of illiteracy of projects beneficiaries	8	5	1	2	3	63
Inappropriate methods of establishing projects	6	4	1	2	4	57
Lack of water	7	6	1	1	1	53
Lack of equipment	9	0	1	1	3	47
Lack of infrastructure	2	7	0	1	1	37
Lack of electricity	4	4	0	1	1	33
Fraudulent use of project funds	1	3	1	1	4	33

Table 2. Operational-based challenges PAPs.

Operation-based challenges	Number of projects facing the challenge per project type					Total %
	Community gardens (n = 12)	Poultry (n = 8)	Bakery (n = 2)	Piggery (n = 2)	Other (n = 6)	
Very poor or no record keeping	7	6	1	2	5	70
Unavailability of market for products	3	7	2	1	5	60
Lack of access road and signage to projects	3	2	1	1	0	23
Lack of security	5	0	0	1	1	23
Inadequate technical support from CATs	2	2	0	0	0	13
Poor commitment of project members	0	1	0	1	1	10
Lack of pigs feed	0	0	0	2	0	7
Resigning of trained projects members	1	0	0	0	0	3
Limited access to stock (1 supplier)	0	1	0	0	0	3
Lack of transparency by management	0	1	0	0	0	3
Lack of protective clothing	0	0	0	0	1	3

included very poor or no record keeping (75%); inadequate technical support from CATs (25%); lack of access road and signage to the project (25%); poor commitment of project members (13%); limited access to stock (13%); and lack of transparency of project committee members

(13%).

Bakery

All bakeries reported that they lacked funds.

Inappropriate methods of establishing projects; high levels of illiteracy of project members; provision of more funding than was required to start a project, lack of training and skills relevant to projects; lack of equipment; lack of water; and fraudulent use of project funds were also

Table 3. Respondents' required training.

Type of training	% of projects members requiring training per project type					Why the training is required
	Community garden	Poultry	Bakery	Piggery	Other	
Bookkeeping	28	30	17	13	14	To keep projects' records so that projects' performance could be monitored easily.
Financial management	26	46	33	0	19	For proper management of projects' funds.
Marketing	0	10	0	0	81	To increase market base and to access government tenders.
Technical skills on project	67	46	17	88	0	To be technically competitive in line of production.

Table 4. Specific details of fraudulent practices in agricultural projects involving project funds in Vhembe district of Limpopo province.

Project type	Year	Amount (R)	How fraud happened	Action taken to resolve the problem
Poultry	2006	R 300	The implicated member stole chickens and sold them privately.	Implicated member paid back the money before resigning.
Poultry	2002	R 3000	Implicated members stole chickens and sold them privately.	The case was reported to the police small claims court. Implicated members agreed to repay but did not do so. Instead, they resigned from the project.
Piggery	2004	The specific amount was not known	Bank signatories defrauded the project by withdrawing money and sharing amongst themselves for personal use without the knowledge of other project members.	Nothing was done. Implicated members simply resigned. The case was never reported to the police.
Garden	2003	R 80 000	Bank signatories defrauded the project by withdrawing money and sharing amongst themselves for personal use without the knowledge of other project members.	Nothing was done. The case was not reported to the police although implicated members resigned.

Note: 1USD ≈ R8.

considered important. Operation-based challenges were unavailability of markets for projects' products; very poor or no record keeping; and lack of access road and signage to project.

Piggery

Fourteen challenges affecting the performance of piggeries were revealed. Inception-based challenges included inappropriate method of establishing

projects; high levels of illiteracy of project members; provision of more funding than was required to start projects; and lack of training and skills relevant to projects. Other challenges included lack of funds; lack of equipment, electricity, water and infrastructure; and fraudulent use of project funds. All respondents from piggery projects identified very poor or no record keeping and lack of pig feed as critical operation-based challenges. Furthermore, for operation-based challenges,

50% of the members of the projects reported that unavailability of markets; poor commitment by project members; lack of security; and lack of access road and signage to projects led to their underperformance.

Other projects

A total of 15 challenges affect the performance of other projects. Almost 83% of the respondents

Table 5. Specific details of fraudulent practices in non-agricultural projects involving project funds in Vhembe district of Limpopo province.

Project type	Year	Amount (R)	How fraud happened	Action taken to resolve the problem
Bakery	2004	R 6000 (Cheque)	A cheque of R6000 was stolen by a cashier who proceeded to forge signatures. The cheque was en-cashed at a bank in Burgersfort (more than 300 km away from the project).	When members raised the fraud issue with the bank concerned, the money was paid back. Nothing more was done. The implicated member resigned.
	2002	R 200		
Bakery	2000	R 4000	The implicated member was the stock controller. She bought stock on credit and forged receipts in collusion with the cashier working in the shop concerned. The two shared the proceeds of their fraudulent practices. When the shop owner realized that the project members were no longer paying for his stock, he summoned them to explain. This was a huge surprise to other members because the information they had was that stock was bought for cash. The shop owner reported the case to the police. The implicated member was questioned and admitted to having defrauded the project. She promised to repay the money to the shop owner since the project had proof of payment for all the stock they acquired from the shop.	The case was reported to the police but nothing was done. The implicated member resigned. Project members were not aware of what happened thereafter.
	1998	R 2000		
Other	2004	R25 000.00	Bank signatories defrauded the project by withdrawing money and sharing amongst themselves for personal use without the knowledge of other project members.	A meeting was held with Government officials who funded the project. Implicated members admitted to the fraud and promised to repay the money but this did not happen. Instead, all of them resigned from the project. This case was not reported to the police because members were afraid of being victimized by the implicated members.
Other	1997	R 52 000	Bank signatories defrauded the project by withdrawing money and sharing amongst themselves without the knowledge of other project members.	Cases were reported to the police but nothing was done. Implicated members resigned.
	1995	R 10 000		

Note: 1USD ≈ R8.

indicated that provision of more funding than was required to start projects; inappropriate methods of establishing projects, lack of training and skills

relevant to projects; fraudulent use of project funds (67%); lack of equipment and high levels of illiteracy of project members; lack of funds; lack of

water, electricity, and infrastructure were the inception-based challenges. Operation-based challenges included very poor or no record

keeping and unavailability of markets for products (83%) and lack of security (17%). Although poor commitment by project members and lack of protective clothing were also singled out, they were minor.

DISCUSSION

According to Mudau et al. (2005), for community projects to succeed, there is a need for basic skills and expertise on the part of project members. Alternatively, these skills and expertise must at least be accessible within communities that support the projects. The skills referred to here include project management, fundraising, financial management and basic bookkeeping.

This study revealed that 90% of project members required training in bookkeeping, marketing, financial management and technical aspects of production, for example, gardening and poultry farming. It was revealed that the training which was conducted for them was rushed and insufficient. Because almost two-thirds of the project members were illiterate, it was difficult for them to implement what they were taught. Furthermore, insufficient training and high levels of illiteracy of project members led to high levels of dependence on CATs for the technical day-to-day running of the projects.

In a study on assessment of the challenges facing PAPs in Limpopo Province, Kaw (2006) reported that owing to the experience of project members in subsistence farming, the Department of Social Development never considered lack of skills as a factor limiting the performance of PAPs. However, low levels of education, skills and competence of project members hampered technological advancement. The results obtained in this study concur with the findings of Kaw (2006) that theft which occurred due to lack of security and inadequate technical support from CATs compounded the problem of low production of PAPs.

Inappropriate methods of establishing projects were cited as one of the major challenges facing PAPs. Also, this confirmed the findings of Kaw (2006) who reported that for any person who was not working, the prospects for jobs and income and expectation for funding were the major attraction to becoming a project member.

Surender and van Niekerk (2008) reported that many community-based income generation projects were conceptually flawed and poorly implemented. The incident where an oven was bought to start a bakery project in a village and where there was no electricity was reported. Financial assistance was given to anyone who expressed interest in starting a bakery project. Furthermore, grants for projects were received through networks and nepotistic practices. Thus, the grants rarely reached needy people since they were often not well-connected to the funders.

Surender and van Niekerk (2008) also indicated that lack of proper costing or feasibility studies led to many

projects remaining forever not viable. Kaw (2006) concurred with this argument and highlighted the fact that there was inconsistency in allocation of project funds because this was not based on sound business plans or relevant development model. The results obtained in our study confirm this argument because almost 70% of the projects received more funding than what they required. Clearly, if funding had been based on business plans, projects would have not received more funding than they required. We argue that this is likely to be the reason why in about a third of the projects studied, fraudulent use of project funds was recorded.

Although, lack of transparency in project management, especially financial management was viewed as an important challenge, only in an almost negligible number of the projects did ordinary project members have any chance of changing such an unsatisfactory situation. This was mainly due to the fact the ordinary project members never participated in decision making platforms.

According to Kaw (2006), it was very difficult to conclude that lack of funding was affecting project performance because a considerable number of projects that were adequately funded faced the same challenges as those that claimed to have received inadequate financial support. In our study, about 80% of the projects claimed that they were under-funded. This contrasted the observation that 70% of the projects received more funding than what they required when they started. This paradox supported the view held by Surender and van Niekerk (2008) that project members wanted funding as income and not to kick-start income generation. Project members tended to rely excessively on start-up capital for their projects and once this dried up the projects collapsed.

In our study, 90% of the respondents said that lack of training was a major limitation to the performance of PAPs. Because of this reality, it is imperative to provide training in financial management throughout the project life. There is also a need for ensuring that start-up funds are not used for paying wages. Rather, this must be used as "seed money" for each income generation project or initiative.

The observation that unavailability of markets was a major constraint to performance of piggery and poultry projects also confirmed the findings of Kaw (2006). In our study, all the PAPs regarded this as a major challenge. It is not possible for PAPs to meet their primary objective if they fail to generate income. Therefore, access to markets is central to the attainment of the objectives of PAPs. Apparently, the fact that business plans were not developed was the major cause of the challenge of unavailability of markets. The main assumption that is usually made is that people residing within the areas where the projects are implemented are adequate to provide the required market base. This implies that usually there is no need for alternatives such as establishing an abattoir, exporting products to other

villages, supplying supermarkets and even prioritizing during procurement of such products by government departments and other entities (Marais and Botes, 2007).

Many trained project members resigned. One community garden had 120 members at the beginning but this number dropped to only six members after 5 years. Apparently, this massive attrition emanated from the failure to fulfill the high expectations of generating a lot of profit in a short space of time. In addition, this was reinforced by the poor commitment to project success by members.

Surender and van Niekerk (2008) noted that working in PAPs was not viewed as proper employment. Also, project members worked long hours and for long periods before real profit were made. This demoralized many members and inevitably compelled them to resign from the projects early. Their findings agreed with our observation that project members were not committed to their projects. Such lack of social capital severely affected the performance of projects that might otherwise be financially viable.

A discussion on whether operation-based challenges outweigh the inception-base challenges is none starter given the findings of the study. Majority and most critical challenges revealed in the study such as starting a project without a business plan, the use of top bottom approach, and high level of illiteracy among project beneficiaries and inappropriate allocation of funds when starting projects is recipe for project failure.

Conclusions

This study has highlighted the fact that efforts designed to eradicate poverty through implementing PAPs should acknowledge the existence of the numerous challenges identified in this study. Also, there were indications that poor governance and weak leadership were at the core of most projects. These challenges should be addressed urgently through an integrated and comprehensive strategy.

Provision of more funding to project members with little or no financial management skills and lacking technical knowledge on production aspects seemed to be a recipe for fraudulent practice within the projects. The tendency to establish projects through top-bottom approaches disempowered project beneficiaries and nurtured a serious dependency syndrome. Consequently, the projects were failing to sustain themselves. Limited involvement of beneficiaries in key decision-making processes created weak governance systems because of lack of sense of ownership of projects. Therefore, based on the findings of this study, the following recommendations can be made:

1. Beneficiaries should be actively involved in all decision making processes from initiation to implementation of projects;

2. The need for strengthening the ability of project members to identify markets for their products was highlighted;

3. There is a need for taking advantage of the existence of community development workers (CDWs) at ward level as cadres that can support the PAPs within areas of their jurisdiction;

4. Intensive training in technical skills and bookkeeping, coupled with regular and coordinated monitoring by CDWs/CATs might ensure that projects perform to members' expectations;

5. Project members who are illiterate must not be placed in positions of responsibility such as chairperson, treasurer and secretaries as the case in most of the projects;

6. Members of the projects should sign agreements with respective funders concerned to make sure that accountability is upheld within the projects. Linked to this is the need for law enforcement agencies such as the police to apply the law of the land firmly whenever evidence of fraud becomes evident;

7. Financial audits should be conducted annually, where possible by a private organization;

8. Community organizations must be allowed to be referee when projects are designed and implemented because they are neutral (not funders and not beneficiaries).

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